

PHASE 1: COMMUNITY ASSESSMENT

Submitted by Market Street Services Inc.
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November 16, 2016
(Revised March 7, 2017)

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STEERING COMMITTEE

A Steering Committee of community leaders from Greater Dalton's public, private, and non-profit sectors is guiding the Community and Economic Development Strategy planning process. The following individuals have generously volunteered their time to serve on the Steering Committee.

<u>Name</u>	<u>Title/Organization</u>
Mr. Chuck Dobbins (co-chair)	President & CEO; Dobbins Investments, LLC
Mr. Bryan Hair (co-chair)	President; Marketing Alliance Group
Mr. David Aft	President; Community Foundation of Northwest Georgia, Inc.
Mr. Mike Babb	Chairman; Whitfield County Board of Commissioners
Mr. Caleb Carnes	CPA; Carnes & Company, CPA
Mr. Kasey Carpenter	Owner; Oakwood Café and Walnut Hill Farm
Mr. Oliver Cobb	President, Oliver Cobb & Associates
Mr. Greg Dent	Director; Northwest Georgia Healthcare Partnership
Dr. Judy Gilreath	Superintendent; Whitfield County Schools
Mr. Kevin Harris	CPA; ArrowStar, LLC
Dr. Jim Hawkins	Superintendent; Dalton Public Schools
Ms. R. Lynette Laughter	Chairman-Elect; Whitfield County Board of Commissioners
Mr. Bryan Macon	President; Dorsett Industries, Inc.
Ms. Deanna Mathis	Supply Chain Business Solutions Manager; Shaw Industries, Inc.
Dr. Pete McDonald	President, Georgia Northwestern Technical College
Mr. Zab Mendez	Vice President-Retail Market Manager; Cohutta Banking Company
Mr. Dennis Mock	Mayor; City of Dalton
Mr. John Neal	The Anna Sue and Bob Shaw Foundation
Mr. Stuart Nelson	President; Brown Industries, Inc.
Mr. Curtis Rivers	Volunteer; The Emery Center
Mr. Julio Velazquez	Agent; ABC Insurance Services
Dr. Margaret Venable	President; Dalton State College
Mr. Joe Yarbrough	President; Carpet & Rug Institute

PROJECT OVERVIEW

The four-phase research and strategic planning process will last approximately eight months, concluding in May 2017. A diverse Steering Committee comprised of representatives from the public, private, and non-profit sectors will guide the process and ensure that it lays the foundation that will allow people and businesses to thrive and wealth to accumulate in the community.

Phase 1: Interviews and Online Survey

The knowledge and opinions of stakeholders and the public at large are invaluable when identifying the assets to leverage, opportunities to seize, and challenges to overcome. This phase involved reaching out to as many community stakeholders as possible through an online survey and individual interviews. The findings from this public input is cited extensively in the Community Assessment and will inform all subsequent phases.

Phase 2: Community Assessment

This phase evaluated Greater Dalton's competitiveness as a place to live, work, and do business. It is built around five "Scorecards" that show how Greater Dalton compares to nine similar communities on sets of common metrics that influence how external audiences perceive the community. Accompanying the Scorecards is a summary of past research processes and an analysis of the opportunities and the challenges it will face as it seeks to become a more prosperous, successful place and increase quality of life for all its residents.

Phase 3: Community and Economic Development Strategy

Success in the strategic planning process requires local leaders to come together around a consensus-based blueprint for action. The Community and Economic Development Strategy will bring together findings from the first two phases of the process to create a holistic five-year vision for the Greater Dalton. Strategic recommendations will be driven by research findings and feedback from local stakeholders. Examples of best practice programs, policies, and initiatives from communities around the country will be included when relevant and appropriate to help inform strategic recommendations and their subsequent implementation.

Phase 4: Implementation Plan

The final step of the process is to work with community leaders and develop a roadmap to operationalize and activate the Strategy. The Implementation Plan will ensure that the "what" of the Strategy can become a reality by committing to "how" actions will be implemented. Market Street will work with the Steering Committee to prioritize actions, develop a realistic timelines for implementation, identify of "lead" and "support" organizations to advance efforts, review capacity and funding, and develop performance metrics that the community can use to track progress.

COMMUNITY ASSESSMENT

This Community Assessment evaluates Greater Dalton as a place to live, work, and do business. It combines findings from previous research processes and an extensive public input process with in-depth data analysis. Much of this data is presented in a series of tables called “Scorecards” that demonstrate how Greater Dalton compares to nine other communities with which it shares certain characteristics and/or competes for talent, jobs, and investment. Collectively, this information provides an overview of conditions in the community as they presently exist and helps identify areas that may warrant strategic attention.

PREVIOUS RESEARCH: As a foundation for new research efforts, Market Street evaluated findings from the following processes and reports: Target Tomorrow (2005), the Whitfield County Situational Analysis and Strategic Implications report (2007), the Target Industry Plan for Whitfield County (2007), Grow Greater Dalton (2009), the Dalton-Whitfield County Listening Sessions Archway report (2009), the Archway Over/Under Supply Analysis of Whitfield County, Georgia report (2012), the Dalton, Georgia Tourism Study (2012), the Whitfield County, Dalton, Tunnel Hill, and Varnell Joint Comprehensive Plan (2013), the Northwest Georgia Investing in Manufacturing Communities Partnership: Regional Advance Manufacturing Strategy (2014), the Northwest Georgia Regional Digital Economy Plan (2014), the Archway Partnership Dalton-Whitfield Graduation report (2015), the Dalton State College Strategic Plan (2016), and the Thriving Communities Survey (2016), and the Communities that Work Partnership Brief (2016) among others.

PUBLIC INPUT: A thorough assessment of a community’s strengths, weaknesses, opportunities, and challenges must be informed by input from the people that live and work in the area. Accordingly, Market Street conducted approximately 20 in-person and phone interviews with individuals from the community’s public, private, and non-profit sectors in August, September, and October in 2016. Additionally, an online community survey was open to the public for roughly five weeks in September and October 2016. **A total of 2,220 residents, workers, and business leaders responded to the survey, a very strong response rate for a community of Greater Dalton’s size. Findings from public input are differentiated throughout the report and presented in red text.**

DATA SOURCES: A variety of public and private data sources are used throughout this Assessment. A great deal of information is drawn from the Census Bureau and other public sources including the Bureau of Labor Statistics (BLS), the Bureau of Economic Analysis (BEA), the National Center for Education Statistics (NCES), the Federal Bureau of Investigation (FBI), and the Internal Revenue Service (IRS). Proprietary data covering economic composition (employment, wages, exports, etc.) is provided by Economic Modeling Specialists, Inc. (EMSI). A list of data sources used in the Scorecards is available in the Appendix of this report.

COMPARISON GEOGRAPHIES: Throughout this Assessment, Whitfield County is utilized as the primary geographic unit of analysis and is typically referred to as “Greater Dalton” or “Dalton-Whitfield County.” In the Scorecards, “Whitfield, GA” is used as a necessary abbreviation. To provide appropriate context for data, Greater Dalton’s performance is benchmarked against nine counties listed on the following page. These comparison counties were selected either based on feedback from the Greater Dalton Chamber of Commerce and the Dalton-Whitfield County Joint Development Authority or due to their similarities in their local economic mix, demographic make-up, and geographic proximity to larger metropolitan areas.

1. Morgan County, AL (Decatur)
2. Bartow County, GA (Cartersville)
3. Floyd County, GA (Rome)
4. Hall County, GA (Gainesville)
5. Lee County, MS (Tupelo)
6. Catawba County, NC (Hickory)
7. Davidson County, NC (Lexington)
8. Randolph County, NC (Asheboro)
9. Bradley County, TN (Cleveland)

STRUCTURE: The Assessment is structured into five primary sections, each of which deals with a topic that influences Greater Dalton’s success and prosperity:

1. **Economic Performance:** This section deals with a community’s economic health and well-being, focusing on key indicators such as total private employment, employment growth in key economic sectors, and per capita income.
2. **Workforce Dynamics:** A community’s workforce competitiveness is primarily determined by its ability to meet regional businesses’ demand for qualified talent and its capacity to attract new residents and retain its existing population.
3. **Innovation and Entrepreneurship:** The capacity to generate new ideas and new businesses is a core component of economic development. An “entrepreneurial ecosystem” can be quantified by examining self-employment, new startup growth, minority-owned business growth, and so forth.
4. **Business Climate:** While factors such as talent and location are among the most important in business location and expansion decisions, a favorable “business climate” – infrastructure, utility availability and cost, etc. – also plays an important role in driving economic growth.
5. **Quality of Life:** Quality of life and quality of place are crucial to retaining and attracting talented individuals. While it is difficult to quantify a community’s culture and “feel,” crime, walkability, and health outcomes can provide objective insight into a community’s desirability as a place to live.

Each section contains three components. The first, “Themes from Previous and Ongoing Initiatives” provides a synopsis of relevant findings from prior community and economic development efforts in Greater Dalton. This is followed by “Key Findings from Research and Input” features a discussion and key takeaways resulting from public input and Market Street’s analysis of Scorecards and additional demographic, economic, socioeconomic, and quality of life data. Each section concludes with a presentation of the Scorecards. The Scorecards consist of two tables showing raw data and a rank order for each community, with top performers appearing in green and bottom performers shown in red. **A ranking of “1” signals that a metro is the top performer.** (Note: this does not mean that the indicator “value” for the top performer is the lowest; for example, a county with the lowest numerical crime rate would receive a ranking of “1”).

The Assessment concludes with a set of Key Takeaways that summarize the most important findings and themes to emerge from research and input.

Economic Performance

THEMES FROM PREVIOUS AND ONGOING INITIATIVES

Previous community and economic development planning processes in Greater Dalton have consistently arrived at a fundamental conclusion: in order to realize a sustainable economic future, Greater Dalton must diversify its local economy.

Specifically, previous efforts found that the community is highly dependent on a single business sector: the carpet and flooring industry. This should come as no surprise to anyone with even a passing familiarity of Greater Dalton, a world-renown center of carpet and flooring manufacturing. But previous processes have revealed that concerns about the community's economic sustainability have risen in recent years.

The Archway Partnership Project, an initiative of the University of Georgia that began in 2009, focused a great deal on placing Greater Dalton's economy on a more economically sustainable path. In a 2009 listening session, stakeholders expressed deep concerns that the local economy was disproportionately suffering from the impacts of the Great Recession, as the downturn in the housing market collapsed demand for carpet and flooring products. And beyond the global economic downturn, stakeholders regarded a long-term trend of consolidation within the carpet and flooring industry as a threat. Stakeholders said they feared this trend would result in fewer locally owned businesses and relatively less investment and attachment to Greater Dalton among the larger surviving firms.

Several research and planning efforts have focused on economic sustainability, including the Northwest Georgia Regional Digital Economy Plan from the Northwest Georgia Regional Commission. From a programmatic standpoint, Grow Greater Dalton 2.0 represents the community's primary diversification effort. Grow Greater Dalton is a public-private partnership supported by the City of Dalton, Whitfield County, and private firms and individuals. It focuses on driving job creation and investment in eight business sectors ranging from data centers to renewable energy derived through a 2007 planning process. Grow Greater Dalton has two core strategic goals – recruiting jobs and capital investment and providing an educated and skilled employee base – and tracks direct and indirect job creation and new capital investment resulting from expansions and new locations in Greater Dalton to measure return on investment. According to an economic impact report prepared by Georgia Tech's Enterprise Innovation Institute, the total economic of six expansions and attractions in the 2015 calendar year amounted to 245 direct jobs and \$47.5 million in capital investment.

Composite Score

7th

out of 10 counties

KEY FINDINGS FROM RESEARCH AND INPUT

The Great Recession wreaked havoc on regional economies throughout the country, but the collapse of the housing bubble and subsequent near-cessation of construction activity had a devastating impact on the economic heart of Greater Dalton – the carpet and flooring industry. The consequences to the local economy were severe. Between 2007 and 2009, 15 percent of the jobs in Dalton-Whitefield County were lost. And while communities such as Bartow, GA and Catawba, NC also experienced double-digit employment losses, Greater Dalton had the largest decline among the 10 Scorecard communities. The situation in the broader region was even worse according to a January 2016 report from the U.S. Conference of Mayors. The report found that in the Dalton Metropolitan Statistical Area (MSA) – which includes Whitfield and Murray counties – **more than one in five jobs were lost during the recession, the third-worst decline among the nation’s 381 metro areas.**¹ The report’s authors project that the Dalton MSA will not reach its pre-recession employment peak before the end of 2021.

As to be expected during a period of sizable job loss, Greater Dalton’s unemployment skyrocketed as a result. In October 2007, Greater Dalton’s unemployment rate was 4.9 percent. By April 2009 it was 13.4 percent. Only Catawba, NC (14.5 percent) had a higher peak unemployment rate among the nine benchmark geographies. All told, employers in Greater Dalton shed more than 8,300 jobs between 2007 and 2009, and despite employment growth in recent years, the community still has 8,000 fewer jobs today than it did in 2006. These trends provide vital context to Greater Dalton’s current economic dynamics.

On a longer time scale, the divergence of Bartow, GA, Bradley, TN, and Hall, GA from the rest of the benchmark communities becomes readily apparent. From 2011 to 2016, Bradley, TN (23.2 percent), Hall, GA (16.7 percent) and Bartow, GA (11.8 percent) experienced growth rates far in excess of the next-closest county, Davidson, NC (8.0 percent). In comparison, Greater Dalton’s economy grew by just 5.2 percent over the five years between 2011 and 2016, ranking eighth among comparison counties. While this significantly lags some communities, it tracks fairly close to the growth rates in peer communities that are less directly tied to a much larger metro area. For instance, the employment base in Floyd, GA grew by 5.7 percent during the five-year period, edging out Greater Dalton by just 0.5 percentage points. Five-year employment growth rates in Lee, MS (6.7 percent) and Catawba, NC (7.1 percent) were also within a couple of percentage points.

As shown on the Scorecards, conditions have improved in recent years. Greater Dalton’s most recent year of employment data is particularly encouraging. From 2015 to 2016, the Greater Dalton economy added nearly 1,500 jobs representing a gain of 2.5 percent, a growth rate that ranked fourth among the 10 comparison counties. The only benchmark counties to surpass that rate were Bartow, GA and Hall, GA, which are closely tied to Metro Atlanta, and Bradley, TN, which has benefitted immensely from the nearby Volkswagen plant in Chattanooga as well as that region’s broader labor market. As shown in Figure 1 on the following page, manufacturing remains by far the dominant business sector in Greater Dalton, accounting for nearly one in three jobs in the community. Its location quotient (LQ) of 4.08 indicates that manufacturing employment is more than four times as concentrated in the local economy as it is throughout the United States. Manufacturing was also an important source of job growth between 2011 and 2016. **Manufacturers in**

¹ “2015 Metro Job and Gross Metro Product: 2016 Forecast.” U.S. Conference of Mayors. January 2016.

