



**2020 RENAISSANCE –  
A Strategic Plan for a Greater Lexington**



## **VISION**

To work together with our citizens, customers and employees to create a city of recognized excellence with a high quality of life and unlimited economic opportunities.

## **MISSION**

As the elected representatives and staff of the City of Lexington, we commit ourselves to work within state and federal laws to provide effective and efficient municipal services that are desired by our citizens and customers in order to assure a balanced quality of life, protection for our citizens, and planned economic growth. We will insure that our utility services are operated in a safe, effective and efficient manner and add to the quality of life of our community as well as provide for economic growth.

## **2020 RENAISSANCE – A Strategic Plan for a Greater Lexington**

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### **Committee**

Mike Turlington, Chairman  
Tammy Absher                      Al Armstrong  
Alan Bailey                        Robin Bivens  
Dan Briggs                         Keith Curry  
Eric Henderson                  Chad Hodges  
Ann Hoffman                      Michael Holshouser  
Antionette Kerr                  Rick Kriesky  
Robert Mack                       Amy McNeill  
Charlotte Roberts                Elizabeth Shive  
Reynolds Shoaf                  Ted Smith  
Greg Turlington                  Jane Whitehurst  
Newell Clark, Mayor  
Ex-Officio Member

### **Technical Support Committee**

Alan Carson, City Manager  
Terra Greene, Assistant City Manager  
Tammy Absher, Director of Business and Community Development  
Rebekah Gainey, Deputy City Clerk  
Dr. Ernest W. Tompkins, Consultant/Facilitator  
Susan T. Seyfried, Consultant

### **Research Sub-Committee**

Susan Seyfried, Convener  
Tammy Absher  
Antionette Kerr  
Michael Holshouser

### **Committee Appointed by Former Mayor John T. Walser, Jr., with Recommendations from the 2011 Lexington City Council**

Wayne Alley                        Larry Beck  
Linwood Bunce                    Becky Klass  
Tonya Lanier                        Donnie McBride  
Ronald Reid                        Ed Ward  
John L. Gray, City Manager

### **2020 Renaissance Plan Accepted by the 2013 Lexington City Council**

Newell Clark, Mayor  
Wayne Alley                        Linwood Bunce  
Frank Callicutt                    Tonya Lanier  
Donnie McBride                  Jim Myers  
Lewie Phillips                      Ronald Reid  
Alan Carson, City Manager

### **Dedicated To**

Former City Manager John L. Gray  
In recognition of his commitment to strategic planning and citizen involvement over the course  
of 25 years of planning and administrative public service with the City of Lexington.

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## EXECUTIVE SUMMARY

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The City of Lexington is located in the Piedmont Triad region of North Carolina. North, south, east, or west, the logistics of Lexington's location are hard to beat with transportation access to four key highways (Interstate 85, US Highway 64, US Highway 52 [future I-285] and US Highway 29/70), airports, and rail connections. Lexington is a central location that puts most eastern U.S. population centers within a day's drive. As the Davidson County seat, it serves as a bedroom community to surrounding cities. Based on the 2010 Census, the population of Lexington is nearly 19,000. Local leaders interviewed for the purpose of this project described Lexington as a great place to live and raise a family. Many described the town in Norman Rockwell iconic terms.

Lexington has a rich history. Until the 1990's, its economy was mainly based on textile and furniture manufacturing. Most local manufacturers moved their production facilities to Asia and Mexico and their local factories closed. With many jobs lost, there have been economic difficulties for this community which was heavily dependent on these two industries for employment.

With the economic challenges, Lexington has taken significant steps to continue to be a business friendly community and to welcome industry and entrepreneurs alike. The Lexington City Council set one of its Top 10 Goals to **“become a more business friendly community that will attract and support new and existing businesses.”** As part of this initiative, the City's Office of Business and Community Development is being revamped to create a more entrepreneurial environment and recruit commercial businesses for job growth and quality of life in the community. The City Council has also formed a strong partnership with Davidson County Economic Development Commission, Chamber of Commerce, Davidson County Community College and Electric Cities of North Carolina resulting in ongoing support for economic development initiatives and partnerships like the Davidson County Airport and the Lexington Business Center, which is now the home of a regional Save-A-Lot distribution center. *Site Selection* magazine ranked the Lexington-Thomasville micropolitan area 4<sup>th</sup> in the nation in economic development success in 2011. The area was ranked 1<sup>st</sup> in the nation in 2010 and 2007. With the annual Lexington Barbecue Festival, Richard Childress Vineyards and Racing Museum, as well as the Bob Timberlake Gallery, Lexington tourism is a major economic driver. The City also supports the Uptown Lexington district which has historic Grimes Mill building ready for redevelopment. Uptown Lexington is a vibrant, attractive central business district with a unique variety of shops, restaurants and entertainment. Vigorous efforts are underway to completely redevelop the Depot District, home to the now City-owned eighteen acre former Lexington Furniture Plant 1 property, and to secure a passenger rail stop in Lexington by 2015. The Lexington Farmers Market has already made its home in the Depot District.

With the new 2010 Census data and in keeping with its vision to “work together with our citizens, customers, and employees to create a city of recognized excellence...”, the Lexington City Council and then Mayor John Walser, Jr., appointed the Lexington Strategic Planning Committee (LSPC) and named Mike Turlington the Committee Chair. The City engaged Tompkins Consulting to design and facilitate the strategic planning process which included meeting with the Committee over 25 times. The Committee's purpose was to collect and review a wide variety of data to determine the current state of Lexington, to identify what needed to be addressed, and to make recommendations regarding actions needed for a greater Lexington. The Committee named the plan **“2020 Renaissance –A Strategic Plan for a Greater Lexington”**. The LSPC met for over two years and worked diligently to gather as much data as possible. The Committee started with a thorough **presentation by the City administrators on “How City Government Works”**.

In addition, the Committee **reviewed several relevant studies** brought to the Committee by the Research Sub-Committee which was composed of members of the LSPC and one of the consultants. The Committee also participated in an analysis of the City's **strengths, weaknesses, opportunities, threats and accomplishments** and an exercise to **identify and assess attributes related to City services, programs, and overall life in Lexington.**

**Current (2010) and prior Census data** were compiled, analyzed and presented. This information described the demographic make up of Lexington citizens and identified changes and trends. According to this information, the population in Lexington which peaked in 2000 has declined 5% to 18,931 in 2010. The highest growth rate is among the Hispanic population accounting for 16% of the Lexington population. Compared to 2000, Lexington has more children under five years of age, adults 45-64, and seniors, age 85+. The percentage of individuals living alone is trending up; whereas the number of married couples with or without children is declining. The number of high school graduates has increased and those with bachelor's degrees or higher has declined. The Census data show that over 11% of persons age five and older in Lexington indicate that they do not speak English very well. Overall and violent crime rates have continued to drop. Both median family and per capita income are lower than surrounding cities and counties and well below the state and national average with the unemployment rate being 16%. There is a higher percentage of vacant housing than in surrounding counties and homeownership rates have continued to decline. Almost 70% of the housing stock is more than 30 years old.

**City and community leaders were interviewed** for their perceptions of City services/programs and to better understand their attitudes and expectations regarding the community including their vision for Lexington. The Committee helped to identify the leaders who were interviewed individually with the consultants. The structured interviews included questions developed and approved by the Committee.

Information gained from the prior work of the LSPC, the Census data and the Leader Interviews helped to guide the development of a **Citizen Survey**. The Lexington residents had never before been asked to participate in such a citizen survey which was designed to involve residents in the planning process to better understand their needs and wants regarding their community. Nearly 500 citizens participated in the on-line survey which provided the opportunity to evaluate City services, to indicate the importance and satisfaction of key attributes and programs, and to express their current attitude and perceptions as well as their future hopes and expectations for Lexington. In an effort to reach the growing Hispanic community, copies of the Survey were available in Spanish on-line, in a Town Hall meeting, and at various Spanish speaking churches.

Most survey participants indicated that they were long-term Lexington residents. Just over a third said they had lived in Lexington, left and returned again to live. Respondents near equally represented males and females; 86% were Caucasian; 9%, Black; 2%, Hispanic; and 3% other. The majority (over half) of the respondents indicated that they have a four year degree and just under two-thirds are employed; 25% of those who responded are retired.

Based on the survey results, the City services which receive the highest satisfaction rates are the ones used the most – *electric, water/sewer, waste/recycling, and natural gas*. The Survey reveals that while eight out of ten respondents are satisfied with *electric, water/sewer, and waste/recycling*, 29% of the respondents express dissatisfaction with *street and road maintenance*. Learning from this research also highlights the need for improvement primarily in the area of *Job Opportunities* where levels of importance and satisfaction show the largest “gap.” *Housing/Neighborhood, Education, and Recreation and Entertainment* are also identified as areas needing improvement.

*Small town, the people, and proximity to other areas* are key advantages mentioned by citizens. Many also expressed a desire for *more growth and development*, while still maintaining the *hometown feeling*. When asked what they would like Lexington to be known for ten years from now, the majority indicate a *safe place to live, a great place to raise a family, and excellence in education*. Leading the votes for the types of businesses they wish for more of in Lexington are *restaurants, small businesses, retail, and unique locally-owned businesses*.

After possible recommendations for the ***Renaissance Plan*** emerged based on the various data gathering methods, content experts were asked to meet with the LSPC to share their insights and thoughts. This effort provided clarity in making the final recommendations for the Renaissance Plan. Members of the Committee also met with the **Lexington City Government Youth Council (LCGYC)** to get their comments and suggestions related to the proposed recommendations.

Of the 11 focus areas identified by the LSPC, two areas are considered as top priority: **Business/Job Development** and **Public Relations/Branding/Marketing** of the city. Recommendations are also made with a focus on **Arts/Entertainment, Depot District, Education/Schools, Health/Wellness, Hispanic Population, Neighborhood Stabilization/Community Design, Population Growth, Recreation/Community Centers, and Transportation**. The Plan strongly supports current initiatives related to *developing the Depot District/Rail; Business/Jobs; and initiating strategies to improve public relations between the City and the citizens and to market Lexington outside of the Davidson County community*. The Plan recommends *one new City staff position and the creation of two committees*. Other specific recommendations include creating an *Arts/Cultural/Entertainment sub-district within the Depot District*; creating a *Healthy Living Initiative* within the city; developing an *Area Improvement Program for neighborhoods, major corridors and entry ways to Lexington*; initiating a *strategic process for recreation/community centers to bring all the stakeholders to the table*; and *supporting a comprehensive local public transportation network*. Particularly challenging is a recommendation to *expand Lexington's population to 25,000 or more* to attract businesses and companies to the area.

The Lexington Strategic Planning Committee makes these recommendations believing that these actions will ultimately address many of the current economic challenges and keep Lexington as a vibrant, thriving community of “recognized excellence”.

## BACKGROUND INFORMATION

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### Previous Strategic Plans

Over the past few decades, Lexington has established an effective planning and management practice in using strategic planning processes to create an “intentional future” for Lexington. This practice is true not only for Lexington City government but also for its Commissions. In recent years, the Historic Preservation and Appearance Commissions have both created strategic plans to manage their work.

In 1988, the original Lexington Challenge Committee was formed and tasked with developing the city’s first strategic plan. This three year planning effort included over 100 citizens and resulted in 22 recommended actions of which 18 were successfully implemented. In preparation for entering the new millennium, Lexington Challenge 2000 was commissioned to evaluate any tasks left unfinished from the original plan and analyze current strengths, weaknesses, opportunities and threats. The committee ultimately identified 15 issues in the areas of economic development, education, quality of life and transportation which were then addressed by subcommittees which forwarded recommended actions to the City Council. The 1990 and 2000 strategic planning committees, known as Lexington Challenge, involved over 100 citizens. Results of those previous strategic plans included:

- Established City’s industrial park, the Lexington Business Center
- \$1.2 million in streetscape improvements (new sidewalks, street trees, period lights and underground utilities) in City’s central business district
- City accepted in NC Main Street program and established municipal service district and Uptown Lexington, Inc. created by property owners and businesses
- Supported County Commissioners elections going to staggered terms
- Worked with County to identify lands for retaining County government offices in Lexington
- Developed partnership with Davidson County for extending sewer for economic development and public health
- City converted to automated garbage collection and initiated recycling services
- Worked with Davidson County to transfer Lexington Municipal Airport to County for expansion to modern general aviation airport
- Dramatically improved City parks with voter approved \$1.7 million bond issue
- Emphasized increasing homeownership through a housing coalition that ultimately became the Lexington Housing Community Development Corporation and the Homeownership Center
- Expanded tourism as a means to increasing jobs through new attractions, street festivals and events, heritage tourism, etc.
- More citizen involvement opportunities created through establishment of Appearance Commission, Historic Preservation Commission, Uptown Lexington, Inc. and the Lexington Housing Community Development Corporation
- Commitment by NC Department of Transportation Rail Division to restore a passenger rail stop in Lexington by 2015

All of these successes are important improvements in Lexington. Lexington has become more open in its approach to services, budgeting and problem solving as a result of the two previous planning efforts and citizen involvement.

The 2020 strategic planning process marks the third citizen-led strategic planning effort in Lexington. Unlike previous strategic plans for Lexington, the **2020 RENAISSANCE Plan** is not a continuation nor is it built on the work of previous strategic plans. In 2011, new Census data were released from the U.S. Census Bureau. In anticipation of some significant changes from the 2000 Census data and in an effort to provide strategic guidance and planning for the coming decade, Lexington City management wanted to develop a new strategic plan which would enable

them to better understand the needs of their citizens, the “new face of Lexington”, and thus design and implement plans and programs for meeting those needs. City government also wanted to know from the citizens how well the City was delivering the City services. The strategic plan would also identify any other areas that needed to be addressed.

### **The Lexington Strategic Planning Committee Appointed**

In February 2011, then Mayor John T. Walser, Jr., announced the names of those citizens appointed to lead Lexington’s next strategic planning effort. The City Council established the Lexington Strategic Planning Committee (LSPC) and worked with the Mayor to appoint the Committee members.

There were 24 original appointments; Al Armstrong, Alan Bailey, Robin Bivens, Dan Briggs, Newell Clark, Keith Curry, Barbara Davis, Eric Henderson, Chad Hodges, Ann Hoffman, Michael Holshouser, Janice Johnson Hunter, Dwayne Ingram, Antionette Kerr, Rick Kriesky, Robert Mack, Amy McNeill, Charlotte Roberts, Elizabeth Shive, Reynolds Shoaf, Ted Smith, Greg Turlington, Mike Turlington and Jane Whitehurst.

The original Committee represented a balance by gender, race and expertise: Women, 37% and African Americans, 29%. Professionals from banking, insurance, real estate, non-profits, tourism, housing, criminal justice, religion, manufacturing, accounting, consumer services and communications were appointed to the Committee. Mayor Walser also announced the designation of Mike Turlington to Chair the Committee. Mr. Turlington owns and operates Turlington and Company, CPA firm located in Lexington. Mr. Turlington was a member and chaired a number of local non-profit organizations – Chamber of Commerce, Uptown Lexington, United Way – and was currently the Chair of the Davidson County Airport Authority. Three of the original Committee members had to resign due to work-related conflicts, so this Strategic Plan is the result of work completed by the remaining LSPC members.

### **The Strategic Plan Named**

In August 2011, after LSPC large group discussion to name the strategic plan, Mike Turlington, Chair, appointed a Name the Strategic Plan Sub-Committee. The Sub-Committee was composed of Charlotte Roberts, Greg Turlington, Jane Whitehurst, Mike Turlington, Tammy Absher, and Ernie Tompkins. In September 2011, Greg Turlington, presented two names to the whole LSPC members on behalf of the Sub-Committee. The LSPC energetically discussed the pros and cons of the recommendations and indicated being pleased with the idea of Lexington having a “renaissance”. The LSPC voted unanimously to name the strategic plan ***Renaissance – A Strategic Plan for a Greater Lexington.***

## The Strategic Planning Process

### Goal / Objectives

The goal was to better understand the needs of citizens and thus design and implement plans and programs for meeting those needs.

- To define current citizens of Lexington (based on 2010 Census) and identify demographic changes and trends (relative to prior Census surveys)
- To determine the needs/wants of citizens and what they expect from their City government and community
- To evaluate how the City is doing in the services provided
- To establish a definition of the Lexington community – who we are, what we want to be known for, and where we want to be in the future
- To align citizen needs with local planning efforts
- To incorporate citizens in the planning process to boost community involvement and buy-in and aid in the successful implementation of recommended actions and programs

### Data Gathering / Research Methods

Several methods were used to gather data. This variety of gathering-data methods represents the desire to hear from as many of Lexington's constituents as possible - the Lexington Strategic Planning Committee, those identified as leaders, and other citizens. In addition to hearing from the constituents, the Committee reviewed other information - the new Lexington Census Data and relevant studies. More detailed results from these data gathering methods will be in other sections of this report. Methods used are listed below.

- **“How City Government Works” Presentations.** So LSPC members would understand how City government works, the City of Lexington administrators made presentations early in the process.
- **LSPC SWOTA Analysis.** To gain their perceptions as a starting process of collecting data about the “current state” of Lexington, members of the Lexington Strategic Planning Committee (LSPC) participated early on in looking at the **Strengths, Weaknesses, Opportunities, Threats, and Accomplishments**. The exercise also included getting their responses to “*What They Like Most About Lexington?*”
- **LSPC Attribute Identification/Assessment.** Using results from the SWOTA, a list of 70 attributes including services and programs was developed. The LSPC then completed two exercises rating each attribute on Importance and Satisfaction. By looking at "gaps" between the two measures, we were able to determine which attributes needed improvement, which needed to be maintained, and which were less important overall.
- **Review of Other Relevant Studies.** A Research Sub-Committee was appointed from the LSPC members. Their role was to assist in reviewing and analyzing the Census data, to help in the development of the Citizen Survey, and to review other studies and bring to the Committee information deemed relevant to the strategic planning. Much of this was done early in the process to help the Committee determine if there were any facets from the studies to be further researched. Basically this subcommittee helped in planning and reviewing all the data gathering and research.
- **2010 Census Data.** Current and prior Census data were compiled, analyzed and presented by Anne Edwards, Information and Data Services Manager, Piedmont Triad Regional Council. This information described the demographic make up of Lexington citizens and identified changes and trends.

- **Leader Interviews.** City and community leaders were interviewed to obtain their perceptions of city services/programs and to better understand their attitudes and expectations regarding the community and to ascertain their vision for Lexington. The LSPC helped to identify 46 community leaders to be interviewed in face-to-face meetings with the consultants, Ernie Tompkins and Susan Seyfried. The structured interviews lasted 30-45 minutes each and included questions developed and approved by the LSPC. Information from these interviews also helped to guide some of the Citizen Survey questions.
- **Citizen Survey.** A survey was developed and conducted among current citizens to provide information regarding their awareness, usage and perceptions of City services/programs and to better understand their attitudes and expectations regarding their community. This research provided an avenue for getting citizen input and involvement and was instrumental in helping to identify key areas of focus to use in the planning process which followed.
- **Content-Focused Presentations.** After reviewing the data collected from all LSPC work (methods listed above), content experts were asked to meet with the LSPC to share their insights and thoughts. This effort provided clarity in making the final recommendations for the Renaissance Plan.
- **Town Hall Meeting with Members of the Hispanic Community.** In an effort to gain insight from the local Hispanic community, Mayor Newell Clark, two City Councilmen, and representatives of the LSPC, conducted a town hall meeting. In addition to discussion with those present, Spanish copies of the Citizen Survey were given to the adults present.
- **The Lexington City Government Youth Council (LCGYC) meeting.** Members of the LSPC met with the LCGYC to get their comments and suggestions related to the proposed strategic plan recommendations. Hearing from the youth was deemed important because we had not heard from them in the Citizen Survey.
- **Regular LSPC Meetings.** In addition to the special efforts to gather information to guide the LSPC as listed above, the Committee members have met over 25 times, mostly in 4 hour monthly meetings. These meetings included a Kick-Off Session for the newly formed Committee. Towards the end of the process, the Committee met in an all day session to clarify its final strategic plan recommendations. In addition to the whole Committee meetings, there were several smaller meetings with various stakeholders.
- **Technical Support Committee (TSC).** The consultants met periodically with this group who provided overall technical support for the strategic planning process. The TSC included Alan Carson, City Manager; Terra Greene, then Director of Finance and Informational Services; Tammy Absher, Director of Business and Community Development; and Rebekah Gainey, Senior Secretary.

## FINDINGS FROM RESEARCH

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### “How City Government Works” Presentation

#### Findings

Early in the process, the top City administrators met with the LSPC to orient the Committee members as to how City government works. Listed here are notes from those meetings

1. John Gray introduced the session and made these points:
  - Basic understanding of City government’s role is essential to the LSPC’s work.
  - Full disclosure is valued; shared with the Committee the same financial and other information reviewed by City Council.
  - Ask Questions at any time during the presentations.
2. Alan Carson then began the PowerPoint presentation. A handout of the presentation was given to those present.
  - Here are the ideas that were generated for continued discussion by the LSPC:
    - Issues related to recycling: should it be a stronger program and required of all citizens? Consider bringing in a recycling expert as a content specialist presentation to the LSPC.
    - At what point should Lexington consider privatization of some services?
    - Many State and Federal mandates come without funding to support them.
    - Issues related to energy: perhaps we need to look at the total cost of living in Lexington - not just the higher energy costs; Duke Energy is not interested in providing residential services.
    - 1,300 customers pay bills online for citizen surveys.
  - **CHALLENGE:** Number one issues facing City government is economic development.
    - Ask Bill McMurray to come in and speak to the group.
    - 2% of the budget is for economic development.
  - **CHALLENGE:** Current population -
    - Lexington is approximately 2000 more than it was in 1960.
    - 25,000 population is needed for federal government to give critical entitlements.
    - Potential businesses look at population and per capita income.
    - Annexation can help to move the population toward the needed 25,000.
  - **CHALLENGE:** Need to create a new business park or something similar.
    - Lexington Home Brands building will possibly offer sites.
  - **IDEA:** Might need to create a subgroup to focus on commercial / business recruitment:
    - There is a difference between industrial recruiting and business recruiting.
    - How will we grow our density to attract industry and business?
  - The number of citizens involved in government has more than doubled.
3. Terra Greene presented a PowerPoint overview of Lexington City Government Financial Operations:
  - Lexington “plays by the rules”.
  - We are not where we need to be with the number of Electric Utility customers. Lexington needs a stronger, commercial/industrial base.
  - Consumption is the life of utilities.
  - During the drought, citizens started conserving and it has remained that way.
4. John Gray presented a PowerPoint on “Making City Government Work” – how to keep all of the main players on the same page.
  - The City uses a five-year budget planning model.

**Overall comments/questions:**

1. "Is there a way to get this type of information out to the general public? This information could be so helpful. More good goes on than the city gets credit for." Alan and John explained that much of this information has been shared with the citizens but they are not sure that it is read when shared. People get their news so many different ways now. Perhaps a City page in the paper?
2. Do City employees understand the useful details in this presentation? Answer: "Yes. They get this in some of the training that they receive."
3. PR is needed: what does the City need to do to be more proactive in getting the positive messages out? The City website gets 35,000 hits per month.
4. Economic development efforts could also focus on current business support, recruitment, marketing, branding

## **LSPC SWOTA Analysis (Strengths, Weaknesses, Opportunities, Threats, and Accomplishments)**

In May 2011, the Lexington Strategic Planning Committee participated in an exercise to share their perceptions of Lexington. The Committee members were asked to share “*What they like most about Lexington*” and what they perceived to be Lexington’s *Strengths, Weaknesses, Opportunities, Threats, and Accomplishments*. Listed here are the highlights of those findings. A more-detailed report is found in Appendix I.

### **Findings**

*What do you like most about living in Lexington? (\*denotes the number of responses)*

1. Great Community Character [25]\*
2. Great location [5]
3. Uptown Lexington [5]
4. Small town [4]
5. Affordability [3]
6. Lexington BBQ (3)
7. Great and progressive City government [2]
8. Community college [2]
9. High Rock Lake
10. Momentum of young leadership

*What the LSPC Members Perceived to be Lexington’s ACCOMPLISHMENTS, STRENGTHS, WEAKNESSES, OPPORTUNITIES, THREATS:*

**Accomplishments** [\*denotes the number of responses]

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1. Improvements in the City infrastructure [18]
2. Uptown Lexington [3]
3. Tourism - winery, BBQ festival, BBQ cookoff [2]
4. Street Festival [2]
5. Established the Lexington Homeownership Center
6. Erlanger Mills project
7. Summer Strolls/Classic Car shows/Alive after FIVE
8. Center Street Bridge
9. Economic Development Recruiting - top 10 in NC
10. Dining diversity- winery, café 3 S or 35 (? Can’t tell)
11. City School Systems - open for parental involvement
12. Hotels

**Strengths** [\*denotes the number of responses]

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1. Location - proximity to larger cities, geographical position in the state [5]
2. Revitalized Uptown – walk-able to dining/shopping/work [4]
3. BBQ [3]
4. Airport [3]
5. Compassionate/charitable community - volunteerism, medical ministry, other ministries [3]
6. Festivals and Special Events (BBQ Festival, Cook-off, etc.) [2]
7. Tourism [2]
8. Recreation - water based recreation, YMCA, parks, others [2]
9. Access to major bodies of water (High Rock Lake, Tom-a-Lex, Yadkin River) [2]
10. Unique locally owned anchor stores (Laniers, Candy Factory, Conrad & Hinkle) [2]
11. Winery - 4 wineries [2]
12. Timberlake

**Strengths** [continued]

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- |  |  |
|--|--|
| 13. <b>Lexington Business Center</b>                         | 23. <b>Own utilities</b>   |
| 14. <b>Ability to get grants to support initiatives</b>      | 24. <b>Financial condition</b>                                       |
| 15. <b>Active volunteer boards and commissions</b>           | 25. <b>Small town</b>  |
| 16. <b>High # of privately owned businesses</b>              | 26. <b>Hospital</b>  |
| 17. <b>Architecture, heritage, history</b>                   | 27. <b>Community College</b>   |
| 18. <b>Agriculture</b>                                       | 28. <b>Variety of organizations, United Way</b>                      |
| 19. <b>Future development opportunities</b>                  | 29. <b>Culture - Charity League, Civic Center, Community Theatre</b> |
| 20. <b>Infrastructure</b>                                    | 30. <b>Churches</b>  |
| 21. <b>Location government willing to listen; accessible</b> | 31. <b>Railways</b>  |
| 22. <b>People</b>  | 32. <b>Major Highways</b>  |
|  | 33. <b>Affordability</b>   |

**Weaknesses** [# denotes frequency of response]

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1. **Lack of Community Infrastructure [25]**
2. **Unemployment, lack of job opportunities, job loss (tax revenue decrease) 7**
3. **Perception of city schools 3**
4. **Unkempt appearance of private property in some parts of town; areas of the City that are blighted and unsafe (homes and buildings); dilapidated properties [3]**
5. **Vacant buildings [3]**
6. **Relationships [3]**
7. **High utility expenses - cost to residents, in some cases 50% higher than other cities 2**
8. **Poor representation in Raleigh**
9. **Lack of educational options**
10. **Commuters - people leaving town for work**
11. **Image of Lexington - sleepy town , not attracting young people**
12. **Perception and negativity**
13. **Fight over annexation**
14. **Overlapping services/responsibilities between Uptown, Lexington Tourism, TRIP and Chamber**

**Opportunities** [# denotes frequency of response]

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1. **Community Infrastructure [17]**
2. **Education [7]**
3. **Marketing [5]**
4. **Transportation [4]**
5. **Improve efficiency between local agencies - Uptown, Chamber, TRIP, LTA**
6. **Realistic strategic plan**

**Threats** [# denotes frequency of response]

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1. **City/Community Infrastructure [14]**
2. **Changes in demographics [10]**
3. **The Economy [8]**
4. **Perceptions of and problematic educational issues [5]**
5. **Legislative representation - against future expansion and development opportunities [2]**
6. **Lack of leadership [2]**
7. **Backlash from annexation**
8. **Potential of moving county seat**
9. **I-85 Bridge**
10. **Not represented by our diverse community (same leaders, same appointed boards)**
11. **Complacent citizens**

## LSPC Attribute Identification and Assessment

Using results from the SWOTA, a list of 70 attributes including services and programs was developed. In the August meeting, members of the LSPC completed two exercises rating each attribute on Importance and then on Satisfaction. Given the sample of 20 participants and a top rating of 5, each attribute could achieve a maximum overall score of 100 on Importance and Satisfaction as well. Results were analyzed and compared to determine the importance of each attribute in moving Lexington forward, the current level of satisfaction with each attribute, and the gap between importance and satisfaction on each attribute. By looking at gaps between the two measures, we were able to determine which attributes needed more improvement, which needed to be maintained and which were less important overall.

### Findings

#### Importance

- Based on the committee's ratings, all attributes are considered important to some degree. Almost 30% are rated 90+ and 70% of the attributes achieve a score of 80 or above.

100 Economic development	90 Police department	84 Recreation
98 Lexington Business Center	90 Utilities	83 Festivals
98 City school system	89 Citizen involvement	83 Airport
98 Jobs	89 Accessible local government	83 Sewer services
97 Business recruitment	89 Dining diversity	83 Vacant buildings
95 Uptown Lexington	88 Industrial recruitment	82 Lexington Home Brands bldgs
95 Infrastructure for business	88 Entertainment	82 Freight railways
94 Hospitals	88 Cooperation among local agencies	82 Depot District
94 Lexington's image	88 Fire department	82 Elected & appointed diverse representation
94 Small business support	86 Safety	81 City landscape
93 City population	86 Affordable living	81 Taxes
93 Marketing of the city	86 Tourism	81 Homeownership
92 Entrepreneurship	85 City planning & zoning	80 City parks
92 Economic diversity	85 Volunteerism	
92 Attracting young residents	85 Neighborhood improvement	
91 City government	84 Community appearance	
91 Community college	84 Passenger rail stop	
91 Major highways	84 Compassionate community	

#### Satisfaction

- Overall, satisfaction ratings are lower with none of the attributes receiving a score of 90 or above. Satisfaction ratings are more disperse ranging from a high of 89 to a low of 39. While almost a quarter achieve an 80+ score, over fifteen percent are rated below 50.

<u>Most</u>	<u>Least</u>
89 Community college	49 Economic development
89 Major highways	49 Public transportation
89 Fire department	49 Bikeways
87 BBQ	48 Marketing of the City
86 Safety	45 Entertainment
86 Police department	45 Attracting young residents
85 Hospitals	44 Business recruitment
83 Unique, locally owned businesses	42 Industrial recruitment
82 Uptown Lexington	41 Jobs
81 Festivals	40 Vacant buildings
81 Wineries	39 City population
80 Farmers' Market	
80 Airport	
80 City government	
80 Accessible local government	
80 Compassionate community	

**Gap Analysis**

- Jobs is the attribute with the widest gap (57 points) between importance (98) and satisfaction (41).
- Four attributes - Jobs, City population, Business recruitment, and Economic development - have gaps of over 50 points and over 20% have at least a 35 point spread.

<u>Importance</u>	<u>Satisfaction</u>	<u>Gap</u>	<u>Attributes</u>
98	41	57	Jobs
93	39	54	City population
97	44	53	Business recruitment
100	49	51	Economic development
92	45	47	Attracting young residents
88	42	46	Industrial recruitment
93	48	45	Marketing of the city
88	45	43	Entertainment
83	40	43	Vacant buildings
94	53	41	Lexington's image
94	53	41	Small business support
92	52	40	Entrepreneurship
89	52	37	Dining diversity
98	62	36	City school system
92	56	36	Economic diversity

- Satisfaction levels for 11 of the attributes equal or exceed their importance rating.

<u>Importance</u>	<u>Satisfaction</u>	<u>Gap</u>	<u>Attributes</u>
86	86	0	Safety
75	75	0	Alcohol regulations
71	72	+1	Historic preservation
88	89	+1	Fire department
70	74	+4	Historic district
79	83	+4	Unique, locally owned businesses
66	72	+6	Water-based recreation
65	75	+10	Uptown parking
70	81	+11	Wineries
76	87	+11	BBQ
68	80	+12	Farmers' Market

**Summary**

While committee members believe the attributes, services and programs were all important, opinions are more widespread regarding the current levels of satisfaction. Over two thirds of the attributes achieve a score of 80 or above on importance. However, less than a quarter are rated that high on satisfaction. Comparing the importance and satisfaction ratings highlights potential areas of focus in Lexington's Strategic Plan.

## Review of Other Relevant Studies

### Findings

#### IMPLICATIONS for Lexington's Renaissance Plan from

#### *Building on Innovation- The Significance of Anchor Institutions in a New Era of City Building*

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##### Building on Innovation

- The **innovation economy** is sweeping away the old rules of city building in the US and "anchor institutions" - research hospitals and universities - have become one of the primary drivers of this community-based change.
- For example, in just 20 years, metropolitan Boston has lost more than 100,000 manufacturing jobs while adding nearly 200,000 jobs in education, professional services, and health care-related sectors.
- The **capacity of communities to achieve economic resiliency amid these shifts** will determine the difference between prosperous and failed local economies.

##### Three Key Assumptions

- **Cities will succeed only if they are managed well and adequately provide basic services** - need to be clean and safe; need to educate workforce for future jobs; need to offer a reasonable cost of living.
- **Cities will succeed if they commit to economic innovation and embrace cross-sector collaboration and partnerships** - commercializing research from local universities and medical institutions; fostering an entrepreneurial climate through public/private partnerships; attracting capital to invest in local business creation.
- **Cities will succeed if they provide vibrant places to live, plan regionally to maximize quality of life, and provide diverse housing choices and sustainable infrastructure.**

##### Building for the Future

- **Leadership:** *Change doesn't happen without a champion.* Leadership needs to be sustained and committed to the long term.
- **Strategy:** One needs to know where one is going in order to get there. *A strategy and a plan need to be critically* focused on a true competitive advantage, not an abstract idea of some undefined goal.
- **Institutional capacity:** To carry through on long-term commitments, *public/private/university partnerships require sophisticated organization on all sides.*
- **Financing infrastructure:** *Partnerships often entail investments by both the public and private organizations* that fund the development. Availability of both venture capital and early-stage investment cannot be stressed enough.
- **Education: A knowledge economy is driven by educated people.** Companies that locate or grow in these areas need an educated workforce.

## **IMPLICATIONS for Lexington's Renaissance Plan from Generations by the Institute for Emerging Issues**

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**The primary implication is that who is entering the workforce is changing significantly and they have different expectations from work than previous generations.**

**Generation Y:** Born between 1982-1995

- 16-29 years old today
- Also known as "millennials" and "echo boomers" (children of boomers)
- Lived through parents consumerism; they want choice
- Tech savvy - familiar with computers, internet, digital technology
- Craves attention; needs constant feedback and attention; moves from job to job
- Instant communication - email, texting, IM, YouTube
- Achievement-oriented and team-oriented
- Trophy kids: no one loses, everyone gets rewarded
- More racially and culturally tolerant than previous generations
- Prefers urban lifestyle; environmentally conscious; place matters, not just job

**Generation Z:** Born between 1996-today

- 15 years old and under today
- Too early to discern traits about this generation
- Lived through 9/11 and Katrina
- Living through the Greatest Recession and 2 wars
- First African-American President elected
- Emergence of MP3 players
- Declining birth rate
- Somewhat tech savvy by elementary school age
- Children of youngest boomers and Generation X and Y
- More non-traditional households
- Environmentally conscious, many similarities to Generation Y

### **Impact on the Business Environment**

- **Gen Z is the first generation in US history to enter the workforce under expectations that they will be (on average) less well-off than their parents.** Many in this generation can expect to spend more time job-seeking or job-jumping and are less able to sustain themselves as independent households.
- Technology skills Gen Z exhibits **can be a great advantage for employers.** **Connectivity and the use of modern media is as natural as breathing.** They don't have to learn the communications skills that pre-Internet generations struggle with, and technology is already integrated into their daily routines.
- Gen Z **divides and assumes social roles based** on setting and they expect others will understand this segregation.
- They want to know: **How do I fit in? Why do I have to do this? Why does it have to be done by then? They expect to be part of the design process.**
- **Transparency, self-reliance, flexibility, and personal freedom are all non-negotiable aspects of Gen Z's work ethic.** Ignoring them or trying to force-fit them into a traditional job environment could result in peer frustration, reduced productivity, low morale, and a lack of employee engagement.
- **Lexington should involve Gen Y and Z in a process of designing the environment now, because the environment will play a key role in determining whether or not they choose to live here in the future.** Z's favor an urban setting with walkable access to social settings and services. They also reject single family large lot development.

## **IMPLICATIONS for Lexington’s Renaissance Plan from *Growing the Davidson Economy from the Inside Out (Referred to as the Leakage Study)***

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Davidson County remains in economic crisis from the exodus of manufacturing jobs. Unemployment hovers around 12%, which is above state and national averages. It needs an alternative strategy of “Local Living Economies,” to maximize both the percentage of jobs in locally owned businesses, and local self-reliance by plugging dollar “leaks” in the local economy.

The simple leakage analysis suggests Davidson County has few sectors of export strength: wood, furniture, nonmetallic mineral, fabricated metal, plastic and rubber products, and apparel. The County is dependent on imports and leakages are occurring in almost every sector of the economy. Opportunities for new import-replacing jobs abound.

Opportunities for new import substituting businesses include:

- Increase local financial services;
- Create local electric utility and energy production;
- Expand the diversity of residential and business service businesses;
- Enhance local arts, entertainment, and recreation assets, especially for youth
- Encouraging residents to prioritize local charities in their giving;
- Expand local health services, particularly healthy exercise, nutrition, and lifestyles; and
- Increase value of local assets through leasing, reuse, and re-fabrication

A more comprehensive leakage analysis using IMPLAN, used extensively by economic development agencies nationwide, indicated that if Davidson County met 100% of its needs locally, it could generate 52,543 new jobs, worth \$1.86 billion in wages, \$7.4 billion in output, and \$235 million in indirect business taxes annually.

Complete localization is an unrealistic goal, but even 25% localization amounts to 13,000 jobs. The most promising sectors are food, tourism, health care, business services, and financial services.

How do we create 13,000 new jobs? One key is to create “meta-businesses,” self-financing enterprises that nurture hundreds of new local businesses in multiple sectors. Among the promising meta-businesses presented:

- Local-business directories and advertisers; local credit, debit and gift cards; a local currency and time dollars; a B2B marketplace; and a B2G procurement intermediary.
- A local delivery service, a procurement cooperative, and a local business mall.
- Local investment vehicles such as loan funds, angel investment brokers, small-stock creators, and a local stock exchange.
- Local entrepreneurship, through mentorship, special classes, and incubators.

The next steps for action should be a series of working sessions with key stakeholders in Davidson County, where the following is done:

- Review, sharpen, prioritize, and identify which sectors, given local assets and markets, could achieve the 25% localization goal.
- Organize local business community into sector-specific working groups (food, finance, energy, and retail) to steer the county toward the goal.
- Pick three that seem especially promising for Davidson County, and concentrate on achieving one.

**IMPLICATIONS for Lexington's Renaissance Plan from**  
***State of the NC Workforce 2011-2020 by the NC Commission on Workforce Development (6/2011)***

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**Workforce Challenges**

- Work dislocation accelerated during the recession due to long-term structural changes.
- Workers employed in low-skill, middle-wage jobs are competing for fewer good-paying jobs while opportunities offering similar wages demand higher skills.
- While metropolitan workers have a more diverse set of career options, they must continuously adapt to increasing demands in the workplace and a more competitive labor market.
- Dislocated or young workers in hard-hit micropolitan and rural areas have very limited alternatives for employment.
- Seeking good-paying jobs, more workers must increase their skills by accessing and completing education beyond high school or by earning industry-recognized credentials.
- The recession slowed baby boomer retirements, but the impact is likely to be felt first and greatest in micropolitan and rural areas where more workers are near retirement age.
- High-skill in-migrants recruited to help companies meet their talent requirements are seeking jobs in amenity-rich metropolitan areas.
- Migration of new workers continued at near pre-recession levels, even among low-skilled workers, despite the limited availability of jobs.
- Lower-skilled workers accounted for most of the unemployed and required significantly greater social services during the recession.
- Workers employed in certain industries - manufacturing, finance, distribution, or construction - were more likely to lose their jobs and to need retraining to find work.

**Summary**

- The recession served to accelerate many long-term economic trends and exposed the lingering truth that there is now an extreme imbalance between the demand for jobs and the supply of workers to fill those jobs.
- While the study identified ten key challenges that could stand alone as a critical priority, they are all interrelated and must be addressed holistically and in collaboration with NC's educational and economic development systems.

**Recommendations:**

NC leaders must consider policies aimed at:

- Transitioning workers dislocated due to structural change
- Identifying at-risk workers and helping them access education and training
- Engaging education at all levels - ensuring student enrollment and linking curriculum offered and industry needs
- Enhancing economic opportunity for workers in micropolitan and rural areas - addressing skill shortages in certain industries, and improving access to education and training
- Ensuring greater employment stability through earned post-secondary education

## **IMPLICATIONS for Lexington's Renaissance Plan from *Disruptive Demographics: Implications for Workforce Planning, Business, and Consumer Market* by James H. Johnson, Jr. (2/2012)**

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**This study was presented to the Lexington City Council by Dr. James H. Johnson, Jr.,** Director of the Urban Investment Strategies Center and the William R. Kenan, Jr. Distinguished Professor of Strategy and Entrepreneurship at the University of North Carolina, Chapel Hill Kenan-Flagler Business School. This information is based on new census data as well as emerging trends.

### **Six Disruptive Trends**

#### **1. The South Rises - Again**

- South accounts for 51% of total US Population Change between 2000 - 2010
- NC's population grew by 17.1% compared to 13.8% for the South and 9.5% for the US
- Migration trends show the South is gaining Black, Hispanic, Elderly and Foreign born residents
- Population in Lexington declined by 5.1%.

#### **2. The Browning of America**

- From 2000-2009, the Hispanic population in the US grew 35.8% as compared to 4.9% for Non-Hispanics
- Median age is 27 as compared to 41 and fertility rates are 2.99 and 1.87 (Hispanic, Non-Hispanic, respectively)
- Enrollment in NC public schools has increased 12.6% (2000-2009) with Hispanics accounting for 60% of that change and Blacks 32%
- In Lexington (2000-2010), the Hispanic population grew 44%, whereas Whites and Blacks declined, 14% and 10% respectively

#### **3. Marrying Out is "In"**

- Intermarriage trending up: Almost 15% (2010 est) of newlyweds are married to someone of a different ethnicity as compared to about 7% in 1980
- Trend more prevalent among higher educated

#### **4. The Silver Tsunami is About to Hit**

- US Census projects 87 million residents age 65+ in 2050 compared to 36 million in 2003
- In NC, pop increases were greatest among 45-64 yr olds (38.6%) and those 65+ (27%) (Total 18.5%, 2000-2010)
- Population in Lexington increased by 12.4% among 45-64 yr olds and declined by 6.5% among 65+ adults

#### **5. The End of Men?**

- Females are accounting for a larger percentage of the workforce and educational system
- More of the jobs lost during the 2007-2009 recession were held by men

#### **6. Cooling Water from Grandma's Well...and Grandpa's Too!**

- More children living in homes with grand parents

### **Challenges & Opportunities Based on These Trends**

- Diversity Rules... but challenges abound
- Education is Necessary... but insufficient
- The Competitive Tool Kit needed:
  - Entrepreneurial Acumen
  - Contextual Intelligence
  - Soft Skills/Cultural Elasticity
  - Agility and Flexibility
  - Growing Dependency... a train wreck in the making

### **Recommendations for Lexington Area**

- Rebrand the City and County as sustainable places to live and do business
- Improve male education outcomes
- Augment efforts to recruit plants with strategies to recruit people
- Embrace immigrants
- Recognize demographic-driven business development & job creation opportunities

**Implications for Business**

Emergence of global care economy  
Adjustments for aging consumers  
Succession Planning  
Female-dominated labor force and leadership  
Fierce global competition for talent

**Opportunities**

Tap the spending power of ethnic minorities  
Cater products & labeling to emerging groups  
Design & package products with equality in mind  
Easy to read, understand, carry, enjoy  
Safer to use

**IMPLICATIONS for Lexington's Renaissance Plan from  
Assessment of Factors Affecting the Well-Being of Young Children in Davidson County**

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This study was not presented to the LSPC because of its focus being on young children. The Research Sub-Committee suggested that these findings were not directly relevant to the larger scope of City services except as a reference/resource to the Lexington's City Schools. Only overview comments were made to the Committee.

**Executive Summary**

The study was done by Dean Clifford, Ph.D. and Sarah Heinemeier, Ph.D. for Smart Start of Davidson County. The report included many recommendations including the encouragement of partnerships with all agencies which serve Davidson's County young children.

In reading this report, it is imperative to recognize that Smart Start accounts for 25 percent or less of a county's need with regard to children in their prenatal period through age five. Smart Start legislative mandates require that the vast majority of funding be spent targeting the quality and accessibility of child care. Thus, the majority of needs identified in this report will require collaborative and innovative solutions among community agencies and stakeholders.

Smart Start of Davidson County is required to use its annual allocation to serve the needs of all of the county's young children in very specific areas. These areas are documented in the state's Performance Based Incentive System (PBIS) standards; every Smart Start partnership receives an annual performance report on these standards. Every Smart Start partnership's autonomy with regard to programming is linked to its annual PBIS report. Recent reports from the state Smart Start agency, the North Carolina Partnership for Children, indicate that Smart Start of Davidson County is meeting high performing status in many areas affecting children's early development. It is important to maintain this status as the organization plans for the future. This project also was undertaken with the understanding (and responsibility) that the majority of a child's brain development (85% plus) occurs within the first three years of life. There is no expedient or cost-efficient means of recovering this developmental opportunity.

In this work, it remains important to think systemically, rather than simply responding with programmatic interventions and activities. In other words, how can the work be developed in ways that ultimately build a sustainable, comprehensive, and effective system of services, contributing to a county environment that supports the optimal development of all young children and supportive of family strength and well-being?

Smart Start must focus on children from birth to 5, but it seems appropriate for Smart Start to participate in community planning to examine, identify, and improve the availability and quality of after-school care programs.

## 2010 Census Data

This is a summary of the demographics of the City of Lexington, NC, based on the U.S. Census Bureau 2010 Report. This information was presented to the Committee by Anne Edwards, Information and Data Services Manager, Piedmont Triad Regional Council. A more detailed report is found in the Appendices.

### Findings

#### Population

Area, Growth, Density - Population in Lexington City peaked in 2000 and has declined 5% to 18,931 in 2010. This compares to growth in other NC counties ranging from of 4-35% (Shelby, Thomasville respectively). Lexington's population rank within the State is on the decline as is density within the City itself.

Population, 2010:	18,931
Land Area, 2010:	17.98 square miles
Population Density:	1,052.9 persons per square mile
Population Rank among all municipalities in NC:	45th
Growth Rate past 10 years:	-5.1%

Age, Race, Gender - Highest growth rate is among the Hispanic population segment, with this group currently accounting for 16% of the Lexington population. Compared to 2000, Lexington has more children under 5 years of age, adults 45-64 years old, and seniors, age 85+.

% Female	51.9%
% Male	48.1%
% White	49.8%
% Black/African American	28.2%
% Hispanic	16.3%
% Other Race	5.8%
Median Age	37.4
% Children under 18	24.6%
% Elderly	15.1%

Household Characteristics - The percentage of individuals living alone is trending up whereas numbers of married couples with or without children are declining. In terms of educational attainment, the percentage of HS graduates has increased while those with a Bachelor's degree or higher has declined. Lexington continues to lag behind other cities and counties in NC on these measures. In addition, over 11% of persons age 5 and older in Lexington indicate they do not speak English very well. Overall and violent crime rates continue to go down.

Households	7,376
Persons per Household	2.44
% Family Households	62.1%
% Living Alone	32.7%
% High School Graduates	65.5%
% College (4-year) Graduates	10.8%
% - Do not Speak English Very Well	11.4%
Crime Rate, overall	3,860.9
Violent Crime Rate	410.8

Income & Poverty - Median Family Income and Per Capita Income are lower in Lexington City than surrounding cities and counties and well below the state and national averages. Poverty rates are highest among Other race or Multi-racial as well as Persons under age 18. Almost half (45%) are paying more than 30% of their income on housing costs and 23% of households indicate they are receiving food stamps.

Median Household Income	\$29,354
Per Capita Income	\$17,313
Persons living in Poverty	5,133
Poverty Rate	26.6%
Households spending more than 30% of their income on housing costs	44.5%
% of children in Poverty	44.6%

## Housing

Occupancy/Tenure - There is a higher percentage of vacant housing in Lexington than in surrounding counties. Homeownership rates in Lexington continue to decline. Almost 70% of the housing stock in Lexington is more than 30 years old. The median housing value in the City is \$103,800 as compared to \$143,700 for the State of NC. Sixteen percent of households indicate they do not have access to a vehicle.

Total Housing Units	8,938
Occupied Housing Units	7,376
% Vacant Housing Units	17.5%
% Owner Occupied	47.6%
% Single Family detached dwellings	71.5%
% Multi-Family	24.3%
Median Value, Owner Occupied Homes	\$103,800
Median Rental Cost	\$570
% of Housing more than 30 years old	69.1%

## Economy

Labor Force, Employment, Jobs, Commuting - Looking at historical labor force data since 1970 shows continued but slower growth through 2000 followed by a decline currently to 8,844. Lexington's unemployment rate of 16% is higher than neighboring cities and counties and twice that of NC and the US. The only industries showing increases in employment are construction, finance/insurance/real estate, professional/scientific/management, and education/health care. Only about 15% of the jobs in Lexington are filled by local residents.

Labor Force	8,844
Unemployment Rate	16.1%
% of Adults in the Labor Force	56.4%
% of Workforce Employed in Manufacturing	33%
% Employed in Manufacturing in 1990	45%
Median Earnings per Worker	\$19,972
Jobs in Lexington, 2009	11,785

## Public Schools

Enrollment, Expenditures, Measures of Attainment/Performance Data - Enrollment in Lexington City Schools has dropped from 3,234 students in 2000 to a current level of 2,950. Just over a third of these students are Black (34%) with 30% Hispanic, 26% White and the remaining 10% accounted for by Other races. Due to the high percentage of low income students, Lexington City Schools receive more funds to put toward education, resulting in a higher per pupil expenditure than most other NC schools. Over 90% of students receive lunch free or at a reduced price.

Lexington City Schools Enrollment	2,950
Enrollment 10 years ago	3,234
Per Pupil Expenditure (annually)	\$10,122
Rank in PPE (of 115 school systems in NC)	24 <sup>th</sup>
% of Elementary/Middle School Students Scoring at Grade Level (EOG tests) – Composite	55.8%
% of High School Students passing End of Course Tests (Composite)	66.7%
Average SAT Score	1,320
Dropout Rate	2.88
% on Free/Reduced Lunch	92.5%

## Leader Interviews

The Lexington Strategic Planning Committee identified 46 community leaders to be interviewed. Ernie Tompkins and Susan Seyfried conducted 30-45 minute interviews with each of the leaders (listed in Appendices). An overall impression of “Lexington” based on the interviews as well as some of the work of the LSPC, is that Lexington is in many ways like a young person who has grown up, rather protected and under-exposed, goes off to college and doesn’t want to get “above his/her raisings”.

The leaders were asked what their vision/hope for the City of Lexington; what they considered to be Lexington’s Opportunities and Threats; and their priorities for Lexington based on a list of attributes created by the LSPC.

Here are the summaries of their responses based on the 46 interviews. The responses are listed in priority order based on how many different times the “characteristic” was listed by those interviewed. For example, “plenty of jobs/economy” was mentioned by 34 of the 46 leaders who were interviewed. Note: Not all 46 answered every question.

## Findings

### *What is your VISION /HOPE for the City of Lexington?*

- **Plenty of Jobs / Economy** [34 comments]
- **The Lexington City’s Vision** [20 comments]
  - Use of factory buildings
  - Need to create a niche
  - Establish an uptown bike race
  - Address needs of the recreation centers
  - Need for marketing
  - Explore need for recycling (especially uptown receptacles)
- **Maintain / Improve the Quality of Life** [19 comments]
- **Focus on What is Right in Lexington** [14 comments]
- **Things to Attract and Retain Youth and Young Adults** [13 comments]
- **Getting the Train Depot Developed / Rail / LHB Building** [12 comments]
- **Improvements in the School System** [11 comments]
- **Growth** [11 comments]
- **Uptown** [11 comments]
- **More / Better Options to Spend Money in Lexington** [8 comments]

### *What do you consider to be OPPORTUNITIES for the City?*

One person interviewed summed up the whole idea of “opportunities” by saying that “We can’t continue to use blueprints from the past. We have to give these young people the chance to write a new blueprint.”

- **Location** [43 comments]
  - Major highways, transportation corridor/airport/highway system reaching to all points; rail road tracks (13)
  - Close proximity to other cities (5)
- **Opportunity to See Things Differently** [29 comments]
- **Infrastructure** [28 comments]
- **Redevelopment - Depot District / Rail / LHB** [17 comments]
- **Uptown** [16 comments]
- **Lexington School System** [9 comments]

*What do you consider to be OPPORTUNITIES for the City? (continued)*

- **Davidson County Community College** [8 comments]
- **Marketing** [8 comments]
- **The People** [8 comments]
- **Good Workforce** [8 comments]
- **City Government / Staff** [6 comments]
- **Quality of Life Here** [6 comments]
- **Tourism** [5 comments]
- **Leadership** [5 comments]
- **BBQ Festival** [4 comments]

*What do you consider to be THREATS to the City?*

- **Low Education / City Schools / Lack of Training:** [33 comments]
  - Lexington City Schools [13 comments]
  - Education in General [9 comments]
  - Unskilled Work Force [6 comments]
  - Mentality about education [5 comments]
- **Lack of Jobs / Unemployment:** [28 comments]
- **Attitudes of the Community Leaders and Citizens:** [25 comments]
  - Overall Negative Attitudes [12 comments]
  - Resistance to Change [7 comments]
  - Can't Do It in Lexington [2 comments]
  - Other Attitudes [4 comments]
- **Economy:** [16 comments]
- **Lack of Local Government Financial Resources:** [14 comments]
- **Infrastructure:** [11 comments]
- **Lack of Population Growth:** [10 comments]
- **Vacant Buildings/Housing Stock:** [5 comments]
- **Lack of Attractions / Programs for Youth and Children:** [5 comments]
- **Not Embracing Diversity:** [3 comments]
- **Lack of Marketing of the City:** [3 comments]
- **State Legislature:** [3 comments]
- **Other:**
  - The perception of crime.
  - Keeping some of the past - like the Dixie smokestack- and surround it with newer more modern places.
  - Where is the City really pushing/putting their \$; purchased the Uptown buildings; in favor of Depot District because there is a plan.
  - Change minds of people who live in outlying areas to reconsider their stance on annexation.

*What do you consider to be the TOP PRIORITIES that the City's should address in the strategic plan.*

Because of time constraints, only 29 leaders interviewed were asked to list what they considered to be the top five priorities from a list of attributes that had been generated with the LSPC. Some of leaders bundled their responses, i.e., “*job/business/economic development*” as one of their top five responses. The responses are listed in priority order based on how many different times the attribute was listed by those interviewed. For example, “*economic development*” was listed as a top five priority by all 29 leaders who were interviewed. Only those priorities with more than one mention are listed. Bulleted items support the priority. Numbers in brackets indicate how many times that attribute was selected.

**\*Top Priorities: What are TOP FIVE things that the City should focus on in the next 10 years?**

- 1. Economic / Business Development / Job Development [45]** – Someone interviewed said that *“Economic Development encompasses it all”*:
  - Jobs/Economic development/Business recruitment/Marketing of the City [25] - ET mentioned industrial recruitment and one response was that wasn't as important for the City since the County is doing much of that.
  - Entrepreneurship [5]
  - Small business support [4]
  - Infrastructure for business [4]
  - Industrial parks/Business Center [3]
  - Industrial recruitment [3]
  - Infrastructure for business [2]
  - Locally owned businesses ( need to keep the money here, support the businesses here)
  - Assist in creating additional product for economic development (\*could be done as a joint effort of Davidson County + all municipalities)
  
- 2. City School System [19]**
  - Public/Education Schools [3]
  - Education (need to be doing something different)
  - City school system/community college (Education)
  
- 3. Depot District / Lexington Home Brands Building /Passenger Rail [17]**
  - Lexington Home Brands Bldg/Depot District [8]
  - Passenger rail stop [7] (“May not have needed it before, but we need it now.”)
  - Depot District [7] [got all 5 votes from one person]
  - Public transportation is all a part of the Depot revitalization [4]
  - Gateway to Lexington
  - Vacant buildings
  
- 4. City Government / Services [17]**
  - Community appearance/neighborhoods/City landscape [5] (“When people travel down here, what’s their first impression? These are quality of life issues.”)
  - Recreation (Youth recreation center, Bikeways, Greenways) [4]
  - City Planning and Zoning / Code enforcement [3] (“Will have a major impact on quality of life here in Lexington...need to move forward rather than letting one or two people hold everyone hostage.”)
  - City involvement
  - Privatization or combining with the County
  - Public Safety
  - Sewer services
  - Pre-planning as to how buildings like Old LexCom Building/New Bridge Bank across from City Hall can be used
  - Cooperation among local agencies
  - Vacant buildings/Infrastructure
  - Recycling
  
- 5. Citizen Involvement [7]**
  - Need elected and appointed diverse representation
  - Neighborhood improvement/Citizen involvement
  - Accessible Local Government /Citizen Input
  
- 6. Homeownership / Housing [7]**
  - Too much rental housing [2] (“Passionate about this one.”)
  - Homeownership [2]
  - Public housing
  - Housing

7. **Lexington's Image** [5] Re: Lexington's Image: Comments like "has-been"; "strong manufacture background that's gone away"; "more renter homes than owners".
  - Marketing the City/Lexington's image
  - Community appearance/neighborhoods/bikeways/City landscape – "When people travel down here, what's their first impression, these are quality of life issues."
8. **Entertainment** [4] – "Anything non-business or recreation related."
  - Restaurants
  - Theaters / amphitheaters
  - Sports venues
  - Shopping
  - Dining diversity
  - Entertainment/dining diversity
9. **Community College** [3]  
**Uptown Lexington** [3]  
**Marketing of the City** [3]  
**Public Transportation** [3]
10. **Tourism** (\*promoting our unique locally owned businesses") [2]  
**City Population** [2]  
**Attracting Young Residents** [2]  
**Hospitals and healthcare** [2]

#### Miscellaneous

- Airport
- Highways (keeping them maintained)
- Affordable living (encompasses housing, utilities, everything)

#### Comments and Suggestions from the Leader Interviews:

1. Leaders really like the uniqueness of Lexington and want to see "her" do well.
2. Low hanging fruit:
  - Deal with Uptown merchants re: parking on the street to make more spaces available for customers.
  - Create a "day trip mapping of Lexington" and market it.
  - Community College – Lexington could have banners Uptown: "Lexington supports DCCC"; could offer % discount to DCCC students.
3. Build Uptown public restrooms.
4. Start a community garden; City provides a lot.
5. Education: GED programs for unemployed; partnership between churches and other organizations with the Lexington City Schools (ESL/reading/math tutoring).
6. Need community champions like those who raised millions to upgrade the YMCA to champion current needs in Lexington.
7. So many have chosen to stay in Lexington and work out of town...why?
  - My "hometown"
  - Close to family; parents are here; kids know grandparents
  - Great small town to raise a family
  - Cheaper taxes
  - Not much crime here
  - Not much for kids to get into
  - Central location
  - The community team approach
8. Interview high school students.
9. Civic center is underutilized.
10. What does Lexington spend per capital on recreation? Compare to other relevant expenditures.
11. Establish recycle receptives?
12. "Mindset = attitude"
13. Need to "brand" ourselves.
14. "I love Lexington. I have a successful business. It has been good to me."
15. This is an opportunity for a shot in the arm.
16. The work culture here keeps employees working here.

17. "New mayor has great ideas; out-going mayor had great ideas/great man who helped us through a great struggle (furniture jobs leaving); leadership has a season - leadership in sustaining us was important and new leadership in taking us forward is also important."
18. Community involvement: "Let the community know what's going on. Let us be involved; creates more opportunity if making us a part of the decision."
20. RE: Uptown = "We're so local..." "Do I really want other people in?"
21. "If there were someone on staff who's responsibility is to be a grant writer that would help."

## Leader Interview Attributes Assessment

During the Leader Interviews, participants were asked to complete the attribute importance and satisfaction exercise. Afterwards, each individual was asked which five attributes they would recommend focusing on during the next ten years. Results were analyzed and compared to determine:

- The importance of each attribute in moving Lexington forward,
- The current level of satisfaction with each attribute, and
- The gap between importance and satisfaction on each attribute.

Importance: A third of the attributes are rated 90+ and over 70% achieve a score of 80 or above.

### Importance Ratings

98 Economic development	91 City school system	85 Accessible local government
98 Jobs	91 Cooperation among local agencies	85 Depot District
98 Lexington's image	91 Utilities	85 Entertainment
97 Business recruitment	91 Fire department	84 Airport
96 Community college	90 Safety	84 City parks
96 Major highways	89 City planning & zoning	84 Diverse representation
94 Citizen involvement	89 Tourism	83 Lexington Home Brands bldgs
93 Community appearance	89 Marketing of the city	83 Taxes
93 Police department	88 Compassionate community	83 Dining diversity
93 Attracting young residents	88 City population	83 BBQ
93 Small business support	88 Recreation	82 City landscape
92 Infrastructure for business	87 Entrepreneurship	82 Unique locally owned business
92 City government	87 Affordable living	82 City code enforcement
92 Hospitals	87 Homeownership	82 Vacant buildings
92 Industrial recruitment	87 Neighborhood improvement	81 Passenger rail stop
92 Economic diversity	86 Festivals	
91 Uptown Lexington	86 Sewer services	
91 Volunteerism	85 Lexington Business Center (Industrial Park)	

Satisfaction: Overall, satisfaction ratings are somewhat lower. Only 15% of the attributes receive a score higher than 80 and close to 10% are rated below 50.

### Satisfaction Ratings

#### **Most Satisfied**

91 Community college
90 Fire department
89 Police department
88 Major highways
87 Safety
86 Festivals
84 BBQ
82 City government
81 Hospitals
81 Uptown Lexington

#### **Least Satisfied**

48 Public transportation
48 Rental housing
45 Bikeways
42 Jobs
42 Attracting young residents
41 Vacant buildings

Gaps: Jobs and Attracting young residents have the widest gaps (56 and 51 points, respectively) between their perceived importance and current levels of satisfaction. Fifteen attributes have at least a 30 point spread. Only two attributes – *Privatization and BBQ* – have satisfaction scores that exceed their importance ratings.

Gaps

<b>Importance</b>	<b>Satisfaction</b>	<b>Gap</b>	<b>Attributes</b>
98	42	56	Jobs
93	42	51	Attracting young residents
97	56	41	Business recruitment
82	41	41	Vacant buildings
98	58	40	Economic development
92	55	37	Industrial recruitment
98	62	36	Lexington’s image
87	51	36	Homeownership
93	58	35	Small business support
92	58	34	Economic diversity
89	55	34	Marketing of the city
88	54	34	City population
93	61	32	Community appearance
85	53	32	Entertainment
91	61	30	City school system
83	84	+1	BBQ
48	51	+3	Privatization of some city services

**Top 5 Areas of Focus:** When asked in which areas Lexington should place its focus, the following were mentioned most often:

- **Economic development**
- **City school system**
- **Business recruitment**
- **Depot District**
- **Jobs**
- **Lexington Home Brands buildings**

**ADDED ATTRIBUTES - These attributes were added to the LSPC’s list by the leaders:**

- Need the support of State Agencies/Governmental Agencies – “Don't yell loud enough to get their support.”
- Elected officials representing community need to do a better job representing us
- Large site getting state support

## **Citizen Survey**

### **Background & Objectives**

As a part of the current strategic planning process, Lexington City management commissioned research to better understand the needs of citizens and thus design and implement plans and programs for meeting those needs.

The objectives of the study were:

- To evaluate services provided by the City of Lexington,
- To determine the importance and satisfaction associated with key attributes and programs,
- To assess the overall appeal of living in the Lexington area including what citizens like most and least,
- To determine the needs/wants of citizens and what they expect from their city government and community,
- To establish a definition of the Lexington community – who we are, what we want to be known for, and where we want to be in the future, and
- To incorporate Citizens in the planning process to boost community involvement and buy-in and aid in the successful implementation of recommended actions and programs.

### **Methodology**

An online survey was available May 23, 2012 through July 31, 2012. The survey was announced and made publicly available through several alternative venues including:

- Press release in the local newspaper,
- Announcements through various media sources,
- Survey link published in utility bills,
- Online access at the public library,
- Announcements by local civic and religious groups, and
- Hard copies available through the City manager's office.

To participate, individuals had to either reside in Lexington, work in Lexington, or receive services from the City of Lexington or Lexington Utilities.

### **Demographics**

A total of 485 citizens completed the survey which represents 3.4% of the adult (18+) population of Lexington. Almost 90% indicate they live in Lexington, with most being long term residents. Just over a third have lived in Lexington, left and then returned to live here again. This seemingly high transitory rate is likely driven in part by some attending colleges and universities outside of the Lexington area and returning to their hometown to settle down.

This online study has a near equal representation of males and females but skews somewhat older overall relative to the Lexington population base. The majority of survey participants (86%) are Caucasian with limited representation from ethnic groups, i.e. Blacks (9%) and Hispanics (2%).

The respondent base overall is highly educated, with just over half having at least a 4 year degree. In comparison, the US Census Bureau indicates only about 26% of all NC adults (age 25+) and 11% of Lexington residents have a four year degree or higher. Only 12% of participants have children attending Lexington City Schools. The seemingly low incidence of school age children in the home is likely driven by the high incidence of older citizens participating in the study (74% age 45+ as compared to 53% for the City of Lexington).

Just under two-thirds of all respondents are employed, with equal numbers working inside and outside the City of Lexington. One out of every four respondents are retired. This high retirement rate is obviously driven by the high incidence of the 65+ age group participating in the study.

## Findings

### Management Summary

#### Usage of City Services

- Services with the broadest usage among residents include *Electric* (86%), *Water/Sewer* (72%), *Waste/Recycling* (65%), and *Natural Gas* (64%).
- Services with the least amount of usage include *Public Transportation* (4%), *Fire Department* (10%), *Robbins Recreation Center* (13%) and *City Recreation/Sports Programs* (15%). Some of these low usage ratings may be due in part to a more affluent, older respondent profile and other demographics.
- Non-usage of a city program should not be an automatic signal for reduced funding and emphasis. A case in point is fire protection. While most claim not to have actually “used” the service, having the service readily available and in peak operating performance is no doubt in the best interest of residents.

#### Satisfaction of Services

- City services receiving the highest satisfaction rates are the services used the most – *Electric*, *Natural Gas*, *Waste/Recycling* and *Water/Sewer*. Nearly 8 out of 10 respondents express satisfaction with each of these services.
- The service generating the most dissatisfaction is *Street and Road Maintenance* (29% not satisfied). While only a small percentage of respondents claim to have actually requested street maintenance in the past year, it is reasonable to assume most individuals anticipate road issues will be identified and resolved without having to be flagged by citizens. In addition, many citizens may not know which roads are maintained by the City of Lexington versus the state of NC.
- Other services with satisfaction issues include *Office of Community Development* and *Public Transportation* (both with 18% not satisfied), and *Recreational Programs* (15% not satisfied).
- Based on comments received from survey participants, the high rate of dissatisfaction with the *Office of Community Development* is likely driven in part by the expectation that this department has some responsibility for the less than desirable appearance of many community areas (expressed by respondents) as well as the consensus that Lexington is not “developing” to the extent preferred.
- While *Public Transportation* has a similar percentage of respondents expressing dissatisfaction as does the *Office of Community Development*, we find that *Public Transportation* is not deemed as important as other key attributes and services.

#### What Citizens Like Most About Lexington

- When asked what they like most about Lexington on an open end basis, nearly half of all respondents say its *small size* which offers a hometown feeling. On the flip side of this, the most common “wish” for Lexington is for *more growth/development*. While on the surface this may appear contradictory, it is not. Citizens appear to be looking for quality controlled growth rather than rapid expansion. This is supported by the answers given to the question regarding what they would like Lexington to be known for 10 years from now. Among the top five is a *medium sized city with small town qualities* whereas a desire to be *one of the fastest growing cities in the Southeast* is near the bottom.
- *Lexington’s people* are also mentioned as a key advantage by one out of every four individuals. The third and fourth most liked attributes of Lexington are the City’s *proximity to other areas* (primarily relative to other metro areas for shopping/dining/entertaining), and the *Uptown area*.

### What Citizens Like Least About Lexington

- Aspects of Lexington liked least include *Lack of Jobs*, *Governmental Issues* (fragmented over a number of topics), *Lack of Restaurants* (particularly diversified from BBQ), *Lack of Adequate Entertainment/Recreation*, *Lack of Retailer Selections* and *Poor Appearance* of portions of the City.
  - ***Lack of Jobs:*** This is consistent with responses to other questions as well. Job opportunities exhibits by far the largest gap between importance and satisfaction of all the key attributes and programs.
  - ***Governmental Issues/policies:*** This list is very diverse and wide ranging. Some of the more common topics center around tax increases, annexation issues, how tax dollars are spent, and simply too much government. These open end comments are consistent with results of some of the closed end questions relative to government and government actions.
  - ***Lack of Restaurants:*** Many complain of having to regularly head out of town to eat and many want more restaurant diversity. Some respondents even claim that some restaurants wanting to come to Lexington are intentionally kept out to protect the BBQ establishments.
  - ***Lack of Entertainment/Recreation:*** Lack of entertainment and recreation options are voiced by many with more emphasis placed on the limited availability of both for younger adults and children.
  - ***Lack of Retailer Selections:*** A common complaint is that if a person wants to shop at a place other than Walmart or Food Lion, he/she essentially has to leave town.
  - ***Poor Appearance of the City:*** Many express concerns over the appearance of the roads leading into Lexington and suggest there are too many run down sites. These concerns should not be taken lightly as 92% of survey participants agree the appearance of my neighborhood is important.

### Education

- While nearly 8 in 10 respondents are satisfied with *the ability of Davidson County Community College to prepare students for future jobs*, only slightly more than a third are satisfied with *Lexington City School Systems' ability to prepare students for further education*.
- Of importance to note, those with children currently in the City school system have much higher satisfaction ratings (66% satisfied) than those without children attending City schools (30% satisfied).
- One hypothesis to the opposing views is that respondents with children currently in City schools give ratings based on current experiences, while those without children in the City schools may be providing ratings on past experiences when either they were enrolled or when they had children enrolled. Lexington has been directing efforts and implementing programs to improve the City schools in recent years which could certainly explain the differences in opinion between these two groups.
- Nine out of ten respondents claim *Education* to be important for Lexington, yet fewer than half express satisfaction with *Education* in Lexington, leaving a sizeable gap between importance and satisfaction.
  - Out of nearly 3 dozen topics brought up in the “wish” list for Lexington, *More emphasis on schools and education* placed 6<sup>th</sup> overall.
  - Among a list of more than 20 items Lexington could be known for in 10 years from now, *Excellence in Education* placed third in popularity.
  - *Schools/education* issues placed seventh on the list of what respondents liked least about Lexington.
  - Among 14 agree/disagree statements about Lexington, “*The Lexington City School System offers a quality education for students*” received the 3<sup>rd</sup> highest number of “disagree” votes by respondents.

### Future of Lexington

- Leading the votes for types of businesses respondents wish to see more of in Lexington are *restaurants, small businesses, retail, and unique locally owned businesses*. Citizens seem least interested in seeing more *government related* businesses.
- When respondents are asked what they would like Lexington to be known for 10 years from now, the majority of respondents steer away from tourist types of attractions such as *NASCAR, Bob Timberlake, Wineries*, etc. Instead, the focus is more on attributes desirable for raising families including: (1) *a safe place to live*, (2) *a great place to raise a family*, (3) *excellence in education*, and (4) *excellent health care*.

## **Implications/Key Areas of Focus**

Based on learning from this survey, the most important thing to focus on is **bringing jobs to Lexington and promoting the type of controlled growth residents want.**

Emphasis needs to be placed on jobs that will benefit the community in multiple ways.

- Jobs from retailers, restaurants and entertainment will contribute to the sustained controllable growth desired and place a focus on the areas of growth preferred.
- More retailer selections will help keep residents and their dollars in Lexington, particularly during the weekend when they are most likely to go to larger metro areas to shop and spend.
- If Lexington doesn't meet minimum requirements by retailers to locate here, seek compromises and provide incentives (i.e., land deals, temporary tax reductions).
- A new movie theater and bowling alley would be positive additions improving the entertainment and recreational alternatives available.

Many citizens comment about the ill appearance and run down condition of various areas of town. The City needs to take action – stricter rules/ordinances, renovation, demolition – to deal with the many vacant buildings. Leaving them in their current state keeps market prices depressed, and depressed market prices means fewer tax dollars.

Some respondents voice concern that Lexington leaders and decision makers are outsiders who aren't necessarily looking out for the City's best interests (i.e., landlords contributing to the poorly kept areas; City employees who choose to live outside of the City but are making decisions for the City). While these comments may or may not be accurate, they reflect a perception that needs to be addressed.

If annexation comes up again, the government needs to promote the benefits to people to understand and embrace it. While it will still be a tough sale, indicating that increased size will make the area more attractive to quality retailers and restaurants will be a key benefit to many citizens.

Continue to improve schools/education and promote what is being done. When any progress is made, be sure to toot the horn loudly. While perceptions vary widely, it appears that those most closely involved (i.e., families with children attending City schools) are much more positive which suggests the quality of the school system is improving.

## **Citizen Survey - Findings among Hispanic Participants**

Despite extensive efforts to reach the Hispanic community, including distributing over 250 Spanish questionnaires, very few were willing to participate in the survey. The following results are based on 16 questionnaires.

### **Demographics**

- Almost all of the participants have lived in Lexington for more than 5 years and most receive City services. Our sample consists of both men and women, almost all of whom are between the ages of 25 and 64. In terms of education, about a third have some college. Most indicate they have children currently enrolled in City schools.

### **City Services**

- The City services used most often include electric, water/sewer, waste/recycling and City parks. While most are satisfied with the first three services, some indicate they are not satisfied with the City parks.

### **Importance and Satisfaction**

- All of the attributes and programs listed are rated important by these respondents; however, satisfaction levels vary. These Hispanic participants are most satisfied with the quality of life, cost of living and medical services. Satisfaction levels vary on education, entertainment, housing, job opportunities, public transportation, recreation, safety and tourism.

### **Overall Appeal**

- When asked which businesses they would like to see more of in Lexington, health related, retail, small businesses and sports/entertainment are mentioned most often.
- A majority describe Lexington as a good place to live. When asked open ended what they like most and least, many cite "tranquility" as a key positive and mention the police, a lack of public transportation and not many jobs as negatives.

### **Agree/Disagree Statements**

- Agreement is high across most all of the statements, including Lexington's direction and vision, the quality of the City school system, the importance of neighborhoods and historic preservation, the positive qualities of the citizens, and an interest in passenger rail service and developing the Depot District. They are neutral to mixed in their agreement regarding diverse representation, local government's responsiveness and the City's efforts in attracting new business and industry.

### **Education**

- The majority of the Hispanic participants say they are satisfied with Lexington City school system's ability to prepare students for further education as well as DCCC's ability to prepare students for future jobs. They also tend to be satisfied with the availability of adult education courses and the accessibility and affordability of job skills training.

### **Future of Lexington**

- When asked what they would like Lexington to be known for or as in the future, a great place to raise a family, a safe place to live, excellent health care, and excellence in education are most often mentioned.
- Their "wish" list for Lexington focuses on more jobs, more diversity, more opportunities for youth and less police patrols/fear of the police.

## Content-Focused Presentations

As the LSPC began to narrow its focus regarding the final **Renaissance Plan** recommendations, there was a need for additional information. Several community leaders were identified to present information related to identified areas of focus. After the presentations, the Committee discussed and made its draft recommendations for the **Renaissance Plan**. The LSPC hosted several guest panelists with the purpose to gain more information about certain areas of focus and the organizations related to those areas. The primary focus of the day was to determine what the organizations “*Need from the City to Support their Efforts*”. Prior to the presentations, the Committee members were given a summary of the Citizen Survey results relevant to the topics and the presenters were asked to share the status of their organization and to give us a “wish list” of needs. After each presentation, there was time for Q&A with the speakers.

## Findings

### Hispanic Population

Early in the planning process, the LSPC hosted a guest panel with the purpose NOT to solve any particular problem, but to learn about and from the Latino/Hispanic community. The Committee wanted a better understanding of this important part of the Lexington community prior to the Citizen Survey in hopes of facilitating a good response from the Hispanic community. The operative question was *how can we better understand and serve this part of the community*. The panelists were Father Al, Pastor of Our Lady of the Rosary Catholic Church since July 1997-1998 and in his 14<sup>th</sup> year as pastor in Lexington and Maria Garcia, Hispanic Outreach Coordinator with the Lexington Housing Community Development Corporation. The questions that were asked in the meeting had been sent in advance to Father Al and Maria. They had each interviewed members of the Hispanic community to get their responses to the questions.

#### These are some highlights of the presentations:

- There is a clear preference for the use of “Hispanic” to refer to members of this population; therefore, going forward and in our official strategic planning documents, we used the term, “Hispanic”.
- Father Al conducts Town Hall meetings every Sunday after mass.
- Maria suggested a good way for us to get input from this community in the citizen survey is to meet with church youth groups. She suggested “giving the youth the job of visiting each family.”

### Entertainment

**Edward C. Smith Civic Center – Staley Nance, Chair, Board of Directors** shared the status of the Civic Center and their current plans for programs. She also shared a “wish list” for the Civic Center. When asked “*What is the current partnership between the City and the Civic Center?*” Ms. Nance reminded the group that the building is owned by the City who maintains the basic care of the building; that the City provided funds for a part-time administrative assistant; and that the Civic Center Board is pursuing partnerships with other groups like Triad Stage.

When asked “How hard is it to budget for operations?” she responded that funding is their biggest issue. The building costs a lot to operate. While the City does the basic upkeep, the Civic Center seems to often have some physical needs. She said that the Civic Center needs to move into having more income producing activities but they have no excess funds to book big groups. She said that the Civic Center has different rates for non-profit and other clients and that they are in the process of reviewing all of these guidelines with the plan to enforce the re-visited/revised guidelines.

The “Wish List” included the need for equipment (technical), facility upkeep and renovations, and staff. The list also contained some relatively small items. See Attachment I. NOTE: Before we adjourned for the day, Robin Bevins, LSPC member, said that she thought the Tourism Group could purchase the LED Projector and it would be available for them in their work. So, one need was met through partnership with someone in the room.

## Recreation

**Lexington Parks and Receptions Programs – Bruce Davis, City Parks and Recreation Director,** shared an overview of a master plan the Parks and Recreation Department had done, based on recommendation from the City's 2000 Strategic Plan. The plan was updated in 2006 [And apparently is currently being updated again.] Due to lack of funding, the master plan has not been implemented.

The report included information that in the 60's and 70's, 17 parks were developed in Lexington. Mr. Davis said that the greatest need is to have something for young people after they turn age 13 when parents stop involvement except for sports teams. Also, 90% drop out of school after age 13. He stated that young children through age 12 have opportunities. He felt strongly that the City needs to provide a place that has a WOW factor for mentoring and activities; a place to be with friends. When asked about partnerships, Bruce said that there is a lack of facilities and all of the groups need gym space at the same time most days. He also mentioned that they need additional part-time staff and volunteers with professionals available to staff the new facilities. One LSPC member mentioned that the two City pools lose \$20,000 each every year and that lost needs to be addressed. When asked about his "Wish List", Mr. Davis said that the need is established. He requested that the Committee recommend funding for implementing the Youth Recreation Center Master Plan which is in Phases (I, gym/extreme room/activities; II, indoor pool; III, filed house).

**Helping Organize People Effectively (H.O.P.E.) Project – Connie Russell, Coordinator, and Gerald Taylor, Advisor, H.O.P.E. Project,** shared with the Committee. "*Helping Organize People Effectively – a Vision for an Intergenerational Cultural Community Center*". They told the group that H.O.P.E. was established to build citizen capacity. It is 2 ½ years old and has 14 member institutions, mostly churches. In creating their vision, they talked with over 300 people mostly in house meetings; collected over 2000 signatures in support of the Center; and over 57% on-line *Dispatch* readers supported the Center. The Intergenerational Cultural Community Center is designed for multi-purpose usage and shifts from just a youth focus to an intergenerational focus. The focus is also on more than sports-related activities to a broader programming agenda. This facility could be in the Depot District and it could be a public/private partnership. H.O.P.E. feels strongly that there should be a fee based on a sliding scale for all people who use this facility. When asked to share their "Wish List", Ms. Russell and Mr. Taylor said that they would like for the City to seek a bond referendum to fund the facility (estimated at \$5 million) and to possibly seek federal funds.

The Committee felt that the H.O.P.E. proposal and the Parks and Recreation proposal could be combined in some way, especially since the Recreation Department and H.O.P.E. master plans were both developed by the same consulting group, The Lawrence Group. This idea is reflected in the Committee recommendations.

**Young People for Christ (YPC) Program – Dale Kiser, Founder and Director,** spoke to the Committee. Mr. Kiser and his organization were recommended by a LSPC Committee member. YPC is a Community After-School Program. The work is done through a non-profit, Young People for Christ. The program uses the old Dunbar School to provide after-school activities for 5<sup>th</sup> – 12<sup>th</sup> grades. Lunch is sometimes provided. When asked for his "Wish List", Mr. Kiser asked for support to the program with donations of kitchen supplies, industrial microwave, warmers, utensils, ice maker, gym equipment, ping-pong table, air-hockey table, volley ball set, industrial pedestal fan, advertisement, banners, road sign, YPFC paraphernalia, computer lab, 6 computers, printer, and iPad. He also requested donations for general overhead, lunch program, educational field trips, intramural basketball league, and transportation (van).

## Healthcare

**Wake Forest Baptist Health, Lexington Medical Center (LMC) - Steve Snelgrove, President of WF Baptist Health, LMC,** spoke to the Committee. Mr. Snelgrove, as a *new* "insider" in the Lexington community told the Committee very clearly that WFB Health is committed to addressing the healthcare needs and issues in Lexington. He shared that healthcare is moving from a volume world to a value world (keeping people well and getting people to take care of themselves). He feels strongly that healthcare should be considered an economic engine; it is a very competitive business. Davidson County is the #2 referral source to WF Baptist Medical Center. At Lexington Medical Center, they have seen some reduction in patients at the hospital because of the lack of quality family care physicians and limited facilities.

As a result, they are in the process of determining better use of their capacity to best serve the local population. He also told the Committee that there is a major need for a new medical office building and to create more jobs, provide good healthcare quality, and have strong education to attract the quality physicians that we need in Lexington. Mr. Snelgrove these **steps that Lexington Medical Center has taken to improve their image:**

- Secured excellent ER physicians and nurses (using the same as are available in Winston-Salem);
- Started conducting a customer feedback program;
- Hired a new Chief of Operating doctor;
- Established four (4) goals for the organization and its employees - *patient safety and satisfaction; physician engagement; employee engagement; and financial stewardship.*

Mr. Snelgrove also shared that LMC has taken steps they are taking to **improve the image of the hospital among African Americans:**

- Increase the number of African American doctors and staff;
- Improve the customer service ratings
- Listen to the real needs of the African American patients (“don’t lose compassion by assuming you know what they know”).

He also talked about the **“Faith in Health Initiative”** – partnering with churches and establishing meetings for the churches to become social support for church members who are in the hospital. Participating churches will sign covenants and ask church members to get involved by taking food to church members who have been in the hospital, taking them to follow-up appointments, and ensuring that the patients are taking their medications properly. Mr. Snelgrove met with 20 different pastors from different churches. The goal of the Initiative would be to ultimately extend this “caring” to the homeless, un-churched, and people without jobs.

Mr. Snelgrove said that the *lack of pediatricians* in Lexington is a “soft-spot” in coverage. They have recruited one pediatrician. He also said that recruitment is an issue: do they want to live in Lexington? Some don’t want to live in Lexington but prefer north Davidson County/southern Winston-Salem. He suggested that Lexington might need to create some attractive apartments.

Additionally, Mr. Snelgrove encouraged **partnerships between businesses and other organizations** to manage wellness programs. A LSPC member suggested that LMC promote the fact that the ER physicians are the same as a patient would see in Winston-Salem at Wake Forest Baptist Medical Center and to let the community know how important the LMC is to the Lexington community. A Committee member encouraged Mr. Snelgrove to have LMC spend money on advertising to get people to know that the hospital is better than the perception might be. Another Committee member reported that she has recently had a good experience at LMC.

The Committee also asked Mr. Snelgrove to speak on other topics because of his extensive background and experiences in community involvement in Winston-Salem.

## **Economic / Business Development**

Mr. Snelgrove referenced Richard Florida's book, *The Creative Class*, in which the author reports on an experiment involving getting a group of young people (18-25 year olds) together as a Mayor's Advisory Committee. Their challenge was to create a social agenda for their demographic. They were each given \$500 to use anyway they wanted to but the money had to be spent downtown. The intent was to see how many ways the \$500 would continue to be re-invested to build the downtown area. The impact of the experiment was significant.

He also talked about the importance of having ready and willing "boxes" when the corporations are ready to move here and reiterated the need for a new medical office building.

## **Uptown Development**

Mr. Snelgrove suggested the need for joint marketing among restaurants. He said they could establish a "restaurant committee" to create ways for them to work together and create a joint marketing plan with the goal of drawing more people uptown to dine.

## **Community Appearance**

Mr. Snelgrove stated that Lexington's appearance is major factor. He said that Lexington needs a beautification plan to address all major entry-ways, to have zoning either established or enforced for all the areas approaching the City's center core; and to have good signage. He suggested that partnerships could be established with incentives to encourage people to invest in this.

## **Public Relations / Marketing**

Mr. Snelgrove suggested that community organizations and groups cooperate with joint marketing efforts for the good of the whole.

## **Education**

As mentioned earlier, Mr. Snelgrove said that Lexington would need to have strong education to attract the quality physicians needed for the medical services to be what they can be. He also recommended producing an educated population with a servant mentality for OUR community hospital.

The Committee received more information in addition to Mr. Snelgrove's comments about *education*. In another session devoted to the topic, the Committee invited **Rick Kriesky, Lexington City Schools Superintendent; Sherraine McLease, Chair, Board of Education; and Betty Pope, Vice Chair, Board of Education** to meet with them. **Mr. Kriesky** made the presentation. He told the Committee that the primary issue with schools in Lexington is perception. He asked the Committee "Is it a case of poor quality schools or a false stereotype?" Mr. Kriesky believes it is a false stereotype. He said the School is moving ahead AND in the right direction. He said that "every untruth spoken in public about Lexington City Schools' fictitious decline upholds the stereotype and constricts the resurgence of the school system." He said that, "Every truth spoken in public about Lexington City Schools' factual improvement debunks the stereotype and accelerates the resurgence of the school system." He went on to say that at one point, Lexington Schools were highly touted and that they will never be the same school system that Lexington had in the 70's, 80's, etc. The Schools should still be on a pedestal based on how well they are doing with the challenges that they face. He said that they have some amazing teachers in the school and that "**We can be great, but it will look different than in the past.**" He shared with the Committee that the demographics have changed, but the approach to education has not changed. It is much easier to teach and be successful if you have a more homogeneous group. It is much harder to teach in Lexington because of the demographics/lack of homogeneity. Lexington has no group with over 32% representation; therefore, it is much more diverse. The success of charter schools is based on having homogenous students. Statistics show that the Lexington schools are improving. In fact, they are improving at a faster clip than other schools in the state of North Carolina. There are two major measures: *literacy/reading on grade level* which has improved and *graduation rates* which are higher. Changes like these represent progress and it

takes time. He said that one factor in achievement gaps is the number of books found in the home. He also said that the data related to the *number of English speaking student* is very telling. A third *do not speak English in their homes*, so these students are getting all of their support with studies at school rather than receiving help from their parents. The schools have established 2016 Goals - *90% of High School students graduating, 90% accepted in two or four year colleges, and 0% of those attending a post secondary school would need to take remedial courses.*

Listed here are data that Mr. Kriesky presented to the Committee.

**5<sup>th</sup> Grade Literacy Proficiency (Reading on grade Level)**

	<b>2009</b>	<b>2012</b>	<b>Growth</b>
Lexington City Schools	55.4%	72.7%	17.3%
State of North Carolina	68.5%	72.3%	+ 3.8%
Asheboro	55.8%	62.1%	+ 6.3%
Thomasville	45.1%	53.9%	+ 8.8%
Davidson County	75.0%	76.4%	+1.4%

**Graduation Rates**

	<b>2008</b>	<b>2012</b>	<b>Increase</b>
Lexington City Schools	61.1%	78.5%	+ 17.4%
State of North Carolina	70.3%	80.4%	+ 10.1%
Asheboro	77.2%	85.1%	+ 7.9%
Thomasville	62.3%	77.8%	+ 15.5%
Davidson County	65.8%	82.5%	+ 16.7%

**Suspensions and Expulsions (Average # per 100 Students in High School)**

	<b>2009</b>	<b>2012</b>	<b>Change</b>
Lexington City Schools	74	11.55	- 62.45
Asheboro	14	10.39	- 3.6
Thomasville	78	74.89	- 3.1
Davidson County	31	20.7	- 10.3

**Teacher Turnover Rate**

	<b>2008</b>	<b>2012</b>	<b>Change</b>
Lexington City Schools	20.67	12.16	- 8.51
Asheboro	14.72	13.27	- 1.45
Thomasville	23.66	14.67	- 8.99
Davidson County	11.08	8.00	- 3.08

**Economically Disadvantaged Students (2012) >60%**

Lexington City Schools	86.11%
State of North Carolina	56.0%
Asheboro	50.8%
Thomasville	90.53%
Davidson County	45.42%

**Cultural Diversity (2012) <33%**

	<b>Asian</b>	<b>Hispanic</b>	<b>Black</b>	<b>White</b>	<b>Multi-Racial</b>
Lexington City Schools	5.2%	30.7%	32.4%	26.2%	4.1%
State of North Carolina	2.5%	13.5%	26.3%	52.5%	3.7%
Asheboro	1.3%	36.7%	15.0%	42.4%	1.6%
Thomasville	0.9%	27%	39.3%	25.9%	5.6%
Davidson County	0.9%	5%	3.0%	8.7%	1.6%

### **English Speaking Students 2012**

- 1,008 of 3,140 or 32% of Lexington students do NOT speak English in their homes.
- 18 different languages are spoken as the primary language in the homes of Lexington students.
- Language include: Spanish, Egyptian, Tarasco, Khmer, Lao, Russian, Hebrew, Chinese, Hindu, Vietnamese, Guynese, Cambodian and others.

### **Lexington Senior High's National Honor Society**

- 2009: **23** total members; **8** minority members
- 2012: **54** total members; **28** minority students

### **Additional comments:**

- There are benefits of being in a more diverse school and being better prepared for dealing with the real world.
- The funding received by being separate rather than consolidated is a major factor. The Schools have access to and are eligible for more funding and thus can provide more specialized programs for the diverse population; 1-1 program with students in 8<sup>th</sup> grade; providing laptops and more tools available.
- While there are benefits in having teachers with a lot of seniority, sometimes turnover is not bad, particularly for the teachers who are not willing and able to change to better reach more diverse students.
- There are challenges in the fact that parents can't be as supportive due to language issues. In these cases, the Schools have to provide students the support needed and also to support the teachers in doing that. It is hard on teachers in daily dealing with some of the negatives that they see children experiencing in their homes.

As in other sessions, there were several questions to which Mr. Kriesky replied.

### **What do businesses/companies/people look at when they're considering moving to Lexington?**

- Core success factors: graduation rates, reading on grade level, math scores.
- Realtors may/may not talk much about schools/diversity.
- Now we have some evidence and we need to get it out.

**How does your website communicate the good things? What about sharing these data?** You would see videos of teachers and students and parents talking about the positives. The statistics could be shared but they could also be easily misunderstood.

### **What types of policy changes have taken place?**

- Addressed literacy as number one priority.
- In our High School we've done a number of things: improvements in handling disciplinary issues. We isolate them in a separate school (Jacket Academy) and they have to continue rather than being suspended and getting no education.
- The entire atmosphere has changed. Students are working harder and quieter.
- Focus is on individual students and their needs rather than waiting till they fail.
- There is a long term commitment on the part of teachers; keeping the turnover rate low.
- The biggest change is in expectations of the students which have been raised!
- Structure has been put in place that focuses on results. That structure is aligned in achieving the same common goals and focus; alignment with common methods of teaching.
- There is more interaction between teachers across schools and grades; this had previously been disjointed.
- The structure of elementary schools has changed, addressing transition times better and having fewer moves, i.e., grades 1-5 together rather than just grades 1-3: PK – K at one school; grades 1-5 at another.
- There is more personnel training. It all boils down to the people.
- Last year, three teachers purchased homes in Lexington.

### **Suspensions are down - is that because discipline has changed and is more lenient?**

“No, quite the contrary. Expectations have been raised and students have improved. And he referenced the jacket academy”. (See above.)

### **What is your message to the new person looking to move to Lexington? What can we get across to them?**

He said that we need to share the updated numbers which he had presented (test scores being at grade level and graduate rate being higher) and other positives about our schools. He also said that we need to make comparisons to the state of NC rather than comparing to other localities and coming across as disparaging. He mentioned other things such as the number of scholarship recipients the school has. He acknowledged the need for someone to do PR or marketing for the schools. He talked about one community where a major corporation sponsored a billboard touting their schools and how this showed a sense of pride. Rick was asked “what if the Board appointed an ad hoc committee enlisting community folks to do a PR/marketing piece?” “What about connections between community groups and their involvement in getting the message out?” Rick said that sometimes people want to help but have a hard time connecting, understanding and dealing with students who are diverse and dealing with different issues. It would be great if we knew and could target information about City Schools to those people who are looking to move to Lexington. It was suggested that Rick speak to the realtors group to talk about the improved school statistics. Charlotte Roberts reminded the Committee members that “we can be the public relations / marketing representatives in getting the message out. We can share the positives! This is what we can do personally!”

### **Mr. Kriesky shared these additional thoughts:**

- Think of the success we're going to be having in time to come. We're changing the tire while the car is still moving.
- He expressed a concern that last spring the levels of minority students in AP classes was so low. He then realized that LCS has more than other schools like in Durham. A Committee member reiterated that AP classes for minority students are very important.
- He said that we can't lower the bar but we have to put things in place to change the culture.
- He also said that we have to have a vision and add on to that rather than constantly changing. It needs to be a cumulative and interconnected plan.
- There are benefits of being in a more diverse school and being better prepared for dealing with the real world.
- The funding received by being separate rather than consolidated is a major factor. The Schools have access to and are eligible for more funding and thus can provide more specialized programs for the diverse population; 1-1 program with students in 8<sup>th</sup> grade; providing laptops and more tools available.
- While there are benefits in having teachers with a lot of seniority, sometimes turnover is not bad, particularly for the teachers who are not willing and able to change to better reach more diverse students.
- There are challenges in the fact that parents can't be as supportive due to language issues. In these cases, the Schools have to provide students the support needed and also to support the teachers in doing that. It is hard on teachers in daily dealing with some of the negatives that they see children experiencing in their homes.

Several members of the Committee talked about **good things they have experienced or observed** about the City Schools.

When asked **what the schools need from the City**, Rick said that the schools need *assistance with a professional PR firm (not just for the school system but could be for the whole City) that could help get the message out.*

### **Neighborhood Stabilization**

**City of Lexington, Business and Community Development - Tammy Absher, Director**, shared with the Committee that her Department handled over 3000 appearance cases last year and demolished 180 structures in the past few years. She said that the Appearance Commission gives awards for community improvements and that this Commission is the best mechanism for grants to businesses. She emphasized the need for the community to take the initiative and that solutions need to be a community-based

approach. Initiatives from the previous Lexington strategic plans acknowledge what the City can do. Public/private partnerships are encouraged. She reminded the Committee that the biggest obstacle/issue is the lack of *population growth* which drives the market and Lexington will be in a holding pattern until the City grows.

## **Depot District**

**Lexington Redevelopment Commission - Bill McMurray, Chairman**, shared with the LSPC that the number one goal of the Lexington City Council (2012-2013) was the re-acquisition of rail in Lexington. He believes strongly that this is Lexington's most important project. He said that it is a regional project and funding is a big issue. The plan is to proceed in phases. He shared with the Committee that the current leasing of the buildings on the southern end is supporting redevelopment of the northern end. The City has used creative ways to obtain the funding without having to increase taxes. He asked the LSPC for their support and endorsement.

Several Committee members made comments or asked questions:

- It would be great to get the word out that the City has purchased and is leasing and obtaining revenue rather than the property just sitting there until development occurs.
- Buying buildings, stabilizing them and opening them up to the public so they can see and become comfortable before the redevelopment occurs is an idea.
- Need to go ahead and start some demolition so people see and know that things are happening. Tammy Absher responded, "Since we're using federal funds, given the historic nature of the area, we have to get clearance from Historic Preservation and we've had to do a lot of environmental and other studies getting ready for the redevelopment and demolition. There are lots of federal and state groups who have to provide their agreement/approval and we're close on many of these."
- Are there statistics showing that rail travel is increasing? Response: Yes, and we need to get the message out to the public.
- Any efforts you're aware of to derail this project? Response: Not aware of any specific ones, state and federal funding is tight. Thankfully the current governor is very much behind passenger rail. Mayor Clark said there are some folks in state government who are not for supporting infrastructure and continued funding. He's meeting with different mayors from other cities about the importance of our connecting with their cities. This idea is important. We have a major highway going through (I-85) and how would things be if there were no exits to get off? Rail is another important "highway" through Lexington. This provides a good analogy to needing a passenger rail stop in Lexington. One of our representatives is not supportive because she says the funding is not there so we can't do it. Mr. Clark talked about having to invest for our future. Look at it as a regional project, not just Lexington. So he is meeting with other localities like Winston-Salem that will be using it. It is vital for our current citizens AND those we want to attract. LSPC can help find what people would like first, what they want most in the Depot District. NOTE: The Redevelopment Commission process is addressing this.
- To clarify LSPC's role...Are there other groups dealing with what people want and like and if so does the LSPC need to make recommendations or just support these other groups? Ms. Absher mentioned other studies that support what could be key for the Depot District, i.e., entertainment center, anchor entertainment, community use - things that draw the crowds and will help spur more development and mixed use. Other groups are already doing that. Perhaps our role is to endorse/support the work of the Redevelopment Commission.
- The development of the Depot District could be connected to the "Recreation / Entertainment / Quality of Life" recommendations of the LSP.
- The City has committed up to 20% cost support plus assuming ownership and upkeep of the station when completed.
- NCDOT Rail Division has fully endorsed the site and multimodal station and has assisted us in many ways.
- There are only two counties along Raleigh to Charlotte rail that do NOT have passenger stops: Davidson County (Lexington) and Orange County (Hillsborough).

***This is Mr. McMurray's response when asked what for his "wish list":***

Strongly endorse the Depot District project and support efforts to obtain State, Federal and other funding to restore passenger rail service to Lexington and Davidson County, construct the boarding platform and track improvements, the multimodal transportation station. This is Lexington's most important project and its completion will be key ingredient in a successful future for the citizens of our community and region.

**Business / Job Development**

**Lexington Business and Community Development - Tammy Absher, Director**, told the LSPC the purpose of the **Lexington Business Development Consortium (LBDC):** *Create and support a dynamic, cooperative business environment which enhances the business prosperity of Lexington.* She shared that the partners are the City of Lexington, Davidson County Community College, Davidson County Economic Development, ElectrCities, and Lexington Chamber of Commerce. There are Five Focus Areas:

- **Business Recruitment** – identify, approach, and recruit retail and restaurant franchise businesses appropriate for Lexington.
- **Entrepreneur Development** – identify, attract and support entrepreneurs in opening new businesses.
- **Existing Business Support** – determine and meet the needs of existing businesses for retention and expansion.
- **Marketing & Promotions** – promote Lexington as an entrepreneurial and business-friendly environment.
- **Business Infrastructure** – develop and provide site, financial, and technical product and resources to support business growth in Lexington.

Ms. Absher told the Committee that each of these Focus Areas have goals including first year goals. After her presentation it became apparent that the LSPC and the LBDC have been moving in tandem. Ms. Absher used much from LSPC already and Dr. Tompkins, consultant, had been involved.

The Questions / Answer time allowed for further understanding.

**How do you deal with questions such as 'Is there an open process for someone getting help vs the City offering preferential treatment to some and therefore interfering with the free market process'?** Ms. Absher explained that the process will be as easy as signing up for classes open to the public. Entry will not be closed but will be starting at Davidson County Community College. Furthermore, leakage studies will help to inform the community college of what opportunities are out there and how they can advise entrepreneurs as to where the low hanging fruit is. The LBDC will be providing good information along the way to inform them but they will be doing it on their own. All of this is available but voluntary. There will be "callouts" to entrepreneurs sharing business opportunities, creating the environment not handpicking people for certain opportunities.

**It appears the scope of the Development Department has increased dramatically, have your resources increased to support these programs? Is there anything out there available as far as cash rewards for buying local, i.e., like 5% cash back for buying local?** In response to these questions, Ms. Absher shared that the City hired a new City planner to aid with this and to focus on some of Ms. Absher's former duties/responsibilities. She mentioned that some of the incentives are included in the information presented but this is still a draft and may be adjusted. The City benefits from local sales tax if you buy local.

A Committee member talked about the high cost of setting up franchises and the need to help entrepreneurs raise those funds, i.e., the availability of a lending pool, and the need to help family operated businesses without having to go the more expensive franchise route. Part of the "service" is to help folks navigate through the process - getting help with accounting and getting local talent involved to help meet those needs.

**Will the Chamber be pulling just from their membership?** There will be an open call to get more involvement from a broader base than just current Chamber members.

The Mayor reiterated the need to educate our citizens about what the City can and can't get and why, i.e., what we can and can't qualify for due to our population size. "There is a need to get the word out about the whys. This will aid in the citizens understanding and they will understand where we are and where we're heading." The key is getting the information out! There are so many positives to communicate.

**We have a Walmart so why can't we get like a Target?** Lexington doesn't meet Target's criteria but does meet Walmart's. Another example is CookOut. Lexington has a local owner who has the franchise, but he hasn't opened at this point. Lexington has done what they can, but the franchise owner hasn't decided to break ground/open yet.

The Mayor said that someone suggested that the city talk with other cities that are similar and doing these types of things. The Committee learned that there aren't any other cities the size of Lexington who are doing business development consortium work the way that Lexington is approaching it. Lexington is on the cutting edge and this could be a big opportunity for the City. Lexington will stumble into a lot of things because they are the only ones out there doing this.

**Recommendations:** After the presentation and discussion, the recommendation is to “Strongly endorse and support the Lexington Business Development goals.” The Committee felt that any other recommendations would be superfluous.

## **Housing**

**Lexington Business and Community Development - Tammy Absher, Director, and the Lexington Housing Community Development Corporation – Antionette Kerr, Executive Director** both members of the Committee encouraged the Committee to keep “*housing*” related issues on the list of recommendations. While there was not a presentation specifically on “*housing*”, their encouragement is clearly in sync with other data collected from the Citizen Survey and Leader Interviews.

## **Hispanic Town Hall Meeting**

In an effort to hear directly from members of the Hispanic community, Mayor Clark and two Councilmen conducted a Town Hall Meeting at the Catholic Church with Father Al. Tammy Absher, LSPC member; Aida Rodriguez., bilingual community volunteer; and Dr. Tompkins, consultant, were also there. The Town Hall Meeting was held in October 2012. Members of the Hispanic community who were present had not been informed that the Mayor and Councilmen would be present and they were uncomfortable speaking in the public forum. A spokesperson for the group did share concerns with Mayor Clark and requested another meeting. Most of their expressed concerns were not related to local government but more about issues with the state of North Carolina, such as difficulty in obtaining driving licenses.

At the meeting, 100 Citizen Surveys in Spanish were given out to be completed at the meeting while Ms. Aida was present to translate and answer any questions. Only 13 were returned that day and many of those were incomplete.

## **Lexington City Government Youth Council (LCGYC)**

After the Focus Areas had been identified for the Renaissance Plan, members of the LSPC met with the LCGYC and Mayor Clark. The purpose of the meeting was to seek their comments and suggestions related to the Focus Areas. As each Area of Focus was shared with the LCGYC, they responded with their thoughts and ideas. All of the LSPC members were all impressed with the ideas from these young residents. And because some of those ideas were already in the process of seeking implementation, the Committee was not sure how to connect them to the Lexington Strategic Plan – EXCEPT to know that the ideas were certainly in sync with the thinking of the LSPC. There is great synergy going on in Lexington. Listed here are notes from their comments in each of the Focus Areas.

**Arts / Entertainment** - LCGYC was in the process of planning a **community movie in the Depot District** (3<sup>rd</sup> Avenue Exit). They wanted to involve the whole community and use Touching Davidson County with Love and local youth groups to help. The event would be outside with the movie projected on the side of a building. Their plan was to start the clean-up in April. Their need for now was a screen. Another great idea they had was to invite local merchants and non-profits to be vendors for their own organizational fundraising. They also shared that they were seeking partnerships to paint murals on buildings as a way to showcase local talent. They were also working on an *ADOPT-A-BIN Program* – decorating the recycling bins with quotes, art, etc., to promote recycling.

**Business / Job Development** – Members of the LCGYC wanted to keep jobs in Lexington, open a movie theatre, and promote ideas to help businesses in Lexington. When asked where they wanted to go or how to spend their money they said for clothing, restaurants, and Putt-Putt.

**Neighborhood Stabilization / Community Design** – The LCGYC members had observed that there are unique structures that look neglected on HWY 8/Winston Road (near Erlanger) and they would like to see that entryway to Lexington spruced up. They also like to see *flags/banners* and *Christmas decorations* but would like to see them more than just uptown. They suggested that “*Jacket Lane*” (a bee or jacket’s wings painted on the road entering the school) be established on the way to Lexington High School along with a coordinated signage system for the schools identifying where the schools are – especially the high school.

**Depot District** - The group would like to see *restaurants* (nice restaurants / food court) and *shops* in one of the buildings. They said that they WOULD use the train. They like the idea of having a *BBQ Heritage Museum* to include an emphasis on the history of buildings and interactive displays. They like the idea of building on Lexington’s heritage.

**Education** – LCGYC was working on a celebration at the end of the school year, and planned to invite all organizations to participate and to promote anti-bullying and staying in school. They also agreed that Lexington City Schools need to improve their reputation.

**Hispanic Population** – The group agreed that they know it is a big issue in the community.

**Population Growth** - The group agreed that all of the areas identified by the LSPC would help Lexington to grow. They also said that offering a viable incentive to come back to Lexington would be a good idea.

**Public Relations / Marketing** – The group concurred with the wayfinding focus of LSPC. They would also like to see updated road signs that list restaurants. When asked how they communicate most, the group said Tweeter and Instagram.

**Recreation / Community Centers** - The group liked the idea of future efforts being focused on intergenerational programming. As an example, they said that the YMCA is intergenerational and works well. They would like to have indoor facilities for tennis court, soccer and basketball and they would like to have bike trails.

## OVERVIEW OF RECOMMENDATIONS

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Listed below are the recommendations from the Lexington Strategic Planning Committee for the 2020 *Renaissance Plan – A Strategic Plan for a Greater Lexington Community*.

While all of these recommendations are considered important, the Committee identified both **Business/Job Development** and **Public Relations/Branding/Marketing as priorities**. *Business/Job Development* was clearly the first priority from all sources gathered. The remaining recommendations are listed in alphabetical order.

### **Business / Job Development**

1. Strongly endorse and support the goals of the Lexington Business Development Consortium whose purpose is to create and support a dynamic, cooperative business environment which enhances the business prosperity of Lexington:
  - **Business Recruitment:** Identify, approach, and recruit retail and restaurant franchise businesses appropriate for Lexington;
  - **Entrepreneur Development:** Identify, attract, and support entrepreneurs in opening new businesses.
  - **Existing Business Support:** Determine and meet the needs of existing businesses for retention and expansion;
  - **Marketing & Promotions:** Promote Lexington as an entrepreneurial and business-friendly environment;
  - **Business Infrastructure:** Develop and provide site, financial, and technical product and resources to support business growth in Lexington.
2. Support Davidson County Economic Development Commission (DCEDC) for industrial development and recruitment efforts.

### **Public Relations / Branding / Marketing**

1. Based on the data gathered, the City needs to improve its relationships and communications with the citizens. The City also needs to promote Lexington to the outside world.
2. Hire a Public Relations/Branding/Marketing professional to market the City; tell its story and ultimately foster economic development:
  - Develop a City Marketing Advisory Committee;
  - Develop, implement, and manage a marketing plan for the City;
  - Focus on image building;
  - Coordinate all avenues of communication including the City's website;
  - Work closely with the City's partner agencies and Lexington City Schools;
  - Use outside public relations/marketing firm as needed.
3. Educate the citizens about what is available to them related to City Utilities and other City Services, i.e., utility audits, rebates for energy efficient appliances.

## **Arts / Entertainment**

1. Foster an environment conducive to organizing community events.
2. Create an Arts / Cultural / Entertainment sub district within the Depot District including the Civic Center, a state of the art amphitheater, a Lexington heritage museum, and other arts and cultural venues.
3. Continue to support and promote the Edward C. Smith Civic Center:
  - Support Civic Center activities in City marketing and public relations efforts;
  - Encourage the broader use of the Civic Center to generate revenues;
  - Assist the Civic Center in securing grants for façade renovations, building improvements, and technology upgrades.
4. Continue to support multi-cultural events and festivals.
5. Encourage public art projects:
  - Paint the water towers to reflect Lexington's heritage (i.e., pig, BBQ sandwich);
  - Murals and sculptures;
  - Sponsor a call for concept design.

## **Depot District**

1. Strongly endorse the Depot District project. This is one of Lexington's most important projects and its completion will be a key ingredient for a successful future in our community and region.
2. Implement multimodal transportation station area plan:
  - Support efforts to obtain State, Federal and other funding to restore passenger rail service to Lexington and Davidson County.
3. Continue to take actions to let the citizens know that plans for the area are moving forward.

## **Education / Schools**

1. In collaboration with the Lexington City Schools (LCS), the City should promote and market the successes of the school system to bolster economic development and the overall quality of life in Lexington.
  - Include relevant information about the LCS on the City website;
  - Create and provide literature (brochures, etc.) on the LCS to relevant organizations, i.e., Tourism Office, Uptown Lexington, realtors.
2. Encourage various educational opportunities for City residents of all ages.

## **Health / Wellness**

1. Create a Healthy Living Initiative within the City:
  - Develop and promote Bikeways, Greenways and Sidewalks;
  - Explore partnerships with Davidson County, hospital, and other organizations.
2. Encourage and support the recruitment and retention of high quality healthcare professionals for local medical services.
3. Encourage and support the efforts of local medical facilities to improve the quality of medical services available to Lexington citizens.
4. Support local farm-to-table food program (networking local growers with local restaurants, grocery stores and citizens).

## **Hispanic Population**

Establish a committee to engage the Hispanic population and address their primary concerns:

- Partner with the Human Relations Commission, churches, the Lexington City School system and other City groups;
- Explore successful outreach efforts in other communities;
- Ensure that City government has a bilingual point of contact.

## **Neighborhood Stabilization / Community Design**

1. Develop an Area Improvement Program for neighborhoods, major corridors and entry ways to Lexington to:
  - Address blighted and dilapidated properties;
  - Include a streetscape/beautification plan.
2. Support home ownership and quality affordable housing:
  - Encourage renter education.
3. Develop a Commercial Maintenance / Aesthetics Code.
4. Continue to be active in historic preservation.
5. Support Tourism in implementing the Wayfinding Initiative (community directional signage).

## **Population Growth**

1. Expand population to 25,000 or more to attract businesses and companies to the Lexington area.
2. Encourage a complete count on Census reporting.
3. Utilize the marketing advisory committee to develop a campaign to attract new residents (See Public Relations/Branding/Marketing):
  - Market to out of state retirees;
  - Explore ways to attract and keep young people in Lexington;
  - Promote Lexington as a family friendly community.

## **Recreation / Community Centers**

1. Initiate a strategic planning process for recreation / community centers to bring all the stakeholders to the table to reach consensus for a strategic plan:
  - Build in revenue generating factor;
  - Have a facility that integrates the ideas of interested groups such as HOPE, City Recreation & Parks, YMCA, and Lexington City Schools;
  - Evaluate existing spaces for possible inclusion in the master plan;
  - Consider the linkage of transportation to the recreational facility;
  - Focus on integration & collaboration of groups. City serves as facilitator for groups to come together to create synergy;
  - Include intergenerational activities.
2. Assist in implementing the *recreation / community centers strategic plan* (See #1 above) possibly through a public-private partnership.

## **Transportation**

Support a comprehensive local public transportation network:

- Local bus circulator;
- Regional bus;
- Passenger rail;
- Pedestrian facilities;
- Bikeways.

## LSPC RECOMMENDATIONS

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Listed below are the recommendations from the Lexington Strategic Planning Committee for the 2020 *Renaissance Plan – A Strategic Plan for a Greater Lexington Community*. These recommendations are supported with findings from the research conducted by the Committee.

While all of these recommendations are considered important, the Committee identified both **Business/Job Development** and **Public Relations/Branding/Marketing as priorities**. *Business/Job Development* was clearly the first priority from all sources gathered. The remaining recommendations are listed in alphabetical order.

### **Business / Job Development**

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1. Strongly endorse and support the goals of the Lexington Business Development Consortium whose purpose is to create and support a dynamic, cooperative business environment which enhances the business prosperity of Lexington:
  - **Business Recruitment:** Identify, approach, and recruit retail and restaurant franchise businesses appropriate for Lexington;
  - **Entrepreneur Development:** Identify, attract, and support entrepreneurs in opening new businesses.
  - **Existing Business Support:** Determine and meet the needs of existing businesses for retention and expansion;
  - **Marketing & Promotions:** Promote Lexington as an entrepreneurial and business-friendly environment;
  - **Business Infrastructure:** Develop and provide site, financial, and technical product and resources to support business growth in Lexington.
2. Support Davidson County Economic Development Commission (DCEDC) for industrial development and recruitment efforts.

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### **Support from LSPC Research:**

**Leader Interviews:** Business / Job Development is considered the most important focus area in terms of Lexington’s economic recovery. In previous Lexington Strategic Plans, “economic development” has been listed as a top priority. The LSPC chose to focus on **business and job development** as a means for economic resurgence. The leaders interviewed listed *economic / business / job development* at their **first priority** in terms of the priorities on which the City of Lexington should focus in the next 10 years. In fact, this focus was listed by almost all of them. When the leaders interviewed were asked what was their **Vision/Hope for the City of Lexington**, the highest priority was *Plenty of Jobs / Economy*. Almost 75% listed this. In this regard, one person interviewed said that “We can’t continue to use blueprints from the past. We have to give these young people the chance to write a new blueprint.” When asked about **threats** to Lexington, *Lack of Jobs* got the second most comments and *economy* got the third most responses. The LSPC members identified 70 attributes including services and programs. City and community leaders rated each on the importance and satisfaction. The **needs gap analysis** which showed the greatest difference between “importance and satisfaction” revealed that almost half of the top 15 “gaps” are related to this Focus Area. The #1 on the list is *Jobs*. Also included

are *Business Recruitment Economic Development; Industrial Recruitment, Small Business Support, Entrepreneurship, and Economic Diversity*.

In his presentation on “**How City Government Works**”, then Assistant City Manager, Alan Carson, told the Committee that the number one issues facing City government is *Economic Development*. He told the Committee that 2% of the budget is for economic development.

**Lexington Citizen Survey:** Based on learning from this survey, the most important thing to focus on is bringing jobs to Lexington and promoting the type of controlled growth residents want. Emphasis needs to be placed on jobs that will benefit the community in multiple ways.

- Jobs from retailers, restaurants and entertainment will contribute to the sustained controllable growth desired and place a focus on the areas of growth preferred.
- More retailer selection will help keep residents and their dollars in Lexington, particularly during the weekend when they are most likely to go to larger metro areas to shop and spend.
- If Lexington doesn’t meet minimum requirements by retailers to locate here, seek compromises and provide incentives (i.e., land deals, temporary tax reductions).
- A new movie theater and bowling alley would be positive additions improving the entertainment and recreational alternatives available.

- **Like Least About Lexington:** When asked on an open ended basis what they like least about Lexington, *Lack of Jobs* is mentioned most often (26%). Jobs are mentioned less frequently as key dislikes by older adults.
- **Importance of Key Attributes/Programs:** Over 90% of survey participants indicate that *Job Opportunities* are important, yet less than 20% are satisfied. *Job Opportunities* exhibits by far the largest gap between **importance** and **satisfaction** of all the key attributes and programs.
- **Agree/Disagree Statements:** Close to half of respondents do not agree the City is *Aggressive Enough in Attracting New Business* and a third don’t feel Lexington is *Headed in the Right Direction*. This seems especially true among those under 65 years of age.
- **Future of Lexington:** Leading the votes for types of businesses respondents wish to see more of in Lexington are *Restaurants, Small Businesses, Retail, and Unique Locally-Owned Businesses*. Citizens seem least interested in seeing more *Government Related Businesses*.
- **Females**, more so than **males**, would like to see more *Health Related, Retail and Unique, Locally-Owned Businesses* in the Lexington area.
- **Older residents** seem more interested in reinstating some of the past strongholds of the Lexington area including *Furniture and Manufacturing*.
- *Sports and Entertainment Businesses* tend to be of greater interest to **younger adults**.
- **Blacks** are more interested in seeing *Government Related and Sports & Entertainment* types of businesses whereas **Whites** would like to see more *Small Businesses and Unique, Locally- Owned Businesses*.
- Given the opportunity to **wish** anything for Lexington, nearly half mention *Growth*. Almost a third express a desire for *More Jobs*.

**Lexington Citizen Survey - Findings among Hispanic Participants: Hispanic Participants** agree that *Job Opportunities* are important and include *More Jobs* in their wish list for Lexington.

**Content-Focused Presentation:** After Tammy Absher's presentation to the LSPC about the establishment of the Lexington Business Development Consortium (LBDC), the Committee felt that any recommendations beyond the strategic direction of the LBDC would be redundant. However, all of the data collected by the LSPC supports the need for and plans of the LBDC.

**Review of Other Relevant Studies:** Many of the studies that were reviewed by the Committee indicated strong support for these recommendations.

**IMPLICATIONS from *Generations by the Institute for Emerging Issues:*** The primary implication is that who is entering the workforce is changing significantly and they have different expectations from work than previous generations.

#### **Impact on the Business Environment**

- **Gen Z (Born between 1996 and today) is the first generation in US history to enter the workforce under expectations that they will be (on average) less well-off than their parents.** Many in this generation can expect to spend more time job-seeking or job-jumping and are less able to sustain themselves as independent households.
- Technology skills Gen Z exhibits can be a great advantage for employers. **Connectivity and the use of modern media is as natural as breathing.** They don't have to learn the communications skills that pre-Internet generations struggle with, and technology is already integrated into their daily routines.
- Gen Z **divides and assumes social roles based** on setting and they expect others will understand this segregation.
- They want to know: **How do I fit in? Why do I have to do this? Why does it have to be done by then? They expect to be part of the design process.**
- **Transparency, self-reliance, flexibility, and personal freedom are all non-negotiable aspects of Gen Z's work ethic.** Ignoring them or trying to force-fit them into a traditional job environment could result in peer frustration, reduced productivity, low morale, and a lack of employee engagement.
- **Lexington should involve Gen Y (Born between 1982-1995) and Z in a process of designing the environment now, because the environment will play a key role in determining whether or not they choose to live here in the future. Z's favor an urban setting with walkable access to social settings and services. They also reject single family large lot development.**

From the study, *Building on Innovation (The Significance of Anchor Institutions in a New Era of City Building)*, the Committee learned that the **innovation economy** is sweeping away the old rules of city building in the US and "anchor institutions" with research hospitals and universities are becoming one of the primary drivers of this community-based change. For example, in just 20 years, metropolitan Boston has lost more than 100,000 manufacturing jobs while adding nearly 200,000 jobs in education, professional services, and health care-related sectors. The study showed that the **capacity of communities to achieve economic resiliency amid these shifts** will determine the difference between prosperous and failed local economies. One of three key assumptions listed is that **Cities will succeed if they commit to economic innovation and embrace cross-sector collaboration and partnerships** - commercializing research from local universities and medical institutions; fostering an entrepreneurial climate through public/private partnerships; and attracting capital to invest in local business creation. The study further states that building for the future requires these:

- **Leadership:** *Change doesn't happen without a champion.* Leadership needs to be sustained and committed to the long term.

- **Strategy:** One needs to know where one is going in order to get there. *A strategy and a plan need to be critically focused on a true competitive advantage, not an abstract idea of some undefined goal.*
- **Institutional capacity:** To carry through on long-term commitments, *public/private/university partnerships require sophisticated organization on all sides.*
- **Financing infrastructure:** *Partnerships often entail investments by both the public and private organizations that fund the development. Availability of both venture capital and early-stage investment cannot be stressed enough.*
- **Education: A knowledge economy is driven by educated people.** Companies that locate or grow in these areas need an educated workforce.

This study strongly supports the direction Lexington is taking with the establishment of the Lexington Business Development Consortium (LBDC). The LBDC is composed of key leaders who represent critical stakeholders for job and business development in Lexington. LBDC has a plan which was strategically developed. The plan acknowledges institutional capacity, financing infrastructure and education as important components. Having key job and business development professionals involved from Davidson County Community College creates the great liaison between ideas and capacity to develop and implement. This study also supports the work of community leaders like Bill McMurray being a champion for the development of the Depot District and all of the potential there for job and business development.

***Growing the Davidson Economy from the Inside Out (Referred to as the Leakage Study):*** Davidson County remains in economic crisis from the exodus of manufacturing jobs. At the time of the study, unemployment hovered around 12%, which was above state and national averages. It needs an alternative strategy of “Local Living Economies,” to maximize both the percentage of jobs in locally owned businesses, and local self-reliance by plugging dollar “leaks” in the local economy. The simple leakage analysis suggests Davidson County has few sectors of export strength: wood, furniture, nonmetallic mineral, fabricated metal, plastic and rubber products, and apparel. The County is dependent on imports and leakages are occurring in almost every sector of the economy. Opportunities for new import-replacing jobs abound.

Opportunities for new import substituting businesses include:

- Increasing local financial services;
- Creating local electric utility and energy production;
- Expanding the diversity of residential and business service businesses;
- Enhancing local arts, entertainment, and recreation assets, especially for youth
- Encouraging residents to prioritize local charities in their giving;
- Expanding local health services, particularly healthy exercise, nutrition, and lifestyles; and
- Increasing value of local assets through leasing, reuse, and re-fabrication

Dr. Johnson’s “**Disruptive Demographics**” presentation emphasized the need for Lexington to **augment efforts to recruit plants with strategies to recruit people** and to embrace immigrants as it recognizes demographic-driven business development & job creation opportunities. He listed these as relevant:

### **Implications for Business**

Emergence of global care economy  
Adjustments for aging consumers  
Succession Planning  
Female-dominated labor force and leadership  
Fierce global competition for talent

### **Opportunities**

Tap the spending power of ethnic minorities  
Cater products & labeling to emerging groups  
Design & package products with equality in mind  
Easy to read, understand, carry, enjoy  
Safer to use

Dr. Johnson also encouraged the City and County to promote themselves as sustainable places to live and do business.

***State of the NC Workforce 2011-2020 by the NC Commission on Workforce Development (6/2011):***

Workforce Challenges

- Work dislocation accelerated during the recession due to long-term structural changes.
- Workers employed in low-skill, middle-wage jobs are competing for fewer good-paying jobs while opportunities offering similar wages demand higher skills.
- While metropolitan workers have a more diverse set of career options, they must continuously adapt to increasing demands in the workplace and a more competitive labor market.
- Dislocated or young workers in hard-hit micropolitan and rural areas have very limited alternatives for employment.
- Seeking good-paying jobs, more workers must increase their skills by accessing and completing education beyond high school or by earning industry-recognized credentials.
- The recession slowed baby boomer retirements, but the impact is likely to be felt first and greatest in micropolitan and rural areas where more workers are near retirement age.
- High-skill in-migrants recruited to help companies meet their talent requirements are seeking jobs in amenity-rich metropolitan areas.
- Migration of new workers continued at near pre-recession levels, even among low-skilled workers, despite the limited availability of jobs.
- Lower-skilled workers accounted for most of the unemployed and required significantly greater social services during the recession.
- Workers employed in certain industries - manufacturing, finance, distribution, or construction - were more likely to lose their jobs and to need retraining to find work.