Greater Dalton added nearly 1,300 jobs during this time period, which represented nearly half of all jobs created in the community (43.4 percent). While the business sector covering carpet mills accounted for roughly four out of every 10 manufacturing jobs created in the community during the five-year period, the fact that other manufacturing categories also added jobs is an encouraging sign. For instance, printing and related support activities employers added approximately 411 jobs from 2011 to 2016, a gain of 41.9 percent. Even if many of these jobs in other manufacturing subsectors are in some way tied to the carpet and flooring industry, it is nevertheless encouraging to see job recovery in a wider variety of manufacturing subsectors.

FIGURE 1: GREATER DALTON EMPLOYMENT BY BUSINESS SECTOR, 2011-2016

	LQ (2016)	Jobs (2016)	# Chg. (2011-16)	% Chg. (2011-16)	U.S. % Chg. (2011-16)	Earnings	% of U.S.
Manufacturing	4.08	19,209	1,292	7.2%	5.0%	\$45,567	71.5%
Retail Trade	1.27	7,940	1,230	18.3%	8.6%	\$24,916	84.1%
Government	0.64	5,817	49	0.8%	0.1%	\$36,273	70.6%
Health Care and Social Assistance	0.69	5,184	983	23.4%	14.9%	\$47,424	101.4%
Transportation and Warehousing	1.87	3,745	-244	-6.1%	13.9%	\$39,877	79.8%
Wholesale Trade	1.55	3,554	-25	-0.7%	6.6%	\$48,303	66.6%
Accommodation and Food Services	0.63	3,220	435	15.6%	16.6%	\$14,967	77.1%
Professional, Scientific, and Technical Services	0.67	2,557	-782	-23.4%	14.9%	\$69,258	82.8%
Admin./Support/Waste Mgmt./ Remediation Svcs.	0.55	2,074	-402	-16.2%	15.6%	\$28,517	80.3%
Other Services (except Public Administration)	0.66	1,888	293	18.4%	1.1%	\$25,463	91.4%
Construction	0.53	1,732	448	34.9%	15.6%	\$33,966	67.0%
Management of Companies and Enterprises	0.87	739	185	33.4%	18.1%	\$91,339	78.4%
Finance and Insurance	0.30	688	46	7.1%	5.3%	\$49,263	50.3%
Real Estate and Rental and Leasing	0.38	369	-61	-14.2%	8.7%	\$39,096	77.8%
Arts, Entertainment, and Recreation	0.25	258	-17	-6.0%	15.1%	\$21,512	64.6%
Utilities	0.93	198	44	28.9%	3.2%	\$77,756	77.0%
Crop and Animal Production	0.25	180	-160	-47.1%	4.6%	\$24,838	82.8%
Information	0.15	163	-384	-70.2%	4.7%	\$31,405	33.7%
Educational Services	0.09	133	2	1.8%	9.5%	\$26,485	68.7%
Unclassified Industry	0.97	99	47	89.8%	54.7%	\$39,932	79.8%
Mining, Quarrying, and Oil and Gas Extraction	0.26	62	-7	-10.7%	-14.3%	\$68,926	67.1%
Total		59,810	2,972	5.2%	9.1%	\$40,135	79.6%

Source: Economic Modeling Specialists Intl. (EMSI)

Note: Location quotients (LQs) are a ratio of the region's share of employment in a given business sector divided by that same sector's share of total national employment. A location quotient greater than 1.0 indicates that the region's share of employment in a given sector is greater than the average American community, and may be a sign that the region affords businesses in this sector with some level of competitive advantage.

Note: Public and private data show a higher-than-expected concentration of employment in the motor vehicle and parts dealers retail business subsector. The reasons for this are unclear, but any potential misclassification of businesses could cause Greater Dalton's retail sector to appear larger and more concentrated.

That said, Greater Dalton's economy is still highly dependent on the carpet and flooring industry. Three business subsectors cover the bulk of activity related to the production of carpet and flooring products and important inputs such as chemicals and fibers – textile mills, textile product mills, and chemical manufacturing – account for more than four out of five manufacturing jobs in the community. And while the industry has changed dramatically over the years, it still accounts for roughly the same share of local manufacturing employment now as it did 15 years ago. In 2016, the three aforementioned subsectors accounted for 80.3 percent of the local manufacturing base, only slightly less than the 2001 figure of 82.2 percent.

That the carpet and flooring industry is a big part of Greater Dalton's economy should come as no surprise to anyone who is familiar with the community. **But stakeholders viewed the relative lack of diversity within the local manufacturing sector as a significant challenge for the community. Input participants widely understand the importance of the carpet and flooring industry and wish to see Greater Dalton improve its global competitiveness in the sector. But stakeholders also said they feared that Greater Dalton remains highly vulnerable to an economic downturn or disruptive changes within the industry.**

While Greater Dalton's manufacturing sector remains highly concentrated in the carpet and flooring industry, the manufacturing sector itself today accounts for a smaller proportion of the local economy than it did 15 years ago, consistent with national trends. Strong employment growth in the health care sector can explain some of this shift. Between 2011 and 2016, the sector added nearly 1,000 jobs, a growth rate of 23.4 percent that was surpassed only by that of Hall, GA, the fastest-growing county by population among the comparison counties. **Health care employment in Greater Dalton may continue to be an important source for new jobs as the community's population ages, but the sector's growth potential will likely be limited by several factors.** While exceptions exist, health care employment tends to "follow rooftops" – Greater Dalton's population growth is modest and is losing residents every year to other communities than it gains in return. Additionally, Greater Dalton's location quotient of 0.69 means that the sector is less concentrated locally than it is in the national economy, meaning that many residents leave the county for health care services, likely in larger nearby metros such as Atlanta and Chattanooga, both of which have medical schools.

As shown on the Scorecard, job losses in professional services between 2011 and 2016 (-3.1 percent) and logistics (-3.6 percent) are a significant concern given the community's desire for greater economic diversification. **Input participants said they were especially concerned about the loss of traditionally "white collar" jobs such as accounting and management positions. Stakeholders shared anecdotes about these types of positions being eliminated or relocated to other communities in recent years.** These types of jobs can be found across a wide variety of business sectors, not just professional services. For instance, a manufacturing firm may employ a range of white collar employees, such as bookkeepers, office managers, salespersons, etc. But a brief analysis of occupational data reveals that Greater Dalton had 179 fewer employees working in business and financial occupations (regardless of sector) and 146 fewer employees working in computer and mathematical occupations in 2016 than it did in 2011. **This confirms stakeholder input that the community is experiencing at least some degree of "white collar" job losses and is likely closely tied to various workforce concerns discussed in the next section.**

Wages in Greater Dalton are relatively strong. In 2016, the average worker in Greater Dalton earned roughly \$40,135, fourth-highest among the 10 counties. Again, the only counties with a higher average annual wage

than Greater Dalton are tied to the strong regional economies of Atlanta (Bartow, GA and Hall, GA) and Huntsville (Morgan, AL). Greater Dalton also experienced relatively fast average annual wage growth. Between 2011 and 2016, wages grew by 12.4 percent, third behind only Davidson, NC and Bartow, GA. **As Figure 1 shows, Greater Dalton's manufacturing sector (and the related wholesale trade sector) have a strong positive influence on wages in the community.**

But despite its strong wages, Greater Dalton's per capita income (PCI) remains well below that of its peers. PCI is a common way to measure standards of living. It measures a community's aggregate income divided by its total population and consists of three primary components – wages from jobs, income from investments, and government transfer payments (mostly Social Security and Medicare but also payments such as veteran's benefits, food stamps, etc.). In 2014, Greater Dalton's PCI was just \$32,435, second-to-last among the comparison counties and roughly \$7,300 below top-ranked Bradley, TN. PCI growth has been strong in recent years – between 2009 and 2014, this figure grew by 16.3 percent in Greater Dalton, second behind only Bradley, TN. But while this growth is encouraging Greater Dalton still lags far behind.

There are several likely factors that can explain the gap between Greater Dalton's high wages but low per capita incomes. First, PCI is calculated based on total population and a relatively large portion of Greater Dalton's population consists of individuals aged 19 and under who are not yet of prime working age. Additionally, just 62.3 percent of adults aged 20 to 69 in Greater Dalton are working or actively looking for work. This figure, called the "labor force participation rate," indicates that many adults are not engaged in the labor force and earning wages or unemployment benefits, further depressing incomes. Commuting patterns also play a significant role. According to data from the U.S. Census Bureau's Longitudinal Employer-Household Dynamics (LEHD) data program, there were 16,767 jobs based in Whitfield County that paid an annual wage of \$40,000 or more in 2014. Of these 62 percent (10,337) were held by individuals who lived in another county. **This means that non-residents are actually deriving greater employment opportunities and direct economic benefits from the county's manufacturing sector than residents of Greater Dalton.**² **This finding is consistent with feedback from input participants familiar with staffing patterns at local firms, who indicated that many employees in managerial roles or positions with high skill requirements live elsewhere. As one stakeholder put it, "people work here, they don't live here."** The implications of this finding are broad, but it likely explains a significant portion of the discrepancy between a community with decent average wages but low per capita incomes.

Greater Dalton's local economy is on stronger footing compared to where it was at the height of the Great Recession. But significant challenges remain. The near-term future of the global economy remains uncertain, and another downturn could again have a devastating impact on the local economy. Additionally, technological advances or shifting consumer preferences related to the carpet and flooring industry could impact the community's competitive position – positively or negatively – over the long run. But as the next section will discuss, perhaps the most significant factor impacting Greater Dalton's economic outlook is its ability to maintain a qualified workforce that can compete in an increasingly knowledge-based world.

² Roughly 4,700 individuals who live in Whitfield County earn at least \$40,000 a year at a job in another county. Overall, for every one worker (at any wage level) who commutes out of Whitfield County to go to a job, there are 1.8 workers who commute in.

ECONOMIC PERFORMANCE: SCORECARD

	Whitfield, GA	Morgan, AL	Bartow, GA	Floyd, GA	Hall, GA	Lee, MS	Catawba, NC	Davidson, NC	Randolph, NC	Bradley, TN
1 Yr. Employment Change (2015-2016)	2.5%	0.6%	3.7%	1.5%	4.6%	1.3%	1.5%	1.9%	1.7%	4.3%
Rank	4	10	3	7	1	9	8	5	6	2
5 Yr. Employment Change (2011-2016)	5.2%	2.1%	11.8%	5.7%	16.7%	6.7%	7.1%	8.0%	1.0%	23.2%
Rank	8	9	3	7	2	6	5	4	10	1
5 Yr. MFG Employment Change (2011-2016)	7.2%	7.7%	24.6%	11.2%	25.4%	1.5%	6.8%	11.5%	9.9%	24.3%
Rank	8	7	2	5	1	10	9	4	6	3
5 Yr. Logistics Employment Change (2011-2016)	-3.6%	-2.3%	7.8%	37.8%	7.4%	1.4%	17.3%	22.1%	-4.2%	10.8%
Rank	9	8	5	1	6	7	3	2	10	4
5 Yr. Professional Services Emp. Change (2011-2016)*	-3.1%	26.1%	-3.7%	-2.1%	48.2%	-14.1%	19.2%	54.7%	16.1%	12.1%
Rank	8	3	9	7	2	10	4	1	5	6
5 Yr. Healthcare Emp. Change (2011-2016)	23.4%	2.0%	-3.3%	7.7%	28.8%	9.0%	3.3%	-11.6%	2.0%	6.2%
Rank	2	8	9	4	1	3	6	10	7	5
5 Yr. Tourism Emp. Change (2011-2016)	13.7%	16.9%	21.2%	11.8%	42.1%	16.4%	7.5%	7.2%	5.4%	43.2%
Rank	6	4	3	7	2	5	8	9	10	1
5 Yr. Government Emp. Change (2011-2016)	0.8%	-5.5%	-5.5%	-12.6%	1.2%	-1.2%	-3.1%	-2.9%	-8.4%	7.2%
Rank	3	7	8	10	2	4	6	5	9	1
Average Annual Wage (2016)	\$40,135	\$40,339	\$40,185	\$37,527	\$42,281	\$36,280	\$38,657	\$34,775	\$33,036	\$36,820
Rank	4	2	3	6	1	8	5	9	10	7
5 Yr. Average Annual Wage (2011-2016)	12.4%	8.3%	13.2%	6.1%	10.7%	5.2%	9.8%	14.3%	9.7%	2.8%
Rank	3	7	2	8	4	9	5	1	6	10
Per Capita Income (PCI) (2014)	\$32,435	\$35,188	\$33,483	\$33,705	\$35,491	\$35,429	\$36,742	\$34,650	\$31,896	\$39,715
Rank	9	5	8	7	3	4	2	6	10	1
5 Yr. PCI Change (2009-2014)	16.3%	11.2%	15.2%	13.7%	13.9%	13.5%	13.0%	12.5%	13.1%	23.8%
Rank	2	10	3	5	4	6	8	9	7	1

ECONOMIC INDICATORS: SCORECARD CONT.

	Whitfield, GA	Morgan, AL	Bartow, GA	Floyd, GA	Hall, GA	Lee, MS	Catawba, NC	Davidson, NC	Randolph, NC	Bradley, TN
Unemployment Rate (Jul 2016)	5.2%	5.2%	4.7%	5.9%	4.0%	5.4%	4.4%	4.5%	4.4%	4.2%
Rank	7	8	6	10	1	9	4	5	3	2
Peak Recession Unemployment (Dec. '07 - Jun. '09)	13.4%	11.7%	12.2%	10.9%	9.6%	11.1%	14.5%	12.9%	11.5%	10.1%
Rank	9	6	7	3	1	4	10	8	5	2
5 Yr. Establishment Change (2010-2015)	-2.9%	-2.1%	7.1%	-0.8%	7.1%	0.1%	-2.3%	-2.3%	-3.1%	10.1%
Rank	9	6	2	5	3	4	7	8	10	1
Gross Metropolitan Product (GMP) Per Worker (2014)	\$84,804	\$95,754	NR	\$80,623	\$96,013	NR	NR	NR	NR	\$82,740
Rank	3	2	NR	5	1	NR	NR	NR	NR	4
5 Yr. GMP Per Worker Change (2009-2014)	8.2%	13.8%	NR	7.4%	14.4%	NR	NR	NR	NR	8.8%
Rank	4	2	NR	5	1	NR	NR	NR	NR	3
Total Exports, \$ Millions (2013)	\$8,464	\$9,308	\$6,204	\$5,467	\$10,914	\$5,744	\$10,608	\$5,522	\$6,000	\$5,481
Rank	4	3	5	10	1	7	2	8	6	9
Value of Exports Per Worker (2013)	\$152,166	\$183,496	\$176,665	\$130,083	\$134,247	\$106,201	\$121,734	\$116,874	\$122,319	\$119,942
Rank	3	1	2	5	4	10	7	9	6	8
Exports as a % of Supply (2013)	81.0%	77.0%	81.0%	77.0%	73.0%	74.0%	77.0%	77.0%	81.0%	77.0%
Rank	1	4	1	4	10	9	4	4	1	4
Best Performing Cities (BPC) Ranking (2015)	127	169	NR	124	27	NR	NR	NR	NR	98
Rank	4	5	NR	3	1	NR	NR	NR	NR	2
1 Yr. BPC Ranking Change (2014-2015)	44	-27	NR	16	62	NR	NR	NR	NR	-83
Rank	2	4	NR	3	1	NR	NR	NR	NR	5

NR = Not Reported

* Due to a data anomaly in Greater Dalton's 2011 professional and technical services employment data, likely due to a brief reclassification error, Market Street utilized Greater Dalton's 2010 professional and technical services employment data as the base year to ensure a more accurate portrayal of employment change in the county's professional and technical services employment.

** Metropolitan figures

Workforce Dynamics

Composite Score

10th

out of 10 counties

THEMES FROM PREVIOUS AND ONGOING INITIATIVES

Concerns over low educational attainment levels among Greater Dalton's resident population has been a central theme throughout previous community and economic development research processes. Greater Dalton's educational attainment rates and, consequently, its workforce capacity were identified as a major barrier to the growth and diversification of Greater Dalton's economy. An educated, talented workforce is increasingly viewed within the community and economic development world as the most important factor in determining the competitiveness of a local economy. And the need for skilled workers is not confined to high-tech and knowledge-based service sectors. Today's manufacturing operations are highly automated, sophisticated endeavors that frequently require even entry-level workers to possess more than a high school diploma.

Stakeholders who participated in the Archway process public listening session in 2009 identified several barriers to improving educational attainment rates in the community. For instance, local school systems have high proportions of students who are English-language learners and/or who are eligible for free or reduced-price lunches. A bevy of national research suggests that students in these categories are more likely to struggle academically relative to their English-proficient peers and/or those from higher income households.

Past reports also highlighted Dalton State College as a critical asset for the community, and a recent development suggests that the institution will be well-positioned to serve the region and potentially leverage its diversity. Dalton State's enrollment is 24.3 percent Hispanic in 2015, up from just 2.8 percent in 2000. It is just shy of the 25 percent threshold necessary to become the first "Hispanic Serving Institution" in Georgia, a federal designation that will make the college eligible and more competitive for a wide variety of grants.³

Another recent report published by the Aspen Institute through the Communities That Work partnership highlights another way in which Greater Dalton has taken positive steps toward developing a more skilled workforce. The Advanced Manufacturing and Business Academy (AMBA), which celebrated its ribbon cutting ceremony in August 2016, is the result of public and private leaders in Dalton-Whitfield taking proactive action to ensure a sustainable pipeline of talent. Roughly 200 freshmen are enrolled at the AMBA and will have the opportunity to train on industry-donated equipment and gain valuable work experience through paid apprenticeships. But developing homegrown talent is only one piece of the workforce equation. As cited in previous reports, attracting talent to Greater Dalton has been – and remains – a key competitive challenge.

³ "Dalton State about to be Georgia's first Hispanic Serving Institution." Jett, Tyler. *Chattanooga Times Free Press*. September 30, 2016.

KEY THEMES FROM RESEARCH AND INPUT

The Scorecard data related to educational attainment is alarming. The availability of talent is widely regarded as among the most critical influencing a community's economic success, and there is no shortage of research demonstrating the importance of educational attainment to an individuals' lifetime earning potential and economic opportunities. **But on nearly every educational attainment metric, Greater Dalton ranks at or near the bottom among the 10 comparison counties, all of which have attainment rates that are far below national averages.** Just 14.0 percent of Greater Dalton's residents aged 25 and over possessed a bachelor's degree in 2015, last among the comparison counties and a full percentage points below the next-closest competitor, Randolph, NC. Moreover, the percentage of Greater Dalton's 25-and-over population who had obtained a bachelor's degree or higher declined by 1.4 percentage points, the largest decline among the 10 counties and directly in contrast to a national trend of rising educational attainment. Greater Dalton also ranked last among the comparison communities in the proportion of adults 25 and over who had obtained an associate's degree as their highest level of educational and last in the five-year growth rate in this category. **And among the 596 counties with at least 100,000 residents Greater Dalton had had the fourth-lowest proportion of adults aged 25 and over who had obtained a bachelor's degree or higher. The proportion of adults with an associate's degree or higher also ranked in the bottom 10.** *Many stakeholders in Greater Dalton were aware of the community's educational attainment challenges.* They are brought up in this context not to belabor the point but to highlight the community's position relative to other populous counties in the United States. As previously discussed, successful communities will be those that are able to maintain the type of educated and skilled workforce that is increasingly vital across all sectors of the economy, even traditionally "blue collar" fields. Accordingly, Greater Dalton's very low educational attainment rates represent a serious threat to the community's long-term prosperity and vibrancy.

From a workforce *quantity* standpoint, Greater Dalton may at first glance appear to be on more solid footing. The community's population grew by 1.4 percent between 2010 and 2015, the fifth-highest rate among the 10 comparison counties, several of which benefitted from suburban growth from larger nearby metro areas. Additionally, Greater Dalton has generally favorable age dynamics as measured by its "workforce dependency ratio." This figure divides the proportion of a community's population between the ages of 25 and 44 by the proportion of its population aged 45 to 64. A ratio above 1.0 indicates that a community has at least as many younger individuals to replace members of its workforce who will reach retirement age in the next 20 years or so. In 2015, Greater Dalton's workforce dependency ratio stood at 1.08 – a top ranking among its peer communities. In fact, only two other communities (Hall, GA and Lee, MS) had a "positive" workforce dependency ratio above 1.0. **However, the topline population growth figures are misleading. Additional data reveal serious structural challenges that will impact Greater Dalton's capacity to supply its businesses with a highly skilled workforce to fuel new business growth as well as replace soon-to-retire Baby Boomers.**

For one, Greater Dalton's population growth is primarily a product of natural change – births minus deaths – that has helped conceal trends of persistent domestic out-migration and slowing international in-

migration in Greater Dalton's topline population figure.⁴ Between 2010 and 2015, the U.S. Census Bureau estimated that there were 7,376 births in Greater Dalton compared to 3,882 deaths. International in-migration also contributed to population growth during this time period, as a net average of roughly 100 new residents per year came to Greater Dalton from outside the United States during this time period. However, this represented a significant slowdown in international migration from the period between 2005 and 2010 when Greater Dalton received a net average of roughly 700 international in-migrants per year. This falling international in-migration rate (along with a decrease in the births-to-deaths ratio) helps explain why Greater Dalton's population growth rate slowed from 5.2 percent between 2005 and 2010 to 1.4 percent between 2010 and 2015.

The proportion of Greater Dalton's population between the ages of 25 and 44 decreased by roughly 1.9 percent between 2010 and 2015. This placed Greater Dalton in the middle of the Scorecard pack, as just three other communities experienced growth in this age bracket. But this decline is concerning for two reasons. First, it means that there are relatively fewer residents in the community of prime child-bearing/rearing ages, which is particularly problematic given the fact that natural change is the main factor driving local population growth. Second, it is indicative of a prominent trend to emerge from research and input – **people are moving out of Greater Dalton at a faster rate than new residents are moving in.**

The same data from the U.S. Census Bureau that shows Greater Dalton's recent population growth is driven primarily by natural change and a small amount of net international in-migration also shows that Greater Dalton has experienced a large net loss of residents to other communities in the United States. Data from the Internal Revenue Service provides additional information about the sources and destinations of migrants to and from Greater Dalton. The IRS Statistics of Income program compiles anonymized data from tax returns. If a given return moves from one county to another between tax years, the program categorizes that return – and all its associated exemptions – as having migrated between counties. Examining the number of exemptions that move from county to county in a given year can provide a rough estimate of the net flow of actual people from place to place.⁵ **Figure 2 shows that between 2009 and 2014, Greater Dalton experienced net population losses to counties in Metro Atlanta and the Chattanooga area. For instance, Greater Dalton experienced an average net loss of more than 80 residents per year to Hamilton County, TN alone.** Meanwhile, the community generally gained residents in much smaller numbers from other communities in Northwest Georgia. And given that there was a relatively large number of exemptions per tax return that left Greater Dalton, **it is likely that many out-migrants are families with children.**

⁴ Population growth is composed of two primary attributes: natural population change (births minus deaths) and net migration (net domestic plus net international migration). Components of Population Change figures also include "residual" adjustments to arrive at a final population count. A discussion of this process is beyond the scope of this Assessment and of limited relevance given the very small residuals in Whitfield County during the time period in question.

⁵ This data program has some limitations. Exemptions do not have a one-to-one relationship with actual people in a household, and the program tracks only those tax filers who submit a return in two consecutive years. As such, it is known to undercount the elderly, college students, immigrants, and others who may not file a tax return for some reason. Additionally, because of methodological differences, the figures from the IRS program do not match Census Components of Population Change figures.

These figures are consistent with stakeholder input that many individuals and families with children are choosing to locate in other communities. Stakeholders cited housing options and proximity to quality-of-life amenities as top reasons. Input participants noted that many individuals who move away do not completely sever their ties with the community and many still work at a job in Greater Dalton. This could help explain the previously discussed fact that a majority of the higher-paying jobs in Greater Dalton are held by individuals who live in other counties. But while many out migrants are staying within the “labor shed” in which they can still commute to the county for work, their departure has a host of negative implications for Greater Dalton. These could include less demand for housing resulting in lower property values, fiscal concerns from declining revenues, less disposable income to support quality of life amenities, and so on – all of which could contribute to a “negative feedback loop” wherein it becomes more difficult to attract and retain residents as more leave the community.

FIGURE 2: TOP SOURCES AND DESTINATIONS OF GREATER DALTON MIGRANTS, 2009 TO 2014

Top Sources		Top Destinations	
Catoosa County, GA	230	Hamilton County, TN	-419
Walker County, GA	185	Gordon County, GA	-305
Carroll County, GA	83	Bradley County, TN	-192
Floyd County, GA	79	Cobb County, GA	-136
Murray County, GA	68	Gwinnett County, GA	-134
Gilmer County, GA	36	Harris County, TX	-110
Chattooga County, GA	35	Dallas County, TX	-90
Clayton County, GA	24	Bartow County, GA	-84
Hillsborough County, FL	16	Hall County, GA	-81
Los Angeles County, CA	15	Knox County, TN	-73

Source: Internal Revenue Service

Communities can increase their levels of educational attainment in two ways: attracting and retaining educated people and developing “homegrown talent.” Migration data show that Greater Dalton is far behind when it comes to talent attraction and retention. The fact that Greater Dalton’s bachelor’s degree attainment rate declined in the past five years is an indication that the community is losing educated residents to other places. And as the Scorecard shows, relatively fewer in-migrants who move to the community are also not moving the educational attainment needle very far in the right direction., as just 16.4 percent of domestic in-migrants possess a bachelor’s degree or higher.

Greater Dalton’s business leaders also expressed difficulty drawing talent in from other areas outside of Northwest Georgia. When asked on the online survey to agree or disagree with the statement “my business has no trouble recruiting workers from outside Northwest Georgia to Greater Dalton” just 31.4 percent of respondents agreed or strongly agreed with the statement. Business leaders in other small and mid-sized communities in the Southeast such as Columbus, GA and Lynchburg, VA who participated in recent

Market Street surveys gave responses within a few percentage points of that figure, and input participants in many communities have expressed difficulty in attracting top talent. **But 22.8 percent of business leaders in Greater Dalton identified availability of skilled labor as an advantage or a major advantage of Greater Dalton-Whitfield County, indicating that employers here may be highly reliant on outside talent to fill key positions.** As such, any difficulty in attracting qualified candidates is cause for concern.

Accordingly, **developing and retaining homegrown talent will be critical if Greater Dalton is to build a more competitive future workforce.** Quantitative data and public input paint a mixed picture of the community's "talent pipeline." **In the online survey, input participants were asked whether they or a child had attended school in Greater Dalton in the past five years, and if so, in which system. Respondents were then asked a series of questions about the school district with which they were most familiar – roughly 480 input participants answered question about Whitfield County Schools while roughly 450 answered questions about Dalton City Schools. Both groups held highly favorable views about the quality of education available in each district. More than 81 percent of Whitfield County Schools respondents and more than 88 percent of Dalton Public Schools respondents agreed or strongly agreed with the statement, "Children in this district receive a high-quality education." These favorable views are similar to those held by input participants in Gwinnett County, GA who answered the same question on a Market Street survey earlier in 2016. Gwinnett County's school district, Georgia's largest, is a diverse "majority-minority" school system that has twice received the Broad Prize for Urban Education, given annually to the urban school districts that demonstrate the greatest overall performance and improvement in student achievement while reducing achievement gaps among low-income students and students of color. That stakeholders in Greater Dalton viewed their schools in the same light as parents and recent students of one of Georgia's most well-regarded school systems is a positive finding.** Stakeholders noted that some families who have moved away from Greater Dalton have cited the quality of public schools for their decision. Input participants also noted that many families in the community choose to send their children to private schools. Accordingly, some stakeholders who may have held more unfavorable views would not have responded to these online survey questions. But the fact that parents and former students tend to hold positive views about their school systems is preferable to the reality in some communities where public schools are seen by stakeholders as a major disadvantage.