Summary:

- The recession served to accelerate many long-term economic trends and exposed the lingering truth that there is now an extreme imbalance between the demand for jobs and the supply of workers to fill those jobs.
- While the study identified ten key challenges that could stand alone as a critical priority, they are all interrelated and must be addressed holistically and in collaboration with NC's educational and economic development systems.

Recommendations:

NC leaders must consider policies aimed at:

- Transitioning workers dislocated due to structural change
- Identifying at-risk workers and helping them access education and training
- Engaging education at all levels - ensuring student enrollment and linking curriculum offered and industry needs
- Enhancing economic opportunity for workers in micropolitan and rural areas - addressing skill shortages in certain industries, and improving access to education and training
- Ensuring greater employment stability through earned post-secondary education

**Census Data re: Employment/Jobs:** Based on the 2010 Census, the median family income and per capita income are lower in Lexington City than surrounding cities and counties and well below the state and national averages. Poverty rates are highest among *Other Race* or *Multi-racial* as well as *Persons UnderAge 18*. Almost half (45%) are paying more than 30% of their

income on housing costs and 23% of households indicate they are receiving food stamps. Almost half (45%) of the children live in poverty.

The 2010 Census also underscores what many Lexington residents have experienced – jobs have diminished. Looking at historical labor force data since 1970 shows continued but slower growth through 2000 followed by a decline currently to 8,844, representing 56% adults in the *Labor Force*. Lexington's unemployment rate of 16% is higher than neighboring cities and counties and twice that of NC and the US. The only industries showing increases in employment are construction, finance/insurance/real estate, professional/scientific/management, and education/health care. Only about 15% of the jobs in Lexington are filled by local residents.

Labor Force	8,844
Unemployment Rate	16.1%
% of Adults in the Labor Force	56.4%
% of Workforce Employed in Manufacturing	33%
% Employed in Manufacturing in 1990	45%
Median Earnings per Worker	\$19,972
Jobs in Lexington, 2009	11,785

In the **LSPC SWOTA** exercise and in responding to **Lexington’s “Weaknesses”**, “*Unemployment, Lack of Job Opportunities, Job Loss (tax revenue decrease)*” was the second most often mentioned weakness by members of the LSPC.

From meeting with the **Lexington City Government Youth Council (LCGYC)**, the **LSPC** learned that *Business and Job Development* is important to this young demographic group. Their comments were to **keep jobs in Lexington; to open a movie theatre; and to promote ideas to help business in Lexington** (which is the goal of the Lexington Business Development Consortium). These young people said they would go spend their money on *clothes, in restaurants, and at Putt-Putt*. These young Lexington residents indicated a desire *to continue to live in Lexington* after college.

**LSPC ATTRIBUTES Exercise Gap Analysis:** *Jobs* is the attribute with the widest gap between importance and satisfaction. Four attributes - *Jobs, City Population, Business Recruitment, and Economic Development* - have gaps of over 50 points and over 20% have at least a 35 point spread.

## Public Relations / Branding / Marketing

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1. Based on the data gathered, the City needs to improve its relationships and communications with the citizens. The City also needs to promote Lexington to the outside world.
  2. Hire a Public Relations/Branding/Marketing professional to market the City; tell its story and ultimately foster economic development:
    - Develop a City Marketing Advisory Committee;
    - Develop, implement, and manage a marketing plan for the City;
    - Focus on image building;
    - Coordinate all avenues of communication including the City's website;
    - Work closely with the City's partner agencies (including Lexington City Schools);
    - Use outside public relations/marketing firm as needed.
  3. Educate the citizens about what is available to them related to City Utilities and other City Services, i.e., utility audits, rebates for energy efficient appliances.
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### Support from LSPC Research:

An overall impression from the **leader interviews** as well as the conversations with the LSPC is that Lexington is really a wonderful place, but there are not too many people who know about it. Additionally, as the LSPC learned more about “**How City Government Works**” there were questions as to how well the average resident really knows all that is available through City services. After then City Manager, John Gray presented a PowerPoint presentation on “*Making City Government Work – How to Keep All of the Main Players on the Same Page*” a LSPC member asked “Is there a way to get this type of information out to the general public? This information could be so helpful. More good goes on than the city gets credit for.” Alan Carson and John Gray explained that much of this information has been shared with the citizens but they are not sure that it is read when shared. Also, citizens get their news so many different ways. At the time of the presentation, the City website was getting 35,000 hits per month. Another question was “Do City employees understand the useful details in this presentation?” Answer: “Yes. They get this in some of the training that they receive.”

The resulting consensus of the Committee was that the City needs to do a better job of telling its story both within City government and to those who live in the community and beyond. *Public relations, branding, and marketing* are all needed and the City of Lexington needs to be more proactive in getting the positive messages out. The Committee stressed that all economic development efforts should focus on current *business support, recruitment, marketing, and branding*.

The consultants who interviewed the **leaders** left with the impression that people love this town! Leaders really like the *uniqueness* of Lexington and want to see the City do well. Many acknowledged the need for *visionary leadership*. They also heard that most see the *geographical location* as a great asset: connected to *major highways and interstates, beautiful terrain*, and being in the *middle of the East coast and centrally located* in the State. Other assets easily identified by the leaders included the *Depot District*; the *working together of citizens and non-profits organizations*; the overall *quality of life: great place to raise a family, low crime, good City services*; and the *loyal, committed, and willing workforce* who have certain skill sets that

could be useful. In the **Citizen Survey** when asked **what they like most about Lexington** on an open end basis, nearly half of all respondents say its *small size* which offers a hometown feeling. *Lexington's people* are also mentioned as a key advantage by one out of every four individuals.

In the midst of all these positives, many feel that one of the biggest *Threats* is the *negative attitudes of the citizens* and the *lack of appreciation* of what is so right about Lexington and its potential. The research process unveiled the fact that while there is so much that the residents love about Lexington, there is a fair amount of *negative thought*. The **leaders** listed *Threats* to include “*overall negative attitudes*” and an attitude of “*we can't do it in Lexington*”. Another *Threat* was the lack of *marketing*. In the **Leader Interviews** when asked what their vision for Lexington is, several of the leaders said “**Focus on what is Right in Lexington.**” Perhaps *public relations and marketing* to the citizens of Lexington will help improve the *negative attitudes*.

One of the priorities listed by the leaders was *to improve Lexington's image* to help in removing a sense of “has been” from those most affected by the loss of manufacturing jobs. Marketing was identified as a strategy for updating Lexington's image. In relation specifically to *branding*, one finding was that “**Lexington needs to define our niche: local, state, and national. If we define our niche, we can package our resources to promote the town accordingly.**”

In the **LSPC's SWOTA** analysis, Committee members cited *Great Location* and *Community Character* as key **Strengths**. **Weaknesses** included *Image of Lexington - Sleepy town, Not Attracting Young People* and *Perception and Negativity* making *Marketing* a key **Opportunity**. The following list of **Accomplishments** could be a great beginning for telling City employees as well as citizens and others from surrounding areas facts about Lexington:

- *Improvements in the City infrastructure (i.e., farmers market, Business Center, airport, City parks, new sewer system, beautification projects, success at having received state/federal funds, Depot District, new sidewalks, resilient financials;*
- *Uptown Lexington – Revitalization of the uptown Lexington district;*
- *Tourism – Recognizing tourism as economic development (winery, BBQ festival, BBQ cook-off;*
- *Street Festivals – i.e., the Multicultural Festival.*

In the **Review of Other Relevant Studies**, one of the recommendations from Dr. Johnson's *Disruptive Demographics: Implications for Workforce Planning, Business, and Consumer Market* presentation is for the **Lexington to rebrand the City and County as sustainable places to live and do business**. He also recommended that the Lexington area **augment efforts to recruit plants with strategies to recruit people** – this will require effective public relations, branding, and marketing. In one of the **Content focused presentations**, a local corporate administrator suggested that community organizations and groups cooperate with *joint marketing efforts* for the good of the whole.

Members of the **Lexington City Government Youth Council (LCGYC)** were asked to respond to the **Public Relations / Branding / Marketing** recommendations and they concurred with the wayfinding focus as a way for Lexington to be more visible. They would also like to see updated road signs that list restaurants. When asked how they communicate most, the group said Twitter and Instagram.

Finally, one of the four areas of focus of the **Lexington Business Development Consortium (LBDC)** is **Marketing & Promotions** – to promote Lexington as an entrepreneurial and business-friendly environment.

## Arts / Entertainment

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1. Foster an environment conducive to organizing community events.
  2. Create an Arts / Cultural / Entertainment sub district within the Depot District including the Civic Center, a state of the art amphitheater, a Lexington heritage museum, and other arts and cultural venues.
  3. Continue to support and promote the Edward C. Smith Civic Center:
    - Support Civic Center activities in City marketing and public relations efforts;
    - Encourage the broader use of the Civic Center to generate revenues;
    - Assist the Civic Center in securing grants for façade renovations, building improvements, and technology upgrades.
  4. Continue to support multi cultural events and festivals.
  5. Encourage public art projects:
    - Paint the water towers to reflect Lexington's heritage (i.e., pig, BBQ sandwich);
    - Murals and sculptures;
    - Sponsor a call for concept design.
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### Support from LSPC Research:

For Lexington to be the City that it has the capacity to become, options for *Arts and Entertainment* will need to increase. This focus area is particularly important for Lexington to attract and retain younger professionals. The development of the Depot District offers potential venues and increases the capacity for expanding arts and entertainment. When the LSPC members rated the importance and satisfaction of *entertainment* in Lexington, the results indicated that there was a significant gap between “importance” and “satisfaction” related to *entertainment*. One of the three key assumptions from the study, ***Building on Innovation (The Significance of Anchor Institutions in a New Era of City building)***” is that “**Cities will succeed if they provide vibrant places to live, plan regionally to maximize quality of life, and provide diverse housing choices and sustainable infrastructure.**” Options for *Arts / Entertainment* enhance the vibrancy and quality of life of any community.

**Citizen Survey Re: Arts / Entertainment:** Over half (53%) of the respondents have attended an event at the Edward C. Smith Civic Center in the past 12 months. Over a third (37%) indicate they have attended an event at the Lexington Municipal Club.

	<u>Used in past 12 months</u>
Attended an event at the Edward C. Smith Civic Center	53
Attended an event at the Lexington Municipal Club	37

**Satisfaction** levels are relatively high for both the Civic Center and the Municipal Club.

	<u>Satisfied</u>	<u>Neutral</u>	<u>Not Satisfied</u>
Edward C. Smith Civic Center	73%	20%	7%
Lexington Municipal Club	63	30	8

When asked on an open ended basis what they **like least** about Lexington, 17% cite a lack of entertainment and recreation options, with more emphasis placed on the limited availability for both younger adults and children.

**Implications** are that jobs from retailers, restaurants and entertainment will contribute to the sustained controllable growth desired and place a focus on the areas of growth preferred and a new movie theater and bowling alley would be positive additions improving the entertainment and recreational alternatives available.

**Importance of Key Attributes/Programs:**

- **80% of participants rate Entertainment** as important. This is especially true among Women and Blacks. Younger adults appear to place a higher degree of importance on Entertainment than do their older counterparts.
- **Less than a third (32%) of citizens are satisfied with the current Entertainment options** available.
- **This disparity between importance and satisfaction suggests improvement is needed.**

Almost **40% of citizens do not think that Lexington offers the types of cultural experiences that they enjoy.**

When asked about **the Future of Lexington**, sports and entertainment businesses tend to be of greater interest to Younger Adults and Blacks when asked what types of business/industry they would like to see more of in Lexington.

Given the opportunity to "**wish**" anything for Lexington, *more recreation/entertainment* is mentioned by 13% of survey participants.

**Leader Interviews:** When asked their *VISION/HOPE* for the City of Lexington the leaders gave a variety of responses. Almost half of them listed "**To maintain and improve the quality of life in Lexington**". Several also listed *quality of life* as an **Opportunity** and some mentioned that a **Threat** to Lexington is **the lack of attractions and programs for youth and children**. The LSPC discussed the definition of *quality of life* and the definition included *arts and entertainment*. One of the top priorities listed by the leaders was *Entertainment and Attracting Young Residents*. The LSPC believes that one of the ways to attract and retain young residents is by having more to offer in terms of housing and entertainment. The leaders included *restaurants, theaters/amphitheaters, sports venues, shopping, dining diversity, and entertainment diversity* in their definition of **entertainment**.

**Growing the Davidson Economy from the Inside Out (Referred to as the Leakage Study):**

The **opportunities** for new import substituting businesses included "Enhancing local arts, entertainment, and recreation assets, especially for youth".

When members of the LSPC met with the **LCGYC**, they learned that the **LCGYC** was in the process of planning a community movie event in the Depot District (3<sup>rd</sup> Avenue Exit). They expressed a great deal of creativity in various ways to involve the whole community. They expressed interests also in public art projects.

## Depot District

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1. Strongly endorse the Depot District project. This is one of Lexington's most important projects and its completion will be a key ingredient for a successful future in our community and region.
  2. Implement multimodal transportation station area plan.
    - Support efforts to obtain State, Federal and other funding to restore passenger rail service to Lexington and Davidson County.
  3. Continue to take actions to let the citizens know that plans for the area are moving forward.
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### Support from LSPC Research

Developing the Depot District is seen as a critical economic driver for Lexington. It is very important in terms of Lexington's economic recovery. The LSPC, in their **Attributes Assessment**, identified **Jobs** as the attribute with the *widest gap between importance and satisfaction*. Four attributes - *Jobs, City population, Business recruitment, and Economic development* - have gaps of over 50 points and over 20% have at least a 35 point spread. Several other related attributes (*Industrial Recruitment, Small Business Support, Entrepreneurship, and Economic Diversity*) are rated as *High Importance*. Additionally, other **Attributes** such as *Attracting Young Residents, Marketing of the City, Entertainment, Lexington's Image and Dining Diversity* would most likely have less of a gap in terms of **Importance** and **Satisfaction** with the development of the Depot District.

From the **Citizen Survey**, over two thirds agree that *Development of the Depot District* is a key to Lexington's future and over half express interest in *Passenger Rail Service*.

- *Females* are noticeably more inclined than *males* to agree that developing the *Depot District* is important to Lexington's future and that *Historic Preservation* in Lexington is important.
- More *Blacks* than *Whites* express interest in *Passenger Rail Service*.

Many of the **leaders interviewed** said that their "VISION /HOPE" for the City of Lexington includes the *Development of the Depot District – Rail Services Established and Development of the Lexington Homes Brand Buildings*. The leaders also listed the *Depot District Development* as a top opportunity. When asked what should be the City of Lexington's top priority in the next ten years, the leaders interviewed listed the *Depot District/Lexington Home Brands Building/Passenger Rail* as one of the top 5 priorities.

Additionally, in much of the data collected, *Lexington's Image* is considered to be an important concern. Many believe that the development of the Depot District will be a key player in the mosaic of Lexington's refocused image.

**Mr. Bill McMurray, Chairman, Lexington Redevelopment Commission**, shared with the LSPC that the number one goal of the Lexington City Council (2012-2013) was the re-acquisition of rail in Lexington. He believes strongly that this is Lexington's most important project. He said that it is a regional project and funding is a big issue. The plan is to proceed in phases. He shared with the Committee that the current leasing of the buildings on the southern end is supporting redevelopment of the northern end. The City has used creative ways to obtain the funding without having to increase taxes. He asked the LSPC for their support and endorsement.

Following Mr. McMurray's presentation, several Committee members made comments or asked questions to which Mr. McMurray replied:

- *It would be great to get the word out that the City has purchased and is leasing and obtaining revenue rather than the property just sitting there until development occurs.*
- *There are statistics showing that rail travel is increasing and that message needs to get out to the public.*
- *The development of the Depot District could be connected to the "Recreation / Entertainment / Quality of Life" recommendations of the LSP.*
- *The City has committed up to 20% cost support plus assuming ownership and upkeep of the station when completed.*
- *NCDOT Rail Division has fully endorsed the site and multimodal station and has assisted us in many ways.*
- *There are only two counties along Raleigh to Charlotte rail that do NOT have passenger stops: Davidson County (Lexington) and Orange County (Hillsborough).*

**The Lexington City Government Youth Council (LCGYC)** showed interest in and support for the Depot District: This group of young people said that they would like to see *Restaurants* (nice restaurants / a food court) and *Shops* available in the Depot District. They also said they would use the train. They also liked the idea of having a BBQ Heritage Museum to include an emphasis on the history of buildings and interactive displays. They were positive about the idea of building on Lexington's heritage.

## Education / Schools

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1. In collaboration with the Lexington City Schools (LCS), the City should promote and market the successes of the LCS in order to bolster economic development and the overall quality of life in Lexington. If the Lexington City School System does not have the funds for a Marketing/Public Relations professional, the City could assist the School System to tell its story through marketing and public relations:
    - Include relevant information about the LCS on the City website;
    - Create and provide literature (brochures, etc.) on the LCS to relevant organizations, i.e., Tourism Office, Uptown Lexington, realtors.
  
  2. Encourage and support educational opportunities for City residents of all ages.
- 

### Support from LSPC Research

The state of the Lexington City Schools (LCS) has been a topic of conversation for several years among the citizens of Lexington, especially those who have looked at the community strategically. Perceptions and opinions are very strong. And even though the LCS has their own governing board to look strategically at their future, it should be no surprise that education and schools would be a part of looking strategically for the next ten years at the City of Lexington. In almost all discussions related to economic recovery, having an educated populace is considered paramount to attracting the kinds of industry and work force desired. Having high performing schools also attracts the families to live here and work.

This Focus Area is also considered very important in terms of Lexington’s economic recovery. The **LSPC** members rated the *Importance* and *Satisfaction* of attributes. The **needs gap analysis** which showed the greatest differences between *importance and satisfaction*, revealed that the *City School System* was one of the top needs.

Based on the **2010 Census Data**, the *educational attainment* and the percentage of *high school graduates* has increased but the number of people with a *Bachelor's degree or higher* has declined. Lexington continues to lag behind other cities and counties in NC on these measures. In addition, over 11% of persons age 5 and older in Lexington indicate they *do not speak English* very well. *Enrollment* in Lexington City Schools has dropped from 3,234 students in 2000 to a level of 2,950 in 2010. Due to the high percentage of low income students, Lexington City Schools receive more funds to put toward education, resulting in a higher per pupil expenditure than most other NC schools. Over 90% of students receive *lunch free or at a reduced price* compared to 81% \*in 2000. Based on the 2010 Census, *the drop-out rate* is less than 3% and the *average SAT score* is 1,320.

Lexington City Schools Enrollment	2,950
Enrollment 10 years ago	3,234
Per Pupil Expenditure (annually)	\$10,122
Rank in PPE (of 115 school systems in NC)	24 <sup>th</sup>
% of Elementary/Middle School Students Scoring at Grade Level (EOG tests) – Composite	55.8%
% of High School Students passing End of Course Tests (Composite)	66.7%
Average SAT Score	1,320
Dropout Rate	2.88
% on Free/Reduced Lunch	92.5%

\* LCS Food Service Supervisor

Mr. Rick Kriesky, Superintendent, Lexington City Schools, made a presentation to the LSPC in which he stated that he believes that much of the image problem of the Schools is a false stereotype. He said that LCS is moving ahead AND in the right direction. He said that “every untruth spoken in public about Lexington City Schools’ fictitious decline upholds the stereotype and constricts the resurgence of the school system.” He also said that “Every truth spoken in public about Lexington City Schools’ factual improvement debunks the stereotype and accelerates the resurgence of the school system.” He went on to say that at one point, Lexington Schools were highly touted; but, they will never be the same school system that Lexington had in the 70’s, 80’s, etc. The Schools should still be on a pedestal based on how well they are doing with the challenges that they face. He said that they have some amazing teachers in the school and that **“We can be great, but it will look different than in the past.”** He shared with the Committee that the demographics have changed, but the approach to education has not changed. It is much easier to teach and be successful if you have a more homogeneous group. It is much harder to teach in Lexington because of the demographics - lack of homogeneity. Lexington has no group with over 32% representation; therefore, it is more diverse. The success of charter schools is based on having homogenous students. Statistics show that the Lexington schools are improving. In fact, they are improving at a faster clip than other schools in the state of North Carolina. There are two major measures and these show improvement: *literacy/reading on grade level* has improved and *graduation rates* are higher. Changes like these represent progress and progress takes time. He said that one factor in achievement gaps is the number of books found in the home. He also said that English speaking student data are very telling. A third do not speak English in their homes, so these students are getting all of their support with studies at school rather than receiving help from their parents. The schools have established **2016 Goals - 90% of High School students graduating, 90% accepted in two or four year colleges, and 0% of those attending a post secondary school would need to take remedial courses.** Rick said that the Schools need for the City to help the schools in *public relations*; to get the word out that the Schools are making great strides despite challenges.

### **Results from the Citizen Survey - Education/Schools:**

- While nearly 8 in 10 respondents are satisfied with *the ability of Davidson County Community College to prepare students for future jobs*, only slightly more than a third are satisfied with *Lexington City School Systems’ ability to prepare students for further education*.
- Residents are polarized in their perception of Lexington City Schools. Although 35% are satisfied with the *school system’s ability to prepare students for further education*, an equal number indicate they are not satisfied.
- Of importance to note, adults with children currently in the City school system have much higher satisfaction ratings (66% satisfied) than those without children attending City schools (30% satisfied).
- One hypothesis to the opposing views is that respondents with children currently in City schools give ratings based on current experiences, while those without children in the City schools may be providing ratings on past experiences when either they were enrolled or when they had children enrolled. Lexington has been directing efforts and implementing programs to improve the City schools in recent years which could certainly explain the differences in opinion between these two groups.

- Nine out of ten respondents claim *Education* to be important for Lexington, yet fewer than half express satisfaction with *Education* in Lexington, leaving a sizeable gap between importance and satisfaction.
  - Out of nearly 3 dozen topics brought up in the “wish” list for Lexington, *More Emphasis on Schools and Education* placed 6<sup>th</sup> overall.
  - Among a list of more than 20 items Lexington could be known for in 10 years from now, *Excellence in Education* placed third in popularity.
  - *Schools/Education* issues placed seventh on the list of what respondents liked least about Lexington.
  - Among 14 agree/disagree statements about Lexington, *The Lexington City School System Offers a Quality Education for Students* received the 3<sup>rd</sup> highest number of disagree votes by respondents.
  
- When respondents were asked what they would like Lexington to be known for 10 years from now, the majority focus on attributes desirable for raising families including a *Great Place to Raise a Family* and *Excellence in Education*.

An **Implication** from the **Survey** data is to continue to improve schools/education and promote what is being done. When any progress is made, toot the horn loudly. While perceptions vary widely, it appears that those most closely involved (i.e., families with children attending City schools) are much more positive which suggests the quality of the school system is improving.

Demographics of Survey Respondents related to Education:

- The respondent base overall is highly educated, with just over half having at least a 4 year degree. In comparison, the US Census Bureau indicates only about 26% of all NC adults (age 25+) and 11% of Lexington residents have a four year degree or higher.
- Only 12% of participants have children attending Lexington City Schools. The seemingly low incidence of school age children in the home is likely driven by the high incidence of older citizens participating in the study (74% age 45+ as compared to 53% for the City of Lexington).
- Overall, more *Blacks* seem satisfied than *Whites* with educational opportunities in Lexington.

Data from the **Citizen Survey – Findings among Hispanic Participants re: Education** indicate that about a third *have some college*; most indicate *they have children currently enrolled in City schools*.

- Satisfaction levels vary on *Education*.
- Agreement is high across most all of the statements, including the *Quality of the City School System*.
- The majority of the Hispanic participants say they are satisfied with Lexington City school system's *Ability to Prepare Students for Further Education* as well as DCCC's ability to *Prepare Students for Future Jobs*. They also tend to be satisfied with the *Availability of Adult Education Courses* and the *Accessibility and Affordability of Job Skills Training*.
- When asked what they would like Lexington to be known for or as in the future, *excellence in education* was one of the most often mentioned responses.

The **leaders who were interviewed** listed *Improvements in the School System* as one of their top **Visions for the City of Lexington**. While they see the Lexington School System as a great **Opportunity**, they also see it as the highest **Threat** to the City’s future (*Low Education/City Schools/Lack of Training*). When asked what should be Lexington’s **top priorities** for the next ten years, the *City School System* was listed as the 2<sup>nd</sup> highest priority. Members of the **Lexington City Government Youth Council** agreed that the *Lexington City Schools* need to improve their reputation.

One of Dr. Johnson's **Disruptive Demographics** recommendations for Lexington Area is "to improve male education outcomes." One of the Six Disruptive Demographics that he talked about is **The End of Men?** He stated that females are accounting for a larger percentage of the workforce and educational system and that more of the jobs lost during the 2007-2009 recession were held by men.

## Health/Wellness

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1. Create a Healthy Living Initiative within the City:
    - Develop and promote Bikeways, Greenways and Sidewalks;
    - Explore partnerships with Davidson County, hospital, and other organizations.
  2. Encourage and support the recruitment and retention of high quality healthcare professionals for local medical services.
  3. Encourage and support the efforts of local medical facilities to improve the quality of medical services available to Lexington citizens.
  4. Support local farm-to-table food program (networking local growers with local restaurants, grocery stores and citizens).
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### Support from LSPC Research

**Wake Forest Baptist Health, Lexington Medical Center (LMC) – Mr. Steve Snelgrove, President of WF Baptist Health, LMC**, spoke to the Committee. He said that WFB Health is committed to addressing the healthcare needs and issues in Lexington. He shared that healthcare is moving from a volume world to a value world (keeping people well and getting people to take care of themselves). He feels strongly that healthcare should be considered an *economic engine*; it is a very competitive business. Davidson County is the #2 referral source to WF Baptist Medical Center. At Lexington Medical Center, they have seen some reduction in patients at the hospital because of the lack of quality family care physicians and limited facilities. As a result, they are in the process of determining better use of their capacity to best serve the local population. He also told the Committee that there is a major need for a new medical office building and to create more jobs, provide good healthcare quality, and have strong education to attract the quality physicians that we need in Lexington. Mr. Snelgrove listed these **steps that Lexington Medical Center has taken to improve their image**:

- Secured excellent ER physicians and nurses (using the same as are available in Winston-Salem);
- Started conducting a customer feedback program;
- Hired a new Chief of Operating doctor;
- Established four (4) goals for the organization and its employees - *patient safety and satisfaction; physician engagement; employee engagement; and financial stewardship*.

Mr. Snelgrove also shared that LMC has taken steps they are taking to **improve the image of the hospital among African Americans**:

- Increase the number of African American doctors and staff;
- Improve the customer service ratings
- Listen to the real needs of the African American patients (“don’t lose compassion by assuming you know what they know”).

He also talked about the **“Faith in Health Initiative”** – partnering with churches and establishing meetings for the churches to become social support for church members who are in the hospital. Participating churches will sign covenants and ask church members to get involved by taking food to church members who have been in the hospital, taking them to follow-up appointments, and ensuring that the patients are taking their medications properly. Mr. Snelgrove met with 20

different pastors from different churches. The goal of the Initiative would be to ultimately extend this “caring” to the homeless, un-churched, and people without jobs.

Mr. Snelgrove said that the *lack of pediatricians* in Lexington is a “soft-spot” in coverage. They have recruited one pediatrician. He also said that recruitment is an issue: do they want to live in Lexington? Some don’t want to live in Lexington but prefer north Davidson County/southern Winston-Salem. He suggested that Lexington might need to create some attractive apartments.

Additionally, Mr. Snelgrove encouraged **partnerships between businesses and other organizations** to manage wellness programs. A LSPC member suggested that LMC promote the fact that the ER physicians are the same as a patient would see in Winston-Salem at Wake Forest Baptist Medical Center and to let the community know how important the LMC is to the Lexington community. A Committee member encouraged Mr. Snelgrove to have LMC spend *money on advertising* to get people to know that the hospital is better than the perception might be. Another Committee member reported that she has recently had a good experience at LMC.

Data from the **Citizen Survey** related to **Health/Wellness** indicated the following:

- Almost all (94%) survey participants say that *medical services* are important with about two thirds (63%) indicating they are satisfied with the services currently available. Satisfaction is higher among older citizens and lower among Black respondents.
- Over half (52%) of the citizens who took the survey would like to see more *Health Related Businesses and Industries* in the Lexington area. This is especially true among women.
- When respondents are asked what they would like **Lexington to be known for 10 years** from now, the focus is more on attributes desirable for *raising families* including *Excellent Health Care*. With increasing age, people appear to become more interested in the *Health Care Options* available.

From the **Hispanic Citizen Survey Participants**, the LSPC learned the following relevant information:

- When asked which businesses they would like to see more of in Lexington, *Health Related* was among those mentioned most often.
- When asked what they would like Lexington to be known for or as in the future *Excellent Health Care* was among those most often mentioned.
- *Medical services* is an area in which Hispanic participants are most satisfied.

Based on information gained from reviewing ***Growing the Davidson Economy from the Inside Out (Referred to as the Leakage Study)***, opportunities for new import substituting businesses include expanding local health services, particularly in the area of healthy exercise, nutrition, and lifestyles.

When **LSPC** members and **City Leaders** were asked to rank the importance and satisfaction of **70 Attributes**, both groups ranked *Hospitals* high both in *Importance* and *Satisfaction*.

In his presentation regarding, ***Disruptive Demographics: Implications for Workforce Planning, Business, and Consumer Market***, Dr. Johnson listed six “disruptive trends”. One of those has potential implications on *Health / Wellness*: “The Silver Tsunami is About to Hit”. His statistics showed that the population is aging. In NC, pop increases were greatest among 45-64 yr olds (38.6%) and those 65+ (27%) (Total 18.5%, 2000-2010). Population in Lexington increased by 12.4% among 45-64 yr olds and declined by 6.5% among 65+ adults. What will be the Health / Wellness needs of this group of residents?

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## Hispanic Population

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Establish a committee to engage the Hispanic population and address their primary concerns:

- Partner with the Human Relations Commission, churches, the Lexington City School system and other City groups;
  - Explore successful outreach efforts in other communities;
  - Ensure that City government has a bilingual point of contact.
- 

### Support from LSPC Research

Based on the 2010 Census, the highest population growth rate is among the Hispanic residents who account for 16% of the population. Realizing that hearing from the Hispanic residents would be important, the LSPC used various strategies to seek to understand the needs of the Hispanic residents: a panel discussion, the Citizen Survey in Spanish (on-line and available through churches), and a Town Hall Meeting. At the **Town Hall Meeting**, the issues that were discussed were more related to State requirements than local government. From this meeting, it became apparent that responding to these needs would require a systems approach, partnering with various agencies, to address some of the Hispanic concerns. The Committee learned that there was a great reluctance for the Hispanic residents to participate in data gathering. The assumption is that information is difficult to get because of fear and lack of trust.

Hispanic students enrolled in Lexington City Schools account for 30% of the student population. A third of them *do not speak English in their homes*, so these students are getting all of their support with studies at school rather than receiving help from their parents.

In his presentation to the City elected officials about *Disruptive Demographics*, Dr. Johnson encouraged the Lexington community to embrace immigrants and to recognize demographic-driven business development and job creation opportunities. One of the six disruptive trends which he discussed is what he calls “The Browning of America”. He shared these statistics:

- From 2000-2009, the Hispanic population in the US grew 35.8% as compared to 4.9% for Non-Hispanics
- Median age is 27 as compared to 41 and fertility rates are 2.99 and 1.87 (Hispanic, Non-Hispanic, respectively)
- Enrollment in NC public schools has increased 12.6% (2000-2009) with Hispanics accounting for 60% of that change and Blacks 32%
- In Lexington (2000-2010), the Hispanic population grew 44%, whereas Whites and Blacks declined, 14% and 10% respectively

Dr. Johnson reminded the group that one of the *Challenges & Opportunities* based on these trends is that *Diversity Rules... but challenges abound*. He continued to say that the *Competitive Tool Kit* needed included “*soft skills / cultural elasticity*”. He also encouraged Lexington to beware of *the emergence of global care economy* and its implications for business along with the opportunity to *tap the spending power of ethnic minorities*.

Despite extensive efforts to reach the Hispanic community, including distributing over 250 Spanish questionnaires, very few were willing to participate in the **Citizen Survey**. The following results are based on 16 questionnaires.

- Almost all of the participants have lived in Lexington for more than 5 years and most receive City services. Our sample consisted of both men and women, almost all of whom were between the ages of 25 and 64. In terms of *education*, about a third has some college. Most indicated they have children currently enrolled in City schools.
- The City services used most often include *electric, water/sewer, waste/recycling* and *City parks*. While most are satisfied with the first three services, some indicated they are not satisfied with the *City parks*.
- All of the attributes and programs listed were rated important by these respondents; however, satisfaction levels varied. These Hispanic participants were most satisfied with the *Quality of Life, Cost of Living* and *Medical Services*. Satisfaction levels varied on *Education, Entertainment, Housing, Job Opportunities, Public Transportation, Recreation, Safety* and *Tourism*.
- When asked which businesses they would like to see more of in Lexington, *Health Related, Retail, Small Businesses* and *Sports/Entertainment* were mentioned most often.
- A majority described Lexington as a *Good Place to Live*. When asked open ended what they like most and least, many cited *Tranquility* as a key positive and mentioned the *Police, a Lack of Public Transportation* and *Not Many Jobs* as negatives.
- Agreement was high across most all of the statements, including *Lexington's Direction and Vision, the Quality of the City School System, the Importance of Neighborhoods and Historic Preservation, the Positive Qualities of the Citizens, and an Interest in Passenger Rail Service and Developing the Depot District*. They were neutral to mixed in their agreement regarding *Diverse Representation, Local Government's Responsiveness, and the City's Efforts in Attracting New Business and Industry*.
- The majority of the Hispanic participants said they are satisfied with *Lexington City School System's Ability to Prepare Students for Further Education* as well as *DCCC's ability to Prepare Students for Future Jobs*. They also tended to be satisfied with the *Availability of Adult Education Courses* and the *Accessibility and Affordability of Job Skills Training*.
- When asked what they would like Lexington to be known for or as in the future, *a Great Place to Raise a Family, a Safe Place to Live, Excellent Health Care, and Excellence in Education* were most often mentioned.
- Their "wish" list for Lexington focuses on *More Jobs, More Diversity, More Opportunities for Youth* and *Less Police Patrols/Fear of the Police*. Verbatim responses are listed in the Appendix.

Interestingly, nothing directly related to the Hispanic population surfaced in **the Leader Interviews**. "Not Embracing Diversity" was seen as a threat, but only by three (2%) of the 46 interviewed. The **LCGYC** members agreed that the issues related to the Hispanic population in the community is big.

## Neighborhood Stabilization / Community Design

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1. Develop an Area Improvement Program for neighborhoods, major corridors and entry ways to Lexington to:
    - Address blighted and dilapidated properties;
    - Include a streetscape/beautification plan.
  2. Support home ownership and quality affordable housing.
    - Encourage renter education.
  3. Develop a Commercial Maintenance / Aesthetics Code.
  4. Continue to be active in historic preservation.
  5. Support Tourism in implementing the Wayfinding Initiative (community directional signage).
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### Support from LSPC Research

One of the three Key Assumptions from the study, **Building on Innovation (The Significance of Anchor Institutions in a New Era of City building)** is that “Cities will succeed if they provide vibrant places to live, plan regionally to maximize quality of life, and provide diverse housing choices and sustainable infrastructure.”

Based on the **Citizen Survey - Neighborhood Stabilization/Community Design** close to 20% of participants were not satisfied with the Office of Community Development. This is likely driven in part by the expectation that this Department has some responsibility for the less than desirable appearance of many community areas (expressed by respondents) as well as the consensus that Lexington is not "developing" to the extent preferred. That City Department handles thousands of appearance cases each year and has demolished 200 structures in the past few years. The Appearance Commission gives awards for community improvement. This Commission is the best mechanism for grants to businesses. Public/private partnerships are encouraged. One of the biggest challenges to Neighborhood Stabilization is the lack of *population growth* which drives the market. Lexington will be in a holding pattern until the City grows.

When residents were asked on an open end basis what they **Like Most About Lexington** in the **Citizen Survey**, nearly half of all respondents say its *Small Size* which offers a *Hometown Feeling*. On the flip side of this, the most common “wish” for Lexington was for *More Growth /Development*. While on the surface this may appear contradictory, it is not. Citizens appear to be looking for quality controlled growth rather than rapid expansion. This is supported by the answers given to the question regarding what they would like **Lexington to be known for 10 years from now**. Among the top five is a *Medium Sized City with Small Town Qualities* whereas a desire to be *One of the Fastest Growing Cities in the Southeast* is near the bottom.

When asked what they **Like Least About Lexington** the **citizens** listed *Poor Appearance of the City* as a key dislike by 16% of survey participants. Many expressed concerns over the *Appearance of the Roads Leading into Lexington* and suggest there are too many *Run Down Sites*. While over 90% feel *Housing and Neighborhoods* are Important, only half are Satisfied with the

current condition suggesting improvement is needed. A majority (68%) of citizens agree that *Historic Preservation* is important, especially Women and White respondents.

The City needs to take action – stricter rules/ordinances, renovation, demolition – to deal with the many vacant buildings. Leaving them in their current state keeps market prices depressed, and depressed market prices means fewer tax dollars. **Importance and Satisfaction for Key Attributes/Programs** - *Housing and Neighborhoods* are important to **92%** of respondents; however only **49%** are satisfied with the *Current Condition* suggesting improvement is needed. In the **Agree/Disagree Statements**, *Historic Preservation* is important to a majority (**68%**) of citizens, especially Women and White respondents.

**LCGYC members** shared their thoughts and ideas related to **Community Design**. They indicated that they like the *flags/banners and Christmas decorations* but they feel that all of this needs to be in more areas than just uptown. They would also like to establish a *Jacket Lane* (a bee or jacket's wings painted on the road entering the school) on the way to Lexington High School along with a *coordinated signage system* for the schools identifying where the schools are, especially the high school.

When Leaders were interviewed, some considered *Vacant Buildings/Housing Stock* as a **Threat**. Among their **TOP PRIORITIES** were *Homeownership/Housing, Lexington's Image* including *More Renter Homes than Owner; Community Appearance, Neighborhoods, Bikeways, and /City Landscape*.

## Population Growth

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1. Expand population to 25,000 or more to attract businesses and companies to the Lexington area.
  2. Encourage a complete count on Census reporting.
  3. Utilize the marketing advisory committee to develop a campaign to attract new residents (See Public Relations/Branding/Marketing):
    - Market to out of state retirees;
    - Explore ways to attract and keep young people in Lexington;
    - Promote Lexington as a family friendly community.
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### Support from LSPC Research

One of the greatest challenges facing Lexington is not only the fact that the *population is declining*, but also the need to have a *population of at least 25,000*. Population in Lexington peaked in 2000 and has declined 5% to 18,931 in 2010. This contrasts to growth in other NC counties ranging from 4-35% (Shelby, Thomasville respectively). Lexington's population rank within the State is on the decline as is density within the City itself. One of the greatest learnings for the LSPC members is the importance of population growth for a community to thrive. In his presentation on “**How City Government Works**”, then Assistant City Manager, Alan Carson, told the Committee that the number one issue facing City government was economic development. A challenge related to that is the current population numbers:

- Lexington is approximately 2000 more than it was in 1960;
- A population of 25,000 is needed for federal government to give critical entitlements;
- Potential businesses look at population and per capita income.

Data below are from the **2010 CENSUS** for the City of Lexington, NC (more details and charts included in the Appendix).

### Population

#### Area, Growth, Density –

Population, 2010:	18,931
Land Area, 2010:	17.98 square miles
Population Density:	1,052.9 persons per square mile
Population Rank among all municipalities in NC:	45th
Growth Rate past 10 years:	-5.1%

Age, Race, Gender - Highest growth rate is among the Hispanic population segment, with this group currently accounting for 16% of the Lexington population. Compared to 2000, Lexington has more children under 5 years of age, adults 45-64 years old, and seniors, age 85+.

% Female	51.9%
% Male	48.1%
% White	49.8%
% Black/African American	28.2%
% Hispanic	16.3%
% Other Race	5.8%
Median Age	37.4
% Children under 18	24.6%
% Elderly	15.1%

Household Characteristics - The percentage of individuals living alone is trending up whereas numbers of married couples with or without children are declining. In terms of educational attainment, the percentage of HS graduates has increased while those with a Bachelor's degree or higher has declined. Lexington continues to lag behind other cities and counties in NC on these measures. In addition, over 11% of persons age 5 and older in Lexington indicate they do not speak English very well. Overall and violent crime rates continue to go down.

Households	7,376
Persons per Household	2.44
% Family Households	62.1%
% Living Alone	32.7%
% High School Graduates	65.5%
% College (4-year) Graduates	10.8%
% - Do not Speak English Very Well	11.4%
Crime Rate, overall	3,860.9
Violent Crime Rate	410.8

Income & Poverty - Median Family Income and Per Capita Income are lower in Lexington City than surrounding cities and counties and well below the state and national averages. Poverty rates are highest among Other race or Multi-racial as well as Persons under age 18. Almost half (45%) are paying more than 30% of their income on housing costs and 23% of households indicate they are receiving food stamps.

Median Household Income	\$29,354
Per Capita Income	\$17,313
Persons living in Poverty	5,133
Poverty Rate	26.6%
Households spending more than 30% of their income on housing costs	44.5%
% of children in Poverty	44.6%

As the City develops strategies for growth, there are several supportive implications from the **Other Relevant Research** that the LSPC investigated.

***Building on Innovation- The Significance of Anchor Institutions in a New Era of City Building:***

- The **innovation economy** is sweeping away the old rules of city building in the US and "anchor institutions" - research hospitals and universities - have become one of the primary drivers of this community-based change.
- For example, in just 20 years, metropolitan Boston has lost more than 100,000 manufacturing jobs while adding nearly 200,000 jobs in education, professional services, and health care-related sectors.
- The **capacity of communities to achieve economic resiliency amid these shifts** will determine the difference between prosperous and failed local economies.

Three Key Assumptions:

- **Cities will succeed only if they are managed well and adequately provide basic services** - need to be clean and safe; need to educate workforce for future jobs; need to offer a reasonable cost of living.
- **Cities will succeed if they commit to economic innovation and embrace cross-sector collaboration and partnerships** - commercializing research from local universities and medical institutions; fostering an entrepreneurial climate through public/private partnerships; attracting capital to invest in local business creation.
- **Cities will succeed if they provide vibrant places to live, plan regionally to maximize quality of life, and provide diverse housing choices and sustainable infrastructure.**

Building for the Future:

- **Leadership:** *Change doesn't happen without a champion.* Leadership needs to be sustained and committed to the long term.
- **Strategy:** One needs to know where one is going in order to get there. *A strategy and a plan need to be critically* focused on a true competitive advantage, not an abstract idea of some undefined goal.
- **Institutional capacity:** To carry through on long-term commitments, *public/private/university partnerships require sophisticated organization on all sides.*
- **Financing infrastructure:** *Partnerships often entail investments by both the public and private organizations* that fund the development. Availability of both venture capital and early-stage investment cannot be stressed enough.
- **Education: A knowledge economy is driven by educated people.** Companies that locate or grow in these areas need an educated workforce. [See Education / Schools Recommendations.]

**Generations by the Institute for Emerging Issues.** This information underscores the need to embrace ideas/strategies to *attracting and keeping young people in Lexington.* The primary implication is that **who is entering the workforce is changing significantly and they have different expectations from work than previous generations.**

**Generation Y: Born between 1982-1995**

- 16-29 years old today
- Also know as "millennials" and "echo boomers" (children of boomers)
- Lived through parents consumerism; they want choice
- Tech savvy - familiar with computers, internet, digital technology
- Craves attention; needs constant feedback and attention; moves from job to job
- Instant communication - email, texting, IM, YouTube

- Achievement-oriented and team-oriented
- Trophy kids: no one loses, everyone gets rewarded
- More racially and culturally tolerant than previous generations
- Prefers urban lifestyle; environmentally conscious; place matters, not just job

#### Generation Z: Born between 1996-today

- 15 years old and under today
- Too early to discern traits about this generation
- Lived through 9/11 and Katrina
- Living through the Greatest REcession and 2 wars
- First AFrican-Americal President elected
- Emergence of MP3 players
- Declining birth rate
- Somewhat tech savvy by elementary school age
- Children of youngest boomers and Generation X and Y
- More non-traditional households
- Environmentally conscious, many similarities to Generation Y

#### Impact on the Business Environment

- **Gen Z is the first generation in US history to enter the workforce under expectations that they will be (on average) less well-off than their parents.** Many in this generation can expect to spend more time job-seeking or job-jumping and are less able to sustain themselves as independent households.
- Technology skills Gen Z exhibits **can be a great advantage for employers. Connectivity and the use of modern media is as natural as breathing.** They don't have to learn the communications skills that pre-Internet generations struggle with, and technology is already integrated into their daily routines.
- Gen Z **divides and assumes social roles based** on setting and they expect others will understand this segregation.
- They want to know: **How do I fit in? Why do I have to do this? Why does it have to be done by then? They expect to be part of the design process.**
- **Transparency, self-reliance, flexibility, and personal freedom are all non-negotiable aspects of Gen Z's work ethic.** Ignoring them or trying to force-fit them into a traditional job environment could result in peer frustration, reduced productivity, low morale, and a lack of employee engagement.
- **Lexington should involve Gen Y and Z in a process of designing the environment now, because the environment will play a key role in determining whether or not they choose to live here in the future. Z's favor an urban setting with walkable access to social settings and services. They also reject single family large lot development.**

In his presentation regarding, *Disruptive Demographics: Implications for Workforce Planning, Business, and Consumer Market*, Dr. Johnson listed six “disruptive trends” which are relevant to Population Growth and speak to the strong possibility that Lexington may look differently as it grows.

#### Six Disruptive Trends

##### **1. The South Rises - Again**

- South accounts for 51% of total US Population Change between 2000 - 2010
- NC's population grew by 17.1% compared to 13.8% for the South and 9.5% for the US
- Migration trends show the South is gaining Black, Hispanic, Elderly and Foreign born residents
- Population in Lexington declined by 5.1%.

## **2. The Browning of America**

- From 2000-2009, the Hispanic population in the US grew 35.8% as compared to 4.9% for Non-Hispanics
- Median age is 27 as compared to 41 and fertility rates are 2.99 and 1.87 (Hispanic, Non-Hispanic, respectively)
- Enrollment in NC public schools has increased 12.6% (2000-2009) with Hispanics accounting for 60% of that change and Blacks 32%
- In Lexington (2000-2010), the Hispanic population grew 44%, whereas Whites and Blacks declined, 14% and 10% respectively

Regarding this trend, the LSPC recommended that the City be more intentional in its efforts to work with and serve the Hispanic population [See Hispanic Population Recommendations].

## **3. Marrying Out is "In"**

- Intermarriage trending up: Almost 15% (2010 est) of newlyweds are married to someone of a different ethnicity as compared to about 7% in 1980
- Trend more prevalent among higher educated

## **4. The Silver Tsunami is About to Hit**

- US Census projects 87 million residents age 65+ in 2050 compared to 36 million in 2003
- In NC, pop increases were greatest among 45-64 yr olds (38.6%) and those 65+ (27%) (Total 18.5%, 2000-2010)
- Population in Lexington increased by 12.4% among 45-64 yr olds and declined by 6.5% among 65+ adults

Regarding this trend, the LSPC suggested that Lexington activity promote itself as an ideal **retirement community** [See Public Relations / Branding / Marketing Recommendations].

## **5. The End of Men?**

- Females are accounting for a larger percentage of the workforce and educational system
- More of the jobs lost during the 2007-2009 recession were held by men

## **6. Cooling Water from Grandma's Well...and Grandpa's Too!**

- More children living in homes with grand parents

### Challenges & Opportunities Based on These Trends

- Diversity Rules... but challenges abound
- Education is Necessary... but insufficient
- The Competitive Tool Kit needed:
  - Entrepreneurial Acumen
  - Contextual Intelligence
  - Soft Skills/Cultural Elasticity
  - Agility and Flexibility
  - Growing Dependency... a train wreck in the making

### Recommendations for Lexington Area

- Rebrand the City and County as sustainable places to live and do business
- Improve male education outcomes
- Augment efforts to recruit plants with strategies to recruit people
- Embrace immigrants
- Recognize demographic-driven business development & job creation opportunities

<b>Implications for Business</b>	<b>Opportunities</b>
•Emergence of global care economy	•Tap the spending power of ethnic minorities
•Adjustments for aging consumers	•Cater products & labeling to emerging groups
•Succession Planning	•Design & package products with equality in mind
•Female-dominated labor force and leadership	•Easy to read, understand, carry, enjoy
•Fierce global competition for talent	•Safer to use

The LCGYC members’ comments related to *Population Growth* were that they all agreed that all of the areas identified by the LSPC would help Lexington to grow. They also said that offering a viable incentive for people to come back to Lexington would be a good idea.

In the **Leader interviews**, those interviewed were asked ***What is your VISION /HOPE for the City of Lexington?*** Their responses included *Having Things to Attract and Retain Youth and Young Adults* and *Growth. Lack of Population Growth* was seen as a ***Threat***. When asked to identify their ***Top Priorities***, City Population and Attracting Young Residents were listed.

## Recreation / Community Centers

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1. Initiate a strategic planning process for recreation / community centers to bring all the stakeholders to the table to reach consensus for a strategic plan:
    - Build in revenue generating factor;
    - Have a facility that integrates the ideas interested groups such as HOPE, City Recreation & Parks, YMCA, and Lexington City Schools;
    - Evaluate existing spaces for possible inclusion in the master plan;
    - Consider the linkage of transportation to the recreational facility;
    - Focus on integration & collaboration of groups. City serves as facilitator for groups to come together to create synergy;
    - Include intergenerational activities.
  2. Assist in implementing the “recreation / community centers strategic plan” (See #1 above) possibly through a public-private partnership.
- 

### Support from LSPC Research

The LSPC heard from three **Content Focused** speakers regarding **Recreation**. The Committee learned that the young people in Lexington have some strong advocates.

- **Lexington Parks and Recreations Programs – Mr. Bruce Davis, City Parks and Recreation Director**, shared an overview of a master plan the Parks and Recreation Department had done, based on recommendation from the City’s 2000 Strategic Plan. The plan was updated in 2006 [And apparently is currently being updated again.] Due to lack of funding, the master plan has not been implemented. His report included information that in the 60’s and 70’s, 17 parks were developed in Lexington. Mr. Davis said that the greatest need is to have something for young people after they turn age 13 when parents stop involvement except for sports teams. Also, 90% drop out of school after age 13. He stated that young children through age 12 have opportunities. He felt strongly that the City needs to provide a place that has a WOW factor for mentoring and activities; a place to be with friends. When asked about partnerships, Mr. Davis said that there is a lack of facilities and all of the groups need gym space at the same time most days. He also mentioned that they need additional part-time staff and volunteers with professionals available to staff the new facilities. One LSPC member mentioned that the two City pools lose \$20,000 each every year and that lost needs to be addressed. When asked about his “Wish List”, Mr. Davis said that the need is established. He requested that the Committee recommend funding for implementing the Youth Recreation Center Master Plan which is in Phases (I, gym/extreme room/activities; II, indoor pool; III, field house).
- **Helping Organize People Effectively (H.O.P.E.) Project – Ms. Connie Russell, Coordinator, and Mr. Gerald Taylor, Advisor, H.O.P.E. Project**, shared with the Committee. *“Helping Organize People Effectively – a Vision for an Intergenerational Cultural Community Center”*. They told the group that H.O.P.E. was established to build citizen capacity. It is 2 ½ years old and has 14 member institutions, mostly churches. In creating their vision, they talked with over 300 people mostly in house meetings; collected over 2000 signatures in support of the Center; and over 57% on-line *Dispatch* readers supported the Center. The Intergenerational Cultural Community Center is designed for multi-purpose usage and shifts from just a youth focus to an intergenerational focus. The

focus is also on more than sports-related activities to a broader programming agenda. This facility could be in the Depot District and it could be a public/private partnership. H.O.P.E. feels strongly that there should be a fee based on a sliding scale for all people who use this facility. When asked to shared their “Wish List”, Ms. Russell and Mr. Taylor said that they would like for the City to seek a bond referendum to fund the facility (estimated at \$5 million) and to possibly seek federal funds.

The **LSPC felt that the H.O.P.E. proposal and the Parks and Recreation proposal could be combined**, especially since the Recreation Department and H.O.P.E. master plans were both developed by the same consulting group, The Lawrence Group. This idea is reflected in the Committee recommendations.

- **Young People for Christ (YPC) Program – Mr. Dale Kiser, Founder and Director**, spoke to the Committee. Mr. Kiser and his organization were recommended by a LSPC Committee member. YPC is a Community After-School Program. The work is done through a non-profit, Young People for Christ. The program uses the old Dunbar School to provide after-school activities for 5<sup>th</sup> – 12<sup>th</sup> grades. Lunch is sometimes provided. When asked for his “Wish List”, Mr. Kiser asked for support to the program with donations of kitchen supplies, industrial microwave, warmers, utensils, ice maker, gym equipment, ping-pong table, air-hockey table, volley ball set, industrial pedestal fan, advertisement, banners, road sign, YPFC paraphernalia, computer lab, 6 computers, printer, and iPad. He also requested donations for general overhead, lunch program, educational field trips, intramural basketball league, and transportation (van).

In the Committee’s conversation with the **LCGYC** regarding **Recreation / Community Centers**, they had the following responses:

- The group liked the idea of future efforts being focused on intergenerational programming. They said that the YMCA is intergenerational and works well.
- They would like to have indoor facilities for tennis court, soccer and basketball.
- They would like to have bike trails.

From the **Lexington Citizen Survey - Recreation/Community Centers**:

- **Usage** of City services involving recreation ranges from 62% who have visited a City park to 13% who have used the Robbins Recreation Center. Some of the low usage ratings may be due in part to a more affluent, older respondent profile and other demographics.

	<u>Used in past 12 months</u>
Visited Finch, Grimes or another City park	62%
Played at Lexington Golf Club	18
Participated in recreational programs/sports	15
Visited Lexington's Robbins Recreation Center	13

- **Demographically**, males are more likely to have played at the Lexington Golf Club than females. *Visits to Finch, Grimes and other City parks as well as participation in recreational programs* are greater among adults under 45 years of age.

- While **Satisfaction** levels vary across recreation services, we find more residents are pleased than displeased. In the case of the Robbins Recreation Center, a majority of citizens indicate they are neither satisfied nor dissatisfied. Satisfaction does appear to be higher among Black residents.

	<u>Satisfied</u>	<u>Neutral</u>	<u>Not Satisfied</u>
City Parks	71	18	11
Lexington Golf Club	53	39	9
Recreational programs/sports offered by LR&P	44	41	15
Robbins Recreation Center	32	54	14

- When asked on an open ended basis what they **like least** about Lexington, 17% cite a *Lack of Entertainment and Recreation Options*, with more emphasis placed on the limited availability of both for younger adults and children.

From the **Hispanic Citizen Survey Participants - Recreation:**

- The **City services** used most often include *City Parks*. While most are satisfied with the first three services, some indicate they are not satisfied with the *City Parks*.
- All of the **Attributes** and programs listed are rated important by these respondents; however, satisfaction levels vary on several things including *Recreation*.
- When asked which businesses they would like to see more of in Lexington, *Sports and Entertainment* are among those mentioned most often.
- When asked what they would like Lexington to be **known for or as in the future**, *A Great Place to Raise a Family* was among those mentioned and their "wish" list for Lexington included *More Opportunities for Youth*. Verbatim responses are attached.

Verbatim responses

**In your own words, what do you like MOST about Lexington?**

- *Good quality life, tranquil place for my kids.*

**In your own words, what do like LEAST about Lexington?**

- *Not a variety of sports programs for part of the youth.*

**I wish Lexington.....**

- *Had places where children could play with their parents and communicate with other children*
- *More opportunities for the youth...*

From the **Leader Interviews - Recreation/Community Centers:**

**What is your VISION /HOPE for the City of Lexington?** Included in their responses were *Maintain / Improve the Quality of Life, Focus on What is Right in Lexington, and Things to Attract and Retain Youth and Young Adults.*

**City's OPPORTUNITIES** included *Quality of Life Here* and **THREATS** *Lack of Attractions / Programs for Youth and Children.*

From the **LSPC SWOTA Analysis**, *Recreation* (water based recreation, YMCA, parks) and *Access to Major Bodies of Water* (High Rock Lake, Tom-a-Lex, Yadkin River) were both identified.

## Transportation

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Support a comprehensive local public transportation network:

- Local bus circulator;
  - Regional bus;
  - Passenger rail;
  - Pedestrian facilities;
  - Bikeways.
- 

### Support from LSPC Research

*Transportation* is seen as an integral part of many of the previous recommendations.

From reviewing **Growing the Davidson Economy from the Inside Out (Referred to as the Leakage Study)**: Opportunities for new import substituting businesses included *Enhance local arts, entertainment, and recreation assets, especially for youth.*

From the **Lexington Citizen Survey – Transportation**:

- **Usage of City Services** - Less than 5% say they have used *Public Transportation* within the past year. This low usage may be due in part to a more affluent, older respondent profile and other demographics as well as the limited availability of public transportation options.
- A majority (60%) of citizens are neither **Satisfied** nor **Dissatisfied** with Public Transportation possibly a reflection of the limited options available:

	<u>Satisfied</u>	<u>Neutral</u>	<u>Not Satisfied</u>
<i>Public Transportation</i>	23%	60%	18%

- **Key Attributes/Programs:**
  - Only half of survey participants rate *Public Transportation* as important. Women and Black citizens place more importance on this service.
  - Less than 20% are satisfied with current *Public Transportation* options. Older Lexington residents (65+) are more satisfied with *Public Transportation* than their younger counterparts. However, actual satisfaction ratings for this service tend to be low across all age groups.
- Over two thirds agree that development of the *Depot District* is key to Lexington's future and 58% express interest in *Passenger Rail Service*. Black residents are more interested in passenger rail than their White counterparts.

From the **Citizen Survey - Findings among Hispanic Participants**:

- All of the attributes and programs listed were rated **Important** by the respondents; however, **Satisfaction** levels vary on several things including ***Public Transportation***.
- When asked open ended what they **Like Most and Least**, many cited a *Lack of Public Transportation* as a negative.

- **Agreement** is high across most all of the statements, including an interest in *Passenger Rail Service*.

From the **LSPC SWOTA Exercise: Strengths** included *Railways and Major Highways* and **Opportunities** included *Transportation*.

From the **LSPC Attributes Identification/Assessment: Passenger Rail Stop** was listed as an important.

From the **LCGYC:** the students said “*that they would use the passenger rail*” once it is up and running.

From the **Leader Interviews:**

Included in the **Opportunities** was Location - Major highways, transportation corridor/airport/highway system reaching to all points; rail road tracks. *Public Transportation* was also listed by some of the leaders.

Included in the **TOP PRIORITIES** was the Development of the Depot District with passenger rail stop.

## **APPENDICES**

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- I. LSPC SWOTA Findings [Word 2003]**
- II. LSPC Attribute Identification and Assessment [Word 2003]**
- III. List of Leaders Interviewed and Summary of the Interviews [Word 2003]**
- IV. Citizen Survey – Hispanic Participants [Word 2003]**
- V. Growing the Davidson County Economy from the Inside Out: A Preliminary Assessment [Word 2003]**
- VI. 2010 Census Data, A Statistical Abstract for Lexington, NC [Word 2007]**
- VII. Citizen Survey [PPT, 71pp]**
- VIII. Community Perception of Lexington City Schools - Mr. Rick Kriesky [PPT, 12pp]**
- IX. Disruptive Demographics – Dr. Johnson [pdf, 44pp]**
- X. Institute for Emerging Issues [PPT, 12pp]**
- XI. Building on Innovation [pdf, 28pp]**
- XII. State of the NC Workforce, Executive Summary [pdf, 12pp]**

## Appendix I - LSPC SWOTA Findings

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### LSPC SWOTA Analysis (Strengths, Weaknesses, Opportunities, Threats, and Accomplishments)

In May 2011, the Lexington Strategic Planning Committee participated in an exercise to share their perceptions of Lexington. The Committee members were asked to share “*What they like most about Lexington*” and what they perceived to be Lexington’s *Strengths, Weaknesses, Opportunities, Threats, and Accomplishments*. The bullet comments are the responses.

NOTE: the numbers indicate how many times this item was mentioned by the different small groups.

### What do you like most about living in Lexington?

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1. **Great Community Character [25]\*** [\*denotes the number of responses]
  - Overall quality of life
  - Nationally known identity
  - Great place to raise kids to be family
  - Quiet, good place to raise family
  - Sense of volunteerism/ Invested volunteers (2)
  - Resilience of community
  - Charitable community
  - Generous people; giving community
  - Diversity in population
  - Entrepreneurial spirit
  - Safe place/community (2)
  - Great law enforcement (2)
  - People – friendly, intimacy, seeing people on street, caring, committed to community (2)
  - Cultural events (multicultural, bike race, tec.)
  - Wide variety of local stores
  - Good highway system
  - Good school system
  - Parks/recreation
  - YMCA
  - Variety of churches
  - Positive experience growing up here; neighbors were also your parents; disrespect to the elderly was not tolerated; could borrow a cup of sugar from neighbor
2. **Great location [5]**
  - Geographically /weather
  - Central location – heart of the State w/access to metro areas, vacations/resort areas (mountains/coast)
  - Geographically convenient
  - Location; in close proximity to larger cities
  - Nice size to be able to communicate as needed
  - Close proximity to large cities.
3. **Uptown Lexington [5]**
  - Uptown (downtown) is a great place – vibrant; attractive center of community
  - Uptown layout; “Mayberry feel”
  - Uptown Lexington, Inc., streetscape
  - Living uptown; walking to dinner
4. **Small town [4]**
  - Small town atmosphere
  - Small town, friendly atmosphere

5. **Affordability [3]**
  - Cost - affordable place to live
  - Community is affordable and convenient.
  - Affordability of housing and land
6. **Lexington BBQ (3)**
  - Reputation
  - BBQ Festival; cook-off;
  - Lexington BBQ (i.e., BBQ Capital of the World)
7. **Great and progressive City government [2]**
  - Government cares about people; tries to avoid layoffs and keep people working
8. **Community college [2]**
  - Great asset
9. **High Rock Lake**
10. **Momentum of young leadership**

## **Accomplishments** [\*denotes the number of responses]

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1. **Improvements in the City infrastructure [18]\* other # indicate frequency of responses**
  - Farmers Market Depot District 4
  - Business Center (replaced some) 3
  - Expanding Airport 3
    - Airport - business (clients, suppliers, general benefit to attract new business), recreational
  - City Park System 2
    - improvements, start your heart walk uptown - promotion of healthy lifestyles
    - Parks
  - Beginning Depot District 2
    - Control LHB Plant
    - Purchasing LHB
  - City's purchase of Lexington Furniture Industry (LIF) property 2
    - Foresight to purchase LFI properties
    - Expanding Lexington Business center
    - Lexington Business Park - employment opportunities, economic development
  - Successfully received state/federal funds to improve various areas of Lexington
  - Expanded sewer
  - Sidewalks in communities throughout Lexington
  - Increased participation of Lexington Appearance Commission
  - Establishment of Historic Preservation Committee
  - Beautification - downtown, coming into the city
  - City Financials – resiliency
  - Police Night Out
2. **Uptown Lexington [3]**
  - Revitalization of uptown Lexington district
  - Uptown Lexington
3. **Tourism - winery, BBQ festival, BBQ cookoff [2]**
  - Recognizing Tourism as economic development
4. **Street Festival [2]**
  - Multicultural Festival
5. **Established the Lexington Homeownership Center**

6. Erlanger Mills project
7. Summer Strolls/Classic Car shows/Alive after FIVE
8. Center Street bridge
9. Economic Development Recruiting - top 10 in NC
10. Dining diversity - winery, café 3 S or 35 (? Can't tell)
11. City School Systems - open for parental involvement
12. Hotels

**Strengths** [# indicates frequency; numbers beyond 11 do not denote priority]

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1. Location - proximity to larger cities, geographical position in the state [5]
2. Revitalized Uptown – walk-able to dining/shopping/work [4]
3. BBQ [3]
4. Airport [3]
5. Compassionate/charitable community - volunteerism, medical ministry, other ministries [3]
6. Festivals and Special Events (BBQ Festival, Cook-off, etc.) [2]
7. Tourism [2]
8. Recreation - water based recreation, YMCA, parks, others [2]
9. Access to major bodies of water (High Rock Lake, Tom-a-Lex, Yadkin River) [2]
10. Unique locally owned anchor stores (Laniers, Candy Factory, Conrad & Hinkle) [2]
11. Winery - 4 wineries [2]
12. Timberlake
13. Lexington Business Center
14. Ability to get grants to support initiatives
15. Active volunteer boards and commissions
16. High # of privately owned businesses
17. Architecture, heritage, history
18. Agriculture
19. Future development opportunities
20. Infrastructure

21. Location government willing to listen; accessible
22. People
23. Own utilities
24. Financial condition
25. Small town
26. Hospital
27. Community College
28. Variety of organizations, United Way
29. Culture - Charity League, Civic Center, Community Theatre
30. Churches
31. Railways
32. Major Highways
33. Affordability

**Weaknesses** [# denotes frequency of response]

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**1. Lack of Community Infrastructure [25]**

- Lack of entertainment - movie theater 2
- Lack of adequate recreational facilities - for outside events, children, young adults 2
- Public transportation - shuttles, buses, etc. 2
- Lack of healthy dining options
- State of art and rec center
- Grocery store options
- Population for critical mass
- Over 50% rental houses
- Level of educational attainment
- Not connected to demographics of city population
- Wayfinding signs
- Lack of vibrancy
- Parking in the city (need a business and/or residence permit)
- Not cycling friendly (no bike racks, bike paths, etc)
- Main Street is dangerous (need to control the speed of traffic)
- No major green projects (not visible to the public or they are unaware)
- Lack of marketing (city doesn't have a full understanding on marketing to citizens and out-standers)
- Lack of Wifi in business districts
- Signage
- Need for city landscaping, especially in to the city from major highway intersections
- No major greenways
- Low taxes (to outsiders that can send a mixed message about schools, roads, infrastructure)

**2. Unemployment, lack of job opportunities, job loss (tax revenue decrease) 7**

- Low per capita income
- Lack of job diversity, no active business (not industrial) recruitment 2

**3. Perception of city schools 3**

4. **Unkempt appearance of private property in some parts of town; areas of the City that are blighted and unsafe (homes and buildings); dilapidated properties [3]**
5. **Vacant buildings [3]**
  - Unused upper story space in Uptown
  - Vacant LHB property/vacant large buildings
6. **Relationships [3]**
  - Relationship between city and county
  - Relationship between city and sister city Thomasville
  - Move to move the county seat
7. **High utility expenses - cost to residents, in some cases 50% higher than other cities 2**
8. **Poor representation in Raleigh**
9. **Lack of educational options**
10. **Commuters - people leaving town for work**
11. **Image of Lexington - sleepy town , not attracting young people**
12. **Perception and negativity**
13. **Fight over annexation**
14. **Overlapping services/responsibilities between Uptown, Lexington Tourism, TRIP and Chamber**

## **Opportunities**

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1. **Community Infrastructure [17]**
  - Vacant LHB Plant 1 and Depot District
  - Upper story space
  - Infrastructure - vacant to create entertainment venues
  - Historic districts - preserve before it's too late 2
  - Future development – LFI
  - Entrepreneurship - expand support of local business start-up
  - Location - central in state 2
  - Lake - leverage water access 2
  - Lexington name brands/depot district
  - More economic diversity
  - Lexington youth center
  - Create greenways (i.e., greenway linking downtown to Tom-a-Lex would provide 10 mile walking, running and biking trail)
  - Create a better inter-net infrastructure
  - Create a better business infrastructure to attract business (streamline the permit process, B2B, B2C, faster inter-net, etc.)
2. **Education [7]**
  - Educational opportunities 3
  - Merger of school systems
  - Connect DCCC, high schools and local businesses to recruit outside businesses and provide their employees training opportunities
  - Develop pathways for high school students for future job opportunities
  - Opportunity for city government to become involved in school system

### **3. Marketing [5]**

- Uptown - Live/work in uptown district 2
- Tourism - recreation center/facilities for outside events; aquatic facility 2
- Market to retirees and entrepreneurs - location, affordability, nice climate

### **4. Transportation [4]**

- Highways and railroads
- Logistical hub for state: airport, highways, rail
- High speed rail/passenger rail station
- New I-85 Bridge - bringing folks in

### **5. Improve efficiency between local agencies - Uptown, Chamber, TRIP, LTA**

### **6. Realistic strategic plan**

## **Threats**

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### **1. City/Community Infrastructure [14]**

- Out of town property owners; becoming a bedroom community 2
- Condition of housing stock - vacancies due to loss of jobs
- Cost of energy
- Business development – 3
- Too heavily focused on large business incentives as opposed to supporting small business opportunities
- Single minded Economic Development Commission (solely attracting manufacturing rather than diversifying)
- Lack of commercial growth
- Declining tax revenue
- Lack of residential growth
- Destination Businesses - shopping centers, malls, restaurants
- Dry county (we lose restaurants and grocery stores due to lack of alcohol sales and the message it sends about not being a 21<sup>st</sup> century location)

### **2. Changes in demographics [10]**

- Disconnect due to shifting demographics
- Population - 5
- Declining population - Census 2010 results show population shrunk so tougher to get funds
- Disconnect due to shifting demographics
- Aging population
- Younger citizens leaving home and not coming back

### **3. The Economy [8]**

- State budget/Federal budget - financial condition, budget cuts 3
- Layoffs/extended unemployment
- Old money is leaving

### **4. Perceptions of and problematic educational issues [5]**

- Education -2
- Lack of education funding and results
- Lack of vocational training
- Need a variety of course that will align high school curriculum to meet needs of future employment

### **5. Legislative representation - against future expansion and development opportunities [2]**

### **6. Lack of leadership [2]**

- Leadership's lack of understanding of 21<sup>st</sup> century skills - the ability to apply them and the willingness to learn them
- Surrounding cities (they are setting goals and achieving them with progressive leadership)

### **7. Backlash from annexation**

### **8. Potential of moving county seat**

**9. I-85 Bridge**

**10. Not represented by our diverse community (same leaders, same appointed boards)**

**11. Complacent citizens**

## Appendix II – LSPC Attribute Identification and Assessment

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Using results from the SWOTA, a list of 70 attributes including services and programs was developed. In the August meeting, members of the LSPC completed two exercises rating each attribute on Importance and then on Satisfaction. Given the sample of 20 participants and a top rating of 5, each attribute could achieve a maximum overall score of 100 on Importance and Satisfaction as well. Results were analyzed and compared to determine the importance of each attribute in moving Lexington forward, the current level of satisfaction with each attribute, and the gap between importance and satisfaction on each attribute. By looking at gaps between the two measures, we were able to determine which attributes needed more improvement, which needed to be maintained and which were less important overall.

### Findings

#### Importance

- Based on the committee's ratings, all attributes are considered important to some degree. Almost 30% are rated 90+ and 70% of the attributes achieve a score of 80 or above.

100 Economic development	90 Police department	84 Recreation
98 Lexington Business Center	90 Utilities	83 Festivals
98 City school system	89 Citizen involvement	83 Airport
98 Jobs	89 Accessible local government	83 Sewer services
97 Business recruitment	89 Dining diversity	83 Vacant buildings
95 Uptown Lexington	88 Industrial recruitment	82 Lexington Home Brands bldgs
95 Infrastructure for business	88 Entertainment	82 Freight railways
94 Hospitals	88 Cooperation among local agencies	82 Depot District
94 Lexington's image	88 Fire department	82 Elected & appointed diverse representation
94 Small business support	86 Safety	81 City landscape
93 City population	86 Affordable living	81 Taxes
93 Marketing of the city	86 Tourism	81 Homeownership
92 Entrepreneurship	85 City planning & zoning	80 City parks
92 Economic diversity	85 Volunteerism	
92 Attracting young residents	85 Neighborhood improvement	
91 City government	84 Community appearance	
91 Community college	84 Passenger rail stop	
91 Major highways	84 Compassionate community	

#### Satisfaction

- Overall, satisfaction ratings are lower with none of the attributes receiving a score of 90 or above. Satisfaction ratings are more disperse ranging from a high of 89 to a low of 39. While almost a quarter achieve an 80+ score, over fifteen percent are rated below 50.

<u>Most</u>	<u>Least</u>
89 Community college	49 Economic development
89 Major highways	49 Public transportation
89 Fire department	49 Bikeways
87 BBQ	48 Marketing of the City
86 Safety	45 Entertainment
86 Police department	45 Attracting young residents
85 Hospitals	44 Business recruitment
83 Unique, locally owned businesses	42 Industrial recruitment
82 Uptown Lexington	41 Jobs
81 Festivals	40 Vacant buildings
81 Wineries	39 City population
80 Farmers' Market	
80 Airport	
80 City government	
80 Accessible local government	
80 Compassionate community	

## Gap Analysis

- Jobs is the attribute with the widest gap (57 points) between importance (98) and satisfaction (41).
- Four attributes - Jobs, City population, Business recruitment, and Economic development - have gaps of over 50 points and over 20% have at least a 35 point spread.

<u>Importance</u>	<u>Satisfaction</u>	<u>Gap</u>	<u>Attributes</u>
98	41	57	Jobs
93	39	54	City population
97	44	53	Business recruitment
100	49	51	Economic development
92	45	47	Attracting young residents
88	42	46	Industrial recruitment
93	48	45	Marketing of the city
88	45	43	Entertainment
83	40	43	Vacant buildings
94	53	41	Lexington's image
94	53	41	Small business support
92	52	40	Entrepreneurship
89	52	37	Dining diversity
98	62	36	City school system
92	56	36	Economic diversity

- Satisfaction levels for 11 of the attributes equal or exceed their importance rating.

<u>Importance</u>	<u>Satisfaction</u>	<u>Gap</u>	<u>Attributes</u>
86	86	0	Safety
75	75	0	Alcohol regulations
71	72	+1	Historic preservation
88	89	+1	Fire department
70	74	+4	Historic district
79	83	+4	Unique, locally owned businesses
66	72	+6	Water-based recreation
65	75	+10	Uptown parking
70	81	+11	Wineries
76	87	+11	BBQ
68	80	+12	Farmers' Market

## Summary

While committee members believe the attributes, services and programs were all important, opinions are more widespread regarding the current levels of satisfaction. Over two thirds of the attributes achieve a score of 80 or above on importance. However, less than a quarter are rated that high on satisfaction. Comparing the importance and satisfaction ratings highlights potential areas of focus in Lexington's Strategic Plan.

### **Appendix III – List of Leaders Interviewed and Summary of the Interviews**

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The Lexington Strategic Planning Committee identified 46 community leaders to be interviewed. Ernie Tompkins and Susan Seyfried conducted 30-45 minute interviews with each of the leaders. The leaders were asked their vision/hope for the City of Lexington; what they considered to be Lexington’s Opportunities and Threats; and their priorities for Lexington based on a list of attributes created by the LSPC.

#### **List of Lexington Leaders Who Were Interviewed December 2011**

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1. Tammy Absher Director of Business and Community Development
2. Wayne Alley City Councilor
3. Larry Beck Former City Councilor
4. Robin Bivens Executive Director of Lexington Tourism Authority
5. Linwood Bunce City Councilor
6. Frank Callicutt City Councilor
7. Alan Carson Assistant City Manager
8. Newell Clark Mayor
9. George Clifton Chair of ABC Board
10. Rick Comer Director of Public Services
11. Dr. Keith Curry Teacher at Lexington City Schools/President of NAACP Lexington Chapter
12. Bruce Davis Director of Recreation and Parks
13. Jo Ellen Edwards Former Director of Uptown Lexington
14. John Gray City Manager
15. Steve Googe Executive Director of Davidson County Economic Development Commission
16. Terra Greene Director of Financial and Information Services
17. Phil Hartley Fire Chief
18. Steve Hodges Chair of Lexington Historic Preservation Commission/Local Business Owner
19. Ann Hoffman Chair of Lexington Appearance Commission/Teacher at Davidson County Schools
20. Walter Hoffman Former President of Uptown Lexington, Inc Board of Directors
21. Dr. Ray Howell Senior Pastor of First Baptist Church
22. Dr. Lee Jessup President of United Way of Davidson County
23. Bishop Derek Kelley Pastor of New Faith Full Gospel Fellowship Center
24. Antionette Kerr Executive Director of Lexington Housing Community Development Center
25. Rick Kriesky Superintendent of Lexington City Schools
26. Tonya Lanier City Councilor
27. Jeanne Leonard Chair of Lexington Tourism Authority/Local Business Owner
28. John Lollis Former Police Chief
29. Donnie McBride City Councilor
30. Angela McDuffie Chair of Lexington Human Relations Commission
31. Sherraine McLean Former Chair of Lexington City Board of Education
32. Bill McMurray Chair of Lexington Redevelopment Commission
33. Dr. Herbert Miller Pastor of First Baptist Church, Village Drive
34. Dr. Fred Mock Superintendent of Davidson County Schools
35. Steve Moore Chairman of Young Leaders Forum

36. Jim Myers	City Councilor
37. Dr. Lewie Phillips	City Councilor
38. Dr. Mary Rittling	President of Davidson County Community College
39. John Shoemaker	Former Chair of Lexington Housing Authority
40. Chris Smith	Director of Public Utilities
41. Mark Smith	Chair of Lexington Planning Board and Board of Adjustment
42. Burr Sullivan	President of Lexington Area Chamber of Commerce
43. John Walser, Jr.	Former Mayor
44. Andrew Ward	Chair of Lexington Recreation and Parks Advisory Board
45. Ed Ward	Former City Councilor
46. Sam Watford	Former Chair of Davidson County Commissioners

### **Interview Format**

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1. First of all, explain the fact that Lexington is in the process of writing a 10 year strategic plan; this will be the 3<sup>rd</sup> one
  2. Ask open-ended question about the City: *What is your vision / hope for the City of Lexington?*
  3. Ask in general: *What do you consider to be the City's OPPORTUNITIES AND THREATS?*
  4. Have them fill out Attribute Assessment (same as used with the LSPC): *Which of these do you think the City should focus on in the next 10 years?*
  5. Ask open-ended question about their Organization:
    - *What is your vision / desired future for the organization/group that you represent?*
    - *What services or help do you need from the City to achieve your vision for your organization/group?*
    - *How can the City help you in the next 10 years?*
- 

### **Summary of their responses based on the 46 interviews.**

**What is your VISION /HOPE for the City of Lexington?** The responses are listed in priority order based on how many different times the “characteristic” was listed by those interviewed. For example, “plenty of jobs/economy” was mentioned by 34 of the 46 leaders who were interviewed.

1. **Plenty of Jobs / Economy** [34 comments]
2. **The Lexington City's Vision** [20 comments] - Use of factory buildings, need to create a niche, establish an uptown bike race, address needs of the recreation centers. need for marketing, explore need for recycling (especially uptown receptacles)
3. **Maintain / Improve the Quality of Life** [19 comments]
4. **Focus on What is Right in Lexington** [14 comments]
5. **Things to Attract and Retain Youth and Young Adults** [13 comments]
6. **Getting the Train Depot Developed / Rail / LHB Building** [12 comments]
7. **Improvements in the School System** [11 comments]
8. **Growth** [11 comments]
9. **Uptown** [11 comments]
10. **More / Better Options to Spend Money in Lexington** [8 comments]

**What do you consider to be the City's OPPORTUNITIES and THREATS?** The responses are listed in priority order based on how many different times the descriptor was listed by those interviewed. For example, “location” was mentioned by 43 of the 46 leaders who were interviewed.

## OPPORTUNITIES:

One person interviewed summed up the whole idea of "opportunities" by saying that "We can't continue to use blueprints from the past. We have to give these young people the chance to write a new blueprint."

1. **Location** [43 comments] - Major highways, transportation corridor/airport/highway system reaching to all points; rail road tracks (13); Close proximity to other cities (5)
2. **Opportunity to See Things Differently** [29 comments]
3. **Infrastructure** [28 comments]
4. **Redevelopment - Depot District / Rail / LHB** [17 comments]
5. **Uptown** [16 comments]
6. **Lexington School System** [9 comments]
7. **Davidson County Community College** [8 comments]
8. **Marketing** [8 comments]
9. **The People** [8 comments]
10. **Good Workforce** [8 comments]
11. **City Government / Staff** [6 comments]
12. **Quality of Life Here** [6 comments]
13. **Tourism** [5 comments]
14. **Leadership** [5 comments]
15. **BBQ Festival** [4 comments]

## THREATS:

1. **Low Education / City Schools / Lack of Training:** [33 comments] - Lexington City Schools [13 comments]; Education in General [9 comments]; Unskilled Work Force [6 comments]; Mentality about education [5 comments]
2. **Lack of Jobs / Unemployment:** [28 comments]
3. **Attitudes of the Community Leaders and Citizens:** [25 comments] - Overall Negative Attitudes [12 comments]; Resistance to Change [7 comments]; "Can't Do It in Lexington" [2 comments]; Other [4 comments]
4. **Economy:** [16 comments]
5. **Lack of Local Government Financial Resources:** [14 comments]
6. **Infrastructure:** [11 comments]
7. **Lack of Population Growth:** [10 comments]
8. **Vacant Buildings/Housing Stock:** [5 comments]
9. **Lack of Attractions / Programs for Youth and Children:** [5 comments]
10. **Not Embracing Diversity:** [3 comments]
11. **Lack of Marketing of the City:** [3 comments]
12. **State Legislature:** [3 comments]
13. **Other:** The perception of crime; Keeping some of the past - like the Dixie smokestack- and surround it with newer more modern places; Where is the City really pushing/putting their \$; purchased the Uptown buildings; in favor of Depot District because there is a plan; Change minds of people who live in outlying areas to reconsider their stance on annexation.

## What do you consider to be the TOP PRIORITIES that the City's should address in the strategic plan.

We did not get to ask this question of all 46 leaders. Leaders (29) were asked to list what they considered to be the top five priorities from a list of attributes that had been developed by the LSPC. The responses are listed in priority order based on how many different times the attribute was listed by those interviewed. For example, "economic development" was listed as a top five priority by all of the 29 leaders who were interviewed. Some of the leaders gave all of their "votes" to one or two attributes; others grouped them together (i.e., jobs/economic development as one Attribute.).

**Economic / Business Development / Job Development [45]** – Someone interviewed said that “Economic Development encompasses it all”.

- Jobs/Economic development/Business recruitment/Marketing of the City [25] - ET mentioned industrial recruitment and one response was that wasn't as important for the City since the County is doing much of that.
- Entrepreneurship [5]
- Small business support [4]
- Infrastructure for business [4]
- Industrial parks/Business Center [3]
- Industrial recruitment [3]
- Infrastructure for business [2]
- Locally owned businesses (need to keep the money here, support the businesses here)
- Assist in creating additional product for economic development (\*could be done as a joint effort of Davidson County + all municipalities)

### **City School System [19]**

- Public/Education Schools [3]
- Education (need to be doing something different)
- City school system/community college (Education)

### **Depot District / Lexington Home Brands Building /Passenger Rail [17]**

- Lexington Home Brands Bldg/Depot District [8]
- Passenger rail stop [7] (“May not have needed it before, but we need it now.”)
- Depot District [7] [got all 5 votes from one person]
- Public transportation is all a part of the Depot revitalization [4]
- Gateway to Lexington
- Vacant buildings

### **City Government / Services [17]**

- Community appearance/neighborhoods/City landscape [5] (“When people travel down here, what’s their first impression? These are quality of life issues.”)
- Recreation (Youth recreation center, Bikeways, Greenways) [4]
- City Planning and Zoning / Code enforcement [3] (“Will have a major impact on quality of life here in Lexington...need to move forward rather than letting one or two people hold everyone hostage.”)
- City involvement
- Privatization or combining with the County
- Public Safety
- Sewer services
- Pre-planning as to how buildings like Old LexCom Building/New Bridge Bank across from City Hall can be used
- Cooperation among local agencies
- Vacant buildings/Infrastructure
- Recycling

### **Citizen Involvement [7]**

- Need elected and appointed diverse representation
- Neighborhood improvement/Citizen involvement
- Accessible Local Government /Citizen Input

### **Homeownership / Housing [7]**

- Too much rental housing [2] (“Passionate about this one.”)
- Homeownership [2]
- Public housing
- Housing

**Lexington’s Image [5]** Re: Lexington’s Image: Comments like “has-been”; “strong manufacture background that’s gone away”; “more renter homes than owners”.

- Marketing the City/Lexington’s image
- Community appearance/neighborhoods/bikeways/City landscape – “When people travel down here, what’s their first impression, these are quality of life issues.”

**Entertainment [4] – “Anything non-business or recreation related.”**

- Restaurants
- Theaters / amphitheaters
- Sports venues
- Shopping
- Dining diversity
- Entertainment/dining diversity

**Community College [3]**

**Uptown Lexington [3]**

**Marketing of the City [3]**

**Public Transportation [3]**

**Tourism (\*promoting our unique locally owned businesses\*) [2]**

**City Population [2]**

**Attracting Young Residents [2]**

**Miscellaneous**

- Hospitals and healthcare [2]
- Airport
- Highways (keeping them maintained)
- Affordable living (encompasses housing, utilities, everything)

**Some of those interviewed added these Attributes:**

- Need the support of State Agencies/Governmental Agencies – “Don’t yell loud enough to get their support.”
- Elected officials representing community need to do a better job representing us
- Large site getting state support

## Leader Interview Attributes Assessment

During the Leader Interviews, participants were asked to complete the attribute importance and satisfaction exercise. Afterwards, each individual was asked which five attributes they would recommend focusing on during the next ten years. Results were analyzed and compared to determine:

- The importance of each attribute in moving Lexington forward,
- The current level of satisfaction with each attribute, and
- The gap between importance and satisfaction on each attribute.

Importance: A third of the attributes are rated 90+ and over 70% achieve a score of 80 or above.

### Importance Ratings

98 Economic development	91 City school system	85 Accessible local government
98 Jobs	91 Cooperation among local agencies	85 Depot District
98 Lexington's image	91 Utilities	85 Entertainment
97 Business recruitment	91 Fire department	84 Airport
96 Community college	90 Safety	84 City parks
96 Major highways	89 City planning & zoning	84 Diverse representation
94 Citizen involvement	89 Tourism	83 Lexington Home Brands bldgs
93 Community appearance	89 Marketing of the city	83 Taxes
93 Police department	88 Compassionate community	83 Dining diversity
93 Attracting young residents	88 City population	83 BBQ
93 Small business support	88 Recreation	82 City landscape
92 Infrastructure for business	87 Entrepreneurship	82 Unique locally owned business
92 City government	87 Affordable living	82 City code enforcement
92 Hospitals	87 Homeownership	82 Vacant buildings
92 Industrial recruitment	87 Neighborhood improvement	81 Passenger rail stop
92 Economic diversity	86 Festivals	
91 Uptown Lexington	86 Sewer services	
91 Volunteerism	85 Lexington Business Center (Industrial Park)	

Satisfaction: Overall, satisfaction ratings are somewhat lower. Only 15% of the attributes receive a score higher than 80 and close to 10% are rated below 50.

### Satisfaction Ratings

<b>Most Satisfied</b>	<b>Least Satisfied</b>
91 Community college	48 Public transportation
90 Fire department	48 Rental housing
89 Police department	45 Bikeways
88 Major highways	42 Jobs
87 Safety	42 Attracting young residents
86 Festivals	41 Vacant buildings
84 BBQ	
82 City government	
81 Hospitals	
81 Uptown Lexington	

Gaps: Jobs and Attracting young residents have the widest gaps (56 and 51 points, respectively) between their perceived importance and current levels of satisfaction. Fifteen attributes have at least a 30 point spread. Only two attributes – *Privatization and BBQ* – have satisfaction scores that exceed their importance ratings.

Gaps

<b>Importance</b>	<b>Satisfaction</b>	<b>Gap</b>	<b>Attributes</b>
98	42	56	Jobs
93	42	51	Attracting young residents
97	56	41	Business recruitment
82	41	41	Vacant buildings
98	58	40	Economic development
92	55	37	Industrial recruitment
98	62	36	Lexington’s image
87	51	36	Homeownership
93	58	35	Small business support
92	58	34	Economic diversity
89	55	34	Marketing of the city
88	54	34	City population
93	61	32	Community appearance
85	53	32	Entertainment
91	61	30	City school system
83	84	+1	BBQ
48	51	+3	Privatization of some city services

**Top 5 Areas of Focus:** When asked in which areas Lexington should place its focus, the following were mentioned most often:

- **Economic development**
- **City school system**
- **Business recruitment**
- **Depot District**
- **Jobs**
- **Lexington Home Brands buildings**

**ADDED ATTRIBUTES - These attributes were added to the LSPC’s list by the leaders:**

- Need the support of State Agencies/Governmental Agencies – “Don't yell loud enough to get their support.”
- Elected officials representing community need to do a better job representing us
- Large site getting state support

## **Appendix IV - Citizen Survey – Hispanic Participants**

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### **Citizen Survey - Findings among Hispanic Participants**

Despite extensive efforts to reach the Hispanic community including distributing over 250 Spanish questionnaires, very few were willing to participate in the survey. The following results are based on 16 questionnaires.

#### **Demographics**

- Almost all of the participants have lived in Lexington for more than 5 years and most receive City services. Our sample consists of both men and women, almost all of whom are between the ages of 25 and 64. In terms of education, about a third have some college. Most indicate they have children currently enrolled in City schools.

#### **City Services**

- The City services used most often include electric, water/sewer, waste/recycling and City parks. While most are satisfied with the first three services, some indicate they are not satisfied with the City parks.

#### **Importance and Satisfaction**

- All of the attributes and programs listed are rated important by these respondents; however, satisfaction levels vary. These Hispanic participants are most satisfied with the quality of life, cost of living and medical services. Satisfaction levels vary on education, entertainment, housing, job opportunities, public transportation, recreation, safety and tourism.

#### **Overall Appeal**

- When asked which businesses they would like to see more of in Lexington, health related, retail, small businesses and sports/entertainment are mentioned most often.
- A majority describe Lexington as a good place to live. When asked open ended what they like most and least, many cite "tranquility" as a key positive and mention the police, a lack of public transportation and not many jobs as negatives.

#### **Agree/Disagree Statements**

- Agreement is high across most all of the statements, including Lexington's direction and vision, the quality of the City school system, the importance of neighborhoods and historic preservation, the positive qualities of the citizens, and an interest in passenger rail service and developing the Depot District. They are neutral to mixed in their agreement regarding diverse representation, local government's responsiveness and the City's efforts in attracting new business and industry.

#### **Education**

- The majority of the Hispanic participants say they are satisfied with Lexington City school system's ability to prepare students for further education as well as DCCC's ability to prepare students for future jobs. They also tend to be satisfied with the availability of adult education courses and the accessibility and affordability of job skills training.

#### **Future of Lexington**

- When asked what they would like Lexington to be known for or as in the future, a great place to raise a family, a safe place to live, excellent health care, and excellence in education are most often mentioned.
- Their "wish" list for Lexington focuses on more jobs, more diversity, more opportunities for youth and less police patrols/fear of the police. Verbatim responses are attached.

## Verbatim responses

### **In your own words, what do you like MOST about Lexington?**

*Very tranquil*  
*Tranquil place*  
*Cheap rent and house in bad condition*  
*Good quality life, tranquil place for my kids*  
*Good security due to the police, like my job*  
*Quiet*  
*Tranquil place to live*  
*Tranquil city, clean and rapid and efficient services*  
*Tranquil city to live in*

*Tranquil, small economical*  
*No racism*  
*Tranquility*  
*Small and easy to get around*  
*Cost of living*

### **In your own words, what do like LEAST about Lexington?**

*Too many police patrols*  
*Police who discriminate and we can't do anything*  
*Arrogance of police and public servants or the abuse of power*  
*No public transportation*  
*Not a variety of sports programs for part of the youth*  
*No public transportation*  
*Not satisfied with transportation, hospitals seem like no help; not many jobs and the few don't help out the Hispanic community; police are racist and we have no say in the community*  
*Afraid of crossing the street safely, wish there were signs to indicate when pedestrians can cross so there will not be an accident*

*Police*  
*No jobs*  
*Don't have many options*  
*Diversity*

### **I wish Lexington.....**

*To be more tranquil, respect Latinos, less police patrols*  
*To be a diverse town*  
*Had places where children could play with their parents and communicate with other children*  
*Go up, grown, I hope will be very good place to live*  
*Need to be more recognized for its diversity and scholarly achievements*  
*To be a safe city. We don't want to hide or fear the police.*  
*Better job training and more participation from Hispanics*  
*That it would be a city with job opportunities, investments and sources of capital*  
*That it would give driver's licenses*  
*Economic growth*  
*More opportunities for the youth; more jobs; less racism*

## Appendix V - Growing the Davidson Economy from the Inside Out: A Preliminary Assessment

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By Michael H. Shuman<sup>1</sup>

### Overview

Davidson County remains in economic crisis from the exodus of manufacturing jobs. Unemployment hovers around 12%, which is above state and national averages. It needs an alternative strategy of “Local Living Economies,” to maximize both the percentage of jobs in locally owned businesses, and local self-reliance by plugging dollar “leaks” in the local economy.

The simple leakage analysis suggests Davidson County has few sectors of export strength: wood, furniture, nonmetallic mineral, fabricated metal, plastic and rubber products, and apparel. The County is dependent on imports and leakages are occurring in almost every sector of the economy. Opportunities for new import-replacing jobs abound.

Opportunities for new import substituting businesses include:

- increase local financial services;
- create local electric utility and energy production;
- expand the diversity of residential and business service businesses;
- enhance local arts, entertainment, and recreation assets, especially for youth
- encouraging residents to prioritize local charities in their giving;
- expand local health services, particularly healthy exercise, nutrition, and lifestyles; and
- increase value of local assets through leasing, reuse, and re-fabrication

A more comprehensive leakage analysis using IMPLAN, used extensively by economic development agencies nationwide, indicated that if Davidson County met 100% of its needs locally, it could generate 52,543 new jobs, worth \$1.86 billion in wages, \$7.4 billion in output, and \$235 million in indirect business taxes annually.

Complete localization is an unrealistic goal, but even 25% localization amounts to 13,000 jobs. The most promising sectors are food, tourism, health care, business services, and financial services.

How do we create 13,000 new jobs? One key is to create “meta-businesses,” self-financing enterprises that nurture hundreds of new local businesses in multiple sectors.

Among the promising meta-businesses presented:

<sup>1</sup> For further information, contact Michael H. Shuman by phone (202-669-1220), e-mail ([shuman@igc.org](mailto:shuman@igc.org)), or mail (2203 Quinton Rd., Silver Spring, MD 20910). See also his latest book, *The Small-Mart Revolution: How Local Businesses Are Beating the Global Competition* (Berrett-Koehler, 2006), available at [www.small-mart.org](http://www.small-mart.org)

- local-business directories and advertisers; local credit, debit and gift cards; a local currency and time dollars; a B2B marketplace; and a B2G procurement intermediary.
- a local delivery service, a procurement cooperative, and a local business mall.
- local investment vehicles such as loan funds, angel investment brokers, small-stock creators, and a local stock exchange.
- local entrepreneurship, through mentorship, special classes, and incubators.

The next steps for action should be a series of working sessions with key stakeholders in Davidson County, where the following is done:

- Review, sharpen, prioritize, and identify which sectors, given local assets and markets, could achieve the 25% localization goal.
- Organize local business community into sector-specific working groups (food, finance, energy, and retail) to steer the county toward the goal.
- Pick three that seem especially promising for Davidson County, and concentrate on achieving one.

### **Local Living Economies**

The conventional paradigm of economic development is that a locale should attract and retain globe-trotting companies, and do so by doling out huge sums of public money. The best estimate of the annual cost of these “incentives” by state and local governments is \$50 billion per year, with federal agencies contributing at least as much (and significantly more over the past two years in the name of “stimulus”). A growing body of evidence suggests, however, that this model of economic development is ineffectual at best and a huge waste of local resources and opportunities at worst. Moreover, many of the most popular concepts in economic development today – industrial parks, high-tech clusters, tax-increment financing (TIFs), business incubators, even green jobs – turn out ultimately rely on the flawed paradigm of attraction and retention.

My two books, *Going Local* and *The Small-Mart Revolution*, argued that economic development performs best when it is focused, laser-like, on businesses that are LOIS – that is locally owned and import-substituting. Local ownership means that working control of a company is held within a small geographic area. Import-substituting means that the company is focused first and foremost (though not exclusively) on cost-effective production for local markets.

Numerous studies in recent years suggest that locally owned businesses contribute more to economic development than do global businesses attracted. Local ownership matters in at least five ways:<sup>2</sup>

- *Higher Multipliers* – Locally owned businesses generally contribute more to the “economic multiplier” – typically two to four times the income, wealth, jobs, and tax payments per dollar of output. The reason is simple: local businesses spend more money locally, particularly on management, business services, and advertising, and local businesses recycle profits locally.
- *More Reliable* – While absentee-owned businesses increasingly consider moving to Mexico, China, or low-wage U.S. state, with little concern for throwing the community into an

<sup>2</sup> Extensive documentation of these points can be found in *The Small-Mart Revolution*, Chapter 2.

economic tailspin, businesses anchored locally produce wealth more reliably for many years, often many generations.

- *Higher Standards* – Because local businesses tend to stay put, a community with primarily local businesses can raise labor and environmental standards with confidence that its businesses will adapt rather than flee.
- *More Dynamic* – A community made up of smaller, locally owned businesses is better equipped to promote smart growth and walkable communities, draw tourists through unique stores and attractions, and retain talented young people who seek entrepreneurial opportunities and a distinct sense of place.
- *Better Social Impacts* – Compared to economies dependent on absentee-owned enterprises, local-business economies tend to have more social stability, lower levels of welfare, and greater political participation.

Import substitution also promotes economic prosperity. Every time a community imports a good or service that it might have cost-effectively produced for itself, it “leaks” dollars and loses the critically important multipliers associated with them. Moreover, unnecessary imports – of petroleum, for example – subject a community to risks of price hikes and disruptions far beyond local control. They also deny a community a diversified base of businesses and skills needed to take advantage of unknown (and unknowable) future opportunities in the global economy.

Three examples help to illustrate the potential benefits of import substitution:

- Fifteen years ago, Güssing was a dying rural community of 4,000 in Austria. Its old industries of logging and farming had been demolished by global competition. Many of today's economic developers would have given up and encouraged the residents to move elsewhere. But the mayor of Güssing decided that the key to prosperity was to plug energy “leaks.” He built a small district heating system, fueled with local wood. The local money saved by importing less energy was then reinvested in expanding the district heating system and in new energy businesses. Since then, 50 new firms have opened, creating 1,000 new jobs. And most remarkably, the town estimates that this economic expansion actually will result in a *reduction* of its carbon footprint by 90 percent.
- In autumn of 2008 Marian Burros of the *New York Times* wrote a piece about how the 3000-person community of Hardwick, Vermont, has prospered by creating a new “economic cluster” around local food. Cutting-edge restaurants, artisan cheese makers, and organic orchardists turning fruit into exquisite pies are just some of the new businesses that have added an estimated 75-100 jobs to the area in recent years. A new Vermont Food Venture Center hopes to accelerate this creation of enterprises.
- Even a single, visionary business can lead a community-wide effort at import substitution. Take Zingerman’s in Ann Arbor, Michigan. On its first day of business in a college town known globally more for its radicalism than for its food, Zingerman's Deli sold about \$100 worth of sandwiches. That was 1982. It has since grown into a community of nine businesses, each independent but linked through overlapping partnerships that collectively employ 525 people and achieve annual sales of over \$27 million. Over that period the proprietors conscientiously built a food cluster from scratch. They carefully assessed the items going into the deli – bread, coffee, cheeses – and saw profitable opportunities for creating a bakery, a coffee roaster, and a creamery. They looked at the products being sold at the deli – fabulous coffee cakes and high-quality meats – and built new, value-adding businesses with these products, including a mail-order company and a restaurant called the Roadhouse.

These three case examples cast doubt on one of the principal prescriptions for rural communities given by economic developers – that rural communities should focus on expanding *existing* clusters of export-oriented business. They suggest that a smarter approach may be to create *new* clusters based, initially at least, on local demand.

Two further clarifications about LOIS are important. First, import substitution does not mean withdrawing from the global economy. To the contrary, as the late Jane Jacobs argued, an economic strategy promoting import-substituting businesses turns out to be the best way to develop exports. Suppose North Dakota wished to replace imports of electricity with local wind-electricity generators. Once it built windmills, it would be self-reliant on electricity but dependent on outside supplies of windmills. If it set up its own windmill industry, it would then become dependent on outside supplies of machine parts and metal. This process of substitution never ends, but it does leave North Dakota with several new industries – in electricity, windmills, machine parts, and metal fabrication – that are poised to meet not only local needs but also export markets.

But instead of putting all of a community's enterprise eggs in one export-oriented basket that leaves the local economy vulnerable to fluctuating global markets, import substitution develops myriad small businesses, grounded (initially at least) in diversified local markets, many of which *then* becoming exporters.

Second, this perspective does not carry negative moral judgments about non-LOIS businesses. Some global, export-led companies can be terrific at creating wealth and jobs. But the data are clear: for every dollar of sales, the typical LOIS business produces *more* benefits for a given locality and region than the typical non-LOIS business.

The logic of LOIS runs diametrically opposite to this emphasis of economic development thinking on attracting or retaining large-scale, nonlocal enterprises. It suggests instead the importance of six kinds of questions currently minimized or overlooked by mainstream economic development:

- *Local Planning* – How can significant dollar “leaks” caused by imports be identified, and which can best be plugged with competitive LOIS enterprises?
- *Local Entrepreneurship* – How can a new generation of LOIS entrepreneurs be nurtured and trained?
- *Local Business Organizing* – How can existing LOIS businesses work together (through, for example, joint purchasing or marketing cooperatives) to improve their competitiveness?
- *Local Investing* – How can local savings, whether in banks or pension funds, be tapped to support new or expanded LOIS businesses?
- *Local Purchasing* – How can LOIS businesses achieve greater success through “Local First” purchasing by consumers, businesses, and government agencies?
- *Local Public Policymaking* – How can the myriad biases that currently exist against LOIS (the vast majority of state and local businesses subsidies, for example, target nonlocal business) be eliminated so that local businesses can compete on a level playing field?

Appendix I (drawn from *The Small-Mart Revolution*) presents a list of some of the top ways members of a community – as consumers, investors, entrepreneurs, and policymakers – might act responsively to these questions.

Another needed shift in economic development is from a pork-barrel consumer of public dollars to a self-financing producer of public and private wealth. It's ironic that those promoting entrepreneurship do not demand that they themselves operate in an entrepreneurial capacity. Advocates of LOIS, in contrast, are increasingly designing, testing, and deploying models for self-financing economic development, everything from local gift and debit cards to business-to-business contract facilitators. These programs are called “meta-businesses,” since they are designed to operate profitably like other businesses, but benefit not just shareholders but all LOIS businesses.

The LOIS perspective, once deemed on the fringe, is now becoming increasingly mainstream. Just in the last decade has emerged a worldwide movement for local living economies. Around the country, and increasingly throughout the world, community-based initiatives are springing up that are challenging the conventional economic development paradigm. At the forefront has been the Business Alliance for Local

Living Economies (BALLE), which since its founding in 2001 has grown into coalition of 70 networks across North America formally representing 20,000 local business members (and informally representing millions of local businesses that operate in these networks' regions). In fact, these numbers represent only a small fraction of the movement. Other organizations involving local businesses, including the American Independent Business Alliance (AMIBA), the Post-Carbon Institute, and Transition Towns, are bringing hundreds of other communities into this movement. And to this list should be added the growing roster of organizations promoting local food, local banking, and local energy.

### **Leakages in Davidson County**

Leakage analysis identifies all those sectors in the economy where a community is unnecessarily importing goods and services. Every unnecessary import represents a loss of dollars and a loss of the "multiplier" impacts those dollars could have locally. It also represents a loss of other documented benefits local business brings, like knowledge, skills, tax payments, charitable giving, revitalized downtowns, tourists, stronger civil society, and more political participation.

Appendix II shows the results of a simple leakage analysis for Davidson County. The charts compare the county with a typical U.S. county with a similar size population. The data are drawn from the U.S. BEA's Regional Economic Information System (REIS) (<http://www.bea.gov/regional/reis/action.cfm>), and then adjusted for population and for per-capita income. The year of the data is 2008.

The charts indicate – very roughly – the degree to which industries in each sector produce enough to meet local demand. They show the relative per-capita size of major business sectors of the North American Industrial Classification Sector (NAICS) compared to the per-capita size of the same business sector nationwide. A blank indicates that proprietary data was withheld because there was only one business in the category—which typically means that the number is small. Because the U.S. economy is relatively self-reliant, numbers above 100% indicate that a county is net exporting (though still possibly not self-reliant); numbers below 100% indicate that the county is importing and definitely not self-reliant.

These estimates are conservative, in that 100% really means that a sector has a balance of trade identical to the U.S. as a whole. In virtually every sector, the U.S. imports something, which means that there are always further opportunities for import substitution. The next section, using the IMPLAN input-output model, takes the trade balance into account.

Two other caveats about the NAICS data are important. They do not include farmers or ranchers. Nor do they include self-employed individuals. Again, the IMPLAN analysis next fixes these problems.

Where does Davidson County show export strength? In only a small number of categories does the country clearly produce more than it consumes:

- In durable-goods manufacturing, Davidson County has two import export industries – wood products (which produces 460% more than the national average) and furniture products (531%). There are also more modest export activities in nonmetallic mineral products and fabricated metal products.
- In nondurable-goods manufacturing, the county still has a strong presence of exporting textile mills (480%). There are also more modest export activities in apparel and in plastic and rubber products.

The county has a strong presence of the railroad-shipping industry (149%).

Every other category is below 100%, and in most cases well below 100%. This means, pessimistically, that *there are leakages in every sector of the economy*. It also means, optimistically, that there are opportunities for leak-plugging businesses in every sector of the economy. Here's the low-hanging fruit for new, import-substituting industry:

- *Finance* – “Finance and insurance” is at 13% the national average, which means that much of this activity is occurring elsewhere and capital from the region is being lost. We have long known that local banks and credit unions have lower overheads, lower default rates, higher interest rates on savings, and lower fees on checking. Now we can add that these institutions also appear to be much less likely to engage in predatory lending and global securitization, and therefore are much less prone to the spectacular collapses seen over the past two years. Finance, of course, is closely tied with two of the largest expenditures rural residents make – shelter and transportation.
- *Energy* – “Utilities” is at 20% the national average, which means that most electricity is being imported. Developing local energy supplies and local utilities can be an important new source of job creation.
- *Services* – Two-thirds of the budget in every U.S. household involves some kind of service, whether health care, education, lawn clipping, auto repair, or accounting. Davidson currently has all kinds of service gaps that lead residents to travel elsewhere. It also is only generating about 15% of the professional and technical services that occur nationally, which means businesses are going out of area to purchase them. All these leaks can be easily plugged. Most services are inherently local and can be competitively delivered by professionals working out of their homes (the real and largely unappreciated "industrial development parks" in rural areas). Very little capital investment is needed.
- *Entertainment* – One of the biggest gaps in rural communities is, frankly, fun. Davidson County has 54% of a typical county's activities in “arts, entertainment, and recreation” and 33% of a typical county's “accommodation and food services (even with concerted tourism programs). Yet there is no reason why the community could not design a year-round calendar of festivals, sporting events, concerts, plays, etc. that display and nurture local art, music, and culture. Similarly, there is a need for more restaurants and culinary training to create a food destination that builds on existing farmers markets. These changes are essential for convincing young people, especially the best and brightest who might be future entrepreneurs, to stick around.
- *Charity* – A typical rural household donates more than \$1,000 per year. Davidson County should endeavor to ensure that these donations be contributed locally.
- *Healthy Lifestyles* – Many of the remaining expenditures by Davidson County residents on outside goods and services can be reduced through appropriate local initiatives. If more rural residents walk or bicycle (and more rural governments rethink their zoning to encourage smart, walkable communities), they will drive their nonlocal cars less. Kicking the nonlocal tobacco habit means less need for nonlocal health-care spending. Eating healthier, local, unprocessed food means

less obesity and diabetes, thus fewer visits to nonlocal hospitals and surgery clinics. The county overall is providing on 37% of local health care needs to residents.

- *Retail* – Davidson County residents are leaving the county for about 40% of their retail expenditures.
- *Green Markets* – Rural Americans are experts at the environmental adage that all waste should be food. That is, organic waste should become compost, paper and metal waste should be recycled, old vehicles should be harvested for their parts, broken electronics should be refurbished. To be sure, the current economic downturn has wrecked many of these markets for the moment, but they'll be back.
- *Personal Frugality* – In hard times residents need to be mindful of everything they buy. Davidson County ought to be encouraging residents to buy second-hand clothes, used cars, or rebuilt computers, since these local purchases inject more money into the economy than buying these items new through global dealers and chain stores.

This list, of course, does not provide insight into which items should be the top priorities. Which actions, for example, could produce the greatest number of new jobs? To answer this question, a deeper leakage analysis is needed.

### **IMPLAN Leakage Analysis**

Appendix III shows the results of a more comprehensive leakage analysis using IMPLAN, the Minnesota Input-Output Model used extensively by economic development agencies nationwide. IMPLAN corrects, unifies, and fills in gaps (like farmers and self-employed individuals) in the Economic Census data. It also can model how changes in one industry can lead to changes in other industries (indirect effects) and changes in personal consumption (induced effects).

The calculations in Appendix III show the impact of ramping up industry in Davidson County to meet total *existing* demand in the county.<sup>3</sup> Specifically, they show that 100% localization would generate 52,543 new jobs: 39,242 directly, 7,867 indirectly, and 5,433 induced. These new jobs, moreover, lead to \$1.86 billion more in wages each year, \$7.4 billion in additional annual output, and \$235 million in indirect business taxes.

Complete localization is of course an unrealistic goal, especially over the next 5-10 years. But suppose a more modest goal of 25% localization were set. *That's still a 13,000 job opportunity.* Which sectors offer the greatest potential for creating these new jobs? Chart 1 on the next page shows the top 40 direct job creators, which account for more

<sup>3</sup> Formally, the Regional Purchasing Coefficient (RPC) estimates how much of Total Gross Demand is currently met by local industry. The demand figure includes both local and nonlocal consumption. Multiplying Total Gross Demand by 1-RPC shows how much additional industry is possible to meet local demand (without reducing production for export).

than half (8,178) of the jobs in the 25% localization scenario. Here are the most promising sectors for job creation, organized loosely by cluster:

- *Local food* could generate more than thousand new jobs in restaurants (782 jobs) and food retailers (243).
- *Tourism* could create more than three hundred jobs from hotels and motels (151), amusement parks (103), scenic transportation services (98).
- *Local health care* could generate about a thousand jobs from private hospitals (355), physicians (332), nursing (182), home health care (89), and medical labs (88).
- *Local business services* could generate more than two thousand jobs from wholesale trade (611), employment services (597), lawyers (277), truck transport (204), architects and engineers (138), management (173), scientific services (106), and warehousing and storage (101).

**Chart 1**  
**Top Job Sectors from 25% Localization**

IMPLAN Sector	Sector Description	100% Localization				25% Localization
		Direct	Indirect	Induced	Total	
413	Food services and drinking places	2,118	353	658	3,129	782
360	Real estate establishments	2,108	695	348	3,151	788
319	Wholesale trade businesses	1,543	687	215	2,445	611
397	Private hospitals	1,272	1	147	1,420	355
394	Offices of physicians, dentists, and	1,036	0	292	1,328	332
367	Legal services	949	117	42	1,108	277
426	Private household operations	837	0	180	1,017	254
382	Employment services	781	1,484	122	2,388	597
354	Monetary authorities and depository	780	129	55	965	241
324	Retail Stores - Food and beverage	741	25	205	970	243
357	Insurance carriers	677	37	43	757	189
335	Transport by truck	658	132	27	817	204
327	Retail Stores - Clothing and clothing	655	6	56	718	179
411	Hotels and motels, including casino	600	2	1	604	151
400	Individual and family services	558	0	70	627	157
331	Retail Nonstores - Direct and elect	555	13	62	630	157
20	Extraction of oil and natural gas	528	0	0	528	132
320	Retail Stores - Motor vehicle and pa	511	31	160	702	175
419	Personal care services	502	3	92	597	149
369	Architectural, engineering, and relat	421	128	5	553	138
409	Amusement parks, arcades, and ga	403	0	7	410	103
381	Management of companies and ent	387	295	10	692	173
398	Nursing and residential care facilitie	387	0	339	726	182
340	Warehousing and storage	378	22	2	403	101
338	Scenic and sightseeing transportati	362	28	3	393	98
356	Securities, commodity contracts, in	361	30	10	400	100
330	Retail Stores - Miscellaneous	358	13	95	467	117
393	Other private educational services	343	10	63	416	104
329	Retail Stores - General merchandis	329	36	301	667	167
328	Retail Stores - Sporting goods, hob	310	5	39	354	88
34	Construction of new nonresidential c	305	0	0	305	76
395	Home health care services	301	0	54	356	89
322	Retail Stores - Electronics and appl	298	3	17	319	80
374	Management, scientific, and technic	295	121	9	425	106
86	Apparel knitting mills	282	5	1	288	72
351	Telecommunications	280	81	25	387	97
424	Grantmaking, giving, and social adv	270	0	2	272	68
396	Medical and diagnostic labs and ou	261	19	71	351	88
421	Dry-cleaning and laundry services	253	53	42	347	87
99	Wood windows and doors and millw	252	26	0	279	70
						8,178

- *Buy local campaigns* could generate another thousand jobs in nonfood retail, including clothing (179), mail-order (157), motor vehicles (175), general merchandise (167), sporting goods (88), and electronics (80).
- *Local financial services* could generate three hundred more jobs.

A number of major sources of new jobs are best understood as consequences of a healthier county economy. For example, the second largest job creator is real estate establishments (788), which is only imaginable as the regional economy picks up and more families and businesses wish to buy (or rent) property. The same could be said for local personal services.

There is no home-run from this analysis from manufacturing. This is understandable, since most manufacturing does not target just local markets. Collectively, though, many manufacturers rooted initially in local markets could generate several thousand jobs. Given that oil prices and shipping costs are likely to rise, manufacturing in the region – especially of nondurables like food, clothing, paper, and furniture, where the weight-to-value ratio is high – can make a significant comeback.

### **Meta-businesses: New Models for Economic Development**

For places like Davidson County that are in economic crisis, the best economic-development strategies ought to be those that cost the least money. Better still, these strategies should make money—and thereby underwrite still more economic development activity. These strategies, as noted, are called “meta-businesses” – that is, businesses that support all kinds of local businesses. Below are brief descriptions of 19 meta-businesses that Davidson County could consider launching, organized by four of the six priorities for local living economy economic development described earlier.

The starting place for meta-businesses is local purchasing—by consumers, businesses, and government purchasing agents. Plausible meta-businesses here include the following:

- *Local First Directory* – A metabusiness could be created around a directory (online and in print) of local businesses. The purpose would be to help county residents find goods and services from locally owned businesses that may be below their radar screen. It also could be used to help tourists spend more money in locally owned businesses. There are roughly two dozen of these directories nationwide, some of which break even or generate small profits. Cash flows come from advertising sales and from selling the directory (in participating businesses or in local bookstores).
- *Local First Advertiser* – A monthly or weekly newspaper could be created that circulates for free to Davidson County residents, each with an updated and expanding directory of local businesses, spiced up with profiles and other local business articles. It should be linked to extra web resources. Examples of these kinds of advertisers include the several dozen Edible magazines (focused on local food businesses) and thousands of neighborhood advertisers (focused on all kinds of businesses).
- *Local Debit Card* – About five years ago the Locals Care Card was pioneered in Santa Fe, New Mexico, in partnership with a local bank. It was essentially a loyalty debit card. Every time the card was used for a purchase at a local business, loyalty points were accumulated for discounts at any participating local business. This particular model also invited users to designate beneficiaries of charitable donations from the program. Revenues were generated from fees charged to participating businesses. This particular program ultimately failed during the recession, but the model remains a promising one.

- *Local Credit Card* – A variation on the debit card program is to affiliate it with a national credit card program rather than a local bank. The Interra Project, a nonprofit, has been developing a credit card integrating a Visa platform with a local loyalty program. Like the Locals Care program, revenues come from fees charged to participating businesses and from each transaction. And it also has card-users designate local charities as beneficiaries of some of the net revenues. The business model is still being prototyped and tested.
- *Local Gift Card* – The region could create a gift card that is usable only at locally owned businesses in Davidson County would help introduce residents and tourists to unfamiliar local businesses. It's a great stocking-stuffer, and a terrific promotional item to be sold to tourists. Generally, gift card programs are more attractive to local businesses than debit, credit, or loyalty programs, because they are more likely to award a dollar for dollar redemption. Whereas every dollar a business accepts in a local debit, credit, or loyalty transaction means surrendering some percent in fees and discounts (typically 3-5%), a dollar accepted through a gift card usually gets completely paid. The administrative costs of gift card programs are covered by lost, discarded, or unused cards, called "shrinkage," often amounting to 15-25% of total card purchases.
- *Local Currency* – One estimate suggests there are more than three thousand local currency efforts worldwide and several dozen within the United States. The two most advanced systems in the United States are Ithaca HOURS and Berkshares, both of which print paper bills for the community. Very popular in Europe and Australia are LETS systems in which buyers and sellers exchange virtual money online. Because credits (whether paper credits or virtual credits) can only be exchanged for local goods and services, these systems promote local purchasing. "Demurrage" systems devalue bills over time, which encourages people to spend them faster—which in theory stimulates the local economy. Few local money systems have any means of covering administrative costs, and instead exist simply because of volunteer efforts and charitable contributions. In theory, though, annual membership fees (to consumers, businesses, or both) and small transaction fees could support the systems. Successful systems during the Great Depression involved municipal governments, which dedicated staff to their implementation.
- *Time Dollars* – The concept of Time Dollars, developed by law professor Edgar Cahn, facilitates a community-wide bank of volunteered time for certain categories of social service. John, a teenager, mows a lawn for Ted (who's sick), Joan tutors John, Phil teaches Joan how to play the flute, etc. Unlike most barter or local currency transactions, Time Dollars are tax exempt in the United States. Communities can download for free software programs to facilitate local exchanges. Like local currency experiments, these tend to be run by volunteers or by staff paid by foundation grants. Business models are possible for Time Dollars, but not yet tested. For example, a local government might provide local tax credits for Time Dollars spent and deploy municipal staff to run the system. The rationale would be that, say, a 10% tax credit unleashes social assistance in the community at a 90% discount—saving the community tens or hundreds of thousands of dollars and more than enough to justify the staff expense.
- *B2B Marketplace* – In the 1980s and early 1990s, the Oregon Marketplace operated out of six offices in which staff tried to help local businesses purchase local "inputs" from other local businesses: "I see you're making flags and importing cloth from Japan. Suppose we found you a cloth manufacturer in Oregon—same cost and same quality. Would you make the substitution?" If the deal were done, the Marketplace got a finder's fee from the Oregon cloth manufacturer. The Oregon Marketplace came close to covering its administrative costs but never quite got there – but this occurred in a largely pre-internet era. With a well designed software package, this concept could become a viable means of promoting regional purchasing.
- *B2G Midwife* – About one of every four dollars in the United States is spent by a procurement agent (federal, state, county, or local). Because these purchasing agents favor bulk purchasing, they tend favor bigger corporate suppliers. Why mess around with hundreds of local farmers to provide foodstuffs for a school lunch program when you can enter a single contract with Sysco?

But there's no reason why a community could not create a "middle person" who would consolidate local businesses into a collective bid, facilitate aggregation of delivery, and take responsibility for all the paperwork—in exchange for a finder's fee. Farm-to-school programs show the viability of these programs, though few have run professionally or profitably yet.

A second category in which meta-businesses are promising is in local business partnerships, where collective action can improve the cash flow for a group of participating businesses. In each of the following examples, the valuable business service provided by the meta-business could be covered by participating businesses through an annual fee or per-use charge:

- *Procurement Cooperative* – Because bulk purchasing brings down costs, a local business network engaged in collective purchasing could improve the competitiveness of its members. Tucson Originals, for example, services its member food businesses by purchasing in bulk foodstuffs, kitchen equipment, and dishes. The DC-based BALLE network, run by the Latino Economic Development Corporation, collective buys cheap "green power" for its members. Collective purchase of health insurance on the emerging national exchanges is another possibility.
- *Local Business Mall* – A local business network could take the lead in creating a small-business mall like Pike's Place in Seattle which has served as a tremendous anchor for tourists and regional consumers. The network would essentially become a commercial developer. Alternatively, it could hire a commercial developer with expertise in local-business malls. For small towns, this could also translate into a targeted effort by a group of businesses to reclaim, revitalize, and even repurchase the downtown area.
- *Direct Delivery* – To compete with the convenience of shopping malls or mail-order services, a local business alliance could set up a direct delivery service, as is being done right now in Edmonton, Canada. Amazon says they can get consumers a book in 24 hours—a local delivery service should be able to do so in 24 minutes. This would be especially welcome by consumers who are single parents, elderly, or sick—all of whom have a very limited ability to leave their homes and shop.

A third category for metabusinesses is finance. All of the following services could be offered for a fee (based on performance or success) or for small equity stakes in the beneficiary businesses. Many of these investments could qualify for low-cost capital through, for example, New Markets Tax Credits.

- *Community Loan Funds* – Since banks are so reluctant to extend credit now even to well-established clients with excellent credit records, there may be a need for the community to step in. Many communities have dedicated revolving loan funds for small business, but these tend to be tiny and many are fully tapped already. A way of expanding lent funds might be to create and sell small debt notes to members of the community (essentially nontradable bonds) and place the collected capital either in an existing revolving loan fund or in a bank that agrees to set one up. The latter might translate into an understanding that the community provides the risk capital and the bank simply services the loan. One company, Blue Dot Investments, is now offering communities this service by providing CDs that they in turn place in collaborating banks. The E.F. Schumacher society also has done this directly, intermediating between community lenders and a small number of high-profile local borrows (e.g., Deli Dollars).
- *Angel Recruiters* – A company can be set up to help organize the region's angel investors and showcase to them, perhaps through monthly dinners, the most promising new business opportunities.
- *Small Stock Creation* – Cutting Edge Capital, based in Oakland, is one of several companies that help create small, intrastate, direct public offerings at a much lower fee

than what's charged by law firms. Through partnerships, a community can work with these companies to create dedicated local offices to help many local companies each year go public. Each public company can buy and sell shares on its own web site.

- *Local Stock Exchange* – A better way to facilitate the trading of direct public offerings is through an exchange. Mission Markets, based in New York City, now provides communities the ability to set up a local portal to its virtual exchange platform. This platform is essentially a sophisticated electronic bulletin board, where sellers and buyers post their offers and shop around for great deals. Because transactions can take days or weeks, it looks more like E-Bay than E-Trade, which is actually a plus since it encourages longer-term investment and discourages speculation. The exchange can cover its costs through listing and trading fees.

A final metabusiness category is entrepreneurship support. Typically, these services are underwritten by government or philanthropic grants, but it is possible to deploy these on a fee-for-service basis.

- *Mentorships* – A system can be set up to link new or struggling entrepreneurs with established businesspeople. The biggest facilitator of relationships with retired businesspeople in the United States, though with no particular focus on local businesses, is [SCORE](#). In Kerala, India, there is a massive statewide program linking older and younger businesspeople called “Life Begins at 55.”
- *Entrepreneurship University* – The University of Phoenix has demonstrated the viability of teaching closes online. Either alone or in partnership with existing programs, Davidson County could set up entrepreneurship courses appropriate for local-businesses and recruit participants throughout North Carolina—perhaps through the South.
- *Incubators* – While nearly all of the 1,000 incubators in North America depend on outside support, models exist – in Australia, for example – of well-run, financially self-supporting incubators. These can be open to all kinds of businesses or they can specialize, like the community kitchens for food businesses pioneered by AceNet of Athens, Ohio. To become self-financing and expand, the incubator could work with each incubated company issue local stock, and then upon graduation claim 5-10 percent of the shares as payment for its services. This could increasingly be done for virtually incubated companies (with the incubator claiming a smaller percentage of the stock).