But an analysis of graduation rates – the proportion of students earning a diploma in four years – shows that Greater Dalton has room for improvement in its public K-12 schools. By happenstance, all 10 of the Scorecard communities have both a city and county school district.⁶ Dalton Public Schools' graduation rate of 80.7 percent was second-lowest among its city peers while Whitfield County Schools' rate of 75.1 percent was last among all districts, city or county, in the analysis. Before proceeding, it should again be emphasized that student achievement tends to be at least somewhat correlated with certain demographic and socioeconomic factors such as language proficiency and poverty. In the 2014-2015 school year, roughly 76 percent of Whitfield County Schools and 72 percent of Dalton Public School students qualified for a free or

⁶ As previously discussed, the demographic and socioeconomic makeup of a school district can have a major impact on its student outcomes. Additionally, the city-county dynamic may be different in other communities than it is in Greater Dalton. Controlling for these factors was beyond the scope of Market Street's analysis, but the comparisons nevertheless offer a useful starting point for examining how graduation rates in Greater Dalton stack up against those of peer communities.

reduced price lunch, placing both in the middle quintile among Georgia's 180 public school districts. Both districts also have a relatively large number of English Language Learners (ELL). During the 2014-2015 school year, 21 percent of Whitfield County Schools' students and 19 percent of Dalton Public Schools' students were English Language Learners. Out of 180 school districts across the state of Georgia, Whitfield County Schools had third largest percentage of ELL students while Dalton Public Schools had the fifth largest percentage of ELL students. So while both districts have lagged their counterparts among the Scorecard communities, it is important to place these figures into context. **Nevertheless, Greater Dalton stakeholders expressed a strong desire to see achievement levels rise and achievement gaps close in the community's public schools.**

Although the performance data leaves room for improvement, many stakeholders felt that Greater Dalton could do more to promote its distinct educational assets including the Readers to Leaders program, the STEM-oriented Brookwood Elementary School, and the newly constructed Advanced Manufacturing and Business Academy located at the Northwest Georgia College and Career Academy. To some stakeholders, Greater Dalton is simply not communicating its K-12 education facilities and programs effectively to both internal and external audiences.

Upon graduation, students in Greater Dalton have the ability to continue their education locally at Dalton State College or the Georgia Northwestern Technical College (GNTC), both of which are significant assets for the community. Formerly a two-year institution, Dalton State has undergone a remarkable transformation in recent years and now offers 22 bachelor's degree programs in addition to an assortment of associate's, certificate, and min-certificate programs ranging from nursing to technology-oriented programs such as management information systems. Data reveals that Greater Dalton is producing bachelor's degrees locally at a competitive rate when adjusted for population. Through Dalton State, the community produced 35.2 bachelor's degrees per 10,000 residents in 2015, third among the Scorecard counties behind only Floyd, GA (home to Berry College and Shorter University) and Bradley, TN (home to Lee University). Greater Dalton's associate's degree production is less favorable, placing fifth out of the seven communities that have a higher education institution. **Input participants had high praise for Greater Dalton's higher education options and business leaders responding to the online community survey were generally positive about two- and four-year training capacity in Greater Dalton and the broader Northwest Georgia region. Stakeholders from the manufacturing sector viewed GNTC as a workforce training asset, and managers, executives, and business owners who responded to the online survey gave highly favorable ratings to the full range of post-secondary education options in the community.** More than two thirds of these respondents agreed or strongly agreed that quality certification and vocational training programs are readily available in Greater Dalton, while nearly 73 percent said the same about two- and four-year programs that support workforce needs. **Dalton State is broadly perceived as one of the biggest strengths for the community to leverage in its attempts to secure a more prosperous future.** Some stakeholders were especially optimistic about Dalton State's potential status as a Hispanic Serving Institution, both in terms of what that could mean for Hispanic students in Greater Dalton's schools and for the college's ability to recruit all types of talented students from Georgia and the broader region.

Without question, Greater Dalton has made important investments toward strengthening its education and training assets. Continuing to invest in assets such as Dalton State and the Northwest Georgia College and Career Academy's Advanced Manufacturing and Business Academy, as well as championing new programs and assets to further educational attainment levels will be vital to the community's future success and prosperity. But ensuring that these investments are not eroded by slow population growth and net outmigration will remain a core challenge for the foreseeable future. Although many residents moving out of Greater Dalton remain within its labor shed, losing too many current residents could undermine Greater Dalton's capacity to reinvest in public infrastructure and build new assets attractive to talent already in Dalton-Whitfield County as well as talent living outside of its borders. Put simply, Greater Dalton must take steps to become a more attractive community for talented and educated people, particularly those who graduate from its educational institutions. Doing so will require a multi-faceted approach – ranging from quality of life enhancements to new jobs. As the next section of this Assessment will discuss, enhancing the local entrepreneurial ecosystem can help expand economic opportunity and vibrancy in the community.

WORKFORCE DYNAMICS: SCORECARD

	Whitfield, GA	Morgan, AL	Bartow, GA	Floyd, GA	Hall, GA	Lee, MS	Catawba, NC	Davidson, NC	Randolph, NC	Bradley, TN
5 Yr. Population Change	1.4%	0.0%	2.6%	0.1%	7.5%	2.9%	0.5%	1.1%	0.6%	5.0%
Rank	5	10	4	9	1	3	8	6	7	2
5 Yr. Labor Force Change	-5.4%	-6.0%	1.0%	-3.3%	8.2%	-0.5%	-3.0%	-0.3%	-1.7%	7.4%
Rank	9	10	3	8	1	5	7	4	6	2
Workforce Dependency Ratio	1.08	0.91	0.97	0.97	1.06	1.04	0.84	0.81	0.84	0.96
Rank	1	7	4	5	2	3	8	10	9	6
5 Yr. Change in 25-44 Population	-1.9%	-3.8%	-3.1%	-1.4%	1.2%	0.9%	-7.9%	-8.4%	-7.3%	2.8%
Rank	5	7	6	4	2	3	9	10	8	1
5 Yr. Change in 45-64 Population	4.8%	0.0%	6.0%	-1.6%	10.2%	1.7%	1.1%	2.3%	2.8%	3.9%
Rank	3	9	2	10	1	7	8	6	5	4
Net Migration	-1,720	-928	90	-673	7,160	915	-470	1,050	-140	3,741
Rank	10	9	5	8	1	4	7	3	6	2
Net Migration as % of Total Population	-1.7%	-0.8%	0.1%	-0.7%	3.7%	1.1%	-0.3%	0.6%	-0.1%	3.6%
Rank	10	9	5	8	1	3	7	4	6	2
% of 25+ Pop. w/ Associate's Degree	4.8%	7.9%	7.7%	6.4%	7.1%	9.4%	9.5%	9.6%	10.5%	8.2%
Rank	10	6	7	9	8	4	3	2	1	5
5 Yr. Change in 25+ Pop. w/ Associate's Degree	0.2%	1.1%	3.2%	0.5%	2.6%	1.5%	-0.1%	0.5%	1.9%	1.8%
Rank	9	6	1	7	2	5	10	8	3	4
% of 25+ Pop. w/ Bachelor's Degree or Higher	14.0%	22.2%	17.0%	18.5%	22.7%	22.8%	23.5%	20.4%	15.0%	20.5%
Rank	10	4	8	7	3	2	1	6	9	5
5 Yr. Change in 25+ Pop. w/Bachelor's Degree or Higher	-1.4%	6.3%	2.1%	-0.1%	-0.8%	3.6%	1.5%	3.7%	1.6%	3.0%
Rank	10	1	5	8	9	3	7	2	6	4
% of 25-44 pop w/ Associate's Degree	4.5%	8.2%	7.1%	9.5%	6.9%	13.3%	11.6%	11.0%	11.9%	8.2%
Rank	10	7	8	5	9	1	3	4	2	6
5 Yr. Change in 25-44 Pop. w/ Associate's Degree	-0.8%	-0.2%	1.0%	3.2%	0.0%	2.4%	2.2%	1.1%	3.5%	1.5%
Rank	10	9	7	2	8	3	4	6	1	5

WORKFORCE DYNAMICS SCORECARD CONT.

	Whitfield, GA	Morgan, AL	Bartow, GA	Floyd, GA	Hall, GA	Lee, MS	Catawba, NC	Davidson, NC	Randolph, NC	Bradley, TN
% of 25-44 Pop. w/Bachelor's Degree or Higher*	13.6%	19.7%	18.4%	19.4%	20.3%	24.2%	22.4%	21.4%	16.8%	22.1%
Rank	10	6	8	7	5	1	2	4	9	3
5 Yr. Change in 25-44 Pop. with Bachelor's Degree or Higher*	-2.6%	-0.7%	0.3%	0.5%	2.1%	0.7%	1.6%	4.5%	3.3%	-0.3%
Rank	10	9	7	6	3	5	4	1	2	8
% of In-Migrants w/BA Degree (DOM)	16.4%	18.2%	15.2%	19.9%	24.9%	24.5%	22.1%	23.2%	18.0%	22.4%
Rank	9	7	10	6	1	2	5	3	8	4
% of In-Migrants w/BA Degree (INT)	31.7%	63.0%	87.9%	51.7%	17.2%	59.5%	7.7%	8.2%	0.0%	11.0%
Rank	5	2	1	4	6	3	9	8	10	7
Associate's Degree Completions Per 10,000 Residents	30.3	NA	NA	106.9	10.3	NA	45.8	36.4	3.2	35.4
Rank	5	NA	NA	1	6	NA	2	3	7	4
Bachelor's Degree Completions Per 10,000 Residents	35.2	NA	NA	88.0	17.8	NA	20.6	0.0	0.0	79.0
Rank	3	NA	NA	1	5	NA	4	6	6	2
Graduate or Higher Degrees Granted Per Capita	0.0	NA	NA	9.6	19.6	NA	7.4	0.0	0.0	18.4
Rank	5	NA	NA	3	1	NA	4	5	5	2
High School Graduation Rate, County District	75.1%	90.8%	78.6%	90.3%	83.7%	82.9%	89.8%	82.1%	89.6%	92.1%
Rank	10	2	9	3	6	7	4	8	5	1
High School Graduation Rate, City District	80.7%	89.8%	85.8%	89.8%	79.5%	84.0%	83.9%	80.9%	86.8%	86.0%
Rank	9	2	5	1	10	6	7	8	3	4
% of 18-24 Year Olds Enrolled in College	42.0%	34.7%	31.3%	50.2%	44.9%	41.0%	39.0%	43.4%	44.4%	48.4%
Rank	6	9	10	1	3	7	8	5	4	2

NA: Degree completion data reported for higher education institutions within the geographic borders of the county. As of 2015, Morgan, Bartow, and Lee Counties did not have higher education institutions that reported degree completions.

Innovation & Entrepreneurship

Composite Score

10th

out of 10 counties

THEMES FROM PREVIOUS AND ONGOING INITIATIVES

During the Archway process, stakeholders recognized the importance of Greater Dalton's entrepreneurial heritage and expressed desire to reignite the entrepreneurial energy that historically drove Greater Dalton's local economy. Through the "Diverse, Forward-Thinking Economy" work group local leaders identified methods to improve the innovation and entrepreneurship climate by assessing the viability of a business incubator in Greater Dalton as well as leveraging the University of Georgia Small Business Development Center located at Dalton State College to spur new business growth.

Renewing and energizing Greater Dalton's innovation and entrepreneurship ecosystem will not be without its challenges. As identified in the Northwest Georgia Regional Commission's Digital Region 1 report, Northwest Georgia companies "have invested heavily in hardware but not much in software or skills." At the same time, the absence of a traditional research university, limited patenting activity, and the internal research and development strategies of Northwest Georgia's companies were seen as limiting factors that may curtail innovation and entrepreneurship activity in the region.

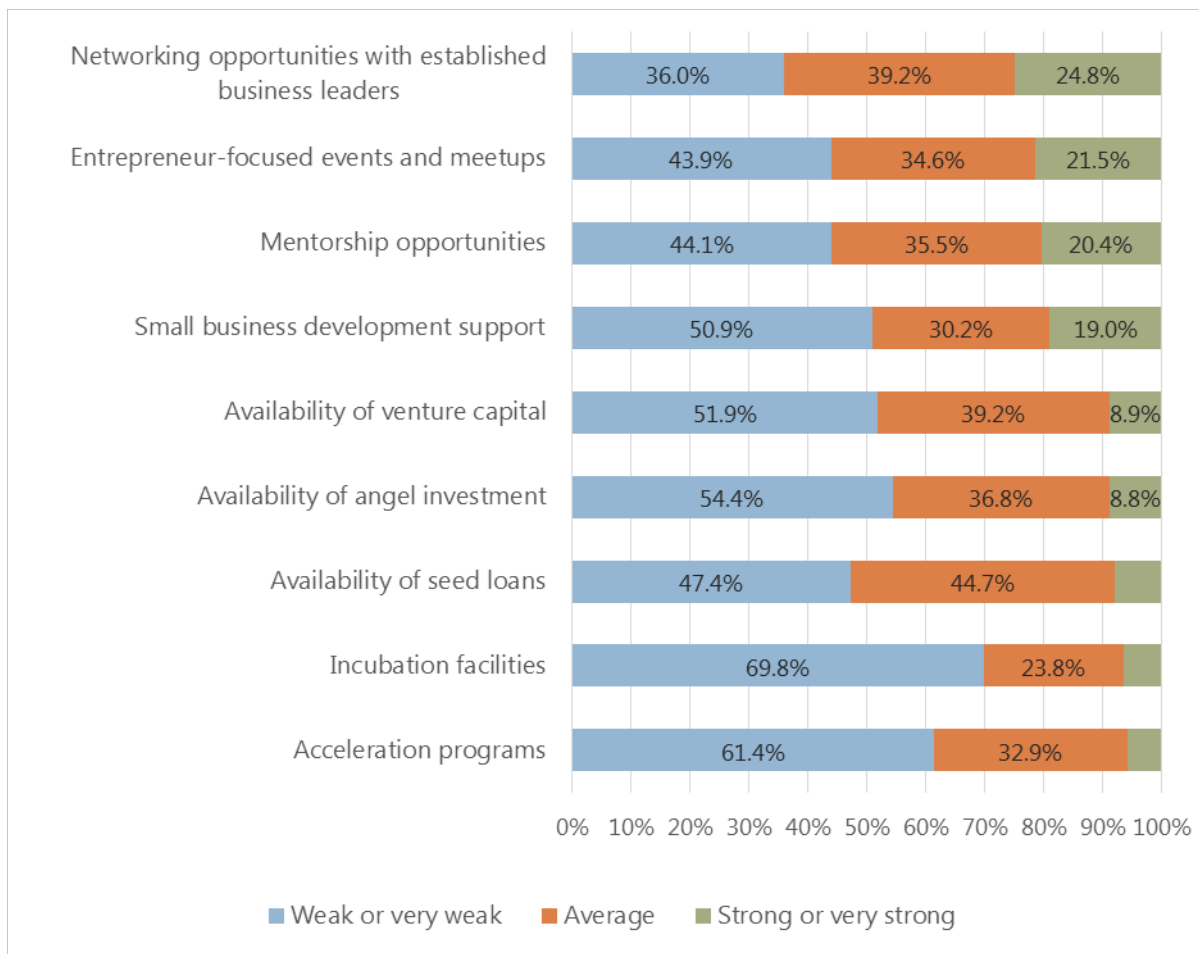
Put simply, while Northwest Georgia and Greater Dalton have invested in the types of infrastructure necessary to promote growth in high-tech, innovation-based businesses, it does not have the talent base to properly utilize and leverage these assets. This could change with the Northwest Georgia's newly acquired EDA-designated manufacturing community. As one of only 12 communities in the national to be granted the designation, the Northwest Georgia region has the potential to better leverage \$1.3 billion in available federal economic development assistance to implement the region's advanced manufacturing strategy in which research, innovation, and sustainability are key components.