## Appendix I

### Action Checklists for Promoting LOIS

#### 7 Tools to Assist Local Purchasing

- (1) *Directories of Local Business* – Create helpful lists for your neighbors in print, on line, in newspaper ads, and on coffee cups.
- (2) *Directories of Local Products* – Highlight, again in print or on line, the many locally made goods or locally provided services that are available.
- (3) *Local Labels* – Develop a local insignia of local ownership, so that you know if a store is locally owned or if a product is locally made.
- (4) *Buy Local Days* – Or weeks, months, or seasons, all of which can provide the basis for a buy-local campaign.

- (5) *Local Currency* – Mobilize your community to print its own “money,” like Ithaca Hours, that can only be used by local businesses and consumers.
- (6) *LETS* – Create computerized trading systems, which are especially popular in Europe, that encourage locals to trade with one another without touching mainstream money.
- (7) *Time Dollars* – Set up a computerized system for tracking volunteer hours as a way of legitimizing and expanding such contributions for the community.

#### **14 Tools to Assist Local Investing**

- (1) *Bank Local* – Favor local financial institutions like credit unions, small thrifts, and small commercial banks, and especially make sure your biggest loans – for your home, car, and college – come from them.
- (2) *Multiply Local Banks* – If you can’t find a good local bank, help start one, with credit unions being the easiest and cheapest.
- (3) *Localize Mainstream Banks* – Use the Community Reinvestment Act to evaluate how well nonlocal banks are recirculating your savings locally and to pressure them to improve their performance.
- (4) *Cut Up Credit Cards* – Remember that nearly all credit card processing is nonlocal, and wasting precious local money on nonlocal high-interest payments.
- (5) *Expand Small Business Loan Funds* – Mobilize local banks, philanthropists, foundations, and government agencies to expand the assets of revolving loan funds for small business.
- (6) *Create Micro Funds* – If your community lacks small-business funds, set up one in partnership with your bank. Several dozen depositors can pony up money, create a lending pool, and then team up with the bank to administer the loans to whomever you think is creditworthy.
- (7) *Invest Local* – Invest more of your savings in local business as a cooperative member, as a program-related investor in a nonprofit, as a limited partner, or as a shareholder.
- (8) *Local Venture and Hedge Funds* – If you’re a securities industry professional, think about creating local investment funds that specialize in high-performing local businesses.
- (9) *Technical Assistance for Small Stock Companies* – Create a company that helps small-businesses to issue local stock (i.e., tradable only intrastate) on the cheap, and then to handle the ongoing reporting and due-diligence requirements.
- (10) *Local Underwriters* – Set up a local investment company that helps successful local firms create local stock issues, and that then sells the securities intrastate for a fee.
- (11) *Local Stock Markets* – Put together an electronic trading platform to help local business investors find and trade with one another.
- (12) *Local Mutual Funds* – Once a critical mass of local securities are issued, assemble diversified funds of these securities and make them available to local retirement-plan investors.
- (13) *Local Investment Advisers* – Set up a firm that specializes in helping investors evaluate the performance of local business.
- (14) *Pension Fund Advocacy* – Pressure your pension fund, whether private or public, to invest in local real estate, local business, local venture and hedge funds, and local mutual funds.

## 34 Tools for Policymakers

### Local Studies

- (1) *Indicators* – Prepare quantifiable measures of the community’s quality of life (economic, environmental, social, and political) that hold your economic development policies accountable. Conduct public hearings in which residents decide which indicators are most relevant, and then, put together an annual report on the best ones, distribute it widely, and place it on a web site.
- (2) *Assets Analysis* – Gather data on assets in the region, especially un- or underused economic inputs like unemployed labor, abandoned lots and buildings, and idle machinery, all to clarify what’s available for new or expanded small business.
- (3) *Imports Analysis* – Prepare an annual measure of imports and dependencies, especially in basic goods and services, to underscore where local consumer demands already exist for new locally-owned businesses.
- (4) *Subsidy Inventory* – Perform a full evaluation of all subsidies given in the last ten years to business (grants, loans, guarantees, tax abatements, capital improvements, TIFs, or bond issues), and catalogue which, if any, went to locally businesses.
- (5) *State of the Region Report* – Prepare an annual booklet with the latest assessments of indicators, assets, and imports, as well as other inventories noted below, all to strategically identify business opportunities with the greatest benefit for the community.
- (6) *Community Reinvestment Report* – Study which local depository institutions – and, if any exist, which investment institutions – are reinvesting more than 90% of their savings/investments locally.
- (7) *Pension Fund Analysis* – Identify which pension funds, whether public or private, specialized or mutual, might be capable of reinvesting locally.
- (8) *Good Communitykeeping Seals* – Evaluate the performance of all businesses in the region, and award a special seal to any firm that is not only locally owned but also a good performer with workers, consumers, and the environment.

### Local Training

- (1) *Entrepreneurship Programs* – Revitalize entrepreneurship programs in public schools, community colleges, and local universities to emphasize local and small business. Allocate municipal funds to help other institutions like churches, civic groups, and small business associations set up entrepreneurship study groups.

- (2) *Mentorship Programs* – Link established businesspeople (especially retirees with extra time) with young and aspiring entrepreneurs.
- (3) *Place-based Scholarships* – To retain the best and brightest, create a scholarship fund that extends no interest loans to college-bound kids. (If they return to and settle in the community after graduation, they enjoy no- or low-interest provisions; otherwise, interest rates kick up to market levels.)
- (4) *Incubators* – Limit public support to incubators that serve only local business, and link them to local entrepreneurship programs and business mentors.

### **Local Purchasing**

- (1) *The Home-Grown Directory* – Prepare a directory of local businesses organized by product or business type that could help residents buy local. This could then be distributed in hard copies and over the Internet to consumers.
- (2) *Regional Directory* – Combine your home-grown directory with neighboring towns around a regional theme.
- (3) *Selective Public Contracting* – Give a 5-10% bidding advantage to local businesses. Better still, demand that all bidders estimate anticipated multiplier benefits.
- (4) *Small Business Bidding Assistance* – Set up an office that helps local business compete more effectively for public contracts.
- (5) *Broker B2B Deals* – Consider replicating the model of the Oregon Marketplace, which in the 1980s and early 1990s helped local businesses buy cost-effective inputs from local suppliers.
- (6) *Buy-Local Campaigns* – Support private efforts to create local credit, debit, loyalty, or gift cards, perhaps by providing them to public employees.
- (7) *Time Dollars* – Help coordinate a city-wide Time Dollar program, and provide tax credits for each Time Dollar earned to promote volunteerism and to lower public requirements for expenditures on social services.
- (8) *Local Currency* – Support or create a local scrip, since only businesses and service providers committed to re-spending locally will be interested in accepting the currency. Pay bonuses or raises to public employees in the scrip, and accept scrip for partial payment of taxes, both of which Philadelphia did during the Great Depression.

### **Local Investing**

- (1) *Bank Local* – Make sure the city uses a local bank or credit union to conduct business and handle payroll.

- (2) *Invest Local* -- Begin moving municipal investment, including surplus revenues and pension funds, into local business either directly or indirectly through local-business venture, hedge, or mutual funds.
- (3) *BIDCO* – If your state allows it, create a business investment development company in which residents could invest.
- (4) *Bond Finance* – Limit the use of industrial revenue bonds to projects involving locally owned business.
- (5) *Subsidies* – Remove as many business subsidies as possible, and sunset the rest. Subject those remaining to a fair bidding process open to local business. Never pay subsidies, even tax abatements, before the promises of jobs and other benefits are fulfilled.

### **Local Public Policy**

- (1) *Smart Growth* – Revamp zoning to permit most kinds of uses in most places, especially home-based businesses. More fully use developed land and buildings before grinding up green space or farms.
- (2) *Smart Zoning* – Use local zoning powers to prevent gigantic chain-store clusters that can destroy existing small business (though beware the legal and economic ramifications of total bans on outside competition).
- (3) *Smart Schools* – Refurbish older, smaller school buildings instead of building newer, bigger ones. Make it easy and safe for children to walk or bicycle to school.
- (4) *Smart Taxes* – Phase out all taxes on business, income, sales, and property, and phase in revenue-neutral taxes on energy, nonrenewable resources, pollution, and nuisances. If more revenue is ever needed, use Davidson George property taxes (on land, not on improvements) to spur business.
- (5) *Smart Wages* – Create a “living wage” to eliminate most working poverty in the community. Use savings in local welfare programs to ease the transition for burdened small business. Don’t lament, but celebrate, how these scare away chain stores.

## Appendix II

### Simple Leakage Analysis of Davidson County

NAICS Sector	Davidson
<b>Forestry, fishing, related activities, and other</b>	19%
Forestry and logging	
Fishing, hunting, and trapping	41%
Agriculture and forestry support activities	
<b>Mining</b>	3%
Oil and gas extraction	
Mining (except oil and gas)	
Support activities for mining	20%
<b>Utilities</b>	20%
<b>Construction</b>	46%
Construction of buildings	32%
Heavy and civil engineering construction	40%
Specialty trade contractors	53%
<b>Manufacturing</b>	78%
<b>Durable goods manufacturing</b>	85%
Wood product manufacturing	460%
Nonmetallic mineral product manufacturing	161%
Primary metal manufacturing	
Fabricated metal product manufacturing	115%
Machinery manufacturing	61%
Computer and electronic product manufacturing	
Electrical equipment and appliance manufacturing	
Motor vehicles, bodies and trailers, and parts	
Other transportation equipment manufacturing	
Furniture and related product manufacturing	531%
Miscellaneous manufacturing	22%
<b>Nondurable goods manufacturing</b>	66%
Food manufacturing	12%
Beverage and tobacco product manufacturing	
Textile mills	486%
Textile product mills	99%
Apparel manufacturing	130%
Leather and allied product manufacturing	
Paper manufacturing	90%
Printing and related support activities	53%
Petroleum and coal products manufacturing	0%
Chemical manufacturing	62%
Plastics and rubber products manufacturing	144%

<b>NAICS Sector</b>	<b>Davidson</b>
<b>Wholesale trade</b>	38%
<b>Retail trade</b>	40%
Motor vehicle and parts dealers	43%
Furniture and home furnishings stores	55%
Electronics and appliance stores	9%
Building material and garden supply stores	42%
Food and beverage stores	31%
Health and personal care stores	60%
Gasoline stations	69%
Clothing and clothing accessories stores	12%
Sporting goods, hobby, book and music stores	17%
General merchandise stores	52%
Miscellaneous store retailers	36%
Nonstore retailers	32%
<b>Transportation and warehousing</b>	46%
Air transportation	
Rail transportation	149%
Water transportation	16%
Truck transportation	78%
Transit and ground passenger transportation	
Pipeline transportation	0%
Scenic and sightseeing transportation	8%
Support activities for transportation	22%
Couriers and messengers	
Warehousing and storage	13%
<b>Information</b>	9%
Publishing industries, except Internet	6%
Motion picture and sound recording industries	
Broadcasting, except Internet	
Internet publishing and broadcasting	
Telecommunications	19%
ISPs, search portals, and data processing	0%
Other information services	1%
<b>Finance and insurance</b>	13%
Monetary authorities - central bank	0%
Credit intermediation and related activities	16%
Securities, commodity contracts, investments	
Insurance carriers and related activities	21%
Funds, trusts, and other financial vehicles	
<b>Real estate and rental and leasing</b>	19%
Real estate	20%
Rental and leasing services	18%
Lessors of nonfinancial intangible assets	

<b>NAICS Sector</b>	<b>Davidson</b>
<b>Professional and technical services</b>	15%
<b>Management of companies and enterprises</b>	35%
<b>Administrative and waste services</b>	31%
Administrative and support services	30%
Waste management and remediation services	43%
<b>Educational services</b>	13%
<b>Health care and social assistance</b>	37%
Ambulatory health care services	35%
Hospitals	
Nursing and residential care facilities	73%
Social assistance	
<b>Arts, entertainment, and recreation</b>	54%
Performing arts and spectator sports	
Museums, historical sites, zoos, and parks	
Amusement, gambling, and recreation	20%
<b>Accommodation and food services</b>	33%
Accommodation	7%
Food services and drinking places	42%
<b>Other services, except public administration</b>	72%
Repair and maintenance	87%
Personal and laundry services	84%
Membership associations and organizations	59%
Private households	21%
<b>Government and government enterprises</b>	33%
Federal, civilian	7%
Military	16%
State and local	41%
State government	23%
Local government	48%

**Appendix III**  
**A Sophisticated (IMPLAN) Leakage Analysis**  
**(Jobs from Expanding Local Production to Meet All Existing Local Demand)**

IMPLAN Sector	Sector Description	Direct	Indirect	Induced	Total
413	Food services and drinking places	2,118	353	658	3,129
360	Real estate establishments	2,108	695	348	3,151
319	Wholesale trade businesses	1,543	687	215	2,445
397	Private hospitals	1,272	1	147	1,420
394	Offices of physicians, dentists, and other h	1,036	0	292	1,328
367	Legal services	949	117	42	1,108
426	Private household operations	837	0	180	1,017
382	Employment services	781	1,484	122	2,388
354	Monetary authorities and depository credit	780	129	55	965
324	Retail Stores - Food and beverage	741	25	205	970
357	Insurance carriers	677	37	43	757
335	Transport by truck	658	132	27	817
327	Retail Stores - Clothing and clothing acces	655	6	56	718
411	Hotels and motels, including casino hotels	600	2	1	604
400	Individual and family services	558	0	70	627
331	Retail Nonstores - Direct and electronic sal	555	13	62	630
20	Extraction of oil and natural gas	528	0	0	528
320	Retail Stores - Motor vehicle and parts	511	31	160	702
419	Personal care services	502	3	92	597
369	Architectural, engineering, and related servi	421	128	5	553
409	Amusement parks, arcades, and gambling	403	0	7	410
381	Management of companies and enterprises	387	295	10	692
398	Nursing and residential care facilities	387	0	339	726
340	Warehousing and storage	378	22	2	403
338	Scenic and sightseeing transportation and	362	28	3	393
356	Securities, commodity contracts, investme	361	30	10	400
330	Retail Stores - Miscellaneous	358	13	95	467
393	Other private educational services	343	10	63	416
329	Retail Stores - General merchandise	329	36	301	667
328	Retail Stores - Sporting goods, hobby, boo	310	5	39	354
34	Construction of new nonresidential commer	305	0	0	305
395	Home health care services	301	0	54	356
322	Retail Stores - Electronics and appliances	298	3	17	319
374	Management, scientific, and technical cons	295	121	9	425
86	Apparel knitting mills	282	5	1	288
351	Telecommunications	280	81	25	387
424	Grantmaking, giving, and social advocacy c	270	0	2	272
396	Medical and diagnostic labs and outpatient	261	19	71	351
421	Dry-cleaning and laundry services	253	53	42	347
99	Wood windows and doors and millwork ma	252	26	0	279

### Appendix III Jobs from Self-Reliance

IMPLAN					
Sector	Sector Description	Direct	Indirect	Induced	Total
368	Accounting, tax preparation, bookkeeping,	246	243	28	516
355	Nondepository credit intermediation and rel	243	37	8	288
399	Child day care services	239	0	132	371
207	Other industrial machinery manufacturing	233	0	0	233
127	Plastics material and resin manufacturing	227	0	0	227
302	Showcase, partition, shelving, and locker m	222	1	0	223
430	State and local government passenger tran	218	1	0	219
323	Retail Stores - Building material and garden	211	15	112	337
195	Machine shops	210	1	0	210
37	Construction of new residential permanent s	203	0	0	203
113	Printing	197	44	3	245
389	Other support services	197	154	13	364
283	Motor vehicle parts manufacturing	191	3	0	193
410	Other amusement and recreation industries	189	2	14	206
386	Business support services	187	8	1	196
346	Motion picture and video industries	186	4	1	191
377	Advertising and related services	184	113	9	306
36	Construction of other new nonresidential st	178	0	0	178
14	Animal production, except cattle and poultr	175	11	1	187
129	Artificial and synthetic fibers and filaments	174	0	0	174
2	Grain farming	171	0	0	171
171	Steel product manufacturing from purchase	170	1	0	171
358	Insurance agencies, brokerages, and relate	169	281	16	466
96	Veneer and plywood manufacturing	164	8	0	173
149	Other plastics product manufacturing	164	4	0	168
297	Nonupholstered wood household furniture m	158	0	2	160
402	Performing arts companies	155	0	0	155
376	Scientific research and development service	152	23	1	176
339	Couriers and messengers	148	26	3	177
418	Personal and household goods repair and r	144	0	0	144
326	Retail Stores - Gasoline stations	141	10	76	227
332	Transport by air	138	0	0	138
280	Truck trailer manufacturing	135	0	0	135
422	Other personal services	132	5	23	160
31	Electric power generation, transmission, an	120	4	1	125
321	Retail Stores - Furniture and home furnishi	120	6	50	176
401	Community food, housing, and other relief s	116	0	53	169
387	Investigation and security services	116	58	11	185
372	Computer systems design services	112	25	1	138
187	Ornamental and architectural metal product	110	5	0	115

## Appendix III

### Jobs from Self-Reliance

IMPLAN					
Sector	Sector Description	Direct	Indirect	Induced	Total
95	Sawmills and wood preservation	108	18	0	126
391	Private elementary and secondary schools	106	0	85	191
384	Office administrative services	104	9	1	114
390	Waste management and remediation services	101	35	9	145
432	Other state and local government enterprises	101	28	24	153
186	Plate work and fabricated structural products	98	2	0	99
107	Paperboard container manufacturing	97	1	0	98
16	Commercial logging	96	36	0	132
416	Electronic and precision equipment repair and maintenance	92	10	2	104
341	Newspaper publishers	89	26	2	117
362	Automotive equipment rental and leasing	87	1	1	89
298	Metal and other household furniture manufacturing	82	1	1	83
39	Maintenance and repair construction of nonresidential buildings	81	277	18	376
78	Nonwoven fabric mills	80	0	0	80
236	Computer terminals and other computer peripheral equipment	79	0	0	79
279	Motor vehicle body manufacturing	79	0	0	79
216	Air conditioning, refrigeration, and warm air heating equipment	77	1	0	78
197	Coating, engraving, heat treating and allied metal work	77	0	0	77
325	Retail Stores - Health and personal care	76	13	118	206
359	Funds, trusts, and other financial vehicles	75	1	6	83
76	Broadwoven fabric mills	75	4	0	80
371	Custom computer programming services	75	36	0	111
403	Spectator sports companies	75	58	24	156
59	Animal (except poultry) slaughtering, rendering, and meat processing	74	0	0	74
62	Bread and bakery product manufacturing	74	0	0	74
75	Fiber, yarn, and thread mills	73	4	0	76
93	Footwear manufacturing	72	0	0	72
4	Fruit farming	71	5	3	79
414	Automotive repair and maintenance, except major work	71	124	185	379
213	Other commercial and service industry machinery and equipment	70	0	0	70
180	Nonferrous metal foundries	69	0	0	69
17	Commercial Fishing	68	0	0	68
142	Plastics packaging materials and unlaminated plastics	68	0	0	69
423	Religious organizations	68	0	11	79
405	Independent artists, writers, and performers	68	15	1	83
366	Lessors of nonfinancial intangible assets	67	2	0	69
60	Poultry processing	67	0	0	67
109	All other paper bag and coated and treated paper	67	1	0	67
336	Transit and ground passenger transportation	66	0	0	66
383	Travel arrangement and reservation services	66	0	0	66

## Appendix III

### Jobs from Self-Reliance

IMPLAN					
Sector	Sector Description	Direct	Indirect	Induced	Total
251	Industrial process variable instruments mar	65	0	0	65
38	Construction of other new residential struct	64	2	0	66
260	Lighting fixture manufacturing	63	0	0	64
219	Special tool, die, jig, and fixture manufactu	63	0	0	63
417	Commercial and industrial machinery and e	61	150	8	220
404	Promoters of performing arts and sports an	61	3	2	66
199	Plumbing fixture fitting and trim manufactur	60	1	0	61
133	Pharmaceutical preparation manufacturing	60	0	0	60
375	Environmental and other technical consultin	59	8	1	68
161	Ready-mix concrete manufacturing	58	0	0	58
296	Upholstered household furniture manufactur	57	0	1	58
183	Crown and closure manufacturing and meta	57	2	0	59
3	Vegetable and melon farming	56	5	5	67
380	All other miscellaneous professional, scient	56	39	2	97
407	Fitness and recreational sports centers	56	37	80	173
63	Cookie, cracker, and pasta manufacturing	55	0	0	56
365	Commercial and industrial machinery and e	55	13	1	68
25	Mining and quarrying stone	53	0	0	53
54	Fruit and vegetable canning, pickling, and c	53	0	0	53
314	Sign manufacturing	53	10	1	63
431	State and local government electric utilities	52	2	1	54
6	Greenhouse, nursery, and floriculture produ	52	0	0	52
412	Other accommodations	52	0	0	52
32	Natural gas distribution	51	24	4	79
218	Metal cutting and forming machine tool ma	49	0	0	49
299	Institutional furniture manufacturing	49	0	0	49
311	Sporting and athletic goods manufacturing	48	0	0	48
310	Jewelry and silverware manufacturing	47	0	0	47
26	Mining and quarrying sand, gravel, clay, an	45	0	0	46
202	Other fabricated metal manufacturing	45	0	0	46
415	Car washes	45	12	26	83
147	Urethane and other foam product (except p	44	0	0	44
159	Glass product manufacturing made of purch	43	1	0	44
363	General and consumer goods rental except	43	22	13	78
19	Support activities for agriculture and forestry	42	1	0	43
83	Curtain and linen mills	42	0	0	42
105	Paper mills	42	0	0	42
35	Construction of new nonresidential manufac	39	0	0	39
370	Specialized design services	38	44	2	84
1	Oilseed farming	38	0	0	38

## Appendix III

### Jobs from Self-Reliance

IMPLAN					
Sector	Sector Description	Direct	Indirect	Induced	Total
333	Transport by rail	37	26	2	65
8	Cotton farming	37	0	0	37
194	Spring and wire product manufacturing	37	0	0	37
179	Ferrous metal foundries	36	0	0	36
392	Private junior colleges, colleges, universitie	35	0	2	37
70	Soft drink and ice manufacturing	34	0	0	34
10	All other crop farming	34	0	0	34
317	All other miscellaneous manufacturing	34	0	0	34
33	Water, sewage and other treatment and de	34	9	9	52
243	Semiconductor and related device manufac	33	0	0	33
163	Other concrete product manufacturing	32	0	0	32
312	Doll, toy, and game manufacturing	32	0	0	32
271	Primary battery manufacturing	31	1	1	32
306	Surgical appliance and supplies manufactu	31	0	0	31
276	Automobile manufacturing	30	0	0	30
193	Hardware manufacturing	30	0	0	30
349	Cable and other subscription programming	30	31	2	63
136	Paint and coating manufacturing	30	0	0	30
240	Audio and video equipment manufacturing	30	0	0	30
162	Concrete pipe, brick, and block manufactur	28	0	0	29
214	Air purification and ventilation equipment m	28	0	0	28
139	Toilet preparation manufacturing	28	0	0	28
343	Book publishers	28	0	0	28
282	Travel trailer and camper manufacturing	27	0	0	27
246	Printed circuit assembly (electronic assem	27	0	0	27
130	Fertilizer manufacturing	27	0	0	27
106	Paperboard Mills	27	0	0	27
373	Other computer related services, including	27	7	0	33
379	Veterinary services	26	2	40	68
272	Communication and energy wire and cable	26	0	0	26
153	Pottery, ceramics, and plumbing fixture ma	26	0	0	26
52	Nonchocolate confectionery manufacturing	26	0	0	27
111	Sanitary paper product manufacturing	26	0	0	26
115	Petroleum refineries	26	0	0	26
94	Other leather and allied product manufactur	25	0	0	25
53	Frozen food manufacturing	25	0	0	25
215	Heating equipment (except warm air furnac	25	0	0	25
308	Ophthalmic goods manufacturing	24	0	0	24
137	Adhesive manufacturing	24	0	0	24
344	Directory, mailing list, and other publishers	24	8	1	32

### Appendix III Jobs from Self-Reliance

152	Other rubber product manufacturing	23	0	0	23
150	Tire manufacturing	23	0	0	23
205	Construction machinery manufacturing	23	0	0	23
166	Cut stone and stone product manufacturing	22	0	0	22
80	Textile and fabric finishing mills	22	0	0	22
378	Photographic services	22	6	4	32
185	Handtool manufacturing	22	0	0	22
303	Mattress manufacturing	22	0	0	22
385	Facilities support services	22	0	0	22
342	Periodical publishers	21	0	0	22
228	Material handling equipment manufacturing	21	0	0	21
89	Womens and girls cut and sew apparel ma	20	0	0	20
100	Wood container and pallet manufacturing	19	4	0	24
309	Dental laboratories manufacturing	19	0	0	19
13	Poultry and egg production	19	1	0	19
146	Polystyrene foam product manufacturing	17	0	0	18
345	Software publishers	17	0	0	17
91	Apparel accessories and other apparel mar	17	0	0	17
122	Synthetic dye and pigment manufacturing	17	0	0	17
174	Aluminum product manufacturing from purc	16	0	0	16
295	Wood kitchen cabinet and countertop manu	16	0	0	16
103	All other miscellaneous wood product manu	16	3	1	20
61	Seafood product preparation and packaging	16	0	0	16
15	Forestry, forest products, and timber tract r	16	0	0	16
168	Mineral wool manufacturing	15	0	0	15
167	Ground or treated mineral and earth manufa	15	0	0	15
42	Other animal food manufacturing	15	1	0	16
181	All other forging, stamping, and sintering	15	0	0	16
348	Radio and television broadcasting	15	9	1	25
55	Fluid milk and butter manufacturing	15	0	0	15
305	Surgical and medical instrument, laboratory	15	0	0	15
84	Textile bag and canvas mills	15	0	0	15
98	Reconstituted wood product manufacturing	15	0	0	15
145	Laminated plastics plate, sheet (except pa	15	0	0	15
220	Cutting tool and machine tool accessory m	15	0	0	15
277	Light truck and utility vehicle manufacturing	14	0	0	14
165	Abrasive product manufacturing	14	0	0	14
267	Motor and generator manufacturing	14	0	0	14
364	Video tape and disc rental	14	0	14	28
138	Soap and cleaning compound manufacturin	14	0	0	14

## Appendix III

### Jobs from Self-Reliance

IMPLAN					
Sector	Sector Description	Direct	Indirect	Induced	Total
156	Flat glass manufacturing	13	0	0	13
291	Boat building	13	0	0	13
200	Ball and roller bearing manufacturing	13	0	0	13
65	Snack food manufacturing	13	0	0	13
114	Support activities for printing	13	0	0	13
154	Brick, tile, and other structural clay products manufacturing	13	0	0	13
177	Copper rolling, drawing, extruding and alloying	12	0	0	12
102	Prefabricated wood building manufacturing	12	1	0	13
201	Fabricated pipe and pipe fitting manufacturing	12	0	0	12
388	Services to buildings and dwellings	12	636	64	712
353	Other information services	11	0	0	12
71	Breweries	11	0	0	11
144	Plastics pipe and pipe fitting manufacturing	11	0	0	11
56	Cheese manufacturing	11	0	0	11
72	Wineries	11	2	4	16
261	Small electrical appliance manufacturing	11	0	0	11
7	Tobacco farming	11	0	0	11
82	Carpet and rug mills	10	0	0	10
350	Internet publishing and broadcasting	10	0	0	11
233	Fluid power process machinery manufacturing	10	0	0	10
90	Other cut and sew apparel manufacturing	10	0	0	10
250	Automatic environmental control manufacturing	10	0	0	10
160	Cement manufacturing	10	0	0	10
141	All other chemical product and preparation	10	0	0	10
337	Transport by pipeline	10	0	0	10
189	Metal tank (heavy gauge) manufacturing	9	0	0	9
151	Rubber and plastics hoses and belting manufacturing	9	0	0	9
223	Speed changer, industrial high-speed drive, and other mechanical drive	9	0	0	9
315	Gasket, packing, and sealing device manufacturing	9	0	0	9
188	Power boiler and heat exchanger manufacturing	8	0	0	8
269	Relay and industrial control manufacturing	8	0	0	8
119	All other petroleum and coal products manufacturing	8	0	0	8
268	Switchgear and switchboard apparatus manufacturing	8	0	0	8
140	Printing ink manufacturing	8	0	0	8
74	Tobacco product manufacturing	8	0	0	8
420	Death care services	8	0	36	44
247	Other electronic component manufacturing	8	0	0	8
9	Sugarcane and sugar beet farming	8	0	0	8
273	Wiring device manufacturing	8	0	0	8
239	Other communications equipment manufacturing	8	0	0	8

## Appendix III

### Jobs from Self-Reliance

IMPLAN					
Sector	Sector Description	Direct	Indirect	Induced	Total
68	Seasoning and dressing manufacturing	8	0	0	8
196	Turned product and screw, nut, and bolt ma	8	0	0	8
58	Ice cream and frozen dessert manufacturing	7	0	0	7
313	Office supplies (except paper) manufacturin	7	0	0	7
41	Dog and cat food manufacturing	7	0	0	7
64	Tortilla manufacturing	7	0	0	7
178	Nonferrous metal (except copper and alumi	7	0	0	7
281	Motor home manufacturing	7	0	0	7
12	Dairy cattle and milk production	7	1	0	8
57	Dry, condensed, and evaporated dairy prod	7	0	0	7
334	Transport by water	7	0	0	7
242	Bare printed circuit board manufacturing	7	0	0	7
155	Clay and nonclay refractory manufacturing	7	0	0	7
184	Cutlery, utensil, pot, and pan manufacturin	7	0	0	7
292	Motorcycle, bicycle, and parts manufacturi	7	0	0	7
134	In-vitro diagnostic substance manufacturing	7	0	0	7
347	Sound recording industries	7	0	0	7
352	Data processing, hosting, ISP, web search	6	0	0	7
164	Lime and gypsum product manufacturing	6	0	0	6
69	All other food manufacturing	6	0	0	6
66	Coffee and tea manufacturing	6	0	0	6
259	Electric lamp bulb and part manufacturing	6	0	0	6
217	Industrial mold manufacturing	6	0	0	6
245	Electronic connector manufacturing	6	0	0	6
264	Household laundry equipment manufacturin	6	0	0	6
116	Asphalt paving mixture and block manufact	6	0	0	6
87	Cut and sew apparel contractors	6	0	0	6
77	Narrow fabric mills and schiffli machine em	5	0	0	5
182	Custom roll forming	5	0	0	5
128	Synthetic rubber manufacturing	5	0	0	5
5	Tree nut farming	5	0	0	5
170	Iron and steel mills and ferroalloy manufact	5	0	0	5
110	Stationery product manufacturing	5	0	0	5
117	Asphalt shingle and coating materials man	5	0	0	5
238	Broadcast and wireless communications ec	5	0	0	5
265	Other major household appliance manufact	5	0	0	5
301	Custom architectural woodwork and millwo	5	0	0	5
316	Musical instrument manufacturing	5	0	0	5
266	Power, distribution, and specialty transform	5	0	0	5
225	Other engine equipment manufacturing	5	0	0	5

## Appendix III

### Jobs from Self-Reliance

IMPLAN					
Sector	Sector Description	Direct	Indirect	Induced	Total
406	Museums, historical sites, zoos, and parks	5	0	8	13
192	Arms, ordnance, and accessories manufac	5	0	0	5
262	Household cooking appliance manufacturin	5	0	0	5
135	Biological product (except diagnostic) man	5	0	0	5
43	Flour milling and malt manufacturing	5	0	0	5
112	All other converted paper product manufact	5	0	0	5
118	Petroleum lubricating oil and grease manuf	5	0	0	5
208	Plastics and rubber industry machinery ma	5	0	0	5
143	Unlaminated plastics profile shape manufac	4	0	0	4
11	Cattle ranching and farming	4	67	0	72
190	Metal can, box, and other metal container (	4	0	0	4
198	Valve and fittings other than plumbing manu	4	0	0	4
289	Railroad rolling stock manufacturing	4	0	0	4
234	Electronic computer manufacturing	4	0	0	4
92	Leather and hide tanning and finishing	4	0	0	4
51	Confectionery manufacturing from purchase	4	0	0	4
73	Distilleries	4	0	0	4
248	Electromedical and electrotherapeutic appa	4	0	0	4
108	Coated and laminated paper, packaging pa	4	0	0	4
290	Ship building and repairing	4	0	0	4
47	Breakfast cereal manufacturing	4	0	0	4
45	Soybean and other oilseed processing	4	0	0	4
263	Household refrigerator and home freezer ma	4	0	0	4
81	Fabric coating mills	4	0	0	4
274	Carbon and graphite product manufacturing	4	0	0	4
230	Other general purpose machinery manufact	4	0	0	4
50	Chocolate and confectionery manufacturing	4	0	0	4
85	All other textile product mills	4	0	0	4
120	Petrochemical manufacturing	4	0	0	4
121	Industrial gas manufacturing	4	0	0	4
256	Watch, clock, and other measuring and co	3	0	0	3
294	All other transportation equipment manufac	3	0	0	3
284	Aircraft manufacturing	3	0	0	3
123	Alkalies and chlorine manufacturing	3	0	0	3
48	Sugar cane mills and refining	3	0	0	3
191	Ammunition manufacturing	3	0	0	3
286	Other aircraft parts and auxiliary equipment	3	0	0	3
258	Magnetic and optical recording media manu	3	0	0	3
235	Computer storage device manufacturing	3	0	0	3
173	Secondary smelting and alloying of aluminu	3	0	0	3

## Appendix III

### Jobs from Self-Reliance

IMPLAN					
Sector	Sector Description	Direct	Indirect	Induced	Total
226	Pump and pumping equipment manufacturi	3	0	0	3
172	Alumina refining and primary aluminum pro	3	0	0	3
126	Other basic organic chemical manufacturin	3	0	0	3
148	Plastics bottle manufacturing	3	0	0	3
287	Guided missile and space vehicle manufac	3	0	0	3
270	Storage battery manufacturing	3	0	0	3
249	Search, detection, and navigation instrume	3	0	0	3
224	Mechanical power transmission equipment	3	0	0	3
304	Blind and shade manufacturing	3	0	0	3
257	Software, audio, and video media for reprod	3	0	0	3
28	Drilling oil and gas wells	3	0	0	3
131	Pesticide and other agricultural chemical m	2	0	0	2
212	Photographic and photocopying equipment	2	0	0	2
169	Miscellaneous nonmetallic mineral product	2	0	0	2
229	Power-driven handtool manufacturing	2	0	0	2
275	All other miscellaneous electrical equipmer	2	0	0	2
125	All other basic inorganic chemical manufac	2	0	0	2
175	Primary smelting and refining of copper	2	0	0	2
46	Fats and oils refining and blending	2	0	0	2
231	Packaging machinery manufacturing	2	0	0	2
237	Telephone apparatus manufacturing	2	0	0	2
253	Electricity and signal testing instruments m	2	0	0	2
97	Engineered wood member and truss manuf	2	0	0	2
176	Primary smelting and refining of nonferrous	2	0	0	2
210	Vending, commercial, industrial, and office	2	0	0	2
44	Wet corn milling	2	0	0	2
278	Heavy duty truck manufacturing	2	0	0	2
318	Broom, brush, and mop manufacturing	2	0	0	2
49	Beet sugar manufacturing	2	0	0	2
132	Medicinal and botanical manufacturing	2	0	0	2
227	Air and gas compressor manufacturing	2	0	0	2
88	Mens and boys cut and sew apparel manuf	2	0	0	2
244	Electronic capacitor, resistor, coil, transfor	2	0	0	2
307	Dental equipment and supplies manufacturi	2	0	0	2
288	Propulsion units and parts for space vehicle	2	0	0	2
254	Analytical laboratory instrument manufactu	2	0	0	2
241	Electron tube manufacturing	1	0	0	1
104	Pulp mills	1	0	0	1
211	Optical instrument and lens manufacturing	1	0	0	1
252	Totalizing fluid meters and counting devices	1	0	0	1

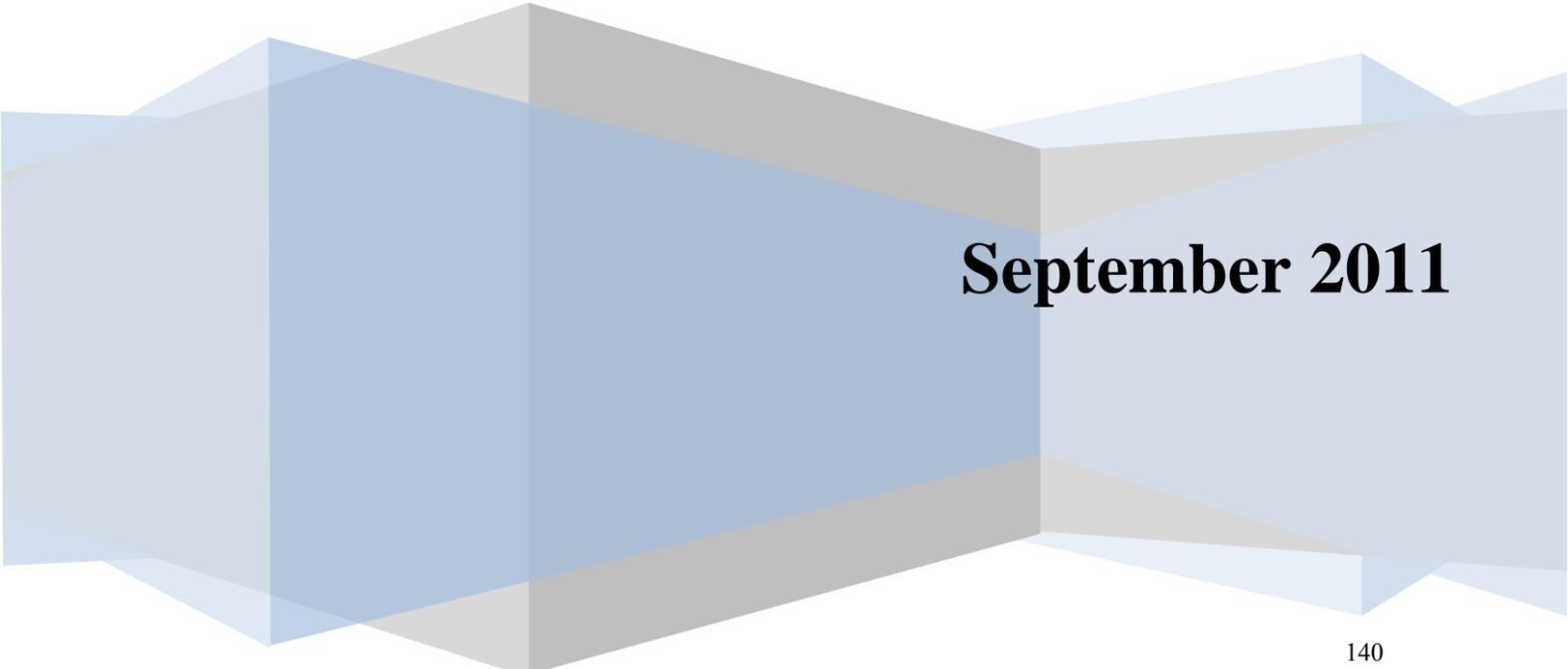
## Appendix III

### Jobs from Self-Reliance

IMPLAN					
Sector	Sector Description	Direct	Indirect	Induced	Total
255	Irradiation apparatus manufacturing	1	0	0	1
285	Aircraft engine and engine parts manufactu	1	0	0	1
79	Knit fabric mills	1	0	0	1
158	Glass container manufacturing	1	4	0	5
30	Support activities for other mining	1	0	0	1
67	Flavoring syrup and concentrate manufactu	1	0	0	1
300	Office Furniture	1	0	0	1
221	Rolling mill and other metalworking machin	1	0	0	1
204	Lawn and garden equipment manufacturing	1	0	0	1
232	Industrial process furnace and oven manufa	1	0	0	1
157	Other pressed and blown glass and glassw	1	0	0	1
203	Farm machinery and equipment manufactu	1	0	0	1
222	Turbine and turbine generator set units mar	1	0	0	1
408	Bowling centers	1	0	0	1
18	Commercial hunting and trapping	0	0	4	5
124	Carbon black manufacturing	0	0	0	0
293	Military armored vehicle, tank, and tank cor	0	0	0	0
206	Mining and oil and gas field machinery mar	0	0	0	0
101	Manufactured home (mobile home) manufa	0	0	0	0
209	Semiconductor machinery manufacturing	0	0	0	0
29	Support activities for oil and gas operations	0	0	0	0
21	Mining coal	0	0	0	0
22	Mining iron ore	0	0	0	0
23	Mining copper, nickel, lead, and zinc	0	0	0	0
24	Mining gold, silver, and other metal ore	0	0	0	0
27	Mining and quarrying other nonmetallic min	0	0	0	0
40	Maintenance and repair construction of resi	0	17	2	19
361	Imputed rental activity for owner-occupied d	0	0	0	0
425	Civic, social, professional, and similar orga	0	209	158	367
427	US Postal Service	0	45	8	53
428	Federal electric utilities	0	0	0	0
429	Other Federal Government enterprises	0	0	0	0
433	* Not an industry (Used and secondhand go	0	0	0	0
434	* Not an industry (Scrap)	0	0	0	0
435	* Not an industry (Rest of the world adjustm	0	0	0	0
436	* Not an industry (Noncomparable foreign ir	0	0	0	0
437	* Employment and payroll only (state & loc	0	0	0	0
438	* Employment and payroll only (state & loc	0	0	0	0
439	* Employment and payroll only (federal gov	0	0	0	0
440	* Employment and payroll only (federal gov	0	0	0	0

# **A Statistical Abstract**

## **City of Lexington, North Carolina**



**September 2011**

**Appendix VI**  
**2010 Census Data, A Statistical Abstract for Lexington, NC**

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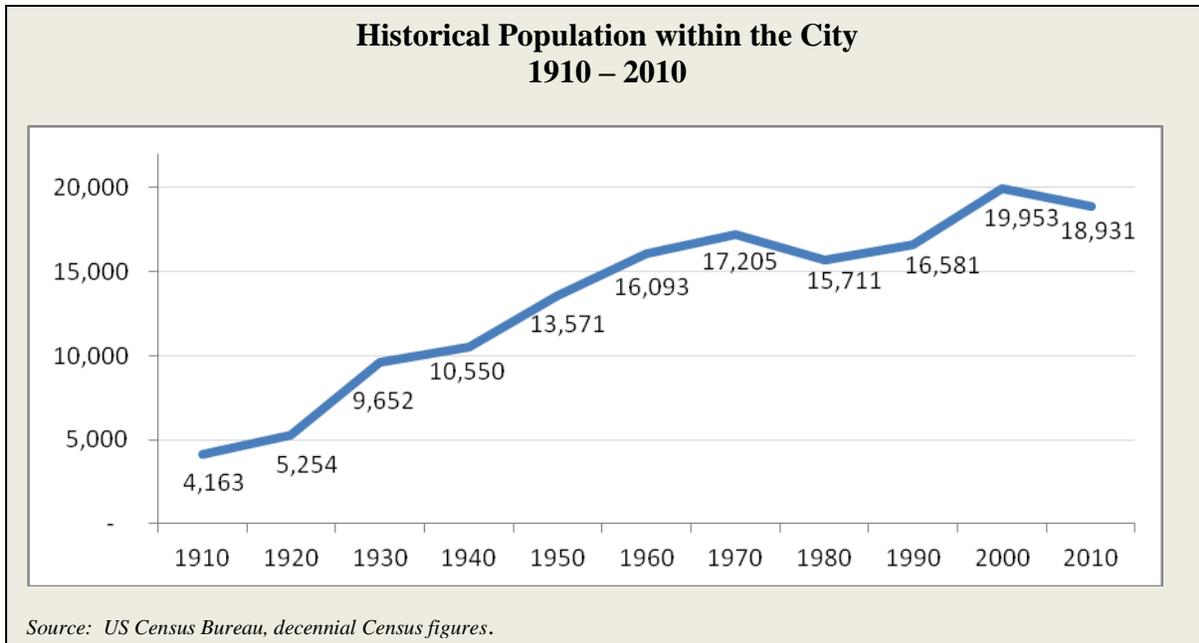
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**POPULATION**

*Area, Growth, Density*

**Quick Facts:**

<b>Population, 2010:</b>	<b>18,931</b>
<b>Land Area, 2010:</b>	<b>17.98</b> square miles
<b>Population Density:</b>	<b>1,052.9</b> persons per square mile
<b>Population Rank</b> among all municipalities in NC:	<b>45th</b>
<b>Growth Rate past 10 years:</b>	<b>-5.1%</b>



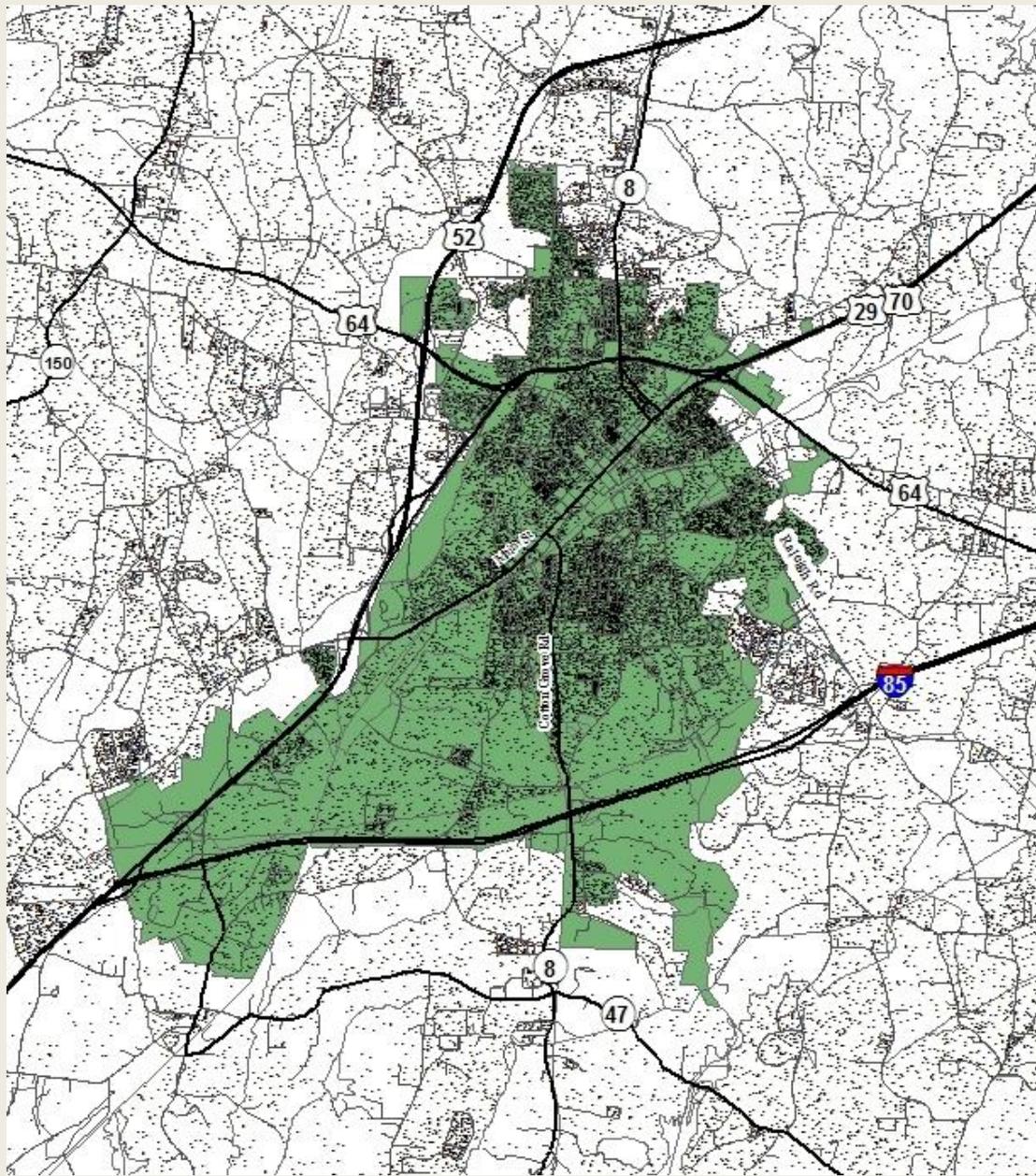
**Historical Population, Land Area, and Density for the City of Lexington**

	<b>Population</b>	<b>Rank in NC</b>	<b>Land Area</b>	<b>Density</b>
<b>2010</b>	18,931	45th	18.0	1052.9
<b>2000</b>	19,953	34th	17.6	1132.4
<b>1990</b>	16,581	28th	12.0	1381.8
<b>1980</b>	15,711	26th	7.4	2120.2

*Source: US Census Bureau, decennial Census figures*

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Population Density within Lexington & Surrounding Area



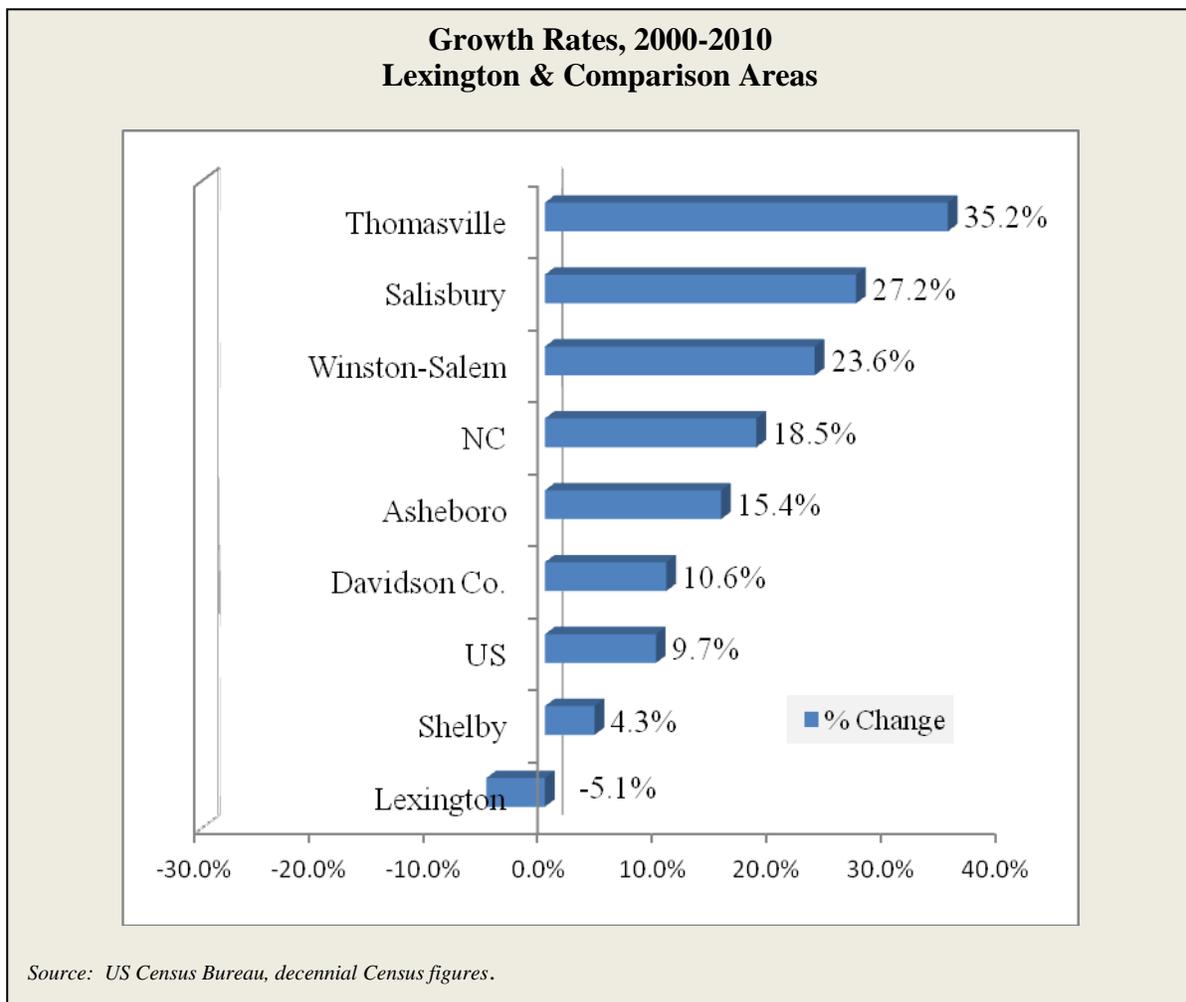
Source: US Census Bureau, 2010 decennial Census. Each dot represents one person. Green area represents the 2010 City limits.

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**Growth & Density Comparison**  
**2000-2010**

	Population				Population Per Square Mile
	2010	2000	Change	% Change	
<b>Lexington</b>	18,931	19,953	(1,022)	-5.1%	1052.9
<b>Asheboro</b>	25,012	21,672	3,340	15.4%	1349.8
<b>Salisbury</b>	33,662	26,462	7,200	27.2%	1520.4
<b>Shelby</b>	20,323	19,477	846	4.3%	964.1
<b>Thomasville</b>	26,757	19,788	6,969	35.2%	1595.5
<b>Winston-Salem</b>	229,617	185,776	43,841	23.6%	1733.6
<b>Davidson Co.</b>	162,878	147,250	15,628	10.6%	294.7

Source: US Census Bureau, decennial Census figures.



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**2010 Census Data, A Statistical Abstract for Lexington, NC**

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**Urban Growth and Annexation**  
*Lexington & Comparison Areas*

	Population			Land Area		
	Growth, 2000-2010	# Annexed	Urban Growth	2000	2010	Area Annexed
<b>Lexington</b>	(1,022)	457	(1,479)	17.62	17.98	0.36
<b>Asheboro</b>	3,340	1,606	1,734	15.35	18.53	3.19
<b>Salisbury</b>	7,200	4,717	2,483	17.78	22.14	4.36
<b>Shelby</b>	846	1,349	(503)	18.14	21.08	2.94
<b>Thomasville</b>	6,969	5,478	1,491	11.15	16.77	5.62
<b>Winston-Salem</b>	43,841	24,526	19,315	108.86	132.45	23.60

*Source: US Census Bureau, decennial Census figures and the NC Office of Budget & Management, 2010.*

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**POPULATION**

*Demographics – Age, Race, Gender,*

**Quick Facts:**

<b>% Female</b>	<b>51.9%</b>
<b>% Male</b>	<b>48.1%</b>
<b>% White</b>	<b>49.8%</b>
<b>% Black/African American</b>	<b>28.2%</b>
<b>% Hispanic</b>	<b>16.3%</b>
<b>% Other Race</b>	<b>5.8%</b>
<b>Median Age</b>	<b>37.4</b>
<b>% Children under 18</b>	<b>24.6%</b>
<b>% Elderly</b>	<b>15.1%</b>

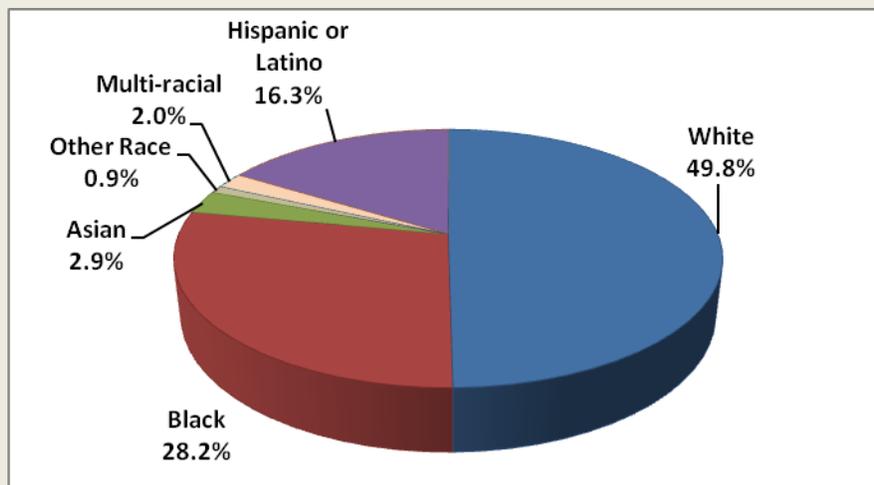
*Source: US Census Bureau, 2010*

**Gender By Race & Ethnic Origin**  
*City of Lexington*

	<b>Male</b>	<b>Female</b>
<b>Total Population</b>	48.1%	51.9%
<b>White, non-Hispanic</b>	46.9%	53.1%
<b>Black/African American, non-Hispanic</b>	47.0%	53.0%
<b>Other Race, non-Hispanic</b>	49.4%	50.6%
<b>Hispanic Origin</b>	53.5%	46.5%

*Source: US Census Bureau, 2010*

**Population Breakdown By Race & Ethnic Origin**  
*City of Lexington*



*Source: US Census Bureau, .*

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**2010 Census Data, A Statistical Abstract for Lexington, NC**

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**Population Growth By Race & Ethnic Origin**  
*City of Lexington*

	2010		2000		1990		1980	
	#	%	#	%	#	%	#	%
<b>White NH</b>	9,424	<b>49.8%</b>	10,936	<b>54.8%</b>	11,256	<b>67.9%</b>	11,647	<b>74.1%</b>
<b>Black NH</b>	5,331	<b>28.2%</b>	5,941	<b>29.8%</b>	4,904	<b>29.6%</b>	3,861	<b>24.6%</b>
<b>Other Race NH</b>	1,094	<b>5.8%</b>	941	<b>4.7%</b>	309	<b>1.9%</b>	96	<b>0.6%</b>
<b>Hispanic or Latino</b>	3,082	<b>16.3%</b>	2,135	<b>10.7%</b>	112	<b>0.7%</b>	107	<b>0.7%</b>

Source: US Census Bureau, decennial census. NH = non-Hispanic.

**Race & Ethnic Origin**  
*City of Lexington & Comparison Areas*

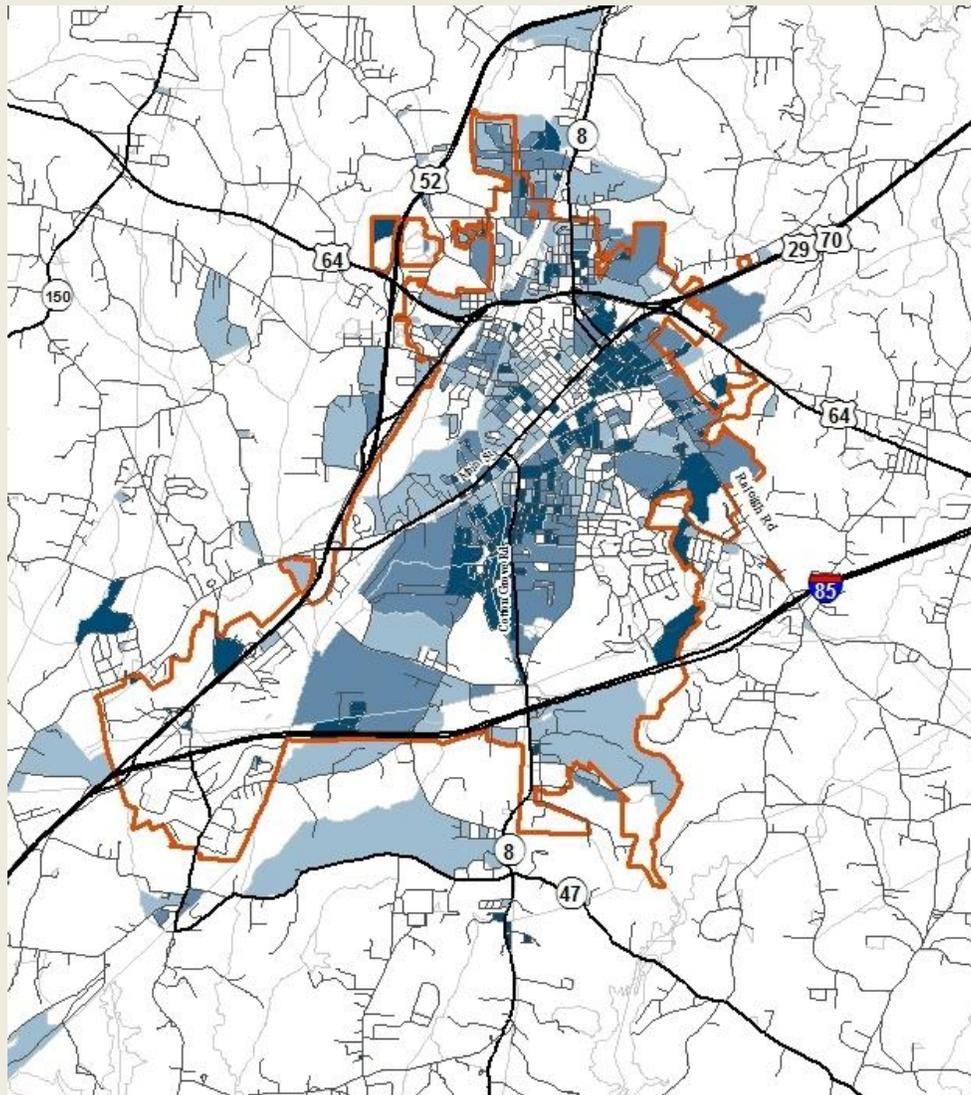
	<b>% White*</b>	<b>% Black*</b>	<b>% Other*</b>	<b>% Hispanic</b>
<b>Lexington</b>	49.8%	28.2%	5.8%	16.3%
<b>Asheboro</b>	58.0%	11.7%	3.4%	26.9%
<b>Salisbury</b>	48.6%	37.3%	3.5%	10.6%
<b>Shelby</b>	53.1%	41.0%	2.8%	3.1%
<b>Thomasville</b>	63.1%	19.4%	3.1%	14.4%
<b>Winston-Salem</b>	47.1%	34.0%	4.2%	14.7%
<b>Davidson County</b>	82.0%	8.8%	2.8%	6.4%
<b>NC</b>	65.3%	21.2%	5.1%	8.4%
<b>US</b>	63.7%	12.2%	7.8%	16.3%

\*= non-Hispanic

Source: US Census Bureau, 2010.

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**2010 Census Data, A Statistical Abstract for Lexington, NC**

**Minority Concentrations within Lexington**



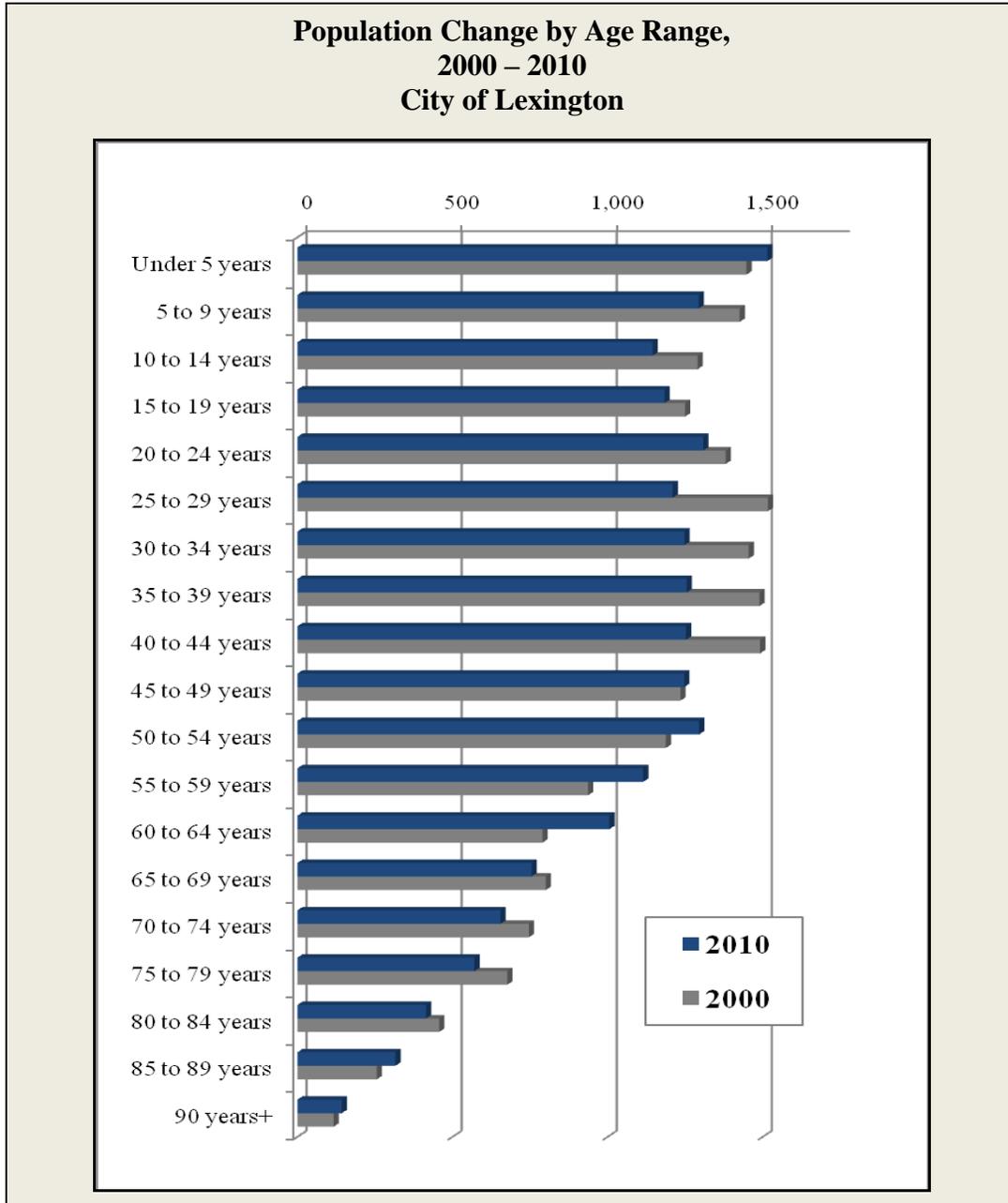
Source: US Census Bureau, 2010.

**Comparison Age Demographics**

	Median Age	< 18	18 - 24	25 - 44	45 - 64	65+
<b>Lexington</b>	37.4	24.6%	9.5%	26.2%	24.6%	15.1%
<b>Asheboro</b>	34.0	27.1%	9.7%	28.3%	21.0%	13.9%
<b>Salisbury</b>	36.2	22.7%	12.0%	25.5%	23.9%	15.9%
<b>Shelby</b>	41.4	23.5%	8.4%	23.0%	27.5%	17.6%
<b>Thomasville</b>	36.2	26.5%	8.5%	27.6%	23.5%	13.9%
<b>Winston-Salem</b>	34.6	24.6%	11.8%	27.0%	24.1%	12.5%
<b>Davidson County</b>	40.3	23.9%	7.4%	25.8%	28.4%	14.5%
<b>NC</b>	37.4	23.9%	10.1%	27.0%	26.2%	12.8%
<b>US</b>	37.2	24.0%	10.0%	26.6%	26.4%	13.0%

**Appendix VI**  
**2010 Census Data, A Statistical Abstract for Lexington, NC**

Source: US Census Bureau, 2010 Census.



**Population by Age Range by Race/Ethnic Origin  
City of Lexington, 2010**

	Overall	White	Black	Other Race	Hispanic
<b>Under 5 years</b>	8.0%	5.6%	7.0%	16.9%	14.0%
<b>5 - 17</b>	16.6%	11.2%	18.3%	26.8%	26.7%
<b>18 - 24</b>	9.4%	7.5%	10.7%	9.3%	13.1%
<b>25-44</b>	26.2%	24.1%	25.5%	25.0%	34.4%
<b>45 - 64</b>	24.6%	28.2%	27.9%	17.6%	10.4%
<b>65+</b>	15.1%	23.2%	10.6%	4.5%	1.5%

**Appendix VI**  
**2010 Census Data, A Statistical Abstract for Lexington, NC**

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*Source: US Census Bureau, 2010 Census.*

**Appendix VI**  
**2010 Census Data, A Statistical Abstract for Lexington, NC**

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**POPULATION**

*Social & Household Characteristics*

**Quick Facts:**

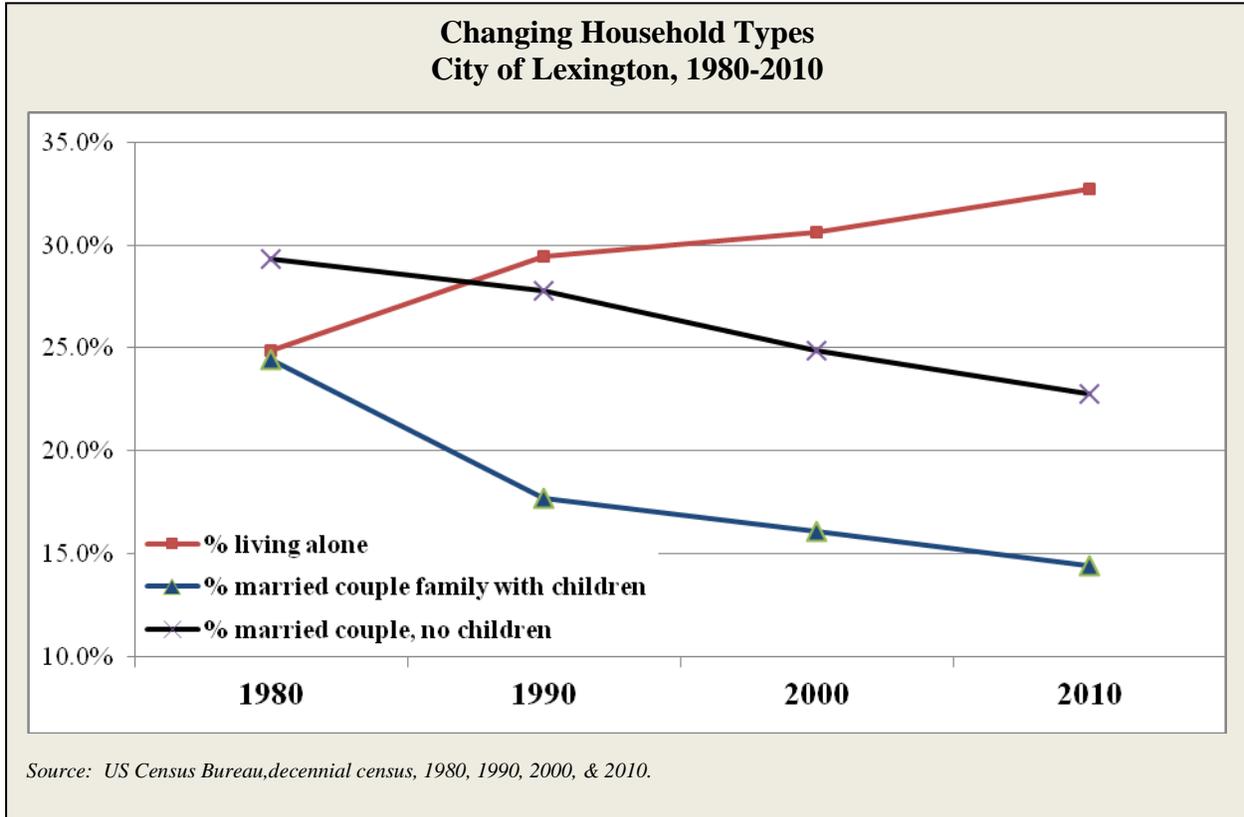
<b>Households</b>	<b>7,376</b>
<b>Persons per Household</b>	<b>2.44</b>
<b>% Family Households</b>	<b>62.1%</b>
<b>% Living Alone</b>	<b>32.7%</b>
<b>% High School Graduates</b>	<b>65.5%</b>
<b>% College (4-year) Graduates</b>	<b>10.8%</b>
<b>% - Do not Speak English Very Well</b>	<b>11.4%</b>
<b>Crime Rate, overall</b>	<b>3,860.9</b>
<b>Violent Crime Rate</b>	<b>410.8</b>

**Household Comparison Data**

	<b>Households</b>	<b>Persons per Household</b>	<b>% Families</b>	<b>% with Children</b>	<b>% with an elderly resident</b>	<b>% Living Alone</b>
<b>Lexington</b>	7,376	2.44	62.1%	32.7%	28.6%	32.7%
<b>Asheboro</b>	9,880	2.46	61.7%	35.1%	25.1%	33.0%
<b>Salisbury</b>	12,567	2.38	61.3%	31.9%	28.4%	32.6%
<b>Shelby</b>	8,570	2.32	61.3%	29.3%	31.8%	34.1%
<b>Thomasville</b>	10,537	2.50	66.6%	36.8%	25.8%	28.3%
<b>Winston-Salem</b>	92,337	2.38	60.3%	32.1%	23.1%	33.1%
<b>Davidson County</b>	64,515	2.50	71.3%	33.9%	26.2%	24.3%
<b>NC</b>	3,745,155	2.48	66.7%	33.3%	23.9%	27.0%
<b>US</b>	116,716,292	2.58	66.4%	33.4%	24.9%	26.7%

Source: US Census Bureau, 2010 Census

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**Educational Attainment Levels of Adults in Lexington**  
**(Highest educational level achieved shown)**

	2005-09	2000	1990
Population 25 years and over	13,469	12,980	10,986
Less than 9th grade	2,048	1,799	2,043
9th to 12th grade, no diploma	2,598	2,882	2,379
High school graduate	4,108	3,757	2,795
Some college, no degree	2,228	2,194	1,710
Associate's degree	1,026	534	696
Bachelor's degree	902	1,266	1,018
Graduate or professional degree	559	548	345
<b>% High School Graduate</b>	<b>65.5%</b>	<b>63.9%</b>	<b>59.7%</b>
<b>% Some College</b>	<b>35.0%</b>	<b>35.0%</b>	<b>34.3%</b>
<b>% Bachelor's Degree or higher</b>	<b>10.8%</b>	<b>14.0%</b>	<b>12.4%</b>

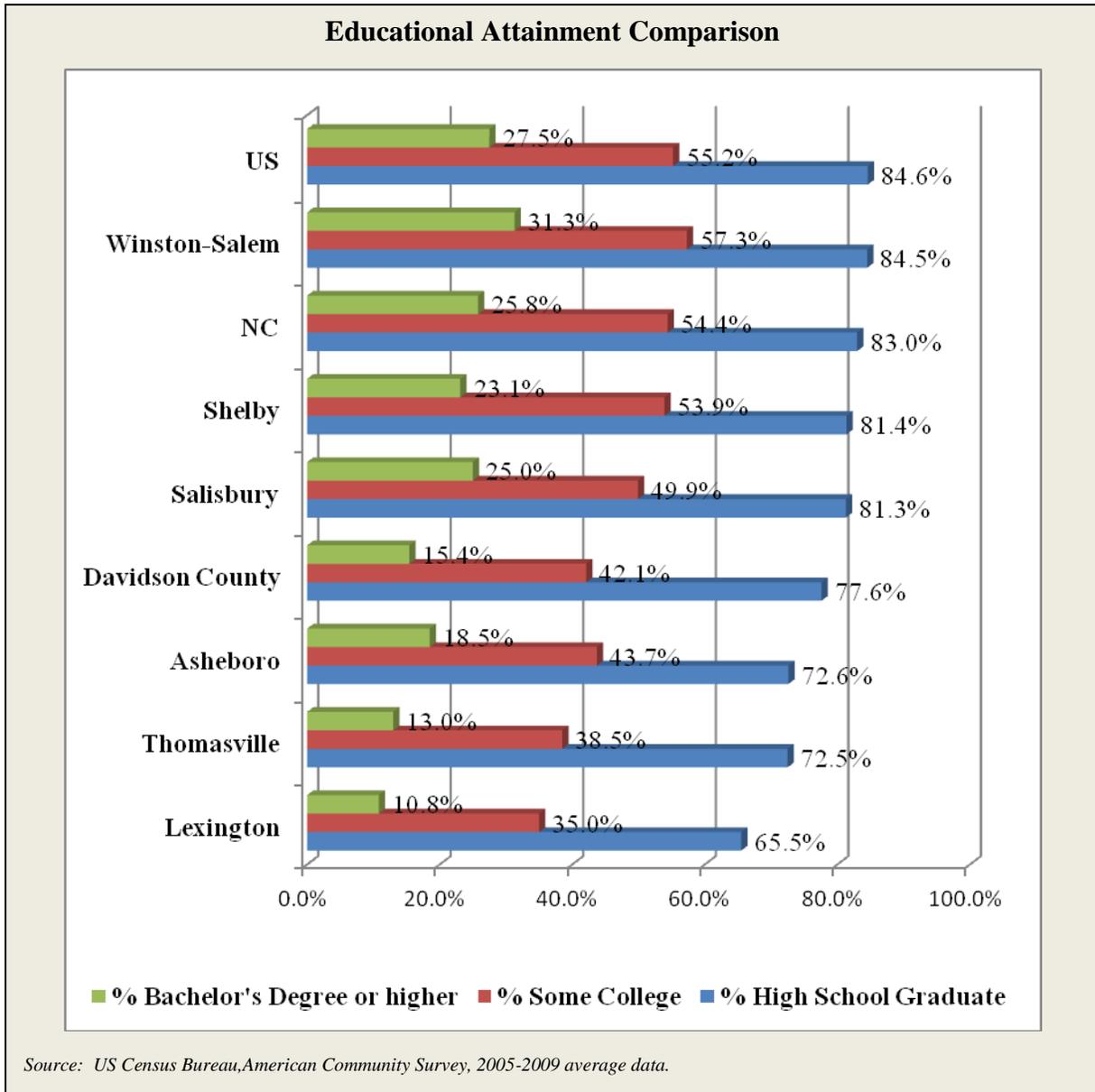
*Source: US Census Bureau, American Community Survey, 2005-2009, and the 1990 and 2000 decennial census, SF3 data.*

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**Educational Attainment of Adults age 25+ by Race/Origin**  
**City of Lexington**

	<b>Population Overall</b>	<b>White, non-Hispanic</b>	<b>Black</b>	<b>Hispanic or Latino</b>	<b>Other Race</b>
<b>&lt; HS Diploma</b>	34.5%	29.2%	28.9%	67.7%	49.4%
<b>High school graduate</b>	30.5%	29.3%	41.7%	15.0%	22.8%
<b>Some College</b>	24.2%	25.1%	26.3%	15.0%	23.5%
<b>Bachelor's Degree or higher</b>	10.8%	16.4%	3.1%	2.2%	4.4%

Source: US Census Bureau, American Community Survey, 2005-2009.



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**Language Spoken & Ability to Speak English**  
**City of Lexington**

<b>Persons age 5 and older</b>	<b>18,455</b>	<b>Percentage</b>
<b>Speak only English</b>	15,083	81.7%
<b>Speak another language</b>	3,372	18.3%
<b>Do not speak English "very well"</b>	2,095	11.4%

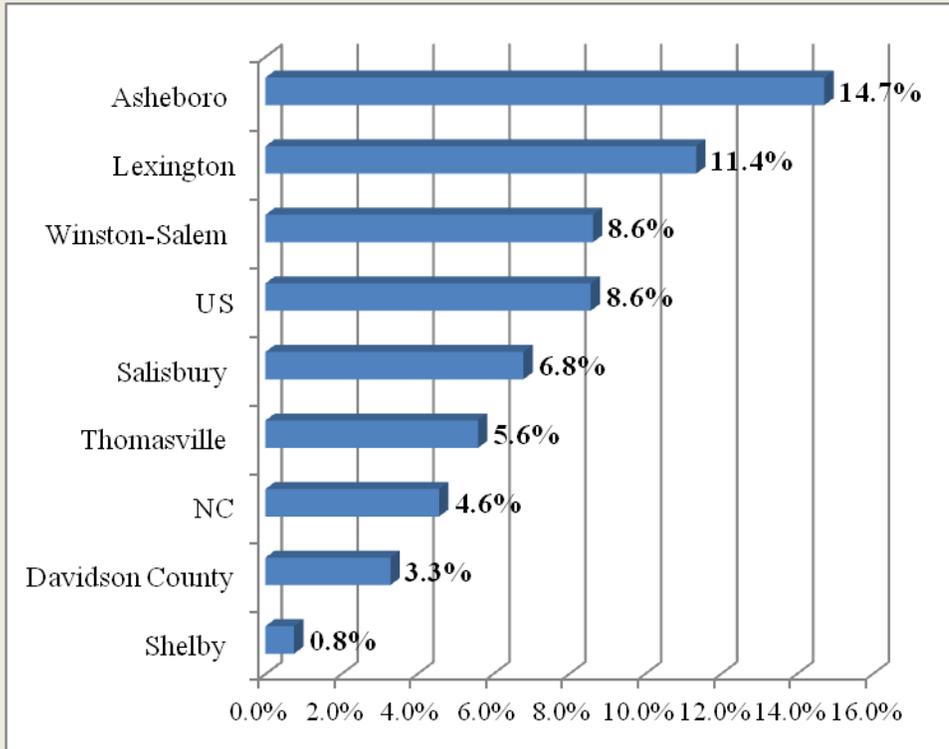
<b>Language Spoken</b>	
<b>English</b>	15,083
<b>Spanish</b>	2,778
<b>Speak English less than "very well"</b>	1,821
<b>Mon-Khmer, Cambodian:</b>	398
<b>Speak English less than "very well"</b>	231
<b>French</b>	49
<b>Speak English less than "very well"</b>	9
<b>Serbo-Croatian:</b>	36
<b>Speak English less than "very well"</b>	24
<b>Other languages:</b>	111
<b>Speak English less than "very well"</b>	10

*Source: US Census Bureau, American Community Survey, 2005-2009.*

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**Percentage of Residents That Do Not Speak English “Very Well”**

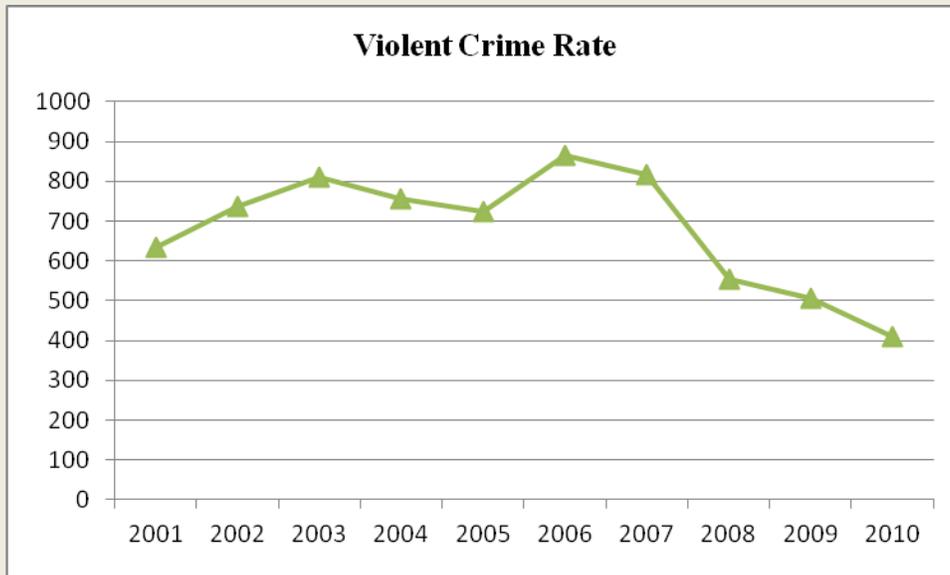
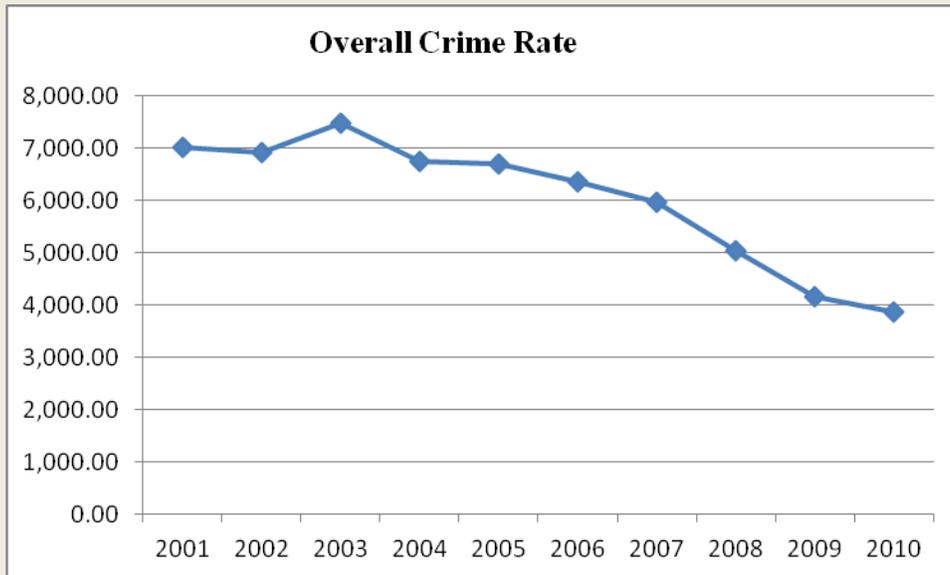


*Source: US Census Bureau, American Community Survey, 2005-2009 average data.*

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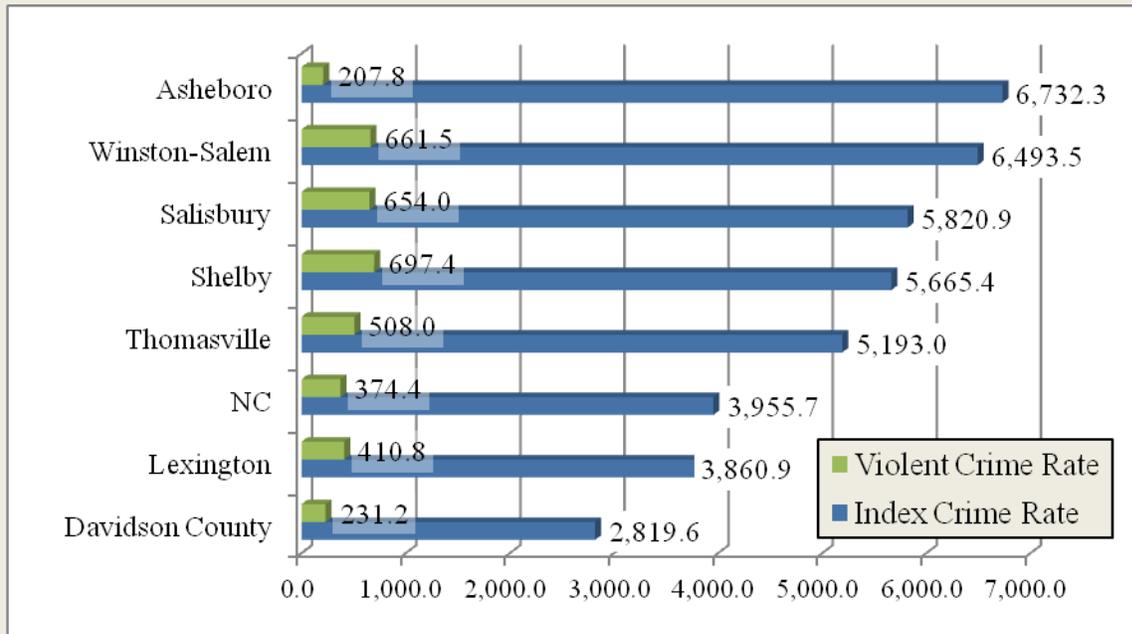
**Crime Rate Trends this Decade**



*Source: NC Department of Justice, SBI, Uniform Crime Reports for NC. The crime rate is a calculation, done uniformly across all jurisdictions in the US for comparison purposes. The crime rate is calculated using the following offenses: murder and non-negligent manslaughter, forcible rape, robbery, aggravated assault, burglary, larceny, motor vehicle theft and arson. The crime rate is shown per 100,000 people.*

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**Crime Rate Comparison**



*Source: NC Department of Justice, SBI, Uniform Crime Reports for NC. The crime rate is a calculation, done uniformly across all jurisdictions in the US for comparison purposes.. The crime rate is calculated using the following offenses: murder and non-negligent manslaughter, forcible rape, robbery, aggravated assault, burglary, larceny, motor vehicle theft and arson. The crime rate is shown per 100,000 people.*

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**POPULATION**

*Income & Poverty*

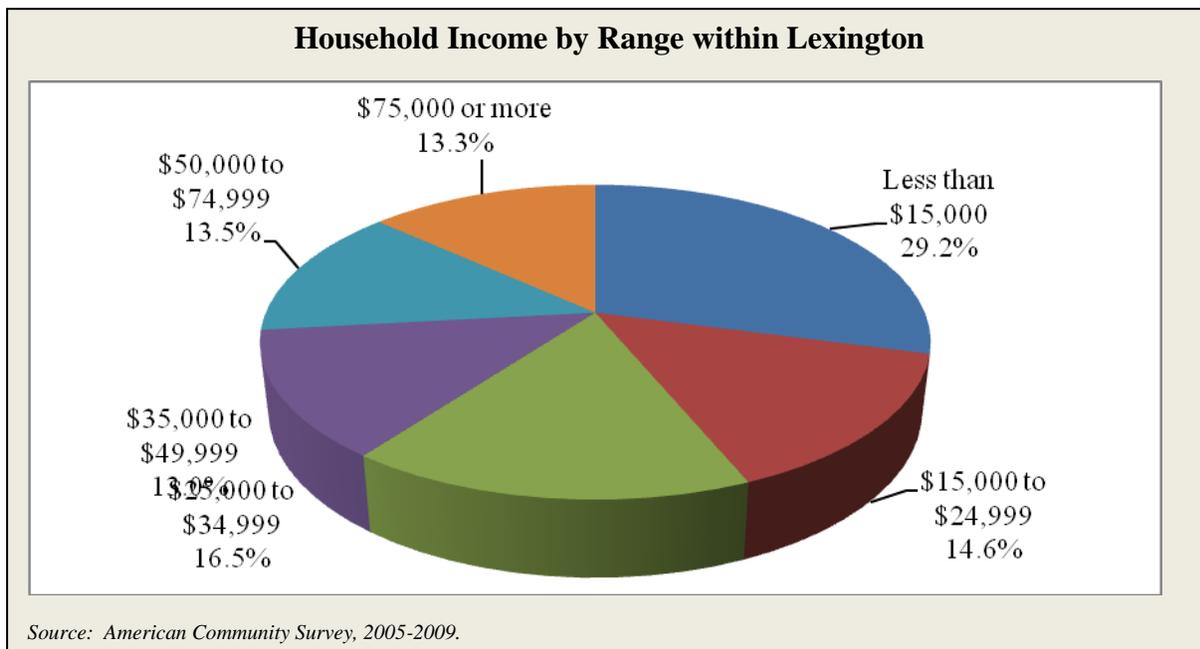
**Quick Facts:**

<b>Median Household Income</b>	<b>\$29,354</b>
<b>Per Capita Income</b>	<b>\$17,313</b>
<b>Persons living in Poverty</b>	<b>5,133</b>
<b>Poverty Rate</b>	<b>26.6%</b>
<b>Households spending more than 30% of their income on housing costs</b>	<b>44.5%</b>
<b>% of children in Poverty</b>	<b>44.6%</b>

**Income Comparison Data**

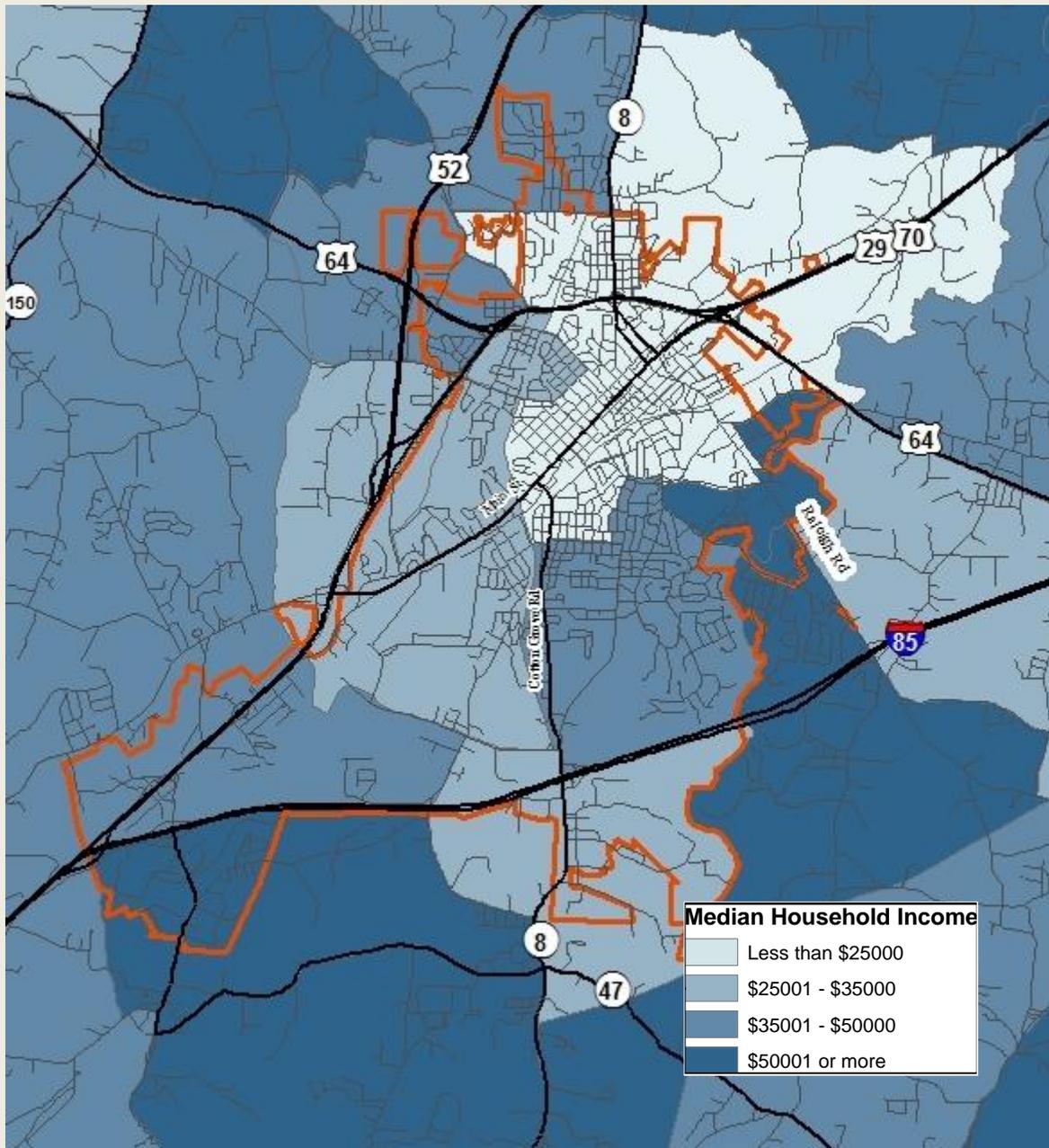
	<b>Median Household Income</b>	<b>Median Family Income</b>	<b>Per Capita Income</b>
<b>Lexington</b>	\$29,354	\$35,538	\$17,313
<b>Asheboro</b>	\$29,176	\$35,617	\$18,129
<b>Salisbury</b>	\$40,247	\$48,201	\$21,625
<b>Shelby</b>	\$33,421	\$44,910	\$20,619
<b>Thomasville</b>	\$36,399	\$42,615	\$17,601
<b>Winston-Salem</b>	\$41,979	\$53,635	\$24,503
<b>Davidson County</b>	\$44,016	\$53,200	\$22,042
<b>NC</b>	\$45,069	\$55,529	\$24,547
<b>US</b>	\$51,425	\$62,363	\$27,041

Source: US Census Bureau, American Community Survey, 2005-2009.



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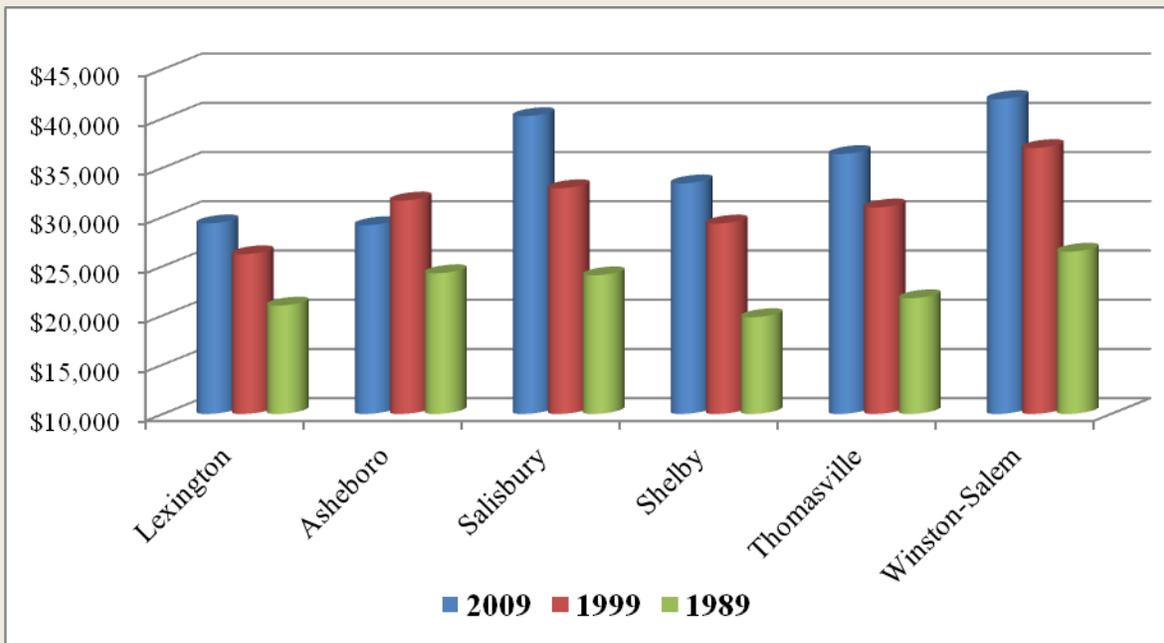
Median Household Income, Lexington & Surrounding Area



Source: American Community Survey, 2005-2009.

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**Income Growth for Lexington & Comparison Areas**  
**1989, 1999, 2009**



Source: US Census Bureau, 1990 Census, 2000 Census, and 2005-2009 American Community Survey

**Poverty by Selected Demographic Groups**  
**City of Lexington, 2005-2009**

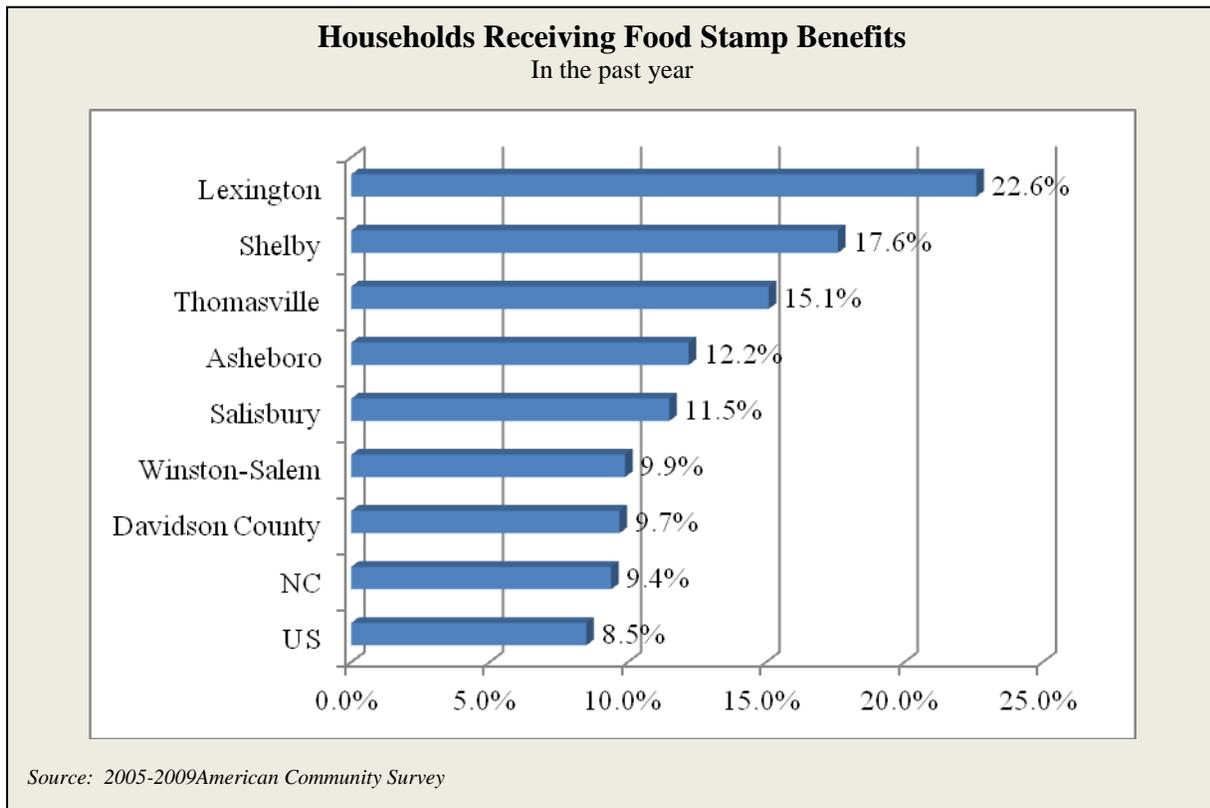
<b>Overall</b>	<b>26.6%</b>
Male	21.2%
Female	31.5%
White, non-Hispanic	20.3%
Black/African American	36.8%
Asian	27.2%
Other Race or multi-racial	44.8%
Hispanic Origin	27.4%
Persons under age 18	44.6%
Persons age 65 and older	14.5%
All Families	21.1%
Families with Children	35.2%

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**Poverty Rate Comparison Data**

	<b>Overall</b>	<b>Children under 18</b>	<b>Elderly</b>
<b>Lexington</b>	26.6%	44.6%	14.5%
<b>Asheboro</b>	27.1%	43.0%	12.3%
<b>Salisbury</b>	19.1%	26.0%	8.4%
<b>Shelby</b>	22.2%	35.4%	13.6%
<b>Thomasville</b>	25.4%	40.4%	15.2%
<b>Winston-Salem</b>	19.1%	29.9%	8.0%
<b>Davidson County</b>	14.1%	21.3%	10.8%
<b>NC</b>	15.1%	20.8%	11.1%
<b>US</b>	13.5%	18.6%	9.8%

*Source: US Census Bureau, American Community Survey, 2005-2009.*



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**Monthly Housing Costs as a Percentage of Household Income**  
**30% or higher, City of Lexington**

	2005-09		2000		1990	
	#	%	#	%	#	%
<b>Total</b>	3,391	44.5%	2,252	29.3%	1,573	22.5%
<b>Owners</b>	1,287	34.8%	787	21.2%	423	11.7%
<b>Renters</b>	2,104	53.7%	1,465	36.9%	1,150	34.0%

Source: 2005-2009 American Community Survey, 1990 Census, 2000 Census.

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**HOUSING**

*Occupancy, Tenure, Cost, Age*

**Quick Facts:**

<b>Total Housing Units</b>	<b>8,938</b>
<b>Occupied Housing Units</b>	<b>7,376</b>
<b>% Vacant Housing Units</b>	<b>17.5%</b>
<b>% Owner Occupied</b>	<b>47.6%</b>
<b>% Single Family detached dwellings</b>	<b>71.5%</b>
<b>% Multi-Family</b>	<b>24.3%</b>
<b>Median Value, Owner Occupied Homes</b>	<b>\$103,800</b>
<b>Median Rental Cost</b>	<b>\$570</b>
<b>% of Housing more than 30 years old</b>	<b>69.1%</b>

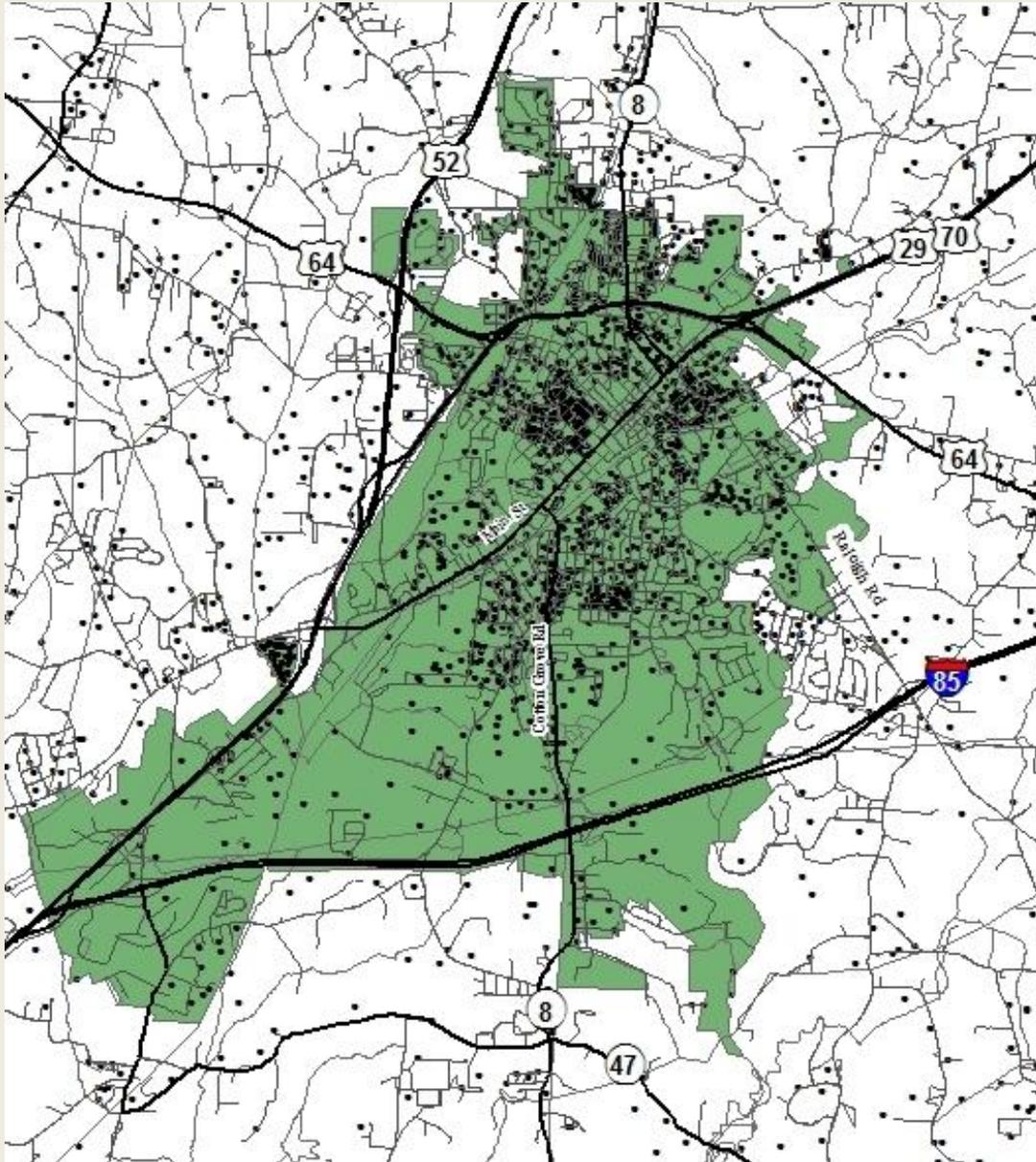
**Housing, Occupancy, and Tenure Comparison**

	<b>Housing Units</b>	<b>% Vacant</b>	<b>% Owner Occupied</b>	<b>% Renter Occupied</b>
<b>Lexington</b>	8,938	17.5%	47.6%	52.4%
<b>Asheboro</b>	11,158	11.5%	48.5%	51.5%
<b>Salisbury</b>	14,626	14.1%	51.6%	48.4%
<b>Shelby</b>	9,919	13.6%	52.9%	47.1%
<b>Thomasville</b>	11,870	11.2%	57.8%	42.2%
<b>Winston-Salem</b>	103,974	11.2%	56.3%	43.7%
<b>Davidson County</b>	72,655	11.2%	72.6%	27.4%
<b>NC</b>	4,327,528	13.5%	66.7%	33.3%
<b>US</b>	131,704,730	11.4%	65.1%	34.9%

*Source: US Census Bureau, 2010 Census.*

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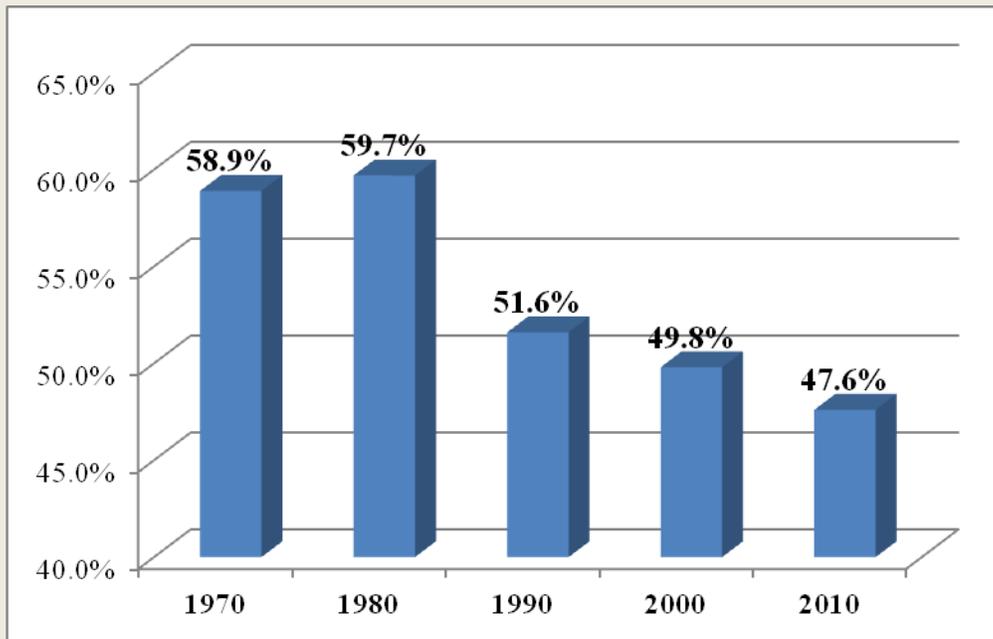
Vacant Housing Units within Lexington



Source: US Census Bureau, 2010 Census of Population & Housing, SF1 data. Each dot represents one vacant house.

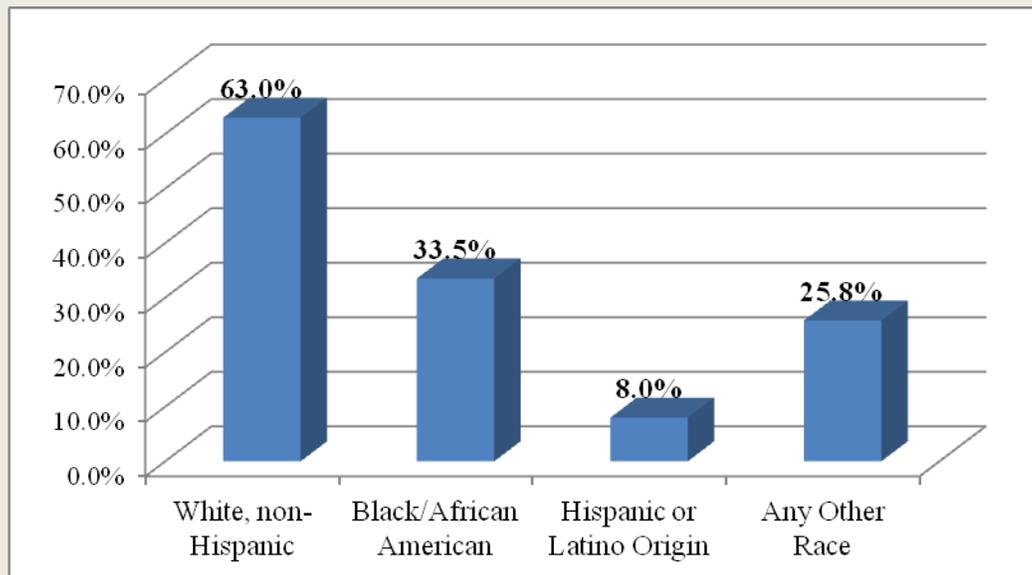
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Homeownership Rates in Lexington



Source: US Census Bureau, decennial census data.

Homeownership Rates in Lexington  
By Race and Ethnic Origin



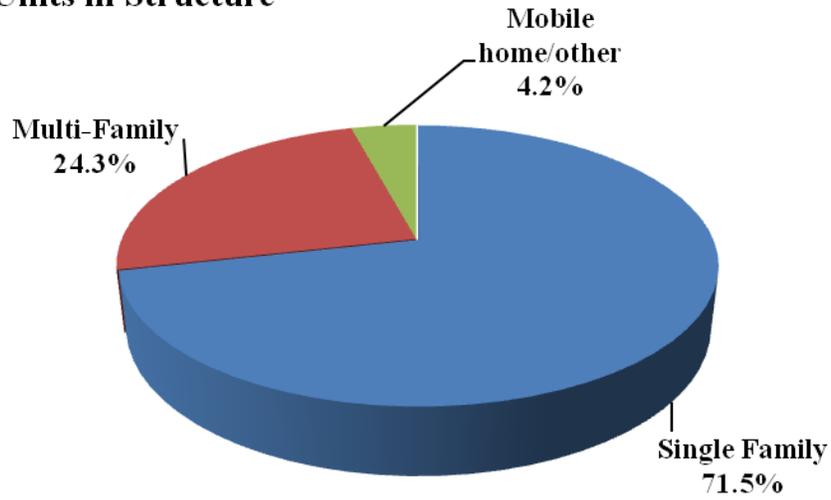
Source: US Census Bureau, 2010 Census.

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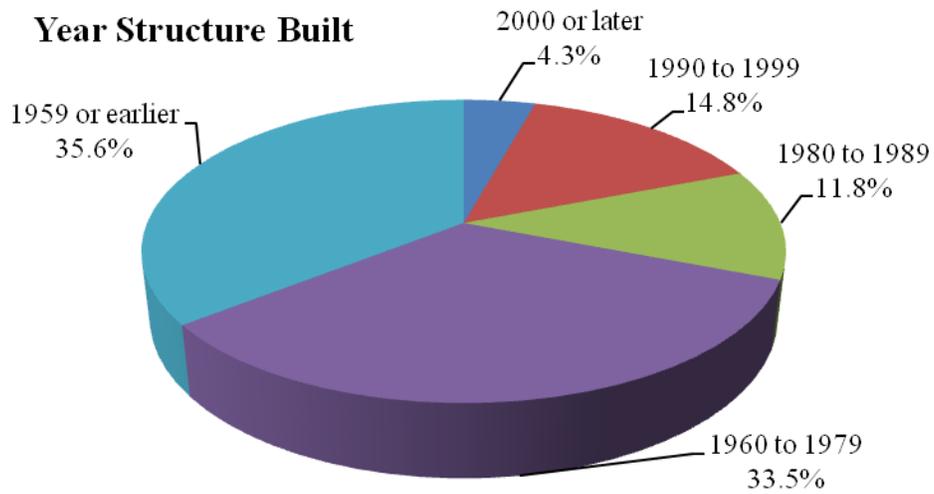
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**Physical Characteristics of Housing Units within Lexington**

**Units in Structure**



**Year Structure Built**



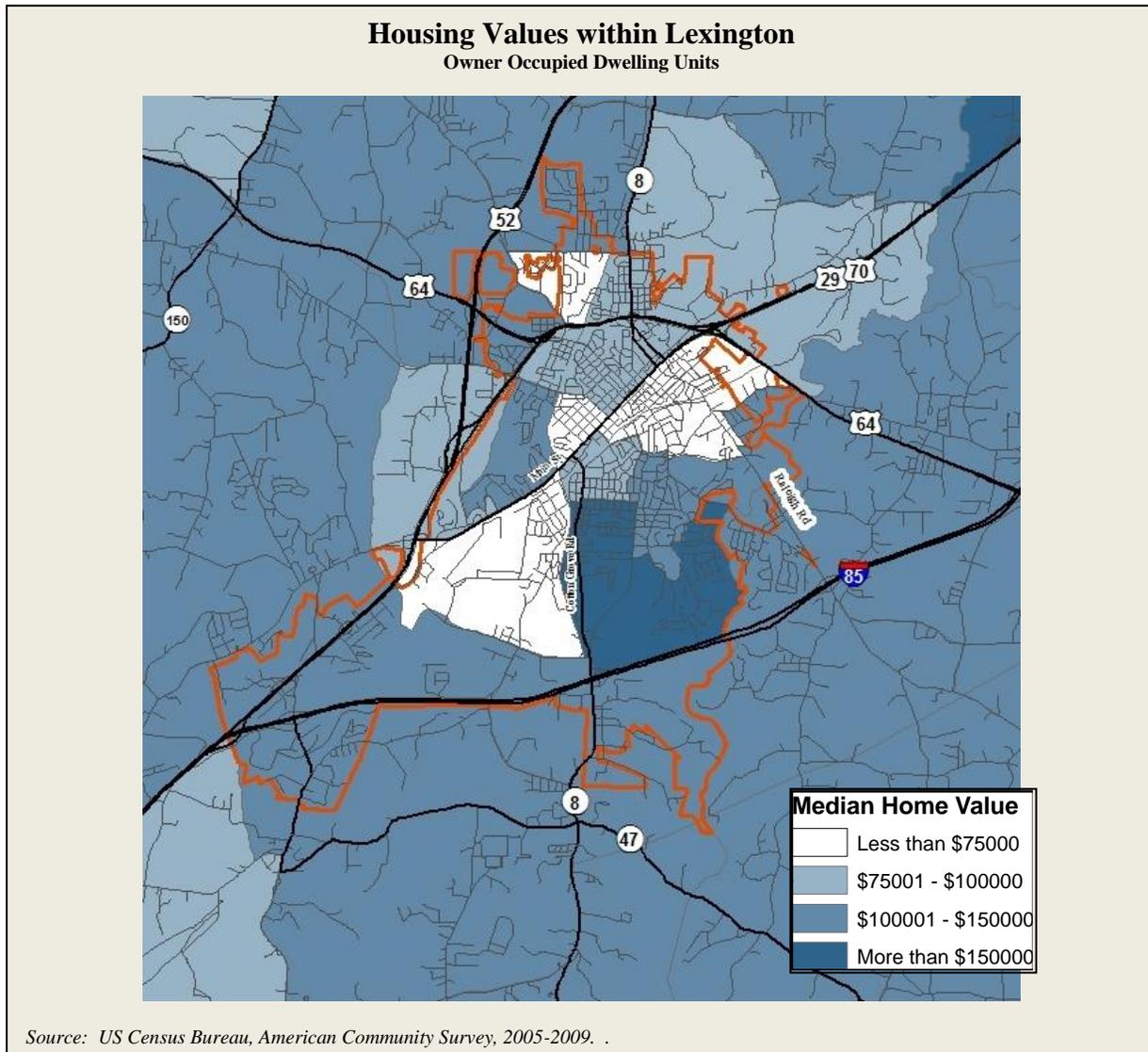
Source: US Census Bureau, American Community Survey, 2005-2009.

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**Housing Comparison Data on Cost, Age, & Vehicle Availability**

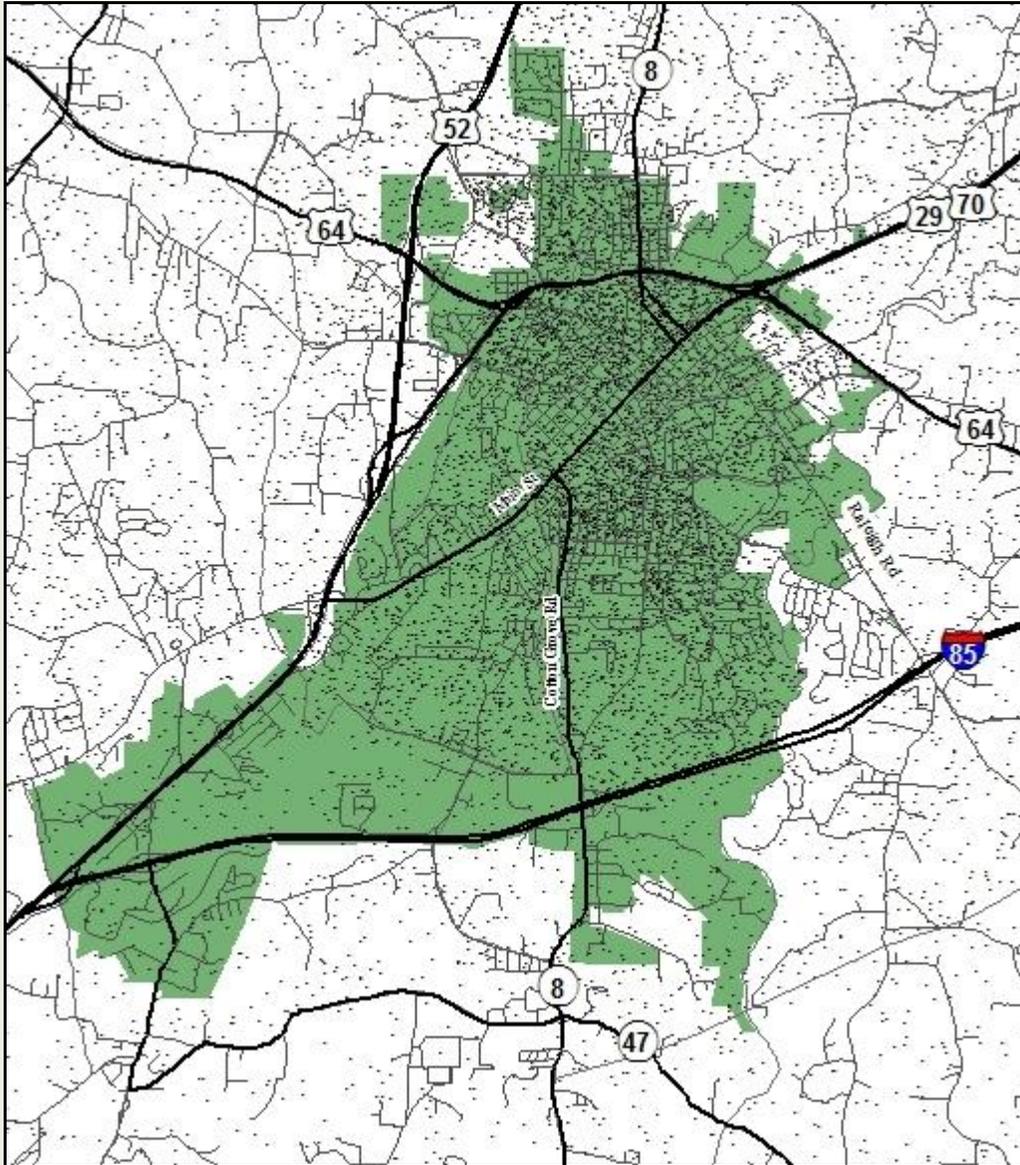
	Median Home Value	Median Rental Cost	Median Year Built	Households with No Vehicle Available
<b>Lexington</b>	\$103,800	\$570	1967	15.8%
<b>Asheboro</b>	\$110,800	\$581	1976	8.0%
<b>Salisbury</b>	\$131,000	\$658	1975	10.1%
<b>Shelby</b>	\$107,300	\$619	1967	11.1%
<b>Thomasville</b>	\$102,900	\$612	1976	8.6%
<b>Winston-Salem</b>	\$139,000	\$653	1974	9.2%
<b>Davidson County</b>	\$123,300	\$605	1981	5.6%
<b>NC</b>	\$143,700	\$702	1983	6.4%
<b>US</b>	\$185,400	\$817	1974	8.8%

Source: US Census Bureau, American Community Survey, 2005-2009



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**Housing Units more than 30 years Old**  
Built before 1980, Each dot represents one house more than 30 years old



Source: US Census Bureau, American Community Survey, 2005-2009 data. .