KEY FINDINGS FROM RESEARCH AND INPUT

As one stakeholder noted during the public input process, "obsolescence comes quickly if you don't see it coming." **Throughout input, stakeholders in the community felt that the entrepreneurial energy that built Greater Dalton has diminished.** Input participants noted that the maturation of the carpet and flooring sector and the widespread consolidation that have occurred in recent decades have limited market opportunities for new entrants into the industry, which was once the primary means through which entrepreneurial activity took place in the community. But at the same time many noted that Greater Dalton still possesses the capital and business know-how to invest in startups and support new companies. Stakeholders expressed a desire to see the community establish additional entrepreneurial programming and services to help new ideas and businesses take hold in the community.

Small business owners and entrepreneurs responding to the online survey tended to support the consensus of interview participants. **When asked to rate certain components of Greater Dalton’s entrepreneurial climate, the majority of entrepreneurs responded with “very weak” or “weak” ratings, as shown in Figure 3.** Of the nine components, five received “very weak” or “weak” ratings including availability of angel investment (54.7 percent), availability of venture capital (52.1 percent), incubation facilities (69.5 percent), acceleration programs (61.9 percent), and small business development support (50.5 percent). While the other four components received more favorable assessments, a large proportion of entrepreneurs still ranked networking opportunities with established business leaders (34.5 percent), entrepreneur-focused events and meetups (41.8 percent), mentorship opportunities (44.0 percent), and availability of seed loans (45.1 percent) as “weak” or “very weak.” Additionally, several factors such as availability of angel investment and incubation facilities received very high “don’t know or N/A” responses (not shown in Figure 3), indicating that many small business owners and entrepreneurs in the community may not be aware of what resources do exist.

FIGURE 3: “PLEASE RATE THE FOLLOWING COMPONENTS OF GREATER DALTON’S ENTREPRENEURIAL CLIMATE.”



Source: Market Street Services; Greater Dalton Community Survey (2016)

Entrepreneurs and small business owners gave differing opinions on the programs and policies that they felt would enhance Greater Dalton's entrepreneurial capacity or "ecosystem" although there were a few common themes. Embracing and leveraging Greater Dalton's diversity was seen as an important component to entrepreneurs, especially helping new entrepreneurs of diverse backgrounds obtain loans and other business help. Entrepreneurs also felt that an incubation facility or entrepreneurial support facility could enhance Greater Dalton's entrepreneurial climate, particularly due to the facility's capacity to provide networking opportunities for entrepreneurs to meet likeminded individuals going through similar struggles of starting and operating a business. Tying into previous discussions about talent attraction in Greater Dalton, entrepreneurs also identified recruiting and retaining young professionals in Greater Dalton as being necessary to enhance the community's capacity to start new businesses. Finally, incentives, streamlining permitting processes, in-kind support such as legal services, and access to capital were seen as important components of elevating entrepreneurship activity in Greater Dalton. **As the broad nature of these desires indicate, stakeholders believe Greater Dalton needs a mindful, holistic approach to innovation and entrepreneurship.**

Innovation and entrepreneurship data shown in the Scorecard largely corroborate stakeholder sentiment. **While innovation in products and production processes drove Greater Dalton's growth and development throughout its most economically prosperous years, a wide range of metrics including self-employment, employment size, and rankings of high-tech growth indicate that Greater Dalton's entrepreneurial ecosystem is underdeveloped.**

The proportion of a community's workforce that is self-employed is commonly seen as a fundamental measure of entrepreneurial activity in a community. In 2016, self-employed individuals accounted for just 3.4 percent of jobs in Greater Dalton, placing the community last among the Scorecard counties. Holding all else constant, Greater Dalton would need approximately 3,500 more self-employed individuals to match the level of the top-ranked community on this metric, Davidson, NC. But as the Scorecard shows, the trend is moving in the other direction. In 2016, there were 9.2 percent fewer self-employed individuals in Greater Dalton than there were in 2011. Only Bartow, GA and Floyd, GA experienced greater declines. Greater Dalton also has the smallest proportion of firms with 19 or fewer employees and the lowest percentage of firms that are less than 10 years old among the comparison communities. A lack of smaller and newer firms is a further indication of weak startup activity in the community. Both metrics also declined in the five-year period between the third quarters of 2010 and 2015, according to data from the United States Census Bureau's Quarterly Workforce Indicators program. This is consistent with findings from the Economic Innovation Group, which found that 81 percent of business startup activity occurred in counties with at least 500,000 residents between 2010 and 2014. In comparison, in the two preceding "recovery periods" following a recession – 2002-2006 and 1992-1996 – these communities accounted for just 49 percent and 29 percent of business establishment creations, respectively.⁷

⁷ "The New Map of Economic Growth and Recovery." Economic Innovation Group. 2016. Retrieved from: <http://eig.org/recoverymap>

One bright spot of Greater Dalton’s entrepreneurship ecosystem lies with minority-owned businesses. In 2012, the latest figures available, there were roughly 15.0 minority-owned businesses per 1,000 residents in Greater Dalton. Compared to its benchmark communities, Greater Dalton possessed the third highest per capita rate of minority owned businesses. Moreover, minority entrepreneurship is growing in Greater Dalton. From 2007 to 2012, the number of minority-owned businesses in Greater Dalton increased by 68.5 percent – the fourth highest among the seven counties for which data is available. Minority-owned businesses, along with a modest contribution employment, generated significant economic activity locally. In 2012, minority-owned businesses accounted for approximately \$250 million in revenue according to U.S. Census data.

One significant challenge to improving Greater Dalton’s entrepreneurial climate could be its proximity to Chattanooga. Chattanooga has received national attention for its “Gig City” entrepreneurial branding campaign and municipal fiber network. The community has also made significant quality of life and quality of place improvements in recent years and has an added advantage of being in a state without a personal income tax, which could be a significant advantage for entrepreneurs. Accordingly, efforts to improve Greater Dalton’s entrepreneurial climate should consider this broader competitive context.

Reigniting Greater Dalton’s entrepreneurship culture remains area for improvement for Greater Dalton, even after previous planning processes highlighted it as a critical need. Momentum is, however, growing. Stakeholders noted that public and private partners – including Dalton Public Schools, Dalton State College, and others – are in early but serious discussions about the capacity to create a new educational campus in Downtown Dalton with a focus on entrepreneurship. **While the details of the concept are still taking shape, stakeholders expressed significant optimism that such a development would be a major positive development for the community.** Continuing to support this and other efforts can help enhance the community’s entrepreneurial ecosystem to complement the otherwise strong business climate described in the next section.

INNOVATION AND ENTREPRENEURSHIP: SCORECARD

	Whitfield, GA	Morgan, AL	Bartow, GA	Floyd, GA	Hall, GA	Lee, MS	Catawba, NC	Davidson, NC	Randolph, NC	Bradley, TN
Self-Employment as a Share of Total Employment (2016)	3.4%	5.5%	6.0%	5.0%	5.0%	3.6%	4.5%	9.4%	8.1%	6.9%
Rank	10	5	4	7	6	9	8	1	2	3
5 Yr. Change (2011-2016) in Self-Employment	-9.1%	-3.1%	-10.2%	-9.4%	-1.8%	2.5%	-4.2%	-2.2%	-5.6%	9.6%
Rank	8	5	10	9	3	2	6	4	7	1
% of Employment in Firms with 19 or Fewer Employees (2015Q3)	11.5%	16.6%	19.8%	15.9%	16.6%	14.3%	15.2%	20.6%	19.2%	14.2%
Rank	10	4	2	6	5	8	7	1	3	9
5 Yr. PCT Change (2010Q3-2015Q3) in % of Employment in Firms with 19 or Fewer Employees	-1.3%	-1.1%	-0.3%	-2.3%	-2.0%	1.1%	-0.8%	-0.6%	0.0%	-1.9%
Rank	7	6	3	10	9	1	5	4	2	8
% of Employment in Firms Less than 10 Years Old (2015Q3)	11.2%	20.2%	21.3%	16.0%	21.0%	17.5%	14.5%	19.4%	17.8%	14.9%
Rank	10	3	1	7	2	6	9	4	5	8
5 Yr. PCT Change (2010Q3-2015Q3) in % of Employment in Firms Less than 10 Years Old	-1.4%	2.5%	-0.8%	-3.9%	2.6%	2.8%	0.6%	0.1%	-0.8%	-1.0%
Rank	9	3	7	10	2	1	4	5	6	8
Average Nonfarm Proprietor Income (NPI) (2014)	\$47,755	\$19,563	\$15,934	\$17,894	\$21,404	\$26,277	\$18,736	\$16,829	\$17,761	\$71,008
Rank	2	5	10	7	4	3	6	9	8	1
5 Yr. Change (2009-2014) in Average NPI	20.9%	19.4%	31.6%	-3.0%	32.4%	17.7%	-0.8%	18.2%	34.1%	88.1%
Rank	5	6	4	10	3	8	9	7	2	1
CRA Small Business Loans (Originations per 1,000 Establishments (2015)	\$66,478	\$55,910	\$38,950	\$40,177	\$43,818	\$71,565	\$57,915	\$51,938	\$50,393	\$42,352
Rank	2	4	10	9	7	1	3	5	6	8
Average Amount of CRA Small Business Loans (2015)	512.0	541.6	724.2	587.3	788.7	709.4	576.4	821.1	739.8	514.3
Rank	10	8	4	6	2	5	7	1	3	9

INNOVATION AND ENTREPRENEURSHIP: SCORECARD CONT.

	Whitfield, GA	Morgan, AL	Bartow, GA	Floyd, GA	Hall, GA	Lee, MS	Catawba, NC	Davidson, NC	Randolph, NC	Bradley, TN
1-yr relative high-tech GDP Growth (2015)	97.7	101.0	NR	99.9	101.6	NR	98.8	NR	NR	102.3
Rank	6	3	NR	4	2	NR	5	NR	NR	1
5-yr relative high-tech GPD Growth (2015)	76.3	85.3	NR	95.2	79.3	NR	124.0	NR	NR	110.9
Rank	6	4	NR	3	5	NR	1	NR	NR	2
High-tech GDP location quotient (2015)	0.79	0.32	NR	0.64	0.43	NR	0.74	NR	NR	0.39
Rank	1	6	NR	3	4	NR	2	NR	NR	5
Minority Owned Businesses Per 1,000 Residents (2012)	15.2	12.6	14.2	17.7	19.7	14.9	8.5	9.3	9.0	5.1
Rank	3	6	5	2	1	4	9	7	8	10
5 yr. Change in Minority Owned Businesses (2007-2012)	68.5%	58.6%	28.4%	113.3%	21.1%	107.7%	NR	NR	107.9%	13.3%
Rank	4	5	6	1	7	3	NR	NR	2	8
Share of Employment Growth Generated by New Startups (2015)	41.3%	57.3%	56.2%	57.9%	78.0%	41.7%	51.7%	40.9%	37.0%	45.0%
Rank	8	3	4	2	1	7	5	9	10	6
5 Yr. Change in Employment Growth Share (2010-2015)	-38.4%	-4.2%	-6.6%	-1.5%	11.6%	-23.9%	-13.8%	-4.1%	-24.2%	-23.6%
Rank	10	4	5	2	1	8	6	3	9	7

NR: Data Not Reported

Business Climate

THEMES FROM PREVIOUS AND ONGOING INITIATIVES

Past research processes were largely complementary of Greater Dalton's overall business climate. As these research processes noted, significant investment in utilities, especially high speed internet connectivity and electrical grid, have enhanced Greater Dalton's infrastructure. A competitiveness report sponsored by the Dalton-Whitfield Joint Development Authority highlighted the region's utilities, transportation access, and local economic development group as key assets the community. The same report also cited the area's local tax profile and incentives as moderate strengths.

A long-standing challenge, cited across multiple studies, is Greater Dalton's limited portfolio of large, shovel-ready sites. The community's topography in particular limits the number of sufficiently flat sites. The issue is further compounded by the fact that many otherwise top sites are occupied by disused or obsolete industrial buildings that cannot be removed without incurring significant costs for a developer or end-user. Previous research indicated that as Greater Dalton seeks to diversify its economy it must think creatively about maximizing existing acreage to support economic diversification. The Carbondale Business Park is an example of Greater Dalton, through the Dalton-Whitfield County Joint Development Authority, thinking proactively to preserve industrial land for new uses.