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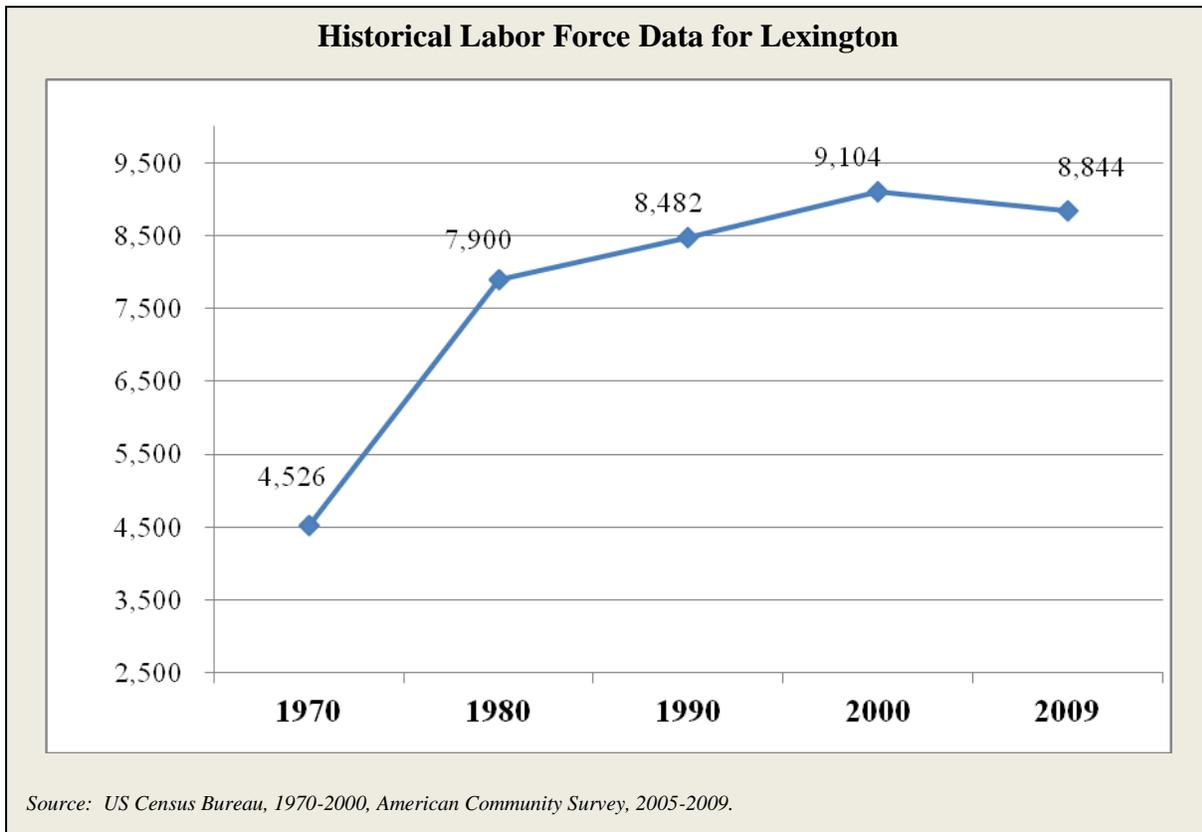
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**ECONOMY**

*Labor Force, Employment, Jobs, Commuting*

**Quick Facts:**

<b>Labor Force</b>	<b>8,844</b>
<b>Unemployment Rate</b>	<b>16.1%</b>
<b>% of Adults in the Labor Force</b>	<b>56.4%</b>
<b>% of Workforce Employed in Manufacturing</b>	<b>33%</b>
<b>% Employed in Manufacturing in 1990</b>	<b>45%</b>
<b>Median Earnings per Worker</b>	<b>\$19,972</b>
<b>Jobs in Lexington, 2009</b>	<b>11,785</b>



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**Labor Force & Unemployment Comparison**

	<b>Labor Force</b>	<b>% of adults age 16+ in the labor force</b>	<b>Unemployment Rate</b>
<b>Lexington</b>	8,844	56.4%	16.1%
<b>Asheboro</b>	11,411	62.0%	9.5%
<b>Salisbury</b>	13,530	55.4%	10.4%
<b>Shelby</b>	9,352	55.7%	13.3%
<b>Thomasville</b>	12,685	64.5%	11.3%
<b>Winston-Salem</b>	110,878	63.8%	8.0%
<b>Davidson County</b>	80,045	65.2%	8.4%
<b>NC</b>	4,518,581	63.8%	7.7%
<b>US</b>	153,407,584	64.6%	7.2%

**Employment By Industry**

	<b>2005-09</b>	<b>2000</b>	<b>1990</b>
<b>Employed Persons age 16 plus living in Lexington</b>	<b>7,390</b>	<b>8,387</b>	<b>8,152</b>
<b>Construction</b>	666	477	375
<b>Manufacturing</b>	2,455	3119	3,653
<b>Trade</b>	820	1036	1,356
<b>Transportation and warehousing, and utilities</b>	107	351	283
<b>Finance and insurance, and real estate and rental and leasing</b>	359	297	318
<b>Professional, scientific, and management, and administrative and waste management services</b>	590	428	376
<b>Educational services, and health care and social assistance</b>	1,577	1258	891
<b>Arts, entertainment, and recreation, and accommodation and food services</b>	345	660	217
<b>Other</b>	264	527	414
<b>Public administration</b>	207	234	269

Source: US Census Bureau, decennial census 2000, American Community Survey, 2005-09.

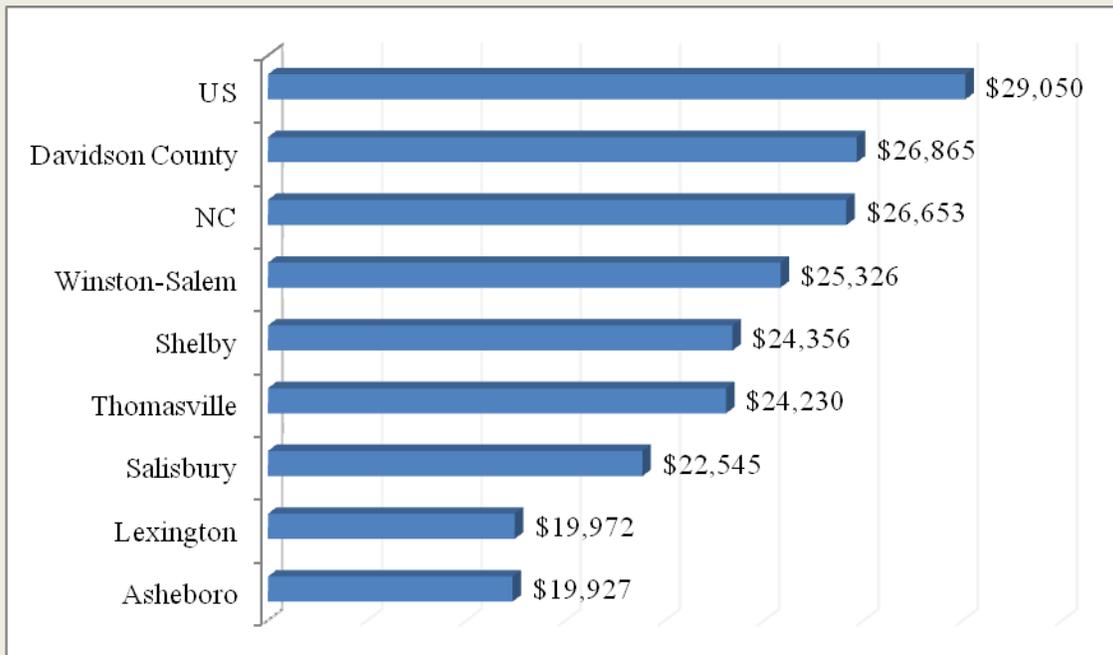
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**Employment by Occupation**

	<b>2005-09</b>	<b>2000</b>
<b>Employed Persons age 16 plus living in Lexington</b>	<b>7,390</b>	<b>8,387</b>
<b>Management, professional, and related occupations</b>	1,441	1,685
<b>Service occupations</b>	1,349	1,357
<b>Sales and office occupations</b>	1,394	1,426
<b>Farming, fishing, and forestry occupations</b>	42	0
<b>Construction, extraction, maintenance, and repair occupations</b>	1,078	762
<b>Production, transportation, and material moving occupations</b>	2,086	3,157

Source: US Census Bureau, decennial census 2000, American Community Survey, 2005-09.

**Median Earnings per Worker Annually**



Source: US Census Bureau, American Community Survey, 2005-2009.

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**The Lexington Job Market -  
Persons Working In Lexington**

	2009		2002	
	Count	Share	Count	Share
<b>Total All Jobs</b>	11,785	100.0%	15,155	100.0%
<b>Jobs by Earnings</b>				
\$1,250 per month or less	3,687	31.3%	4,724	31.2%
\$1,251 to \$3,333 per month	5,435	46.1%	7,718	50.9%
More than \$3,333 per month	2,663	22.6%	2,713	17.9%
<b>Jobs by NAICS Industry Sector</b>				
Construction	318	2.7%	307	2.0%
Manufacturing	1,215	10.3%	2,929	19.3%
Wholesale Trade	632	5.4%	519	3.4%
Retail Trade	1,660	14.1%	2,124	14.0%
Transportation and Warehousing	339	2.9%	405	2.7%
Information	147	1.2%	260	1.7%
Finance and Insurance	352	3.0%	1,714	11.3%
Real Estate and Rental and Leasing	115	1.0%	190	1.3%
Professional, Scientific, and Technical Services	349	3.0%	275	1.8%
Management of Companies and Enterprises	336	2.9%	492	3.2%
Administration & Support	637	5.4%	628	4.1%
Educational Services	1,397	11.9%	457	3.0%
Health Care and Social Assistance	1,885	16.0%	1,360	9.0%
Arts, Entertainment, and Recreation	132	1.1%	48	0.3%
Accommodation and Food Services	1,179	10.0%	1,323	8.7%
Other Services	354	3.0%	466	3.1%
Public Administration	676	5.7%	1,611	10.6%
Other	62	.5%	47	.3%
<b>Jobs by Worker Race/Ethnicity</b>				
White Alone	9,898	84.0%	-	-
Black or African American Alone	1,555	13.2%	-	-
American Indian or Alaska Native Alone	47	0.4%	-	-
Asian Alone	191	1.6%	-	-
Native Hawaiian or Other Pacific Islander Alone	6	0.1%	-	-
Two or More Race Groups	88	0.7%	-	-
Hispanic or Latino	442	3.8%	-	-
<b>Jobs by Worker Educational Attainment</b>				
Less than high school	1,150	9.8%	-	-
High school or equivalent, no college	3,168	26.9%	-	-
Some college or Associate degree	2,946	25.0%	-	-
Bachelor's degree or advanced degree	1,996	16.9%	-	-
Educational attainment not available	2,525	21.4%	-	-

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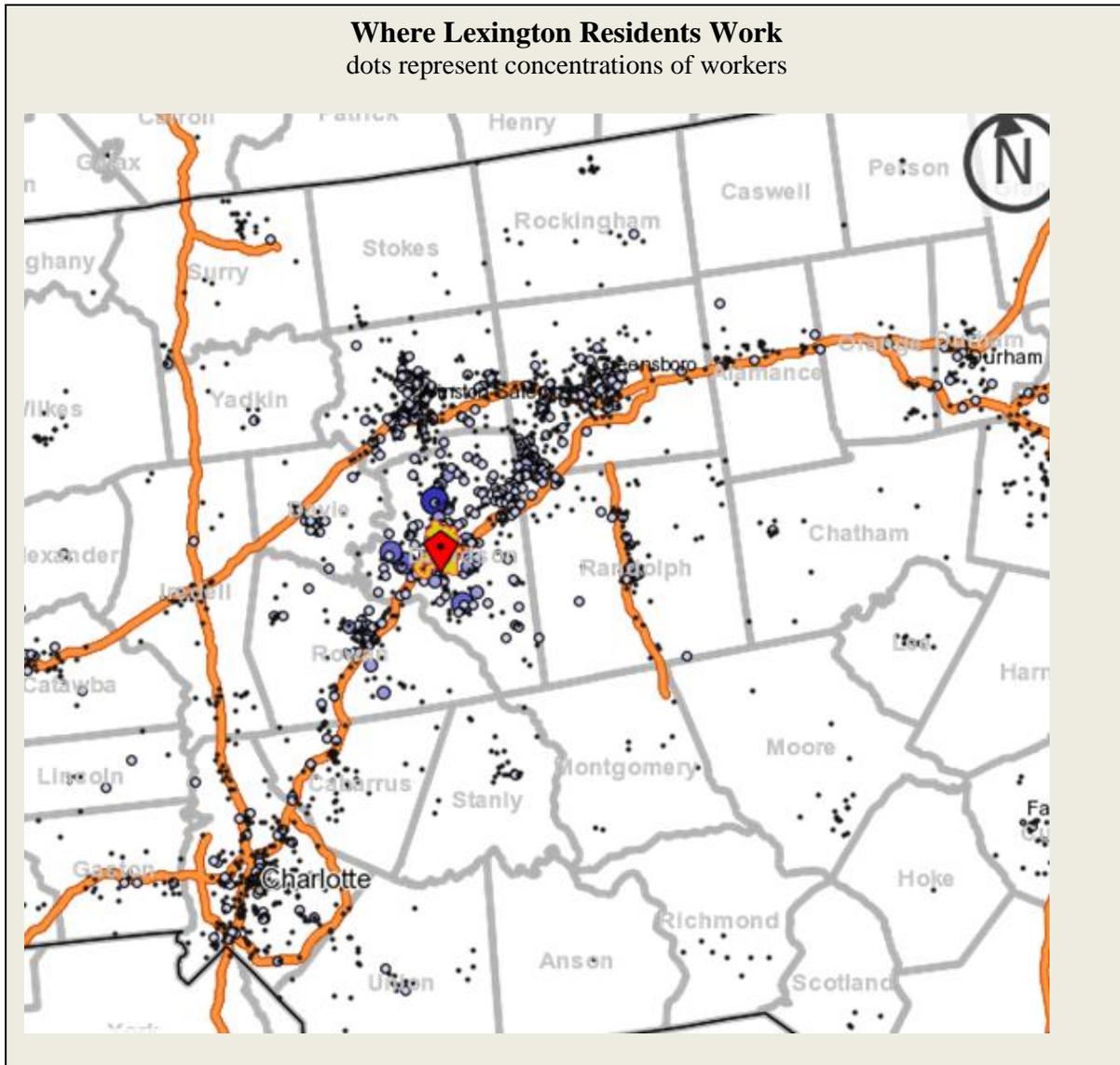
Source: U.S. Census Bureau, OnTheMap Application and LEHD Job Market Statistics

**Inflow/Outflow (Commuting) Statistics for Lexington**

	2009		2002	
	Count	Share	Count	Share
<b>Total jobs in Lexington</b>	11,785	100.0%	15,155	100.0%
<b>Employed residents living in Lexington</b>	7,953	67.5%	9,309	61.4%
<b>Net inflow of workers</b>	3,832	-	5,846	-
<b>Employed residents living in Lexington</b>	7,953	100.0%	9,309	100.0%
<b>Persons both living and employed in Lexington</b>	1,738	21.9%	2,849	30.6%
<b>Living in Lexington but Employed Outside (commuting out of the city to work)</b>	6,215	78.1%	6,460	69.4%
<b>Jobs in Lexington</b>	11,785	100.0%	15,155	100.0%
<b>Persons both living and employed in Lexington</b>	1,738	14.7%	2,849	18.8%
<b>Employed in the Selection Area but Living Outside (commuting into the city to work)</b>	10,047	85.3%	12,306	81.2%
<b>Job Characteristics of Out-Commuters from Lexington</b>				
	2009		2002	
	Count	Share	Count	Share
External Jobs Filled by Residents	6,215	100.0%	6,460	100.0%
Workers Aged 29 or younger	1,394	22.4%	1,570	24.3%
Workers Aged 30 to 54	3,736	60.1%	3,849	59.6%
Workers Aged 55 or older	1,085	17.5%	1,041	16.1%
Workers Earning \$1,250 per month or less	1,779	28.6%	1,820	28.2%
Workers Earning \$1,251 to \$3,333 per month	3,139	50.5%	3,680	57.0%
Workers Earning More than \$3,333 per month	1,297	20.9%	960	14.9%
<b>Characteristics of In-Commuters to Lexington</b>				
	2009		2002	
	Count	Share	Count	Share
Internal Jobs Filled by Outside Workers	10,047	100.0%	12,306	100.0%
Workers Aged 29 or younger	2,187	21.8%	3,165	25.7%
Workers Aged 30 to 54	5,878	58.5%	7,273	59.1%
Workers Aged 55 or older	1,982	19.7%	1,868	15.2%
Workers Earning \$1,250 per month or less	3,016	30.0%	3,670	29.8%
Workers Earning \$1,251 to \$3,333 per month	4,678	46.6%	6,264	50.9%
Workers Earning More than \$3,333 per month	2,353	23.4%	2,372	19.3%

Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics

**Appendix VI**  
**2010 Census Data, A Statistical Abstract for Lexington, NC**



<b>Top Employers in Lexington in 2010 included:</b>	<b>Top Employers in Lexington in 1990 included:</b>
<ul style="list-style-type: none"> <li>County of Davidson</li> <li>WalMart Associatess</li> <li>Lexington Memorial Hospital</li> <li>Lexington City Schools</li> <li>PPG Industries</li> <li>City of Lexington</li> <li>Jeld-Wen</li> <li>Leggett &amp; Platt</li> <li>Lowes Home Centers, Inc.</li> </ul>	<ul style="list-style-type: none"> <li>Lexington Furniture</li> <li>PPG Industries</li> <li>Parkdale Mills</li> <li>Duracell</li> <li>Leggett &amp; Platt</li> <li>Lexington City Schools</li> <li>Lexington Memorial Hospital</li> <li>Stanley Furniture</li> <li>Mannington, Inc.</li> </ul>
<p>Source: NC Department of Commerce.</p>	<p>Source: NC Department of Commerce.</p>

**Appendix VI**  
**2010 Census Data, A Statistical Abstract for Lexington, NC**

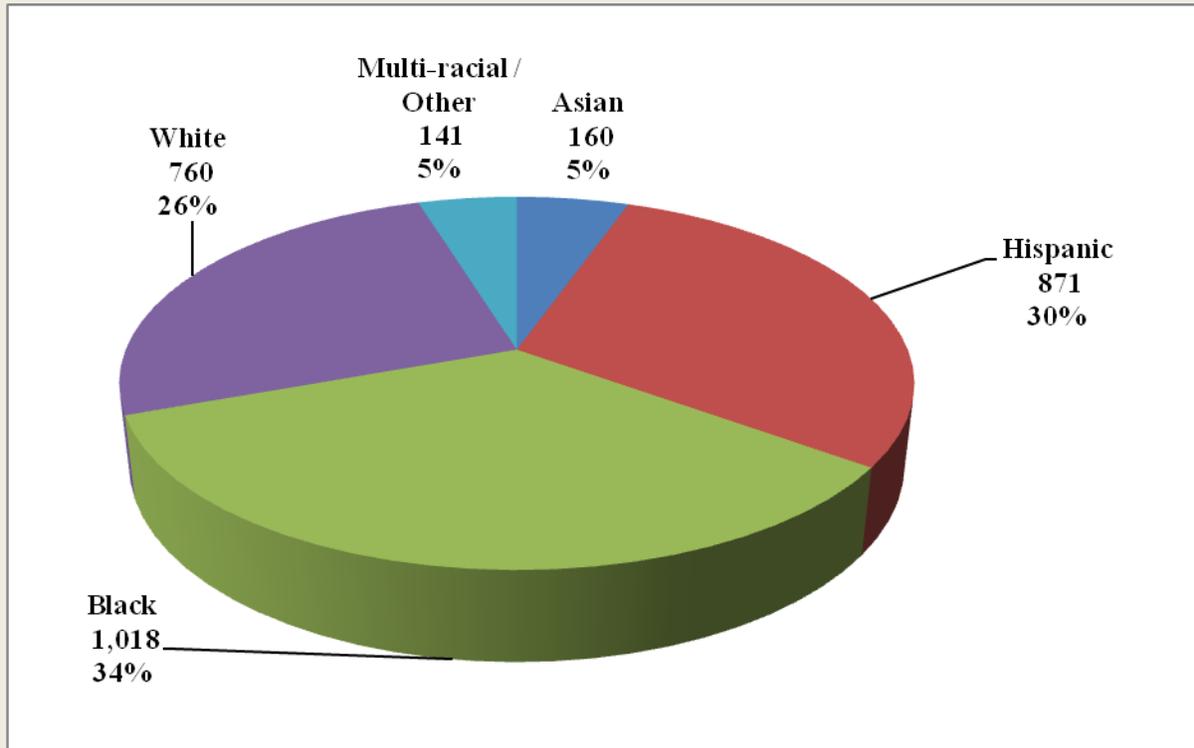
**PUBLIC SCHOOLS**

*Enrollment, Expenditures, measures*

**Quick Facts:**

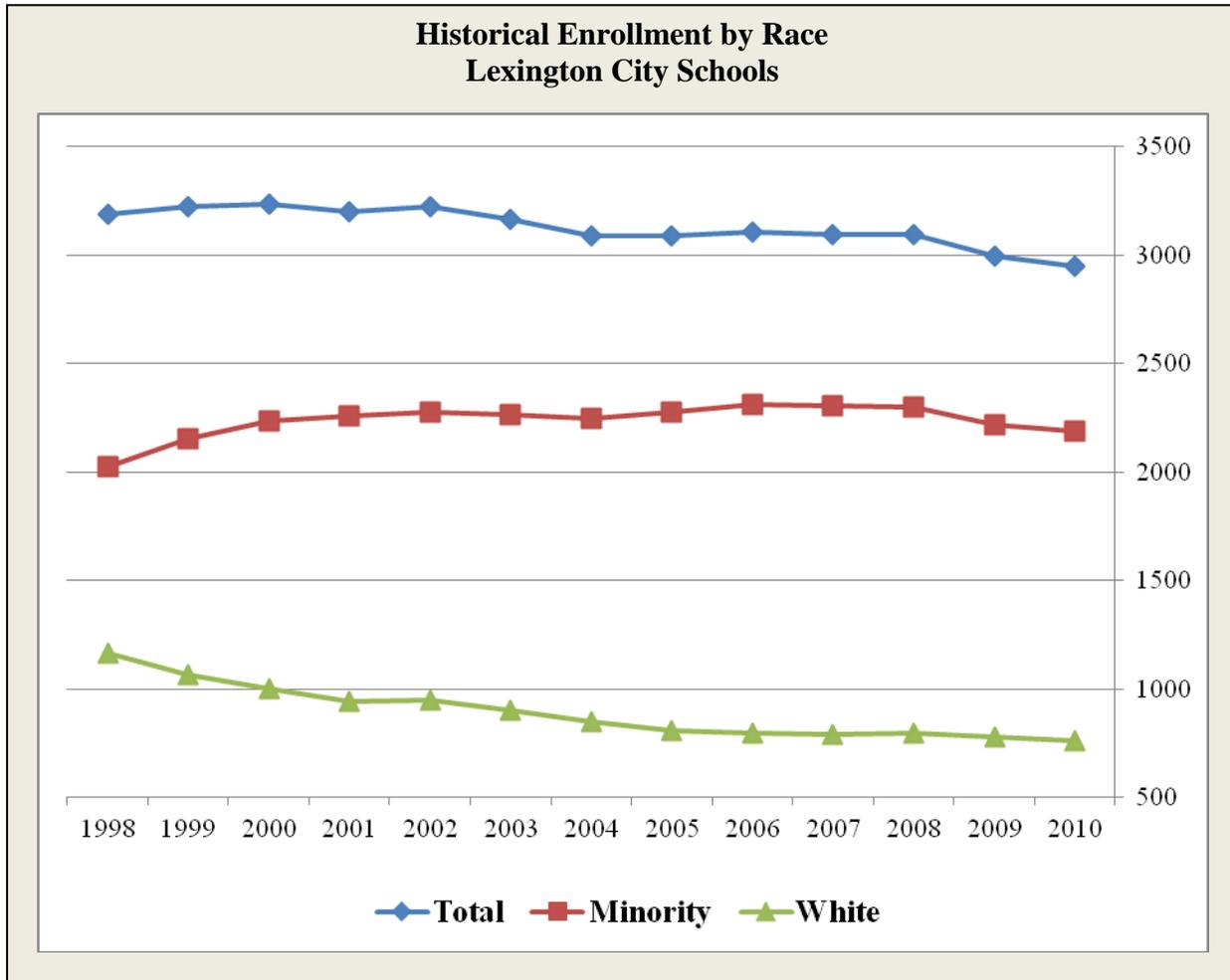
<b>Lexington City Schools Enrollment</b>	<b>2,950</b>
<b>Enrollment 10 years ago</b>	<b>3,234</b>
<b>Per Pupil Expenditure (annually)</b>	<b>\$10,122</b>
<b>Rank in PPE (of 115 school systems in NC)</b>	<b>24th</b>
<b>% of Elementary/Middle School Students Scoring at Grade Level (EOG tests) – Composite</b>	<b>55.8%</b>
<b>% of High School Students passing End of Course Tests (Composite)</b>	<b>66.7%</b>
<b>Average SAT Score</b>	<b>1,320</b>
<b>Dropout Rate</b>	<b>2.88</b>
<b>% on Free/Reduced Lunch</b>	<b>92.5%</b>

**Enrollment by Race  
 Lexington City Schools, 2010-2011**



*Source: NC Department of Public Instruction*

**Appendix VI**  
**2010 Census Data, A Statistical Abstract for Lexington, NC**

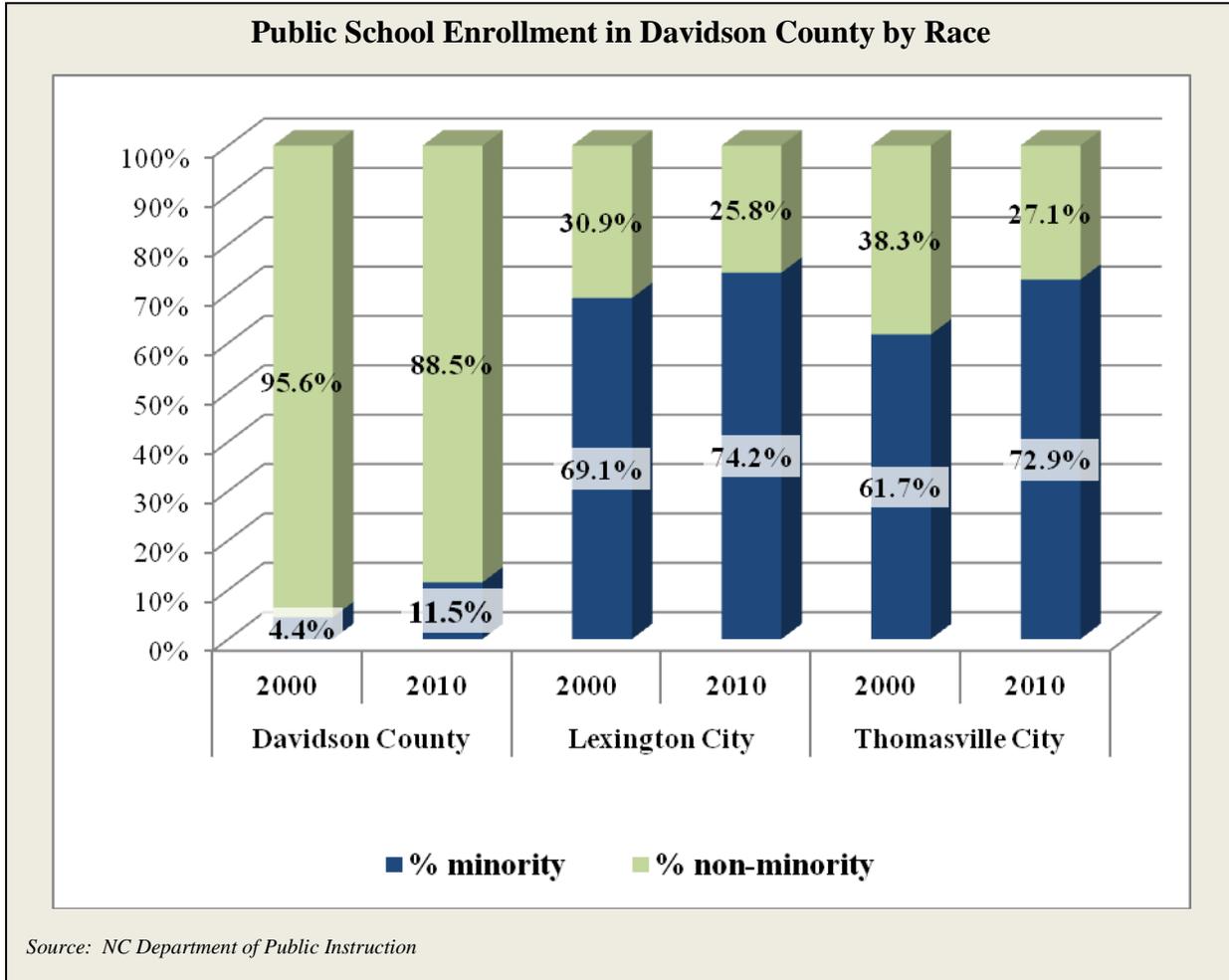


**Enrollment  
Public School Systems in Comparison Areas**

		<b>Enrollment, 2010-2011</b>
<b>Asheboro</b>	Asheboro City Schools	4,613
<b>Salisbury</b>	Rowan / Salisbury Schools	20,188
<b>Shelby</b>	Cleveland County Schools	15,900
<b>Thomasville</b>	Thomasville City Schools	2,450
<b>Winston-Salem</b>	Winston-Salem / Forsyth County Schools	52,347
<b>Davidson County</b>	Davidson County Schools	20,437

Source: NC Department of Public Instruction, 2010-2011

**Appendix VI**  
**2010 Census Data, A Statistical Abstract for Lexington, NC**



**Per Pupil Expenditures in 2010**  
**Child Nutrition Included**

LEA Name	State PPE	State Rank*	Federal PPE	Federal Rank*	Local PPE	Local Rank*	Total PPE	Overall Rank*
<b>Thomasville City</b>	5,739.97	47	2,855.88	3	1,573.62	68	10,169.47	23
<b>Lexington City</b>	6,034.67	37	2,082.66	12	2,005.03	30	10,122.36	24
<b>Forsyth County</b>	5,259.94	79	1,315.54	72	2,518.89	14	9,094.37	51
<b>Asheboro City</b>	5,489.63	65	1,477.55	52	1,897.54	36	8,864.72	60
<b>Cleveland County</b>	5,608.35	58	1,467.50	53	1,457.04	78	8,532.89	72
<b>STATE AVG</b>	5,231.67		1,289.14		1,930.62		8,451.43	
<b>Rowan-Salisbury</b>	5,122.45	93	1,171.14	93	2,045.60	28	8,339.19	81
<b>Davidson County</b>	4,870.86	106	962.37	108	1,207.41	99	7,040.64	115

\*among 115 school systems in NC

Source: NC Department of Public Instruction.

**Appendix VI**  
**2010 Census Data, A Statistical Abstract for Lexington, NC**

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**School System Performance Data**  
**End of Year Testing, 2010-11**

	<b>Elementary/Middle</b>	<b>High School</b>	<b>% of Schools</b>
	<b>EOG Composite Scores</b>	<b>EOC Composite Scores</b>	<b>not making</b>
	<b>% of students at or above level III</b>	<b>% of students passing</b>	<b>AYP</b>
<b>Lexington City</b>	55.8%	66.7%	100%
<b>Thomasville City</b>	43.9%	75.8%	100%
<b>Davidson County</b>	73.0%	87.0%	73%
<b>Asheboro City</b>	56.9%	67.0%	75%
<b>Forsyth County</b>	64.7%	75.8%	78%
<b>Rowan/Salisbury</b>	58.3%	76.4%	86%
<b>Cleveland Co.</b>	70.8%	81.0%	48%
<b>State Average</b>	67.0%	79.7%	72.3%

\*Adequate Yearly Progress as defined by the NC Department of Public Instruction.

Source: NC Department of Public Instruction, 2010-11.

**SAT Scores, 2010-2011**

	<b>Total</b>	<b>Reading</b>	<b>Math</b>	<b>Writing</b>	<b>% Tested</b>
<b>Lexington City</b>	1320	445	454	421	55.0%
<b>Thomasville City</b>	1271	425	441	405	74.8%
<b>Davidson County</b>	1461	488	510	463	53.4%
<b>Asheboro City</b>	1384	461	479	444	78.8%
<b>Forsyth County</b>	1471	493	506	472	66.1%
<b>Rowan Salisbury</b>	1422	474	495	453	51.9%
<b>Cleveland County</b>	1421	470	500	451	58.6%
<b>NC</b>	1475	493	508	474	67.0%
<b>US</b>	1500	497	514	489	50.0%

Source: NC Department of Public Instruction, 2010-11.

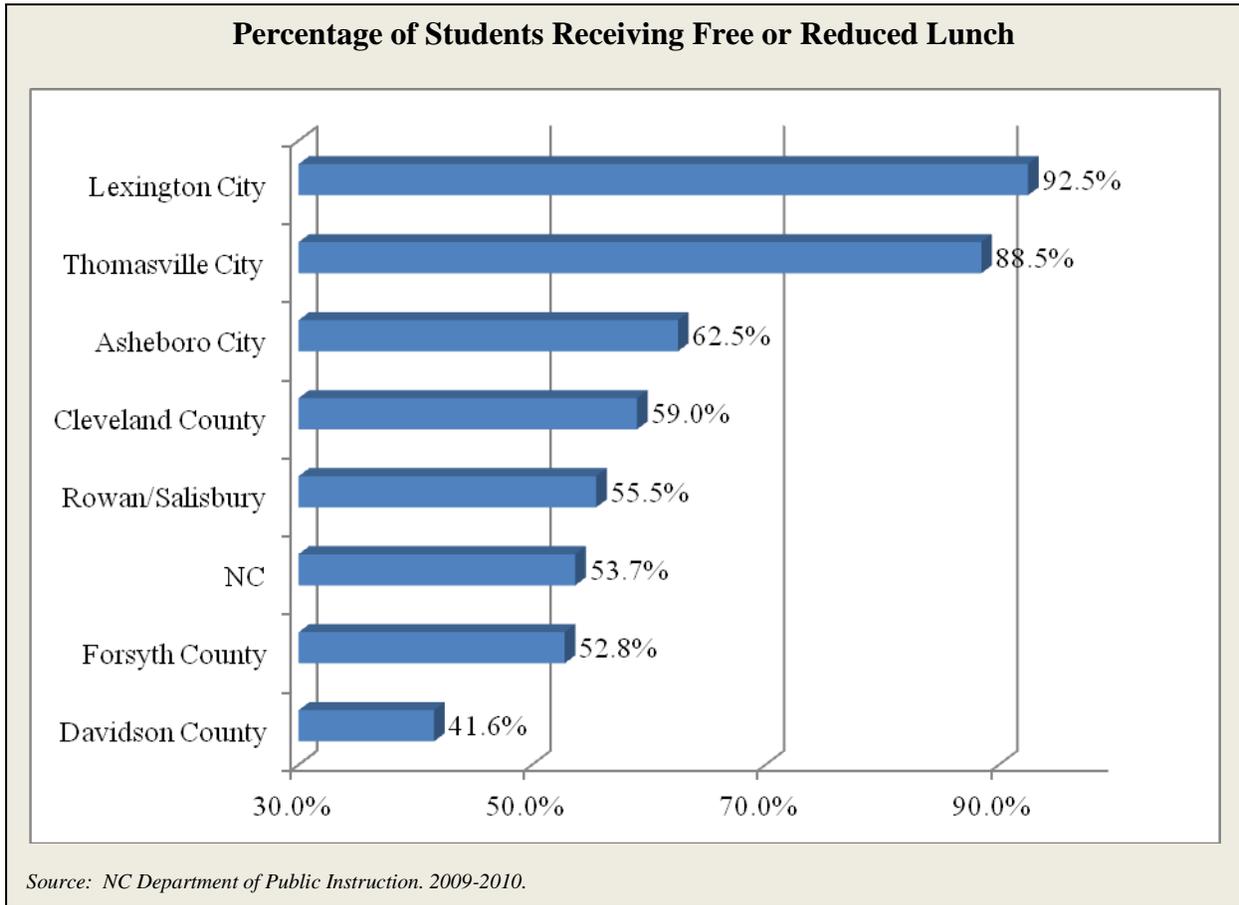
**Dropout Rates and School Violence**

	<b>Dropout Rates</b>	<b>Crime/Violent Acts</b>
	<b>Grades 7-12</b>	<b>per 1000 Students</b>
<b>Lexington City</b>	2.88	1.03
<b>Thomasville City</b>	3.37	8.17
<b>Davidson County</b>	2.70	10.09
<b>Asheboro City</b>	3.44	6.02
<b>Forsyth County</b>	2.81	13.54
<b>Rowan Salisbury</b>	3.43	5.39
<b>Cleveland County</b>	2.88	8.94

**Appendix VI**  
**2010 Census Data, A Statistical Abstract for Lexington, NC**

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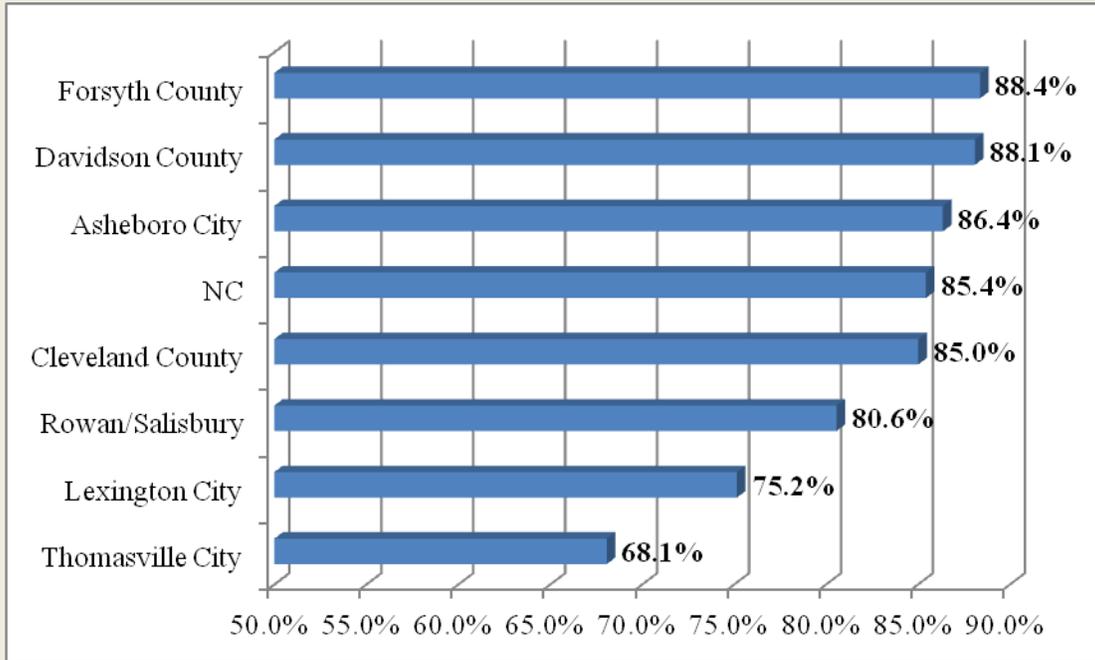
Source: NC Department of Public Instruction, 2010-11.



**Appendix VI**  
**2010 Census Data, A Statistical Abstract for Lexington, NC**

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**Percentage of Students Continuing their Education Following Graduation**



*Source: NC Department of Public Instruction, 2009-2010.*

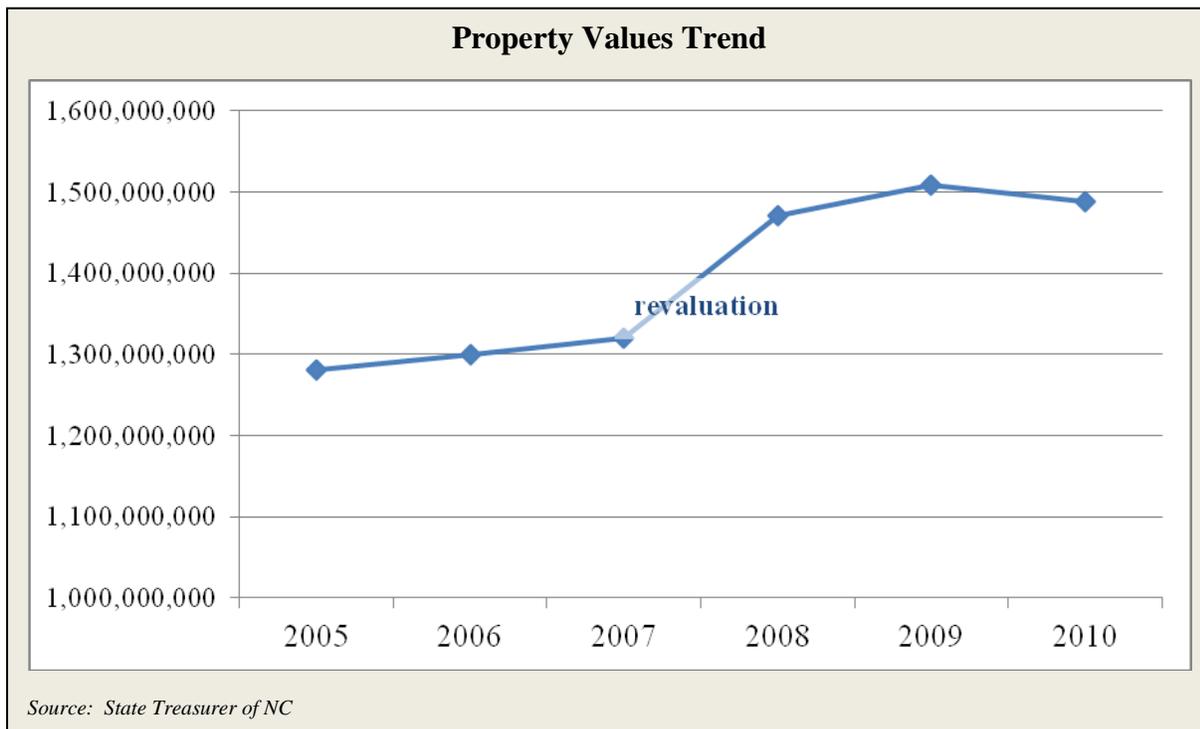
**Appendix VI**  
**2010 Census Data, A Statistical Abstract for Lexington, NC**

**GOVERNMENT**

*Taxes, Revenues, Expenditures*

**Quick Facts:**

<b>Total Property Values</b>	<b>\$1,488,129,320</b>
<b>Tax Rate (per \$100 valuation)</b>	<b>\$.5600</b>
<b>Per Capita Revenues</b>	<b>\$4,297</b>
<b>Per Capita Expenditures</b>	<b>\$4,001</b>



**Tax Rates, Revenues, Expenditures, and Property Values Comparison**

	<b>Tax Rate (per \$100 valuation)</b>	<b>Per Capita Revenues</b>	<b>Per Capita Expenditures</b>	<b>2010 Property Valuations</b>	<b>Fund Balance Available</b>
<b>Lexington*</b>	\$ 0.5600	\$4,297	\$4,001	\$1,488,129,320	\$5,371,107
<b>Asheboro</b>	\$ 0.5500	\$1,283	\$1,345	\$2,172,166,963	\$6,519,862
<b>Salisbury</b>	\$ 0.6135	\$1,949	\$2,455	\$2,918,549,619	\$4,715,530
<b>Shelby*</b>	\$ 0.4350	\$3,358	\$3,048	\$1,685,785,918	\$4,034,299
<b>Thomasville</b>	\$ 0.5600	\$1,024	\$1,077	\$1,669,602,726	\$4,750,393
<b>Winston-Salem</b>	\$ 0.4750	\$1,808	\$1,958	\$21,496,313,797	\$25,343,504

\*both Lexington & Shelby are ElectriCities participants

Source: State Treasurer of NC, 2010

**Appendix VI**  
**2010 Census Data, A Statistical Abstract for Lexington, NC**

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# LEXINGTON CITIZEN SURVEY

## Final Report

October, 2012

### **Background & Objectives**

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As a part of the current strategic planning process, Lexington City management commissioned research to better understand the needs of citizens and thus design and implement plans and programs for meeting those needs.

The objectives of the study were:

- To evaluate services provided by the City of Lexington,
- To determine the importance and satisfaction associated with key attributes and programs,
- To assess the overall appeal of living in the Lexington area including what citizens like most and least,
- To determine the needs/wants of citizens and what they expect from their city government and community,
- To establish a definition of the Lexington community – who we are, what we want to be known for, and where we want to be in the future, and
- To incorporate Citizens in the planning process to boost community involvement and buy-in and aid in the successful implementation of recommended actions and programs.

## Appendix VII - Citizen Survey

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### Methodology

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An online survey was available May 23, 2012 through July 31, 2012. The survey was announced and made publicly available through several alternative venues including

- Press release in the local newspaper
- Announcements through various media sources
- Survey link published in utility bills
- Online access at the public library
- Announcements by local civic and religious groups
- Hard copies available through the City manager's office

To participate, individuals had to either reside in Lexington, work in Lexington, or receive services from the City of Lexington or Lexington Utilities.

A total of 485 citizens completed the survey which represents 3.4% of the adult (18+) population of Lexington.

### Management Summary

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#### Usage of City Services

- Services with the broadest usage among residents include *Electric* (86%), *Water/Sewer* (72%), *Waste/Recycling* (65%), and *Natural Gas* (64%).
- Services with the least amount of usage include *Public Transportation* (4%), *Fire Department* (10%), *Robbins Recreation Center* (13%) and *City Recreation/Sports Programs* (15%). Some of these low usage ratings may be due in part to a more affluent, older respondent profile and other demographics.
- Non-usage of a city program should not be an automatic signal for reduced funding and emphasis. A case in point is fire protection. While most claim not to have actually "used" the service, having the service readily available and in peak operating performance is no doubt in the best interest of residents.

## Appendix VII - Citizen Survey

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### Management Summary

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#### Satisfaction of Services

- City services receiving the highest satisfaction rates are the services used the most – *Electric, Natural Gas, Waste/Recycling and Water/Sewer*. Nearly 8 out of 10 respondents express satisfaction with each of these services.
- The service generating the most dissatisfaction is *Street and Road Maintenance* (29% not satisfied). While only a small percentage of respondents claim to have actually requested street maintenance in the past year, it is reasonable to assume most individuals anticipate road issues will be identified and resolved without having to be flagged by citizens. In addition, many citizens may not know which roads are maintained by the City of Lexington versus the state of NC.
- Other services with satisfaction issues include *Office of Community Development* and *Public Transportation* (both with 18% not satisfied), and *Recreational Programs* (15% not satisfied).
- Based on comments received from survey participants, the high rate of dissatisfaction with the *Office of Community Development* is likely driven in part by the expectation that this department has some responsibility for the less than desirable appearance of many community areas (expressed by respondents) as well as the consensus that Lexington is not “developing” to the extent preferred.
- While *Public Transportation* has a similar percentage of respondents expressing dissatisfaction as does the *Office of Community Development*, we find that *Public Transportation* is not deemed as important as other key attributes and services.

### Management Summary

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#### What Citizens Like Most About Lexington

- When asked what they like most about Lexington on an open end basis, nearly half of all respondents say its *small size* which offers a hometown feeling. On the flip side of this, the most common “wish” for Lexington is for *more growth/development*. While on the surface this may appear contradictory, it is not. Citizens appear to be looking for quality controlled growth rather than rapid expansion. This is supported by the answers given to the question regarding what they would like Lexington to be known for 10 years from now. Among the top five is *a medium sized city with small town qualities* whereas a desire to be *one of the fastest growing cities in the Southeast* is near the bottom.
- *Lexington’s people* are also mentioned as a key advantage by one out of every four individuals. The third and fourth most liked attributes of Lexington are the City’s *proximity to other areas* (primarily relative to other metro areas for shopping/dining/entertaining), and the *Uptown area*.

## Appendix VII - Citizen Survey

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### Management Summary

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#### What Citizens Like Least About Lexington

- Aspects of Lexington liked least include *Lack of Jobs*, *Governmental Issues* (fragmented over a number of topics), *Lack of Restaurants* (particularly diversified from BBQ), *Lack of Adequate Entertainment/Recreation*, *Lack of Retailer Selections* and *Poor Appearance of portions of the City*.
  - *Lack of Jobs*: This is consistent with responses to other questions as well. Job opportunities exhibits by far the largest gap between importance and satisfaction of all the key attributes and programs.
  - *Governmental Issues/policies*: This list is very diverse and wide ranging. Some of the more common topics center around tax increases, annexation issues, how tax dollars are spent, and simply too much government. These open end comments are consistent with results of some of the closed end questions relative to government and government actions.
  - *Lack of Restaurants*: Many complain of having to regularly head out of town to eat and many want more restaurant diversity. Some respondents even claim that some restaurants wanting to come to Lexington are intentionally kept out to protect the BBQ establishments.
  - *Lack of Entertainment/Recreation*: Lack of entertainment and recreation options are voiced by many with more emphasis placed on the limited availability of both for younger adults and children.
  - *Lack of Retailer Selections*: A common complaint is that if a person wants to shop at a place other than Walmart or Food Lion, he/she essentially has to leave town.
  - *Poor Appearance of the City*: Many express concerns over the appearance of the roads leading into Lexington and suggest there are too many run down sites. These concerns should not be taken lightly as 92% of survey participants agree the appearance of my neighborhood is important.

### Management Summary

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#### Education

- While nearly 8 in 10 respondents are satisfied with *the ability of Davidson County Community College to prepare students for future jobs*, only slightly more than a third are satisfied with *Lexington City School Systems' ability to prepare students for further education*.
- Of importance to note, those with children currently in the City school system have much higher satisfaction ratings (66% satisfied) than those without children attending City schools (30% satisfied).
- One hypothesis to the opposing views is that respondents with children currently in City schools give ratings based on current experiences, while those without children in the City schools may be providing ratings on past experiences when either they were enrolled or when they had children enrolled. Lexington has been directing efforts and implementing programs to improve the City schools in recent years which could certainly explain the differences in opinion between these two groups.

## Appendix VII - Citizen Survey

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### Management Summary

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#### Education

- Nine out of ten respondents claim *Education* to be important for Lexington, yet fewer than half express satisfaction with *Education* in Lexington, leaving a sizeable gap between importance and satisfaction.
  - Out of nearly 3 dozen topics brought up in the “wish” list for Lexington, *More emphasis on schools and education* placed 6<sup>th</sup> overall.
  - Among a list of more than 20 items Lexington could be known for in 10 years from now, *Excellence in Education* placed third in popularity.
  - *Schools/education* issues placed seventh on the list of what respondents liked least about Lexington.
  - Among 14 agree/disagree statements about Lexington, “*The Lexington City School System offers a quality education for students*” received the 3<sup>rd</sup> highest number of “disagree” votes by respondents.

### Management Summary

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#### Future of Lexington

- Leading the votes for types of businesses respondents wish to see more of in Lexington are *restaurants, small businesses, retail, and unique locally owned businesses*. Citizens seem least interested in seeing more *government related* businesses.
- When respondents are asked what they would like Lexington to be known for 10 years from now, the majority of respondents steer away from tourist types of attractions such as *NASCAR, Bob Timberlake, Wineries*, etc. Instead, the focus is more on attributes desirable for raising families including: (1) *a safe place to live*, (2) *a great place to raise a family*, (3) *excellence in education*, and (4) *excellent health care*.

## Appendix VII - Citizen Survey

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### Implications/Key Areas of Focus

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Based on learning from this survey, the most important thing to focus on is bringing jobs to Lexington and promoting the type of controlled growth residents want.

Emphasis needs to be placed on jobs that will benefit the community in multiple ways.

- Jobs from retailers, restaurants and entertainment will contribute to the sustained controllable growth desired and place a focus on the areas of growth preferred.
- More retailer selection will help keep residents and their dollars in Lexington, particularly during the weekend when they are most likely to go to larger metro areas to shop and spend.
- If Lexington doesn't meet minimum requirements by retailers to locate here, seek compromises and provide incentives (i.e., land deals, temporary tax reductions).
- A new movie theater and bowling alley would be positive additions improving the entertainment and recreational alternatives available.

Many citizens comment about the ill appearance and run down condition of various areas of town. The City needs to take action – stricter rules/ordinances, renovation, demolition – to deal with the many vacant buildings. Leaving them in their current state keeps market prices depressed, and depressed market prices means fewer tax dollars.

### Implications/Key Areas of Focus

---

Some respondents voice concern that Lexington leaders and decision makers are outsiders who aren't necessarily looking out for the City's best interests (i.e., landlords contributing to the poorly kept areas; City employees who choose to live outside of the City but are making decisions for the City). While these comments may or may not be accurate, they reflect a perception that needs to be addressed.

If annexation comes up again, the government needs to promote the benefits to people to understand and embrace it. While it will still be a tough sale, indicating that increased size will make the area more attractive to quality retailers and restaurants will be a key benefit to many citizens.

Continue to improve schools/education and promote what is being done. When any progress is made, be sure to toot the horn loudly. While perceptions vary widely, it appears that those most closely involved (i.e., families with children attending City schools) are much more positive which suggests the quality of the school system is improving.

## Appendix VII - Citizen Survey

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### Detailed Findings

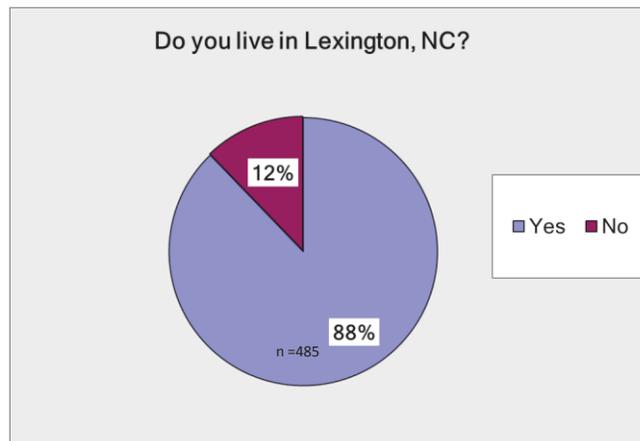
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- Demographics
- Evaluation of City Services
- Importance & Satisfaction
- Overall Appeal
- Agree/Disagree Statements
- Education
- Future of Lexington

### Demographics

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Of the 485 individuals who participated in the survey, almost 90% indicate they live in Lexington.

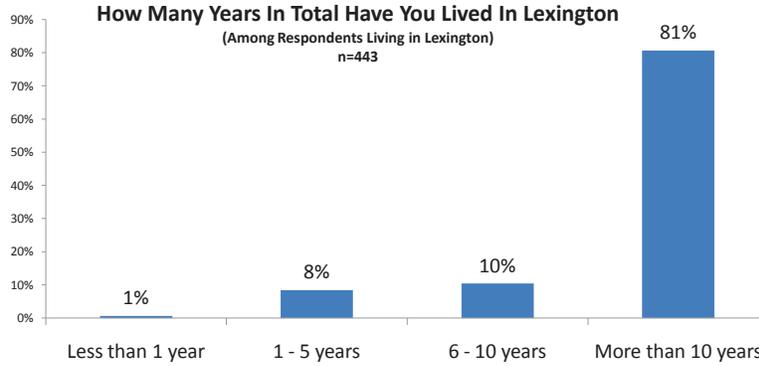


# Appendix VII - Citizen Survey

## Demographics

Most respondents are long term residents of Lexington.

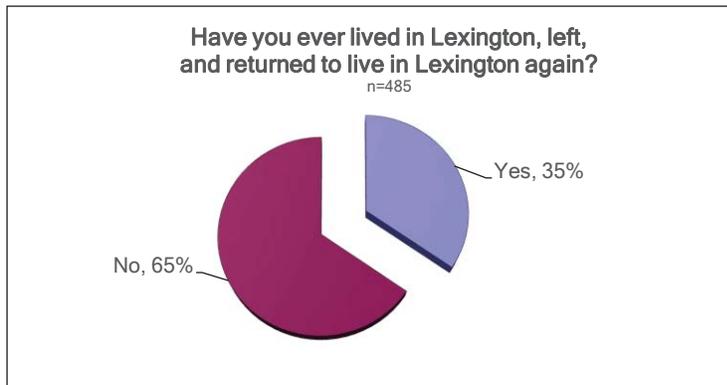
- More than 9 out of 10 have lived in Lexington 6 or more years.
- Over 80% have lived in Lexington for a total of more than 10 years.



## Demographics

Just over a third of survey participants have lived in Lexington, left and then returned to live here again.

- This seemingly high transitory rate is likely driven in part by some attending colleges and universities outside of the Lexington area and returning to their hometown to settle down.



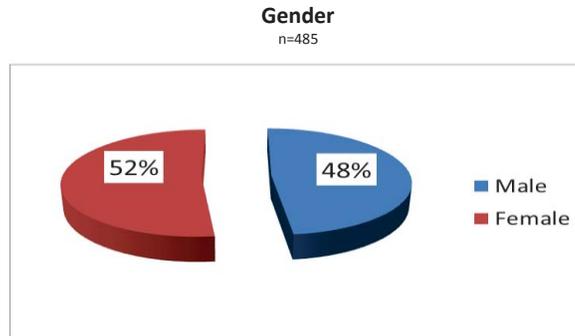
## Appendix VII - Citizen Survey

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### Demographics

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This online study has a near equal representation of males and females, similar to the proportions found within the adult (18+) population of Lexington.

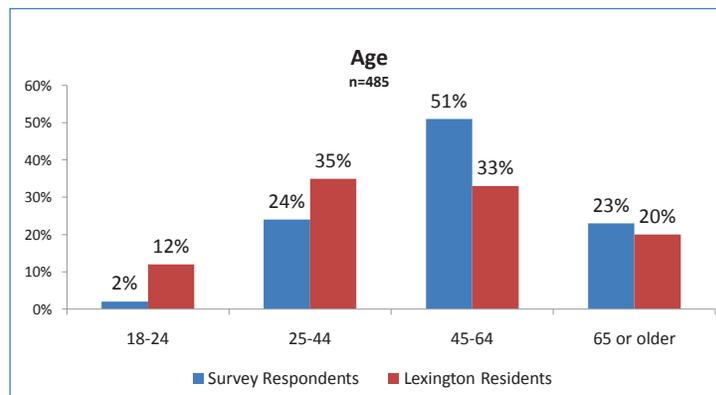


### Demographics

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Survey respondents tend to skew older overall relative to the Lexington population base.

- Over half of the participants are 45-64 years old whereas this group accounts for a third of the adult population in Lexington.
- Young adults, age 18-24, represent only 2% of respondents as compared to 12% of Lexington residents.



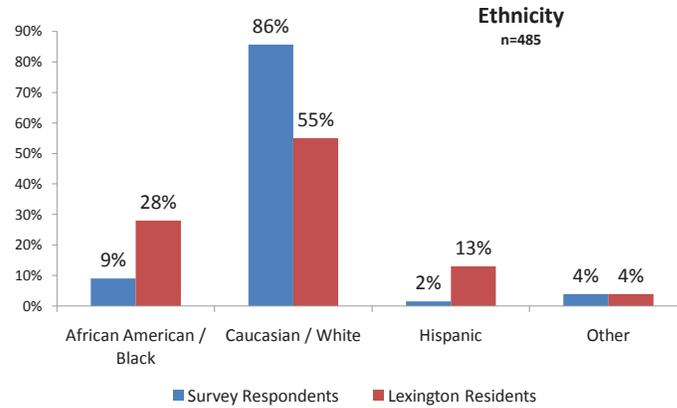
## Appendix VII - Citizen Survey

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### Demographics

The majority of survey participants (86%) are Caucasian.

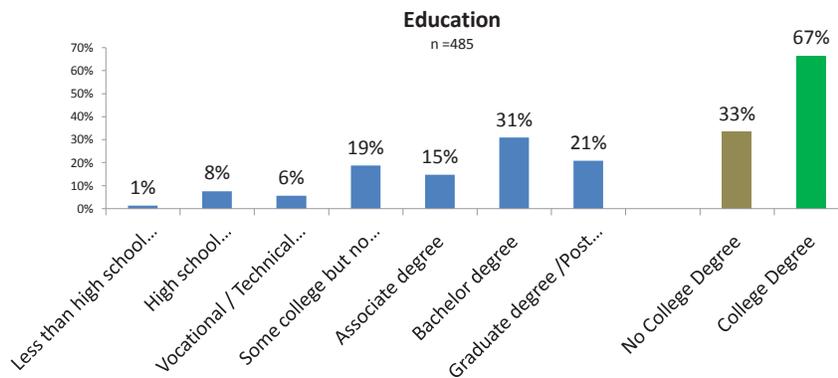
- Nearly one in 10 participants are African American.
- The remainder are a mixture of Hispanics, Asians and Other ethnic groups.
- Despite having a designated survey available in Spanish, only 2% of respondents are Hispanic.



### Demographics

The respondent base overall is highly educated, with just over half having at least a 4 year degree.

- In comparison, the US Census Bureau indicates only about 26% of all NC adults (age 25+) and 11% of Lexington residents have a four year degree or higher.

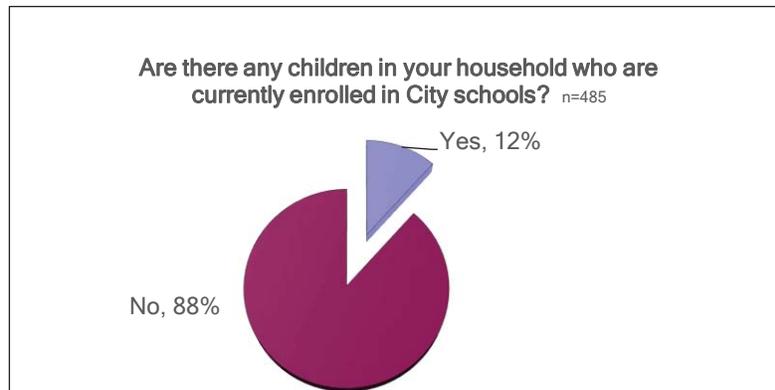


## Appendix VII - Citizen Survey

### Demographics

Only 12% of participants have children attending Lexington City Schools.