KEY FINDINGS FROM RESEARCH AND INPUT

Greater Dalton's performance on the Business Climate Scorecard was by far its strongest showing among the five Scorecards in this Assessment. **Greater Dalton's composite score was best among all comparison communities, thanks in large part to the State of Georgia's favorable tax climate for key business sectors.** The "Location Matters 2015" report from the Tax Foundation and KPMG is among the most comprehensive analyses of state tax rates available. It provides insight into *effective* state tax rates, allowing for "apples-to-apples" comparisons across state lines. According to the report, Georgia's tax structure is highly competitive for a number of key business sectors, ranking ahead of Alabama, North Carolina, Mississippi, and Tennessee for corporate research and development headquarters, labor-intensive manufacturing, capital-intensive manufacturing, and call centers and trailing only Alabama for distribution centers. Of course, the other Georgia counties on the scorecard (Bartow, Floyd, and Hall) enjoy the same state tax advantages as Greater Dalton. State taxation is just one of many elements that may influence a site location decision, and the KPMG data does not consider issues such as state income tax for executives or discretionary incentives that could be a factor in certain projects. That said, **Georgia's significant edge over Tennessee could provide Greater Dalton with a marketing advantage for tax-sensitive firms that are strongly considering locating somewhere in the Chattanooga region.**

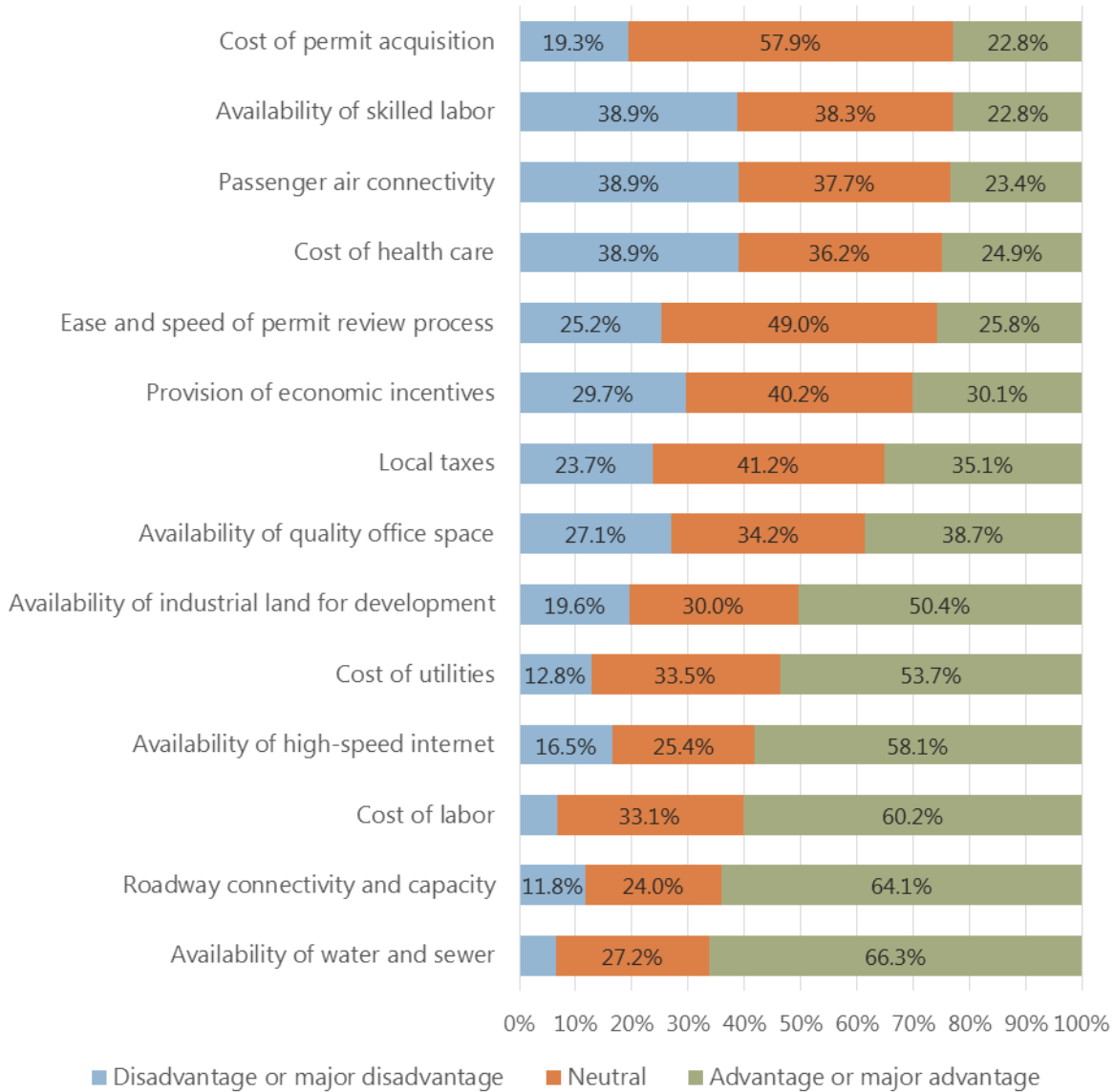


Also contributing to Greater Dalton's strong Scorecard performance is the low cost of electricity in the community relative to most of the other comparison counties. The U.S. Energy Information Administration (EIA) tracks electricity costs by individual providers, with data lagging by approximately two years. In 2014, the most recent year for which data is available, the average cost of commercial electricity available from Dalton Utilities was 8.8 cents per kilowatt hour, the fourth-lowest rate among municipal electricity providers serving the benchmark communities. In the same year, the average industrial user purchased electricity at a rate of 5.8 cents per kilowatt hour, second-best behind only Morgan, AL. But while the Greater Dalton compares favorably to many providers in Scorecard communities, service providers closer to its own borders offer lower rates according to the EIA. For instance, the average industrial rate from the Tennessee Valley Authority was just 4.9 cents per kilowatt hour in 2014.

Infrastructure plays an important role in shaping a community's business climate. Greater Dalton is well-connected to major markets such as Atlanta and Nashville via Interstate 75 and 24, respectively. However, Greater Dalton is far from the Port of Savannah relative to other large communities in Georgia. Ports can play a vital role in the economic viability of certain manufacturing operations – such as those producing bulky products or require heavy raw materials from international markets to sustain their manufacturing operations. Such operations typically benefit from the cost effective transportation options provided by ports. Thus, these types of manufacturers as well as those responsible for supplying these operations may find other locations in the state of Georgia more appealing from a cost perspective.

Stakeholders held generally favorable views of Greater Dalton's business climate. Individuals who identified themselves as a manager, executive, or business owner were asked a series of questions about various aspects of the community that can impact the ability of a business to grow and thrive. As Figure 4 shows, these input participants had strong praise for numerous aspects. Nearly two-thirds of respondents rated water and sewer capacity as an "advantage or major advantage" with roadway connectivity and capacity (64.1 percent), cost of labor (60.2 percent), availability of high-speed internet (58.1 percent), and cost of utilities (53.7 percent) also ranking high.

FIGURE 4: "PLEASE RATE THE FOLLOWING ELEMENTS OF GREATER DALTON'S BUSINESS CLIMATE ACCORDING TO THE DEGREE TO WHICH EACH IS AN ADVANTAGE OR DISADVANTAGE TO EXISTING AND PROSPECTIVE NEW BUSINESSES."



Source: Market Street Services; Greater Dalton Community Survey (2016)

Consistent with findings from previous research, individuals familiar with real estate and development conditions in Greater Dalton identified the ability to assemble large tracts of land in excess of 300 acres as a core challenge. This could put the community at a disadvantage for certain types of economic development projects, especially distribution centers which tend to require very large tracts. But there are many more projects that have smaller land requirements for which the community could be competitive. Additionally,

the Carbondale Business Park has one of 57 sites in the State of Georgia to receive a Georgia Ready for Accelerated Development (GRAD) designation, meaning it is ready for fast-track construction projects. Like the Carbondale site, most are not rail-served. The next-closest GRAD sites to Greater Dalton are in Bartow, Cherokee, and Dade counties.

Stakeholders also noted that many existing buildings in the community are obsolete or have significant barriers to redevelopment. These professionals noted that many existing buildings have low ceilings or “clear heights,” making them unable to accommodate some modern manufacturing and distribution activities. Some buildings were of lower quality when they were constructed and have limited reuse potential. Additionally, input participants said many vacant buildings and sites were formally home to firms that utilized chemical-intensive processes. This means that they may be “brownfields” that would require some amount of environmental mitigation before they could be redeveloped into another use. Brownfield sites can be much more costly and complex to develop than equivalent “greenfield” sites that have no history of industrial uses. In addition to these sites’ negative impact on Greater Dalton’s industrial real estate offerings, input participants said these disused facilities also are a detriment to the community’s aesthetics and quality of place, factors which will be discussed in the next section of this Assessment.

Overall, Greater Dalton’s business climate is an asset to the community. Its proactive investments in both water, electrical, and information technology infrastructure have created attractive assets for business and the state of Georgia’s tax structure is highly competitive across many business sectors. But these strengths relative to Greater Dalton’s overall economic performance and prosperity reveal a simple truth: **a favorable business climate is not enough. A community’s economic success is increasingly dependent on its ability to supply businesses with a talented and educated workforce. And while a favorable business climate may have a marginal influence on the location decisions of companies, it does not make a compelling case to *people* on why they should choose to live in a community.** As the next section will discuss, quality of life and quality of place are among the most important factors for talent retention and attraction. Put simply, successful communities must achieve both, balancing a strong local business climate with the type of environment and amenities that appeal to skilled workers.

BUSINESS CLIMATE: SCORECARD

	Whitfield, GA	Morgan, AL	Bartow, GA	Floyd, GA	Hall, GA	Lee, MS	Catawba, NC	Davidson, NC	Randolph, NC	Bradley, TN
Distance from CBD to Major Airport, Miles (2016)	97.3	90.6	51.1	70.7	65.1	98.7	53.5	61.9	79.8	129
Rank	8	7	1	5	4	9	2	3	6	10
Passenger Air Departure Rank, Major Airport (Jun 2016)	1	78	1	1	1	62	7	7	7	1
Rank	1	10	1	1	1	9	6	6	6	1
1 Yr. Passenger Air Departure Change, Major Airport (Jun. '15 - Jun. '16)	6.0%	1.3%	6.0%	6.0%	6.0%	10.2%	1.4%	1.4%	1.4%	6.0%
Rank	2	10	2	2	2	1	7	7	7	2
Average Airfare (2016Q1)	\$373	\$449	\$373	\$373	\$373	\$399	\$450	\$450	\$450	\$373
Rank	1	7	1	1	1	6	8	8	8	1
Commercial Electricity Costs (Cents/kWh) (2014)	\$8.8	\$9.6	\$11.0	\$10.2	\$10.2	\$9.6	\$8.0	\$8.0	\$8.0	\$10.0
Rank	4	6	10	8	8	5	1	1	1	7
Industrial Electricity Costs (Cents/kWh) (2014)	\$5.8	\$5.1	\$6.7	\$6.5	\$6.5	\$5.9	\$6.2	\$6.2	\$6.2	\$6.8
Rank	2	1	9	7	7	3	4	4	4	10
Office Costs Per Sq. Ft. (Jun 2016)	\$10.90	\$14.30	16.79	\$15.75*	\$14.23	\$14.06*	\$17.56*	\$14.85	\$14.85	\$16.13*
Rank	1	4	9	7	3	2	10	5	5	8
Effective State Tax Rate Corporate HQ (2015)	12.5%	13.0%	12.5%	12.5%	12.5%	14.1%	10.4%	10.4%	10.4%	14.5%
Rank	4	8	4	4	4	9	1	1	1	10
Effective State Tax Rate R&D HQ (2015)	8.4%	14.5%	8.4%	8.4%	8.4%	12.4%	8.9%	8.9%	8.9%	14.1%
Rank	1	10	1	1	1	8	5	5	5	9
Effective State Tax Rate Capital-Intensive MFG (2015)	6.0%	9.3%	6.0%	6.0%	6.0%	17.8%	8.9%	8.9%	8.9%	11.1%
Rank	1	8	1	1	1	10	5	5	5	9
Effective State Tax Rate Labor-Intensive MFG (2015)	4.6%	8.5%	4.6%	4.6%	4.6%	11.2%	7.3%	7.3%	7.3%	10.2%
Rank	1	8	1	1	1	10	5	5	5	9
Effective State Tax Rate Call Center (2015)	12.0%	13.5%	12.0%	12.0%	12.0%	16.4%	15.7%	15.7%	15.7%	19.2%
Rank	1	5	1	1	1	9	6	6	6	10

BUSINESS CLIMATE: SCORECARD CONT.

	Whitfield, GA	Morgan, AL	Bartow, GA	Floyd, GA	Hall, GA	Lee, MS	Catawba, NC	Davidson, NC	Randolph, NC	Bradley, TN
Effective State Tax Rate Distribution Center (2015)	18.7%	16.4%	18.7%	18.7%	18.7%	25.6%	19.9%	19.9%	19.9%	27.1%
Rank	2	1	2	2	2	9	6	6	6	10
Business and Jobs Outcome State Rank (2016)	49	50	49	49	49	51	38	38	38	43
Rank	5	9	5	5	5	10	1	1	1	4
Business and Jobs Policy State Rank (2016)	28	47	28	28	28	50	15	15	15	40
Rank	4	9	4	4	4	10	1	1	1	8
Ratio of Labor Productivity to Labor Costs (2014)	1.7	2.0	NR	1.8	1.9	NR	NR	NR	NR	1.6
Rank	4	1	NR	3	2	NR	NR	NR	NR	5

*Where office real estate data were unavailable, metropolitan or state figures used as a proxy.

Quality of Life

Composite Score

7th

out of 10 counties

THEMES FROM PREVIOUS AND ONGOING INITIATIVES

Many facets of Greater Dalton's quality of life have been covered extensively by previous strategic planning efforts. While each process arrived at slightly different conclusions, one theme that binds them together is a desire to create more activity and energy in Greater Dalton through the development of amenities.

For example, Greater Dalton's Thrive 2055 Community Survey asked 1,333 respondents around Greater Dalton what types of events and amenities they would attend in Downtown Dalton. Food festivals, farmers markets, live music, and arts fairs were identified as events that would bring residents and prospective travelers to the downtown area. At the same time, the survey also indicated that survey respondents wished to see more sustained activity in downtown Dalton including a more robust array of food and drinking establishments as well as shopping locations. The Archway process focused on leveraging Greater Dalton's natural amenities to enhance the community's quality of life. A key implementation success connected to the process was the opening of the 1.6 mile Mount Rachel Hiking Trail in 2013. The Dalton, Georgia Tourism Study sponsored by the Dalton Area Convention and Visitors Bureau and the Greater Dalton Chamber of Commerce noted that the development of some type of prominent attraction is central to Greater Dalton's desire to host additional conventions and entice leisure travel to Greater Dalton.

In terms of strategic implementation, Greater Dalton has been successful at energizing Downtown Dalton through event programming. The Creative Arts Guild, for instance, has been instrumental in developing the Taste of Dalton with support from businesses throughout the Greater Dalton area. Similarly, the Young Professionals of Northwest Georgia have held regular Screen on the Green events in Downtown and provided support to the Beer Fest 2016 festival. As these events continue to take place the heart of Greater Dalton, it could lead to sustained interest in the area and help build a critical mass of support for the establishment of permanent establishments such as restaurants and bars that provide opportunities for everyday socialization that talented individuals, particularly young professionals, increasingly demand.

KEY FINDINGS FROM RESEARCH AND INPUT

Quality of place (the physical characteristics of a community) and quality of life (the well-being and happiness of its residents) are critically important to community and economic development. This is perhaps best evidenced by research from the John S. and James L. Knight Foundation and Gallup in its "Knight Soul of the Community 2010" report. The report was the culmination of three years of research in 26 communities around the country (including Columbus and Macon in Georgia) that sought to determine what attaches people to a community. The report defines community attachment as, "an emotional connection to a place that transcends satisfaction, loyalty, and even passion. A community's most attached residents have strong pride in it, a positive outlook on the community's future, and a sense that it is the perfect place for them.

They are less likely to want to leave than residents without this emotional connection. They feel a bond to their community that is stronger than just being happy about where they live.”

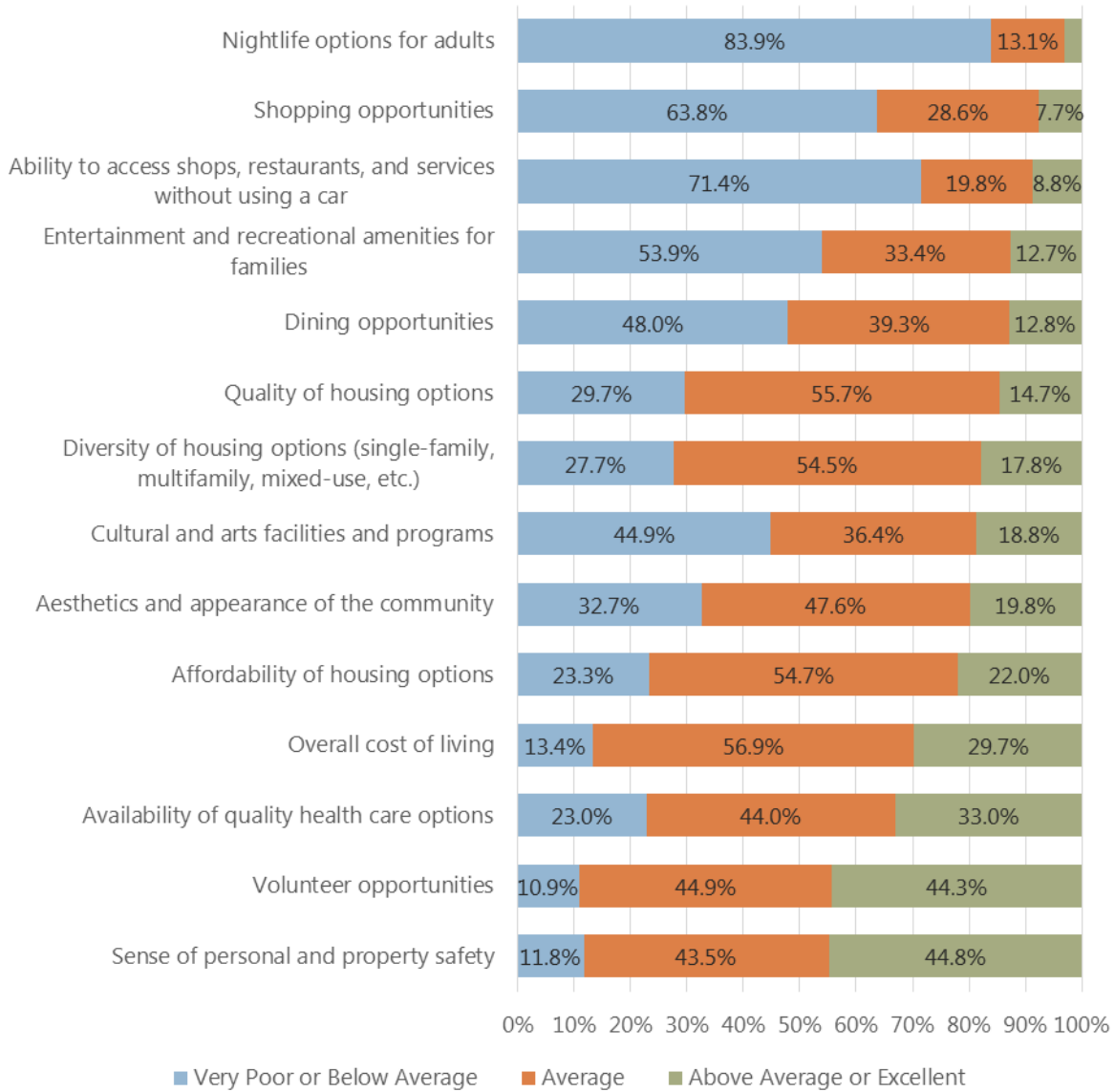
According to the report, there are three factors that primarily drive community attachment:

- ✓ **Social offerings** (such as entertainment infrastructure, community events, places to meet people)
- ✓ **Aesthetics** (physical beauty, green spaces, etc.)
- ✓ **Openness** (how welcoming a place is to different types of people)

The report found that if people are attached to their community then they are more likely to engage in it and help make it a better place. Beyond that, residents that are more attached to their community are also more likely to shop and dine locally, ultimately benefiting the local economy. Further, employees that are actively engaged and attached to their community often lead to increased productivity, profitability, and higher rates of employee retention. **All told, the report found a positive relationship between communities with higher levels of community attachment and those that were economically successful, underscoring the importance that quality of place and quality of life play in a community.**

Measuring quality of life and quality of place can be difficult, as these are subjective qualities to some extent. But scorecard data measuring objective, directly comparable factors such as public safety, walkability, and health outcomes along with feedback gathered through the public input process leads to a central conclusion: **Greater Dalton has significant room for improvement when it comes to quality of life and quality of place.** On aggregate, Greater Dalton ranked seventh among the 10 comparison communities on quality of life. **And as shown in Figure 5, online survey participants gave relatively poor ratings to many quality of life and place aspects that influence the attractiveness of Greater Dalton as a place to live. Among the 14 factors that survey participants were asked to rate, none garnered a majority of “above average or excellent” responses. And on nine factors, fewer than one in five respondents offered a “above average or excellent” rating.**

FIGURE 5: “PLEASE RATE THE FOLLOWING ASPECTS OF GREATER DALTON’S QUALITY OF LIFE, BASED ON YOUR EXPERIENCES WHERE YOU LIVE.”



Source: Market Street Services; Greater Dalton Community Survey (2016)

A variety of conclusions can be drawn from quantitative data and public input, but several key themes stand out as being particularly important to the community’s overall quality of place. The remainder of this section focuses on these areas, beginning first with an examination of how Greater Dalton performs on the three most important factors influencing community attachment: social offerings, aesthetics, and openness.

Social offerings

As shown in Figure 5, many of the quality of life and quality of place factors that received the lowest ratings from input participants are directly related to the availability of social offerings. For instance, nightlife options for adults were viewed as “very poor or below average” by nearly 84 percent of respondents. “Very poor or below average” ratings also accounted for a plurality of responses for entertainment and recreational opportunities for families, dining options, and cultural and arts facilities and programs. This is consistent with feedback received from input participants in interviews and open-ended responses on the online survey. **Stakeholders identified a lack of places to socialize (e.g. restaurants and bars) as a significant weakness. Many expressed a specific desire to see more options in Downtown Dalton.** Input participants frequently discussed these issues in the context of the community’s ability to attract and retain younger residents, and just 21.4 percent of survey respondents agreed or strongly agreed with the statement that “Greater Dalton is an attractive and desirable place to live for young professionals.” Survey respondents did, however, feel that Greater Dalton is a family-friendly community, with 58.0 percent of respondents agreeing or strongly agreeing that “Greater Dalton is an attractive and desirable place to live for families with children.” But the fact that “entertainment and recreational opportunities for families” rated poorly in the online survey suggests that residents may desire a broad range of social offerings.

Aesthetics

Nearly a third of online survey respondents rated the “aesthetics and appearance of the community” as “very poor or below average” compared to slightly less than 20 percent who gave a “above average or excellent” rating. Input participants noted that **Greater Dalton has a beautiful natural setting** and is located within close proximity to a variety of outdoor recreation opportunities. Input participants also spoke highly of the architecture and infrastructure in Downtown Dalton. As previously discussed in the business climate section, **most aesthetic concerns centered around a large number of abandoned or underutilized properties**, particularly former industrial sites that have fallen into disuse.

Openness

Responses to survey questions about Greater Dalton’s openness and inclusiveness were mixed. When asked to rate the statement, “Opportunities, communities, and networks in Greater Dalton are accessible and open to a diverse range of people and cultures” on a scale from strongly disagree to strongly agree, just over half (54.6 percent) of total respondents either agreed or strongly agreed with the statement. But responses differed by race and ethnicity. Among white non-Hispanic respondents, 57.2 percent agreed or strongly agreed with the statement. Just 44.3 percent of individuals from all other racial and ethnic groups responded in the same manner. In response to the prompt, “Greater Dalton is an inclusive place” just 41.4 percent of respondents of all races and ethnicities agreed or strongly agreed; a similar albeit smaller split between white and non-white responses was observed. The United States is becoming a more diverse place and as the Knight Foundation research indicates, communities that are able to invite, welcome, and embrace people of diverse backgrounds will have an easier time attracting and retaining talent to fuel their economic growth. Stakeholders are aware of Greater Dalton’s diversity – roughly three quarters of survey respondents agreed or strongly agreed with the statement, “Greater Dalton has a good diversity of people and cultures.” Input

participants described dividing lines in the community, however, that break down along issues such as race and ethnicity, language barriers, and socioeconomic status. Stakeholders noted that these issues are common across many communities in the United States. But many expressed a desire to see Greater Dalton take a more proactive approach to embracing and leveraging its diversity to create a stronger, more prosperous community. For instance, some said they hoped to see the community to make a concerted effort to develop leaders from all types of backgrounds.

Community attachment

As discussed in the previous three subsections, Greater Dalton has room for improvement on the most important factors impacting attachment to the community. But the public input process revealed that many Greater Daltons feel a deep affection for their community and **more than two thirds of survey respondents said it is likely or highly likely that they will remain in Greater Dalton. But just 23.3 percent of respondents said it is likely or highly likely that their *children* will want to live in the community once grown, while slightly more than half said this is unlikely or highly unlikely.** As discussed in the Workforce Sustainability section, talent retention will be critical if Greater Dalton is to become a more prosperous and successful place. The wide gap between the responses to these two survey prompts suggests that the community has significant work to do to ensure that it holds onto its best and brightest residents, particularly those who will graduate from Dalton State and other local educational institutions in the years to come.

Housing

Input participants identified a host of issues related to housing in Greater Dalton that likely have a negative impact on the community's overall competitiveness attractiveness as a place to live. **Stakeholders ranging from young leaders to real estate professionals noted that the community has relatively limited new housing stock and few units in Downtown Dalton.** According to building permit data published by the U.S. Department of Housing and Urban Development, Greater Dalton experienced a significant building construction downturn as a result of the Great Recession. Between 2009 and 2015, Greater Dalton governments issued building permits for just 411 new housing units. This is in stark contrast to the pre-recession period between 2001 and 2006 when nearly 3,700 new units were permitted. These data verify stakeholder perceptions regarding the absence of new construction in Greater Dalton's housing market and are consistent with the finding that many individuals are leaving the community for other counties, thereby depressing demand for housing.

As shown in the "housing affordability index" metric on the Scorecard, housing in Greater Dalton is relatively affordable. In the second quarter of 2016, a Greater Dalton resident who earned the county's median income possessed roughly two times the income to qualify for a mortgage on the county's median-priced single-family home based on a standard developed by the National Association of Realtors. While Greater Dalton ranked just eighth out of the 10 communities on this metric, this is primarily indicative of the fact that many communities in the competitive set also have affordable for-sale housing. Rental housing also tended to be affordable in Greater Dalton compared to its peers. In 2015, the percentage of renters spending 30 percent of their gross income on rent, a federally recognized affordability threshold, stood at just 36.2 percent, the lowest among all comparison communities. In Lee, MS more than half of renters exceeded this threshold.

But many stakeholders lamented that many housing units – including both single-family homes and multifamily units – are of low quality while others are surprisingly expensive, with little “middle-tier” product in between. As one respondent stated on the online community survey, “There are no nice, new, well-constructed apartment homes for professionals transferring into this area. It was a shock.” Nearly 30 percent of survey respondents rated the community’s quality of housing options as “very poor or below average,” more than double the proportion who rated the factor “above average or excellent.”

Housing costs and product types are largely a product of market forces and the out-migration and community patterns discussed in the Workforce Sustainability section suggest that demand for new housing is likely insufficient to spur development at a large scale. **But many stakeholders expressed a strong belief that Greater Dalton cannot be competitive for retaining and attracting talent without expanding its housing options.** While acknowledging that Greater Dalton cannot and should not compete with larger metro areas when it comes to options for urban living, many input participants said that increasing the availability of high-quality housing in Downtown Dalton is particularly important to increasing vibrancy in the area and making the community as a whole more attractive to young professionals. Real estate development professionals noted that any mixed-use development or new apartment construction would require public investment to make the project financially viable.

Outcomes and well-being

In the past, economic development initiatives focused primarily on growing jobs and investment in the community. While these things are important they are ultimately a means to an end – raising standards of living and making life better for a community’s current and future residents. But as indicated by several key metrics on the Scorecard, many residents in Greater Dalton are not faring well. In 2014, the latest figures available, roughly one out of every five residents lived at or below the poverty threshold. According to the U.S. Census Bureau, a family of four earning \$24,008 or below was considered to be living in poverty. Of its benchmark peers, only Floyd, GA (21.1 percent) exhibited a higher poverty rate. **In 2014, approximately 28.4 percent of children under the age of 18 were impacted by poverty.** The Great Recession undoubtedly had a significant impact on the financial health of many households in Greater Dalton, and in just two years between 2007 and 2009, the community’s poverty rate climbed from 16.5 percent to 23.1 percent. As Greater Dalton’s economy has returned to growth, its poverty rates have declined more sharply than those of its peers. Between 2009 and 2014, both the total and child poverty declined at faster rates – 2.4 percentage points and 4.2 percentage points, respectively – than the other scorecard communities. **But the fact that nearly three out of 10 children are growing up in poverty is a significant long-term threat for the community. Childhood poverty contributes to a long list of social, educational, and economic challenges that can manifest throughout an individual’s life.** A study by the Urban Institute notes that children who grow up in poverty are much less likely to finish high school than their less impoverished peers, and young girls growing up in poverty are much more likely to become pregnant as teenagers.⁸

⁸ Caroline Ratcliffe and Signe-Mary McKernan. “Child Poverty and Its Lasting Consequence.” The Urban Institute, September 2012.

A significant percentage of Greater Dalton's population reported poor or fair health according to County Health Rankings published by the University of Wisconsin Population Health Institute. In 2016, 23.0 percent of Greater Dalton's adult population reported poor or fair health – a higher percentage than all of its peer communities. Rates of obesity were also high according to the same data. Exactly three out of every ten adults in Greater Dalton were considered obese. Stakeholders noted, however, that initiatives in Greater Dalton are positively impacting health outcomes for its resident population. The Northwest Georgia Healthcare Partnership (NGHP), in particular, has had an impactful presence in Greater Dalton since its founding in 1992, especially in its capacity to improve health outcomes for Hispanic residents, expectant mothers, and newborns. Through the NGHP, Spanish-speaking residents can obtain translation services through community health advisers as well as schedule doctor's visits and procure other basic medical care needs. As an initiative developed from the Archway process, the Northwest Georgia Healthy Babies initiative is a collaborative effort between non-profit and private health care providers to deliver health resources to expectant mothers and newborn babies.

QUALITY OF LIFE: SCORECARD

	Whitfield, GA	Morgan, AL	Bartow, GA	Floyd, GA	Hall, GA	Lee, MS	Catawba, NC	Davidson, NC	Randolph, NC	Bradley, TN
% of Commuters w/Commute Time of 45 Minutes or Less (2015)	7.4%	12.7%	20.0%	8.4%	14.3%	6.8%	8.5%	12.3%	12.3%	9.4%
Rank	2	8	10	3	9	1	4	6	7	5
5 Yr. PCT Change in % of Commuters w/ Commute Time of 45 Minutes or Less (2010-2015)	1.8%	1.0%	-2.0%	-1.9%	1.2%	3.5%	-3.0%	2.0%	2.3%	-0.7%
Rank	7	5	2	3	6	10	1	8	9	4
Mean Travel Time to Work (in minutes) (2015)	22.2	23.7	27.3	22.1	25.6	20.5	22.2	24.9	23.2	20.1
Rank	4	7	10	3	9	2	4	8	6	1
Ratio of Commuter Inflow/Outflow (2014)	1.8	1.0	0.7	1.0	0.8	2.5	1.6	0.4	0.6	0.9
Rank	2	4	8	5	7	1	3	10	9	6
Housing Affordability Index (2016Q2)	206.3	243.2	228.9	235.4	166.8	257.1	216.0	238.3	232.2	186.9
Rank	8	2	6	4	10	1	7	3	5	9
5 Yr. Change in Median Home Sales Price (2011Q2-2016Q2)	13.4%	18.2%	94.3%	12.8%	27.8%	31.0%	7.3%	29.4%	22.5%	10.2%
Rank	7	6	1	8	4	2	10	3	5	9
Foreclosure Rate (Aug 2016)	0.04%	0.07%	0.08%	0.07%	0.14%	0.05%	0.05%	0.04%	0.05%	0.04%
Rank	3	8	9	7	10	4	5	1	6	2
Renters Spending 30%+ of Income on Rent (2015)	36.2%	42.5%	38.1%	52.5%	47.6%	53.7%	49.6%	48.4%	38.8%	52.0%
Rank	1	4	2	9	5	10	7	6	3	8
Walk Score (Principal City) (2016)	31	25	26	26	76	21	27	33	27	28
Rank	3	9	7	7	1	10	5	2	5	4
AARP Livability Index, Overall (2016)	46	49	42	46	51	53	53	51	48	50
Rank	8	6	10	8	3	1	1	3	7	5
AARP Livability Index, Mixed-Use Index (2016)	0.52	0.53	0.42	0.5	0.6	0.37	0.74	0.47	0.44	0.48
Rank	4	3	9	5	2	10	1	7	8	6

QUALITY OF LIFE: SCORECARD CONT.

	Whitfield, GA	Morgan, AL	Bartow, GA	Floyd, GA	Hall, GA	Lee, MS	Catawba, NC	Davidson, NC	Randolph, NC	Bradley, TN
Total Poverty Rate (2014)	20.7%	15.0%	14.3%	21.1%	16.8%	19.4%	16.2%	16.9%	16.7%	17.5%
Rank	9	2	1	10	5	8	3	6	4	7
5-Yr. PCT Change in Total Poverty Rate (2009-2014)	-2.4%	-0.9%	-0.6%	1.3%	1.7%	1.8%	1.8%	2.3%	0.7%	1.1%
Rank	1	2	3	6	7	8	9	10	4	5
Child Poverty Rate (2014)	28.4%	23.4%	20.6%	29.2%	24.9%	29.6%	23.2%	23.3%	26.1%	24.0%
Rank	8	4	1	9	6	10	2	3	7	5
5-Yr. PCT Change in Child Poverty Rate (2009-2014)	-4.2%	0.2%	1.9%	2.3%	2.9%	3.2%	2.3%	0.9%	2.5%	1.3%
Rank	1	2	5	6	9	10	7	3	8	4
% of Population under Age 65 Without Health Insurance (2015)	24.7%	16.7%	18.8%	21.3%	25.7%	18.1%	17.6%	16.1%	20.8%	16.3%
Rank	9	3	6	8	10	5	4	1	7	2
Adults Reporting Poor or Fair Health (2016)	23.0%	19.0%	17.0%	18.0%	17.0%	19.0%	16.0%	17.0%	20.0%	22.0%
Rank	10	6	2	5	2	6	1	2	8	9
Obesity Rates (2016)	30.0%	32.0%	34.0%	29.0%	26.0%	32.0%	31.0%	30.0%	30.0%	34.0%
Rank	3	7	9	2	1	7	6	3	3	9
Physicians per 100k Residents (2014)	160	152	96	339	201	369	241	58	86	152
Rank	5	6	8	2	4	1	3	10	9	6
Violent Crime Rate (2014)	21.0	13.1	50.3	34.9	17.3	3.9	25.4	18.5	15.5	54.2
Rank	6	2	9	8	4	1	7	5	3	10
Property Crime Rate (2014)	286.4	253.1	480.9	422.3	196.4	71.8	287.7	229.2	314.6	364.6
Rank	5	4	10	9	2	1	6	3	7	8

KEY TAKEAWAYS

This Community Assessment has evaluated Greater Dalton as a place to live, work, and do business. It has presented analysis built upon dozens of data indicators and feedback from an extensive public input process. **Many of the key findings and themes on the preceding pages will not come as a surprise to Greater Dalton's residents and leaders.** Through previous research processes and their own in-depth understanding of the place they live and work, stakeholders understand that their community faces serious challenges. Greater Dalton's leaders have taken a bold first step to address these issues by embarking upon a holistic community and economic development planning process.

This process will result in a consensus strategy that will help the community secure a more prosperous and successful future. But as a critical first step, Greater Dalton's leaders must identify the fundamental issues that it will seek to address through strategic action. Research and input revealed numerous challenges and opportunities. It is simply not possible to address all of them. Resources are limited and Greater Dalton's leaders are in consensus that some previous planning efforts have fallen short because their ambition was too broad. The following **key takeaways** synthesize the most prominent themes to emerge from research and input:

- ✓ **The local economy remains heavily dependent on the carpet and flooring industry; rebuilding the "entrepreneurial ecosystem" offers a path to diversification.** While sectors such as health care have been growing in recent years, Greater Dalton's economy is still highly concentrated in the carpet and flooring industry. Ensuring firms in this sector have the workforce and support they need to continue thriving in Greater Dalton is vital to the community's future. To help insulate the community from a future economic downturn or disruptive change, economic developers in Greater Dalton are also working to attract and retain businesses in other sectors, though the community's low educational attainment levels and lack of large sites ideally suited for certain uses limit options. One potential path to economic diversification involves ensuring that entrepreneurs can start and grow small businesses in the community. Stakeholders noted that Greater Dalton as it exists today was essentially built by entrepreneurs, but a wide variety of data and public input suggests that the community's "entrepreneurial ecosystem" – inclusive of networking opportunities, access to capital and technical assistance, and other support services – is underdeveloped. Stakeholders expressed a strong desire for Greater Dalton to rekindle the entrepreneurial spirit that once invented an industry and turned the community into a global hub.
- ✓ **Very low educational attainment rates undermine economic competitiveness.** Greater Dalton's educational attainment rates are among the lowest in the nation. Among the 596 counties with at least 100,000 people, the community ranks 586th in the proportion of adults with an associate's degree or higher. The availability of a skilled and educated workforce is now the most important factor influencing location decisions for businesses in a wide variety of sectors, even traditional blue-collar fields such as manufacturing. Greater Dalton must take urgent steps to increase its educational

attainment rates by producing “homegrown talent” and ensuring the community is competitive as possible for retaining and attracting talented residents.

- ✓ **A persistent “talent drain” further jeopardizes the community’s workforce sustainability, fiscal position, and vibrancy.** While Greater Dalton’s population is growing, this is primarily due to natural change (births minus deaths) masking an underlying threat. Data tracking migration patterns reveal that the community is losing a net average of hundreds of residents a year to other places. Many do not go far and commuting data suggests many continue to work in the community. Nearly two thirds of the jobs based in Greater Dalton that pay at least \$40,000 per year are held by individuals who live outside Whitfield County. If the status quo holds, however, this “talent drain” could begin to put a significant strain on the community’s workforce, place a significant strain on local revenues, and reduce the community’s overall vibrancy and civic capacity. Quality of life and place enhancements can help slow or reverse this trend.
- ✓ **Enhancing quality of place, social offerings, and housing options are vital to retaining and attracting talent and Downtown Dalton represents a logical place to target investments.** Quality of place is increasingly among the most important factors that talented people, particularly young professionals, consider when evaluating where to live. Research from the Knight Foundation also suggests that how attached a resident feels to a community is heavily influenced by how a place looks and what there is to do. During the public input process, stakeholders in Greater Dalton said the community’s quality of place needs significant improvement. Specifically, residents noted that Greater Dalton has relatively few “everyday” places for residents of all ages to socialize. For instance, just three percent of survey respondents viewed the community’s nightlife options for adults as being above average or better compared to 84 percent who felt they were below average or worse. And while housing is affordable overall, stakeholders also lamented a lack of quality housing options – particularly “mid-tier” and mixed-use options that can appeal to young professionals. According to real estate professionals and others familiar with conditions in the community, market forces alone are in the short-run unlikely to deliver the type of quality of life and quality of place amenities that Greater Dalton’s stakeholders desire (and that the community needs to better attract and retain talent). Accordingly, near-term enhancements to quality of place will require a combination of private and public investment. Because resources are limited and demand is relatively low, targeting these investments in Downtown Dalton makes sense, as it provides the opportunity to leverage existing assets such as historic buildings and walkable infrastructure.
- ✓ **Poverty, especially childhood poverty, represents a serious threat to the long-term community success and individual outcomes.** Nearly 30 percent of children under 18 in Greater Dalton live in a household that is below the poverty line. This has significant implications for the community’s long-term health. Research suggests that children who grow up in poverty will be at an increased risk to struggle academically, socially, and economically over their lifetime. And given that Greater Dalton is not attracting new residents from other places in great numbers, the children growing up in the community today will likely represent a very large share of its future workforce. Many service

providers are working diligently to provide services to the community's most in-need residents, and expanding economic and training opportunities will ultimately be paramount. But Greater Dalton can take steps to mitigate the impact of childhood poverty by supporting services such as early childhood education.

- ✓ **Dalton State, GNTC, and innovative educational programs are key assets to leverage and support.** Greater Dalton's stakeholders widely viewed Dalton State College, Georgia Northwestern Technical College, and K-12 programming such as the Advanced Manufacturing and Business Academy as among the community's best assets. In 2014 alone, for instance, Dalton State produced nearly 600 bachelor's and associates degree completions according to data from EMSI. For perspective, slightly fewer than 13,000 adults aged 25 and over in Greater Dalton have at least an associate's degree. Continuing to support these institutions and programs – and taking steps to ensure that the students who graduate from them remain in the community – can help strengthen the community's homegrown talent pipeline and support a deeper and more skilled workforce.
- ✓ **Greater Dalton has a poor internal "self-image" that negatively impacts its standing with residents and outsiders alike.** During the public input process and subsequent conversations with the Steering Committee, Greater Dalton's image emerged as a competitive concern. Stakeholders were particularly concerned that the community tends to focus too much on its challenges while shortchanging positive news. The way in which Greater Dalton residents talk about their community can have a significant impact on the perceptions of their neighbors and visitors who may be prospective residents, employers, or investors. Accordingly, stakeholders in Greater Dalton believe the community must work proactively to improve its self-image. In Market Street's experience, even acute self-image issues can begin to turn around when a community demonstrates incremental yet meaningful progress. By simply advancing issues such as downtown development, Greater Dalton can communicate that it is actively shaping its own future, which can in turn significantly improve morale. The Strategy that results from this process will provide the community with a blueprint for beginning a "virtuous cycle" of success where early wins can build into sustained momentum.
- ✓ **While Greater Dalton has a racially and ethnically diverse population, its diverse communities exist in "silos" with limited collaboration and interaction between groups.** Research from the John S. and James L. Knight Foundation and Gallup revealed that "openness" – the degree to which all types of people can build networks and thrive – is an important factor in community attachment. Public input revealed that Greater Dalton faces challenges in this area. Among online survey participants, non-white respondents were less likely than white respondents to agree with the statement "Opportunities, communities, and networks in Greater Dalton are accessible and open to a diverse range of people and cultures." And in response to the prompt, "Greater Dalton is an inclusive place" just 41 percent of respondents of all races and ethnicities agreed or strongly agreed. Like the United States as a whole, Greater Dalton is becoming a more diverse place. Stakeholders expressed a desire to see Greater Dalton take a more proactive approach to embracing and leveraging its diversity to create a stronger, more prosperous community.

APPENDIX: DATA SOURCES

Economic Performance

- Employment, employment by sectors, average annual wage by sectors, total exports, export a percentage of supply: Economic Modeling Specialists International.
- Unemployment rate and establishment change: Bureau of Labor Statistics
- Gross metropolitan product: Bureau of Economic Analysis
- Best Performing Cities Ranking: Milken Institute

Workforce Capacity

- Population growth, dependency ratio data, and migration: U.S. Census Bureau, Population Estimates
- Labor force: U.S. Bureau of Labor Statistics
- Workforce age and completion dynamics: EMSI
- High school graduation rates: State departments of education
- Degree completions by education level from public and private non-profit institutions within county borders: EMSI
- Educational attainment and percent of 18-24 year olds enrolled in college: American Community Survey, U.S. Census Bureau

Innovation and Entrepreneurship

- Milken Institute; Edward Lowe Foundation
- EMSI; U.S. Census Bureau, Business Dynamics Statistics
- U.S. Bureau of Economic Analysis
- Federal Financial Institutions Examination Council

Business Environment

- U.S. Energy Information Administration
- Metro averages of office, industrial, and retail lease rates: Loopnet
- Effective tax rates by business sector: KPMG and the Tax Foundation

Quality of Life

- American Community Survey, U.S. Census Bureau; Walk Score; Council for Community and Economic Research (C2ER); EMSI; National Association of Realtors; CoreLogic, Inc., Moody's Analytics; U.S. Bureau of Economic Analysis; County Health Rankings; Sperlings; and Federal Bureau of Investigation.