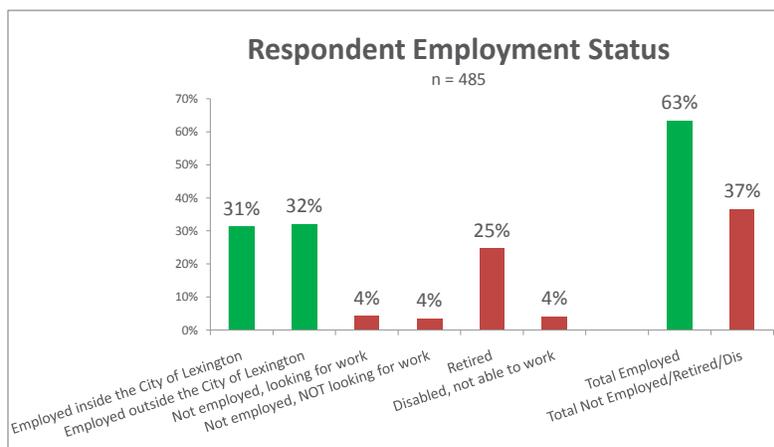
- The seemingly low incidence of school age children in the home is likely driven by the high incidence of older citizens participating in the study (74% age 45+ as compared to 53% for the City of Lexington).



### Demographics

Just under two-thirds of all respondents are employed, with equal numbers working inside and outside the City of Lexington.

One out of every four respondents are retired. This high retirement rate is obviously driven by the high incidence of the 65+ age group participating in the study.

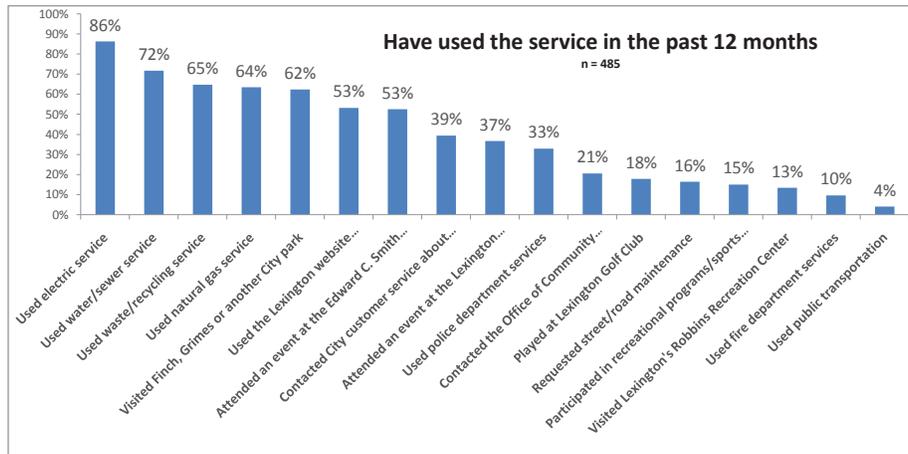


## Appendix VII - Citizen Survey

### Evaluation of City Services - Usage

Usage of services varies widely – from 86% to 4%.

- The Lexington services used most include *electric* and *water/sewer* followed by *waste/recycling services* and *natural gas*.
- The services used least by the respondents include the *fire department* and *public transportation*.



### Evaluation of City Services – Usage by Gender

% Yes - Used Service Past 12 Months		
	Males	Females
Used electric service	85%	87%
Used natural gas service	67%	61%
Used water/sewer service	71%	73%
Used waste/recycling service	62%	68%
Contacted City customer service about billing or connections	38%	41%
Contacted the Office of Community Development about planning, zoning, or building/housing inspections	25%	16%
Requested street/road maintenance	19%	14%
Used public transportation	6%	3%
Visited Finch, Grimes or another City park	64%	61%
Participated in recreational programs/sports offered by Lexington	15%	16%
Visited Lexington's Robbins Recreation Center	12%	15%
Played at Lexington Golf Club	28%	9%
Used fire department services	9%	11%
Used police department services	30%	35%
Attended an event at the Edward C. Smith Civic Center	50%	55%
Attended an event at the Lexington Municipal Club	38%	36%
Used the Lexington website (www.lexingtonnc.net)	49%	57%

*Males* are more likely to have contacted the Office of Community Development and to have played at the Lexington Golf Club than *females*.

*Females* are more likely than *males* to have used the Lexington website.

## Appendix VII - Citizen Survey

### Evaluation of City Services – Usage by Age

% Yes - Used Service Past 12 Months	Under 45	45 - 64	65+
Used electric service	84%	88%	84%
Used natural gas service	51%	64%	77%
Used water/sewer service	73%	70%	75%
Used waste/recycling service	62%	65%	67%
Contacted City customer service about billing or connections	44%	39%	36%
Contacted the Office of Community Development about planning, zoning, or building/housing inspections	22%	20%	20%
Requested street/road maintenance	16%	17%	14%
Used public transportation	5%	4%	2%
Visited Finch, Grimes or another City park	73%	61%	51%
Participated in recreational programs/sports offered by Lexington Recreation and Parks	25%	13%	8%
Visited Lexington's Robbins Recreation Center	14%	13%	13%
Played at Lexington Golf Club	21%	17%	15%
Used fire department services	9%	11%	8%
Used police department services	32%	34%	32%
Attended an event at the Edward C. Smith Civic Center	55%	52%	50%
Attended an event at the Lexington Municipal Club	39%	36%	35%
Used the Lexington website (www.lexingtonnc.net)	70%	50%	41%
	n=128	n=246	n=111

*Older* and typically more established residents tend to have a higher likelihood of using gas service.

Visits to Finch, Grimes and other City parks as well as participation in recreational programs is greater among *younger* adults.

*Younger adults* are also more likely to have used the Lexington website than *older* adults.

### Evaluation of City Services – Usage by Ethnicity

% Yes - Used Service Past 12 Months	Whites	Blacks
Used electric service	86%	91%
Used natural gas service	65%	50%
Used water/sewer service	70%	84%
Used waste/recycling service	64%	82%
Contacted City customer service about billing or connections	40%	45%
Contacted the Office of Community Development about planning, zoning, or building/housing inspections	20%	23%
Requested street/road maintenance	15%	34%
Used public transportation	4%	9%
Visited Finch, Grimes or another City park	59%	82%
Participated in recreational programs/sports offered by Lexington Recreation and Parks	12%	41%
Visited Lexington's Robbins Recreation Center	12%	27%
Played at Lexington Golf Club	18%	20%
Used fire department services	8%	25%
Used police department services	32%	45%
Attended an event at the Edward C. Smith Civic Center	50%	80%
Attended an event at the Lexington Municipal Club	33%	66%
Used the Lexington website (www.lexingtonnc.net)	52%	59%
	n=415	n=44

Overall, a higher proportion of *Blacks* than *Whites* have used Lexington Services.

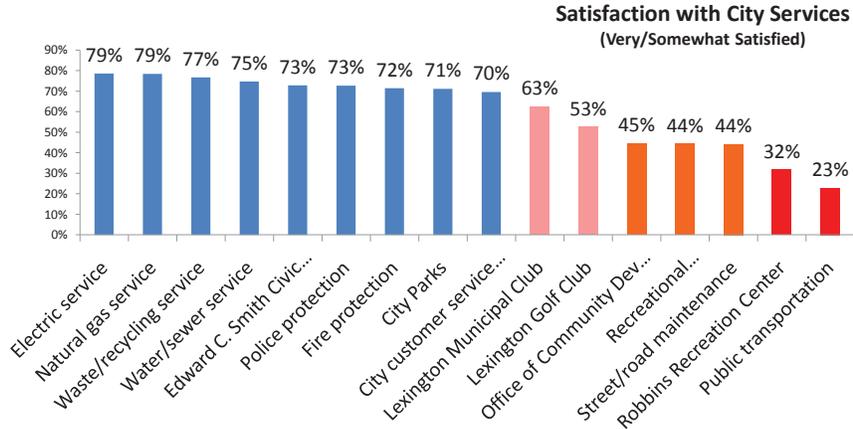
The only service where usage is significantly lower among *Blacks* is Natural Gas.

## Appendix VII - Citizen Survey

### Evaluation of City Services - Satisfaction

Utility services, including *Electric, Natural Gas, Waste/recycling, and Water/sewer service*, receive the highest satisfaction ratings.

Over 70% of respondents also say they are satisfied with *Police and Fire protection, the Civic Center, City Parks and City customer service*.



### Evaluation of City Services – Satisfaction by Gender

Satisfaction of Services by Gender Among Familiar With Services	% Top 2 Box Rating - Satisfaction (Very/Somewhat Satisfied)	
	Males	Females
Electric service	78%	80%
Natural gas service	77%	80%
Water/sewer service	73%	76%
Waste/recycling service	71%	82%
City customer service (billing, connections)	66%	74%
Office of Community Development (planning, zoning, building/housing inspections)	43%	46%
Street/road maintenance	38%	49%
Public transportation	20%	26%
City Parks	68%	74%
Recreational programs/sports offered by Lexington Recreation & Parks	43%	45%
Robbins Recreation Center	22%	41%
Lexington Golf Club	58%	44%
Fire protection	69%	74%
Police protection	69%	76%
Edward C. Smith Civic Center	68%	77%
Lexington Municipal Club	58%	67%

n=90-202      n=81-221

In general, satisfaction ratings for services tend to skew higher for *females* than for *males*.

The biggest differences are for waste/recycling, street/road maintenance and the Robbins Recreation Center where satisfaction ratings are considerably higher for *females*.

## Appendix VII - Citizen Survey

### Evaluation of City Services – Satisfaction by Age

Satisfaction of Services by Age Among Familiar With Services	% Top 2 Box Satisfaction Rating (Very/Somewhat Satisfied)		
	Under 45	45 - 64	65+
Electric service	81%	74%	87%
Natural gas service	71%	77%	89%
Water/sewer service	74%	71%	84%
Waste/recycling service	77%	75%	80%
City customer service (billing, connections)	73%	66%	74%
Office of Community Development (planning, zoning, building/housing inspections)	49%	39%	51%
Street/road maintenance	35%	47%	47%
Public transportation	34%	17%	23%
City Parks	72%	73%	65%
Recreational programs/sports offered by Lexington Recreation & Parks	45%	45%	42%
Robbins Recreation Center	31%	31%	35%
Lexington Golf Club	57%	50%	53%
Fire protection	73%	68%	77%
Police protection	71%	71%	78%
Edward C. Smith Civic Center	70%	71%	80%
Lexington Municipal Club	67%	59%	66%
	n = 44 to 109	n = 87 to 220	n = 40 to 94

*Older adults are not only more likely to be using Natural gas, they also have a tendency to give the service higher satisfaction ratings than do *younger* adults.*

### Evaluation of City Services – Satisfaction by Ethnicity

Satisfaction of Services by Ethnicity Among Familiar With Services	% Top 2 Box Rating - Satisfaction (Very/Somewhat Satisfied)	
	Whites	Blacks
Electric service	80%	66%
Natural gas service	80%	56%
Water/sewer service	75%	66%
Waste/recycling service	76%	83%
City customer service (billing, connections)	71%	55%
Office of Community Development (planning, zoning, building/housing inspections)	44%	41%
Street/road maintenance	43%	41%
Public transportation	21%	23%
City Parks	72%	63%
Recreational programs/sports offered by Lexington Recreation & Parks	41%	53%
Robbins Recreation Center	27%	50%
Lexington Golf Club	54%	41%
Fire protection	71%	74%
Police protection	74%	66%
Edward C. Smith Civic Center	74%	63%
Lexington Municipal Club	63%	59%
	n varies from 150 to 361	n varies from 22 to 40

*Whites are significantly more satisfied than Blacks with Electric, Gas, and City Customer Service.*

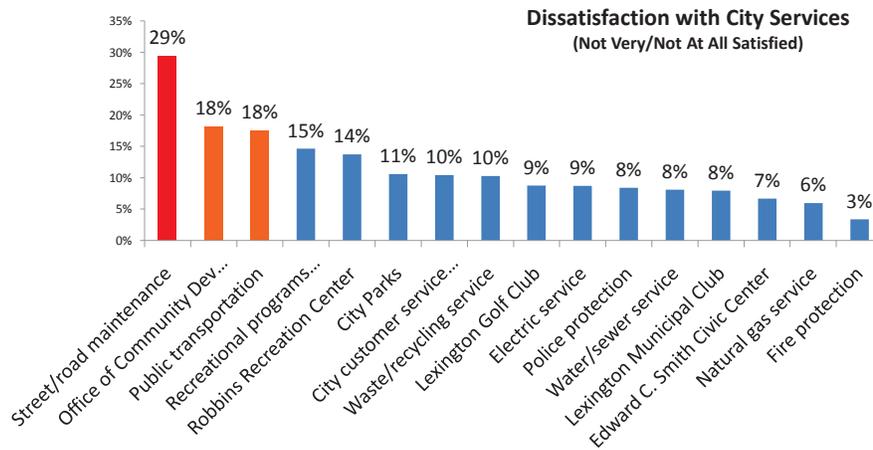
*Blacks are significantly more satisfied than Whites with the Robbins Recreation Center.*

## Appendix VII - Citizen Survey

### Evaluation of City Services

*Street/Road maintenance*, which arguably impacts nearly all respondents, receives the weakest ratings with almost 30% saying they are Not Satisfied.

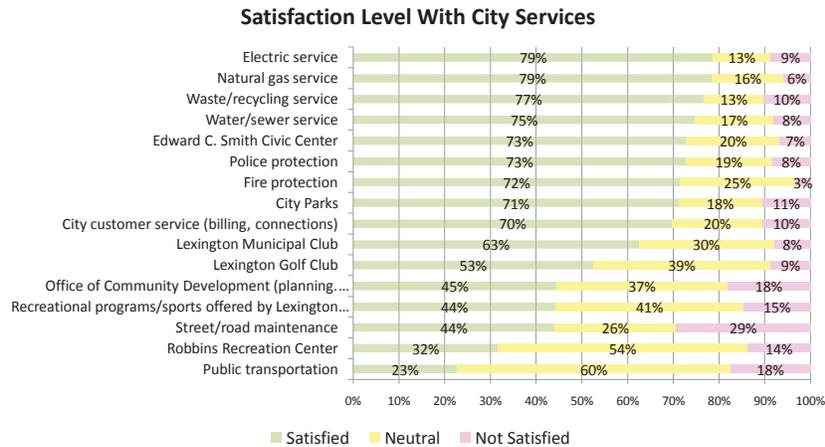
Close to 20% indicate they are not satisfied with the *Office of Community Development* and *Public Transportation*.



### Evaluation of City Services

While satisfaction levels vary, in looking at each individual service we find more residents are pleased than displeased.

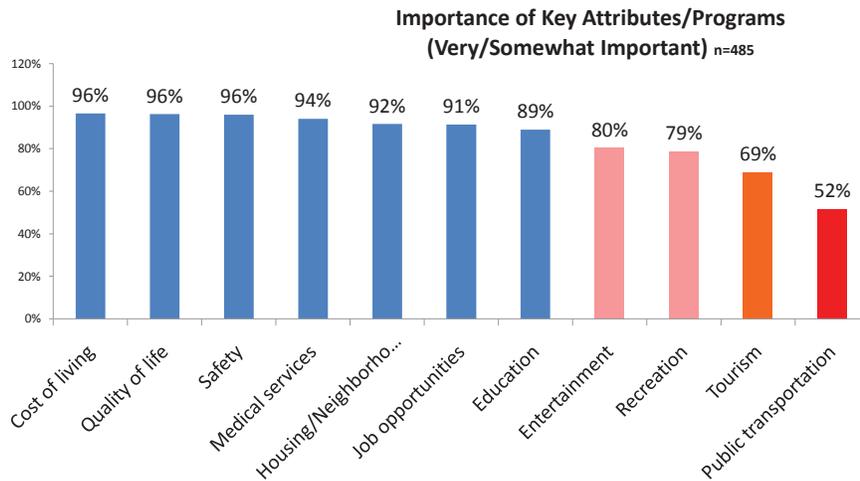
In the case of *Public Transportation* and the *Robbins Recreation Center*, a majority of respondents indicate they are neither satisfied nor dissatisfied.



## Appendix VII - Citizen Survey

### Importance of Key Attributes/Programs

All of these key attributes/programs are rated as Important by over half of the survey participants. *Cost of living*, *Quality of life* and *Safety* top the list followed closely by *Medical services*, *Housing*, *Jobs* and *Education*.



### Importance of Key Attributes/Programs by Gender

Across all attributes, more *women* than *men* rate them important. The three services with the greatest divergence in importance ratings by gender include entertainment, public transportation, and tourism. In all three cases, *females* give noticeably higher importance ratings to these attributes.

Importance of Key Attributes/Programs	% Top 2 Box Importance (Very/Somewhat Important)	
	Males	Females
Cost of living	94%	98%
Education	84%	93%
Entertainment	75%	86%
Housing/Neighborhoods	88%	94%
Job opportunities	88%	95%
Medical services	90%	98%
Public transportation	45%	58%
Quality of life	94%	99%
Recreation	76%	81%
Safety	92%	99%
Tourism	63%	75%

## Appendix VII - Citizen Survey

### Importance of Key Attributes/Programs by Age

Importance of Key Attributes/Programs	% Top 2 Box Rating - Importance (Very/Somewhat Important)		
	Under 45	45 - 64	65+
Cost of living	97%	97%	95%
Education	91%	90%	85%
Entertainment	91%	80%	70%
Housing/Neighborhoods	95%	90%	92%
Job opportunities	96%	93%	82%
Medical services	95%	94%	93%
Public transportation	52%	50%	54%
Quality of life	98%	96%	96%
Recreation	81%	79%	75%
Safety	97%	96%	95%
Tourism	59%	73%	72%
	n=128	n=246	n=111

As people age, it appears less importance is placed on both recreation and entertainment as well as job opportunities.

Those over the age of 45 indicate tourism is more important to them than those under the age of 45.

### Importance of Key Attributes/Programs by Ethnicity

*Blacks* place significantly more importance on Education, Entertainment and Public Transportation in particular than *Whites*.

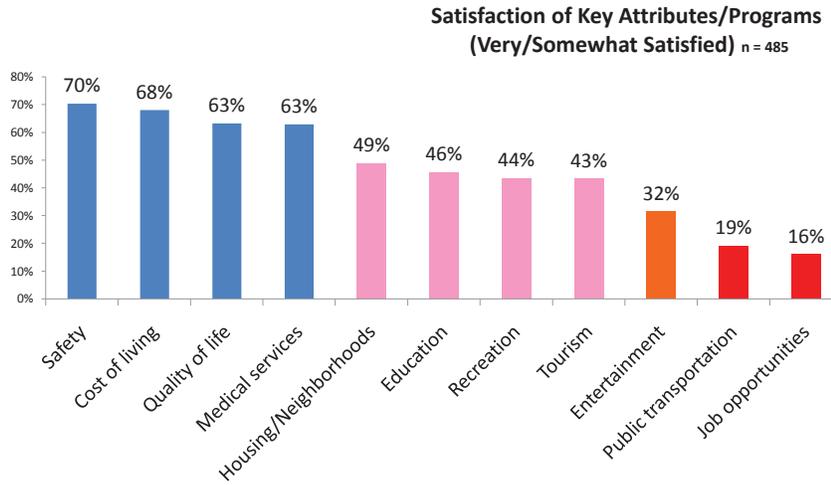
Importance of Key Attributes/Programs	% Top 2 Box Importance (Very/Somewhat)	
	Whites	Blacks
Cost of living	97%	98%
Education	87%	98%
Entertainment	79%	95%
Housing/Neighborhoods	91%	95%
Job opportunities	91%	98%
Medical services	94%	98%
Public transportation	47%	86%
Quality of life	97%	95%
Recreation	77%	86%
Safety	96%	98%
Tourism	69%	73%
	n=415	n=44

## Appendix VII - Citizen Survey

### Satisfaction of Key Attributes/Programs

Satisfaction levels across all attributes are lower than importance ratings.

- While over 60% indicate they are satisfied with *Safety*, *Cost of living*, *Quality of life*, and *Medical services*, less than a third are pleased with *Entertainment* and less than 20% are satisfied with *Public transportation* and *Job opportunities*.



### Satisfaction of Key Attributes/Programs by Gender

Satisfaction ratings for key attributes and programs are relatively consistent between *males* and *females*.

	% Top 2 Box Rating - Very/Somewhat Satisfied	
	Males	Females
Cost of living	68%	68%
Education	44%	47%
Entertainment	30%	33%
Housing/Neighborhoods	46%	51%
Job opportunities	14%	18%
Medical services	62%	63%
Public transportation	15%	23%
Quality of life	63%	64%
Recreation	43%	44%
Safety	67%	74%
Tourism	43%	44%
	n=234	n=251

## Appendix VII - Citizen Survey

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### Satisfaction of Key Attributes/Programs by Age

Older Lexington respondents seem more satisfied with medical services. Also those 65+ are more satisfied with public transportation than their younger counterparts. However, actual satisfaction ratings for public transportation tend to be low across all age groups.

% Top 2 Box Satisfaction Rating - Very/Somewhat Satisfied			
	Under 45	45 - 64	65+
Cost of living	72%	64%	73%
Education	46%	44%	49%
Entertainment	27%	32%	35%
Housing/Neighborhoods	48%	48%	53%
Job opportunities	15%	15%	19%
Medical services	52%	61%	79%
Public transportation	15%	17%	30%
Quality of life	62%	62%	68%
Recreation	43%	46%	40%
Safety	67%	72%	71%
Tourism	42%	44%	43%
	n=128	n=246	n=111

### Satisfaction of Key Attributes/Programs by Ethnicity

*Blacks* are significantly less satisfied than *Whites* with Cost of Living, Medical Services and Quality of Life.

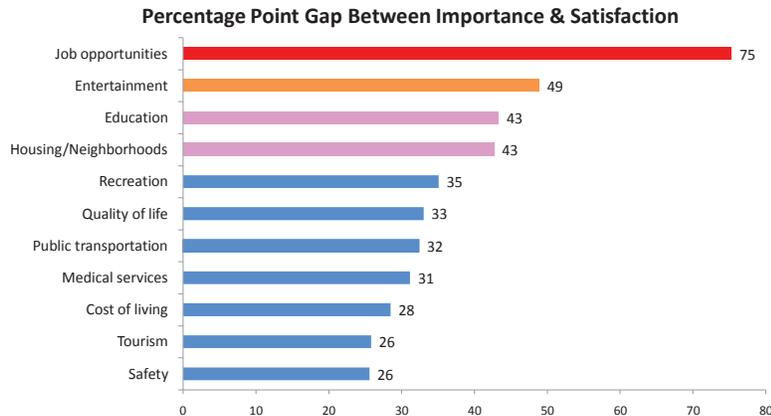
	% Top 2 Box - Very/Somewhat Satisfied	
	Whites	Blacks
Cost of living	70%	52%
Education	45%	52%
Entertainment	31%	25%
Housing/Neighborhoods	50%	39%
Job opportunities	15%	20%
Medical services	64%	50%
Public transportation	18%	27%
Quality of life	65%	48%
Recreation	43%	39%
Safety	71%	59%
Tourism	43%	41%
	n=415	n=44

## Appendix VII - Citizen Survey

### Importance & Satisfaction of Key Attributes/Programs

*Job Opportunities* exhibits the greatest disparity between importance and satisfaction of all the key attributes.

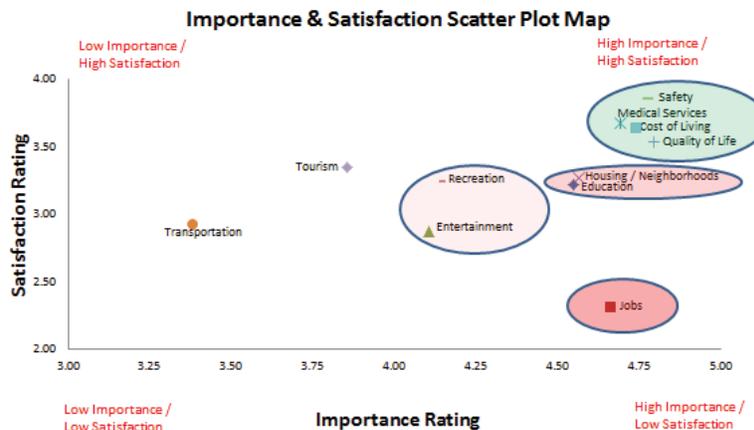
Other areas with sizeable gaps between importance and satisfaction are *Entertainment*, *Education* and *Housing/Neighborhoods*.



### Importance & Satisfaction of Key Attributes/Programs

*Job Opportunities* is the greatest issue, being rated very high in importance but very low in satisfaction.

Other areas in the “red zone” but not in as severe a situation as jobs, include *Housing/Neighborhoods* and *Education*. Both generate relatively high importance levels but moderate satisfaction levels. *Recreation* and *Entertainment* are also areas needing improvement.



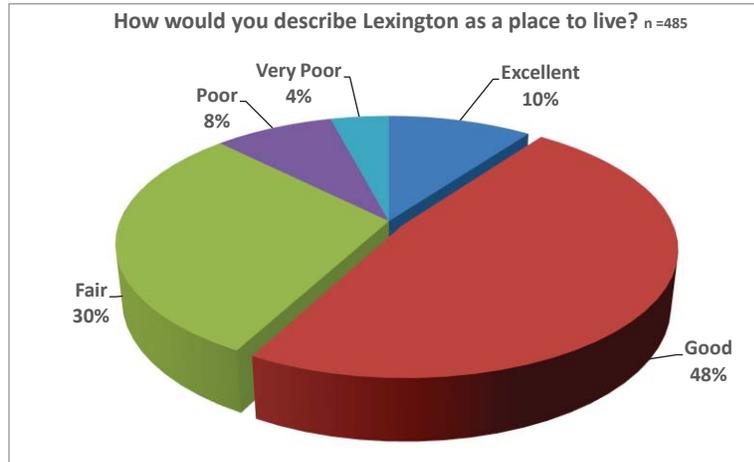
## Appendix VII - Citizen Survey

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### Overall Appeal

Almost 60% of respondents say Lexington is an excellent or good place to live.

Despite citizens voicing many concerns in the survey, only 12% rate Lexington as a poor/very poor place to live.



### Overall Appeal by Gender

While a majority of residents rate Lexington positively, *females* are more inclined than *males* to say Lexington is an excellent place to live. *Males* are more likely than *females* to describe their town as a good place to live.

How would you describe Lexington as a place to live?	% Males	% Females	Top 2 Box Rating	
			% Males	% Females
Excellent	7%	13%	62%	58%
Good	55%	45%		
Fair	27%	29%		
Poor	8%	9%		
Very Poor	3%	5%		
	n=234	n=251		

## Appendix VII - Citizen Survey

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### Overall Appeal by Age

In looking across age groups, *older* citizens (age 65+) seem to describe Lexington as a better place to live than do their *younger* counterparts.

	How would you describe Lexington as a place to live?			How would you describe Lexington as a place to live?		
	% Rating			% Top 2 Box Rating (Exc/Good)		
	Under 45	45 - 64	65+	Under 45	45 - 64	65+
Excellent	10%	9%	13%	59%	58%	64%
Good	49%	49%	51%	n=128	n=246	n=111
Fair	27%	29%	27%			
Poor	8%	11%	5%			
Very Poor	6%	3%	5%			

### Overall Appeal by Ethnicity

*Whites* rate Lexington substantially higher than *Blacks* as a place to live.

- More *Whites* say Lexington is a good place to live.
- More *Blacks* describe Lexington as a fair to poor place to live.

	How would you describe Lexington as a place to live?		Top 2 Box Rating	
	% Whites	% Blacks	% Whites	% Blacks
Excellent	11%	7%	62%	37%
Good	51%	30%	n=415	n=44
Fair	27%	39%		
Poor	8%	18%		
Very Poor	4%	7%		

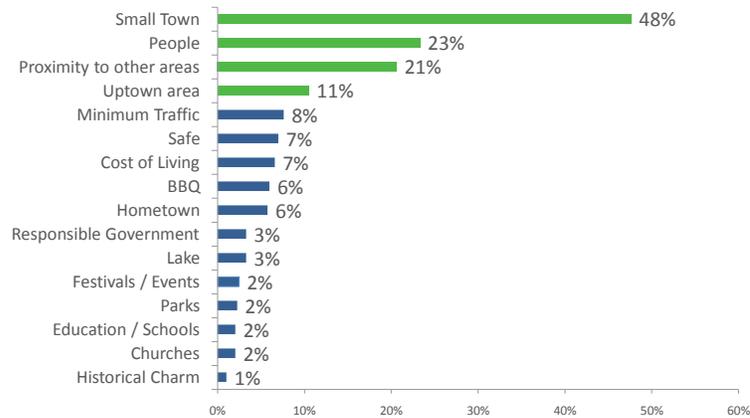
## Appendix VII - Citizen Survey

### Overall Appeal – Like Most

Lexington's *small town size* is by far what respondents like most about their city.

*Friendly people* places 2<sup>nd</sup> followed by the city's *proximity* to other metro areas and attractions.

**What Do You Like Most About Lexington (open ends) n=485**



### Overall Appeal – Like Most by Gender and Age

There are few differences in overall appeal across gender and age subgroups. While slightly more *women* mention small town as a positive, more *men* cite proximity to other areas.

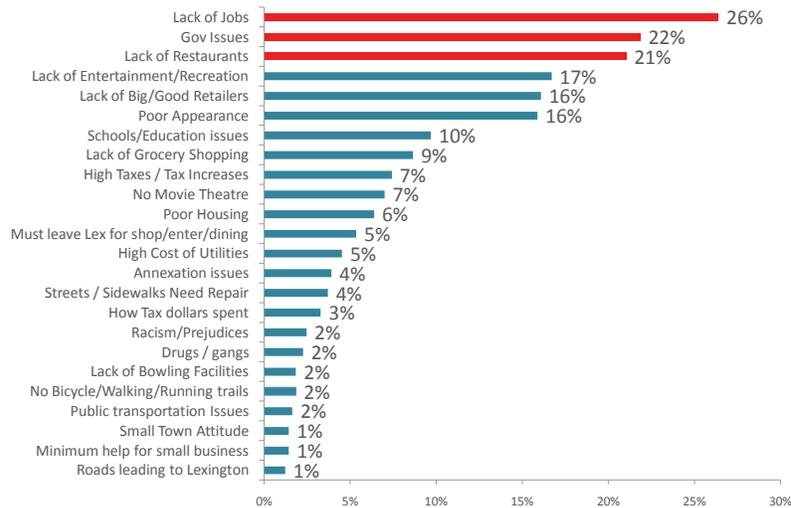
Most Liked About Lexington Open Ends Summarized	Total Sample	Females	Males	<45	45-64	65+
	n=485	n=251	n=234	n=128	n=246	n=111
Small town	48%	51%	44%	44%	50%	48%
People	23%	25%	21%	18%	26%	23%
Proximity to other areas	21%	16%	25%	18%	22%	20%
Uptown area	11%	12%	9%	7%	13%	10%
MimumumTraffic	8%	8%	7%	7%	9%	6%
Safe	7%	8%	6%	9%	6%	7%
Cost of Living	7%	7%	6%	9%	7%	4%
BBQ	6%	3%	9%	8%	4%	7%
Hometown	6%	6%	6%	8%	6%	4%
Lake	3%	4%	2%	2%	4%	3%
Responsible Government	3%	3%	4%	4%	4%	2%
Festivals/Events	2%	1%	4%	4%	2%	3%
Parks	2%	2%	3%	2%	3%	2%
Churches	2%	2%	2%	0%	3%	3%
Education / Schools	2%	2%	2%	5%	1%	2%
Historical Charm	1%	1%	1%	1%	1%	1%

## Appendix VII - Citizen Survey

### Overall Appeal – Like Least

The three characteristics respondents like least about Lexington include *Lack of Jobs, Issues with Government, and Lack of Restaurants* (beyond BBQ).

**What Do You Like Least About Lexington (open ends) n=485**



### Overall Appeal – Like Least by Gender and Age

Least Liked About Lexington	Total Sample n=485	Females n=251	Males n=234	<45 n=128	45-64 n=246	65+ n=111
Lack of Jobs	26%	26%	27%	26%	30%	19%
Gov Issues	22%	18%	26%	15%	24%	25%
Lack of Restaurants	21%	25%	17%	25%	22%	14%
Lack of Entertainment/Recreation	17%	20%	13%	23%	16%	10%
Lack of Big/Good Retailers	16%	23%	9%	17%	17%	12%
Poor Appearance	16%	17%	15%	16%	17%	13%
Schools/Education issues	10%	11%	8%	12%	10%	7%
Lack of Grocery Shopping	9%	14%	3%	6%	9%	11%
High Taxes / Tax Increases	7%	5%	10%	5%	7%	10%
No Movie Theatre	7%	8%	6%	5%	7%	9%
Poor Housing	6%	5%	8%	5%	8%	5%
Most leave lexington for shop/enter/dining	5%	6%	4%	6%	6%	4%
High Cost of Utilities	5%	4%	5%	4%	4%	5%
Annexation issues	4%	2%	6%	3%	4%	4%
Streets / Sidewalks Need Repair	4%	3%	4%	2%	4%	5%
How Tax dollars spent	3%	3%	4%	4%	3%	3%
Racism/Prejudices	2%	4%	1%	2%	3%	2%
Drugs / gangs	2%	3%	2%	2%	3%	1%
No Bicycle/Walking/Running trails	2%	1%	3%	2%	2%	2%
Lack of Bowling Facilities	2%	2%	2%	4%	1%	1%
Public transportation Issues	2%	2%	1%	3%	1%	1%
Minimum help for small business	1%	2%	1%	2%	2%	0%
Small Town Attitude	1%	0%	3%	1%	2%	1%
Roads leading to Lexington	1%	2%	1%	2%	0%	3%

*Females* more often mention a lack of restaurants, large retailers and grocery options, whereas *males* more frequently reference governmental issues as key negatives.

Limited restaurants, entertainment venues and recreational alternatives are issues for *younger* adults.

Jobs are mentioned less frequently as key dislikes by *older* adults.

## Appendix VII - Citizen Survey

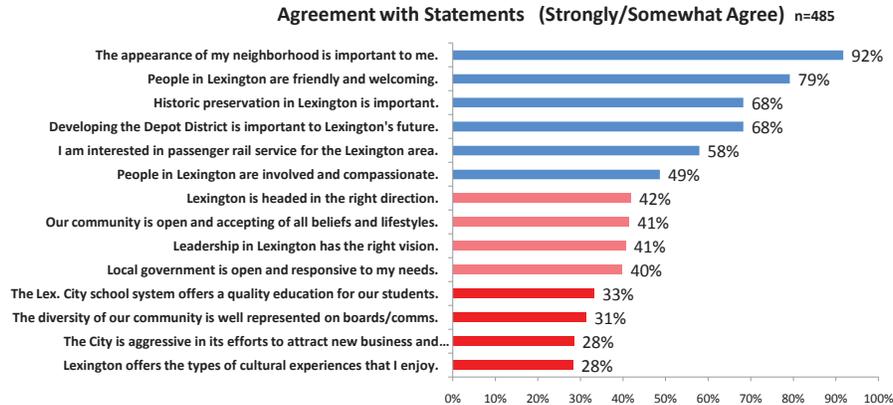
### Agree/Disagree Statements

*Neighborhood appearance* achieves the strongest level of agreement (92%).

Almost 80% feel people in Lexington are *friendly and welcoming* and close to half believe residents are *involved and compassionate*.

Over two thirds agree that development of the *Depot District* is key to Lexington's future and 58% express interest in *passenger rail service*.

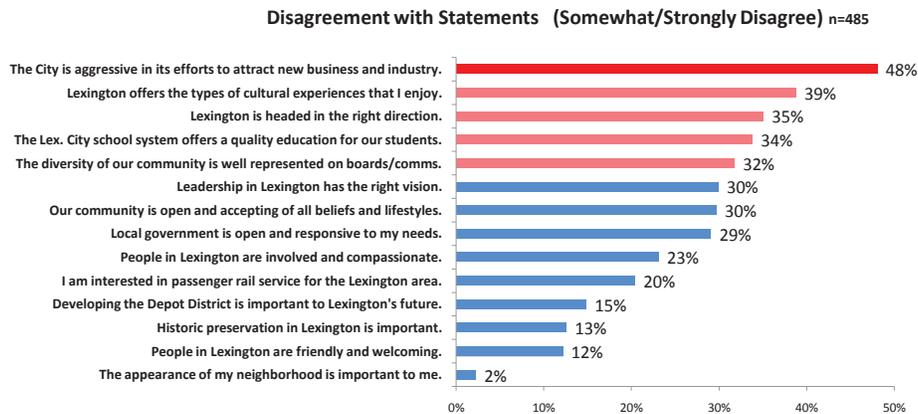
*Historic preservation* is also important to a majority (68%) of survey participants.



### Agree/Disagree Statements

Close to half of respondents do not agree the City is *aggressive enough in attracting new business* and a third don't feel Lexington is *headed in the right direction*.

Other areas of concern include the *availability of cultural experiences*, the *quality of education* and the *representativeness of local boards and commissions*.



## Appendix VII - Citizen Survey

### Agree/Disagree Statements By Gender

*Females* are noticeably more inclined than *males* to agree that developing the Depot District is important to Lexington's future and that historic preservation in Lexington is important.

	% Strongly/Somewhat Agree	
	Males	Females
Lexington is headed in the right direction.	42%	41%
People in Lexington are friendly and welcoming.	81%	77%
Developing the Depot District is important to Lexington's future.	64%	73%
Local government is open and responsive to my needs.	41%	39%
commissions.	35%	28%
Historic preservation in Lexington is important.	62%	74%
The Lexington City school system offers a quality education for our students.	33%	33%
Lexington offers the types of cultural experiences that I enjoy.	28%	28%
The appearance of my neighborhood is important to me.	90%	94%
Our community is open and accepting of all beliefs and lifestyles.	40%	43%
The City is aggressive in its efforts to attract new business and industry.	29%	28%
People in Lexington are involved and compassionate.	46%	51%
I am interested in passenger rail service for the Lexington area.	54%	61%
Leadership in Lexington has the right vision.	41%	41%
	n=234	n=251

### Agree/Disagree Statements By Age

	% Top 2 Box (Strongly/Somewhat Agree)		
	Under 45	45 - 64	65+
Lexington is headed in the right direction.	43%	39%	47%
People in Lexington are friendly and welcoming.	74%	80%	83%
Developing the Depot District is important to Lexington's future.	68%	70%	64%
Local government is open and responsive to my needs.	44%	37%	42%
The diversity of our community is well represented on boards and commissions.	30%	30%	36%
Historic preservation in Lexington is important.	71%	67%	68%
The Lexington City school system offers a quality education for our students.	33%	33%	35%
Lexington offers the types of cultural experiences that I enjoy.	28%	27%	31%
The appearance of my neighborhood is important to me.	94%	91%	91%
Our community is open and accepting of all beliefs and lifestyles.	43%	40%	42%
The City is aggressive in its efforts to attract new business and industry.	23%	24%	45%
People in Lexington are involved and compassionate.	45%	48%	55%
I am interested in passenger rail service for the Lexington area.	54%	61%	56%
Leadership in Lexington has the right vision.	41%	39%	42%
	n=128	n=246	n=111

As Lexington residents age, they seem more likely to agree that people in Lexington are friendly, welcoming, involved and compassionate.

Those 65+ tend to agree much more than younger residents that the city is aggressive in its efforts to attract new business.

## Appendix VII - Citizen Survey

### Agree/Disagree Statements By Ethnicity

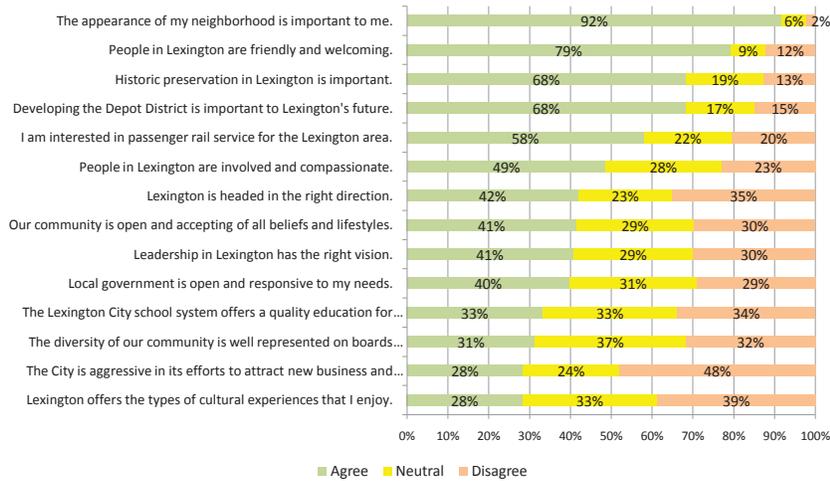
	% Strongly/Somewhat Agree	
	% Whites	% Blacks
Lexington is headed in the right direction.	43%	45%
People in Lexington are friendly and welcoming.	81%	64%
Developing the Depot District is important to Lexington's future.	68%	73%
Local government is open and responsive to my needs.	40%	36%
The diversity of our community is well represented on boards and commissions.	31%	32%
Historic preservation in Lexington is important.	70%	52%
The Lexington City school system offers a quality education for our students.	31%	57%
Lexington offers the types of cultural experiences that I enjoy.	29%	23%
The appearance of my neighborhood is important to me.	91%	95%
Our community is open and accepting of all beliefs and lifestyles.	41%	45%
The City is aggressive in its efforts to attract new business and industry.	30%	23%
People in Lexington are involved and compassionate.	50%	36%
I am interested in passenger rail service for the Lexington area.	56%	77%
Leadership in Lexington has the right vision.	40%	52%

More *Whites* than *Blacks* tend to agree that Lexington people are friendly, welcoming, involved and compassionate. They are also more likely to feel historic preservation is important.

More *Blacks* than *Whites* tend to agree that the Lexington City school system offers a quality education. They are also more interested in passenger rail service.

### Agree/ Disagree Statements

While levels of agreement vary, on 10 of the 14 statements more respondents agree than disagree. Opinions are mixed regarding education and the representativeness of boards and commissions. The two statements which elicit more disagreement than agreement involve the City's efforts to attract new business and the availability of cultural activities.

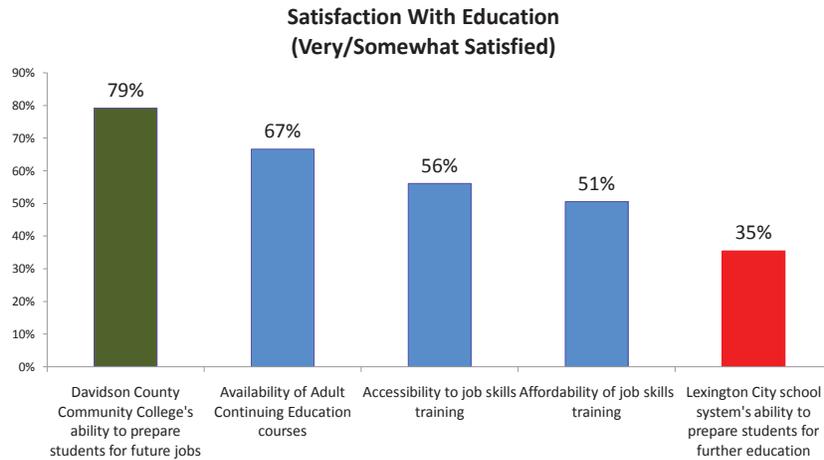


## Appendix VII - Citizen Survey

### Education

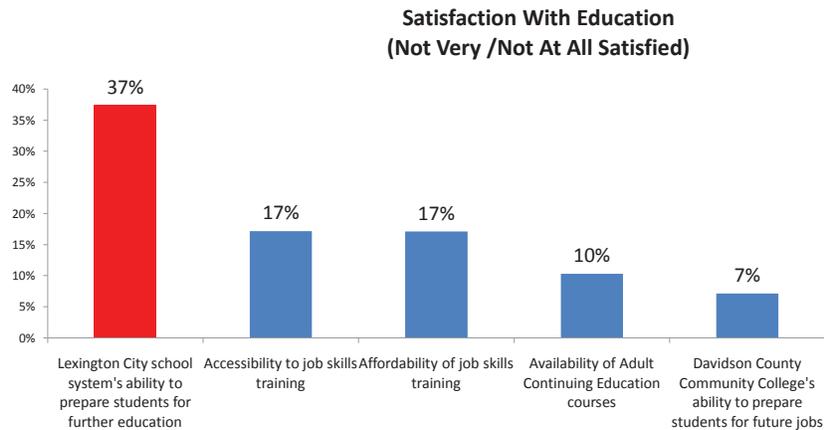
Almost 80% of respondents indicate they are satisfied with *Davidson County Community College's ability to prepare students for future jobs*.

However, only 35% are satisfied with *Lexington City school system's ability to prepare students for further education*.



### Education

Residents are polarized in their perception of Lexington City Schools. While 35% are satisfied with the *school system's ability to prepare students for further education*, an equal number indicate they are not satisfied.



## Appendix VII - Citizen Survey

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### Education – Satisfaction By Gender

There are no meaningful differences between *males* and *females* in terms of educational satisfaction.

	% Very / Somewhat Satisfied	
	% Males	% Females
Lexington City school system's ability to prepare students for further education	34%	37%
Davidson County Community College's ability to prepare students for future jobs	77%	81%
Availability of Adult Continuing Education courses	65%	68%
Accessibility to job skills training	56%	56%
Affordability of job skills training	52%	49%
	n=234	n=251

### Education – Satisfaction By Age

*Older* adults tend to assign higher satisfaction ratings to Davidson County Community College as well as the affordability of job skills training.

	% Top 2 Box Rating - Very Satisfied/Somewhat Satisfied		
	Under 45	45 - 64	65+
Lexington City school system's ability to prepare students for further education	40%	33%	35%
Davidson County Community College's ability to prepare students for future jobs	74%	79%	85%
Availability of Adult Continuing Education courses	65%	63%	76%
Accessibility to job skills training	55%	55%	61%
Affordability of job skills training	46%	51%	55%
	n=128	n=246	n=111

## Appendix VII - Citizen Survey

### Education - Satisfaction By Ethnicity

Overall, more *Blacks* seem satisfied than *Whites* with educational opportunities in Lexington, especially in the following areas...

- Lexington City school system's ability to prepare students for further education
- Davidson County Community College's ability to prepare students for future jobs &
- The availability of Adult Continuing Education courses.

	% Top 2 Box Satisfaction (Very / Somewhat Satisfied)	
	% Whites	% Blacks
Lexington City school system's ability to prepare students for further education	32%	68%
Davidson County Community College's ability to prepare students for future jobs	79%	90%
Availability of Adult Continuing Education courses	65%	79%
Accessibility to job skills training	55%	66%
Affordability of job skills training	50%	61%

### Education

Adults with children currently in the Lexington City school system have a more positive perception of the education being provided than do those without school age children.

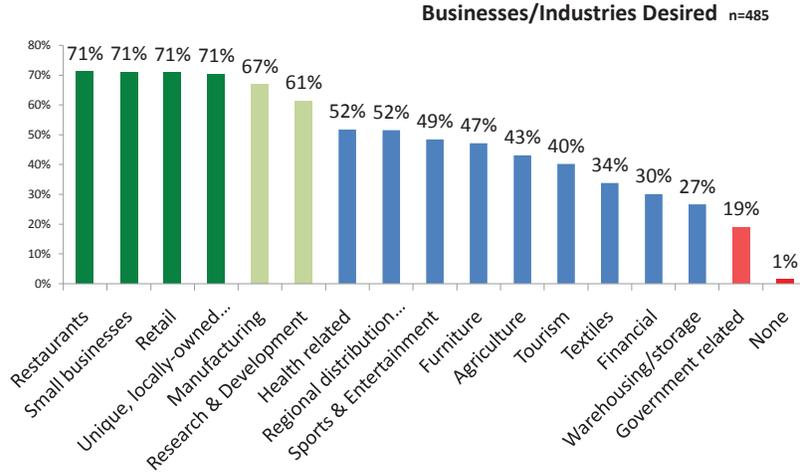
- Two thirds with children in City schools are satisfied with the *preparation for further education* whereas less than a third without children attending indicate they are satisfied.
- More parents with children in City schools (78% compared to 65%) are pleased with the *availability of continuing education courses*.

% Top Two Box Satisfied (Very/Somewhat Satisfied)	Total Sample n= 386 to 482	W/ Children n= 49 to 59	Without Children n= 337 to 379	Employed n= 246 to 274	Unemployed n= 30 to 33	Retired/Disabled n=110 to 128
Davidson County Community College's ability to prepare students for future jobs	79%	81%	79%	80%	70%	79%
Availability of Adult Continuing Ed. courses	67%	78%	65%	65%	68%	70%
Accessibility to job skills training	56%	61%	55%	56%	53%	56%
Affordability of job skills training	51%	57%	50%	51%	50%	50%
Lexington City school system's ability to prepare students for further education	35%	66%	30%	36%	39%	32%

## Appendix VII - Citizen Survey

### Future of Lexington – Business & Industry

The four types of businesses most respondents would like to see more of in the Lexington area include *Restaurants*, *Retail*, *Small Businesses* and *Unique, Locally Owned Businesses*.



### Future of Lexington – Business & Industry By Gender

Businesses You Would Like To See More Of In the Lexinaton	Males %	Females %
Agriculture	41%	45%
Financial	28%	32%
Furniture	45%	49%
Government related	17%	21%
Health related	47%	57%
Manufacturing	69%	65%
Regional distribution center	50%	53%
Research & Development	64%	59%
Restaurants	68%	74%
Retail	60%	81%
Small businesses	71%	71%
Sports & Entertainment	46%	51%
Textiles	31%	36%
Tourism	37%	43%
Unique, locally-owned businesses	66%	75%
Warehousing/storage	29%	25%
None	2%	1%

n=234                      n=251

*Females*, more so than *males*, would like to see more health related, retail and unique, locally-owned businesses in the Lexington area.

## Appendix VII - Citizen Survey

### Future of Lexington – Business & Industry By Age

Businesses Would Like To See More Of In The Lexington Area:			
	% Under 45	% 45- 64	% 65+
Agriculture	38%	45%	44%
Financial	31%	31%	27%
Furniture	39%	48%	56%
Government related	14%	22%	18%
Health related	47%	52%	58%
Manufacturing	54%	71%	74%
Regional distribution center	38%	58%	52%
Research & Development	54%	66%	60%
Restaurants	76%	71%	68%
Retail	68%	72%	73%
Small businesses	71%	72%	69%
Sports & Entertainment	63%	47%	34%
Textiles	30%	33%	40%
Tourism	38%	42%	40%
Unique, locally-owned businesses	71%	69%	74%
Warehousing/storage	20%	30%	27%
None	1%	0%	5%
	n=128	n=246	n=111

Older residents seem more interested in reinstating some of the past strongholds of the Lexington area including furniture and manufacturing.

Sports and entertainment businesses tend to be of greater interest to *younger* adults.

### Future of Lexington – Business & Industry By Ethnicity

Businesses You Would Like To See More Of In the Lexington Area		
	Whites	Blacks
Agriculture	45%	36%
Financial	30%	34%
Furniture	48%	41%
Government related	17%	39%
Health related	52%	61%
Manufacturing	68%	71%
Regional distribution center	51%	57%
Research & Development	64%	55%
Restaurants	72%	73%
Retail	73%	66%
Small businesses	74%	57%
Sports & Entertainment	47%	68%
Textiles	34%	39%
Tourism	41%	36%
Unique, locally-owned businesses	74%	50%
Warehousing/storage	27%	27%
None	1%	2%
	n=415	n=44

*Blacks* are more interested than *Whites* in seeing Government related and Sports & Entertainment types of businesses in the Lexington area.

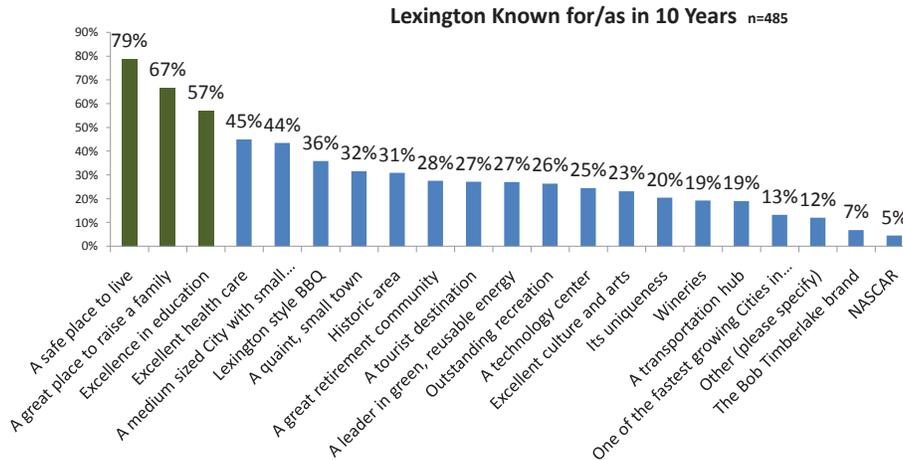
*Whites*, on the other hand, would like to see more Small Businesses and Unique, Locally Owned Businesses.

## Appendix VII - Citizen Survey

### Future of Lexington – In 10 Years

In the future, respondents would most like Lexington to be known as a *Safe place to live*, followed by a *Great place to raise a family* and an area that offers *Excellence in education*.

While over a third still want Lexington to be known for its *BBQ*, only a few are interested in being associated with the *Bob Timberlake* brand or *NASCAR*.



### Future of Lexington – In 10 Years By Gender

While a safe place to live, a great place to raise a family, excellence in education and a medium size city with small town appeal, are in the top five selections for both gender groups, more *males* are interested in Lexington being associated with BBQ whereas more *females* would like the City to be known for excellent health care.

#### Males

Safe place to live	77%
Great place to raise a family	67
Excellence in education	53
Lexington style BBQ	43
Med. city w/small town appeal	41

#### Females

Safe place to live	81%
Great place to raise a family	66
Excellence in education	61
Excellent health care	51
Med. city w/small town appeal	46

## Appendix VII - Citizen Survey

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### Future of Lexington – In 10 Years By Age

A safe place to live, a great place to raise a family, and excellence in education are among the top five future designations for Lexington across all three age groups.

While *younger adults* seem to place more emphasis on Lexington being known as a great place to raise a family and for outstanding recreation, with increasing age, people appear to become more interested in their city being known as a safe place to live, a great retirement community and one which offers excellent health care.

<u>Under 45</u>	<u>45 - 64</u>	<u>65+</u>
Great place to raise family (77%)	Safe place to live (79%)	Safe place to live (88%)
Safe place to live (71%)	Great place to raise family (67%)	Excellent health care (62%)
Excellence in education (63%)	Excellence in education (53%)	Excellence in education (60%)
Med city w/small town appeal (48%)	Excellent health care (43%)	Great place to raise family (55%)
Outstanding recreation (45%)	Med city w/small town appeal (42%)	Great retirement community (45%)

### Future of Lexington – In 10 Years By Ethnicity

Both ethnic groups include a safe place to live, a great place to raise a family, excellence in education and excellent health care among the top five things they would like Lexington to be known for or as in the future.

More *Whites* mention a safe place to live and a medium size city with small town appeal, while more *Blacks* say excellent health care and outstanding recreation.

<u>Whites</u>		<u>Blacks</u>	
Safe place to live	80%	Safe place to live	68%
Great place to raise a family	67	Great place to raise a family	66
Excellence in education	57	Excellence in education	64
Med. city w/small town appeal	47	Excellent health care	59
Excellent health care	43	Outstanding recreation	34

## Appendix VII - Citizen Survey

### Future of Lexington - Wish

Given the opportunity to “wish” anything for Lexington, nearly half mention growth. Almost a third express a desire for more jobs and 15% say more restaurant options.

Wish For Lexington	Total Sample (n=485)	Wish For Lexington (Cont'd)	Total Sample (n=485)
More Growth (growth related)	48%	Better Enforcement of Laws	2%
More Jobs	30%	Annexation Issues	2%
More Restaurant Options	15%	Help Small Business	2%
Government Misc Actions	14%	Assist Senior Citizens	2%
More Recreation/Entertainment	13%	Rentals	2%
Emphasis on School / Education	13%	Improved Streets / Sidewalks	2%
More Retail	11%	More Affordable Housing	2%
Improve Appearance	10%	Stop Wasting Tax Dollars	2%
Lower Taxes	6%	Control Drugs / Gangs	2%
Focus on Depot Area	6%	More Bicycle/Walking Trails	2%
Do Something with empty Factories/Buildings	6%	Improved Public Transportation	1%
Open Movie Theatre	4%	More Bowling Options	1%
Lower Utilities	4%	Focus on Recycling	1%
Safer Environment	4%	Limit \$ Stores / Auto Parts Stores	1%
More Grocery Options	3%	Control Illegal Immigration	1%
Uptown Development	3%		
Poverty	3%		
More Involved Citizens	3%		
Remove Racism/Prejudices	2%		



# Community Perception: Lexington City Schools

Based On Facts or Based On Outdated Misinformation?

## 5<sup>th</sup> Grade Literacy Proficiency (reading on grade level)

	2009	2012	Growth
Lexington City Schools	55.4%	72.7%	+17.3%
State of North Carolina	68.5%	72.3%	+3.8%
Asheboro	55.8%	62.1%	+6.3%
Thomasville	45.1%	53.9%	+8.8%
Davidson County	75.0%	76.4%	+1.4%

**Appendix VIII - Community Perception of Lexington City Schools**  
**Mr. Rick Kriesky**

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## Graduation Rates

	2008	2012	Increase
Lexington City Schools	<b>61.1%</b>	<b>78.5%</b>	<b>+17.4%</b>
State of North Carolina	70.3%	80.4%	+10.1%
Asheboro	77.2%	85.1%	+ 7.9%
Thomasville	<b>62.3%</b>	<b>77.8%</b>	<b>+15.5%</b>
Davidson County Schools	65.8%	82.5%	+16.7%

## Suspensions and Expulsions(Avg. number per 100 students in high school)

	2009	2012	Change
<b>Lexington City Schools</b>	<b>74</b>	<b>11.55</b>	<b>-62.45%</b>
Asheboro	14	10.39	-3.6%
<b>Thomasville</b>	<b>78</b>	<b>74.89</b>	<b>-3.1%</b>
Davidson County Schools	31	20.7	-10.3%

## Teacher Turnover Rate

	2008	2012	Change
Lexington City Schools	20.67%	12.16%	-8.51%
Asheboro	14.72%	13.27%	-1.45%
Thomasville	23.66%	14.67%	-8.99%
Davidson County	11.08%	8.00%	-3.08%

## Economically Disadvantaged Students (2012)

>60%

Lexington City Schools	86.11%
State of North Carolina	56.0%
Asheboro	50.8%
Thomasville	90.53%
Davidson County Schools	45.42%

## Cultural Diversity(2012)

<33%

	Asian	Hispanic	Black	White	M
Lexington City Schools	5.2%	30.7%	32.4%	26.2%	4.1%
North Carolina	2.5%	13.5%	26.3%	52.5%	3.7%
Asheboro	1.3%	36.7%	15.0%	42.4%	1.6%
Thomasville	0.9%	27.0%	39.3%	25.9%	5.6%
Davidson County	0.9%	5.0%	3.0%	87.0%	1.6%

## English Speaking Students (2012)

- ◆ **1,008 of 3,140 or 32%** of Lexington students do not speak English in their homes.
- ◆ **18 different languages** are spoken as the primary language in the homes of Lexington students.
- ◆ Languages include: Spanish, Egyptian, Tarasco, Khmer, Lao, Russian, Hebrew, Chinese, Hindu, Vietnamese, Guynese, Cambodian, and others.

## Lexington Senior High's National Honor Society

- ◆ 2009: 23 total members,  
8 minority students
- ◆ 2012: 54 total members,  
28 minority students

## Lexington City Schools: 2016 Goal

### *Aggressive and Attainable*

90% of high school students graduating

90% of graduates accepted into a 2 or 4 year post secondary institution

0% of those attending a post secondary school taking remedial courses

## The Reality: Lexington City Schools

Every untruth spoken in public about Lexington City Schools' fictitious decline upholds the stereotype and constricts the resurgence of the school system.

Every truth spoken in public about Lexington City Schools' factual improvement debunks the stereotype and accelerates the resurgence of the school system.

## Community Perception: Lexington City Schools

POOR QUALITY SCHOOLS

OR

A FALSE STEREOTYPE

# Disruptive Demographics: Implications for Workforce Planning, Business, and Consumer Markets



James H. Johnson, Jr.  
Frank Hawkins Kenan Institute of Private Enterprise  
Kenan-Flagler Business School  
University of North Carolina at Chapel Hill

February 2012

## OVERVIEW

- Demographic Trends
- Challenges & Opportunities
- Discussion

what  
**CENSUS 2010**  
will REVEAL



February 2012

## 6 DISRUPTIVE TRENDS

- The South Rises – Again
- The Browning of America
- Marrying Out is “In”
- The Silver Tsunami is About to Hit
- The End of Men?
- Cooling Water from Grandma’s Well...  
and Grandpa’s Too!



### SOUTH'S SHARE OF U.S. NET POPULATION GROWTH, SELECTED YEARS, 1910-2010

Years	U.S. Absolute Population Change	South's Absolute Population Change	South's Share of Change
1910-1930	30,974,129	8,468,303	27%
1930-1950	28,123,138	9,339,455	33%
1950-1970	51,886,128	15,598,279	30%
1970-1990	45,497,947	22,650,563	50%
1990-2010	60,035,665	29,104,814	49%

## U.S. POPULATION CHANGE BY REGION, 2000-2010

Region	2010 Population	Absolute Population Change, 2000-2010	Percent Population Change, 2000-2010
U.S.	309,050,816	26,884,972	9.5%
Northeast	55,417,311	1,753,978	3.3%
Midwest	66,972,887	2,480,998	3.0%
South	114,404,435	13,845,144	13.8%
West	72,256,183	8,774,852	13.8%
North Carolina	9,458,888	1,378,635	17.1%

## SHARES OF NET POPULATION GROWTH BY REGION, 2000-2010

Region	Absolute Population Change	Percent of Total
UNITED STATES	26,884,972	100.0
NORTHEAST	1,753,978	6.0
MIDWEST	2,480,998	9.0
SOUTH	13,845,144	51.0
WEST	8,774,852	32.0

## NET MIGRATION TRENDS, 2000-2008

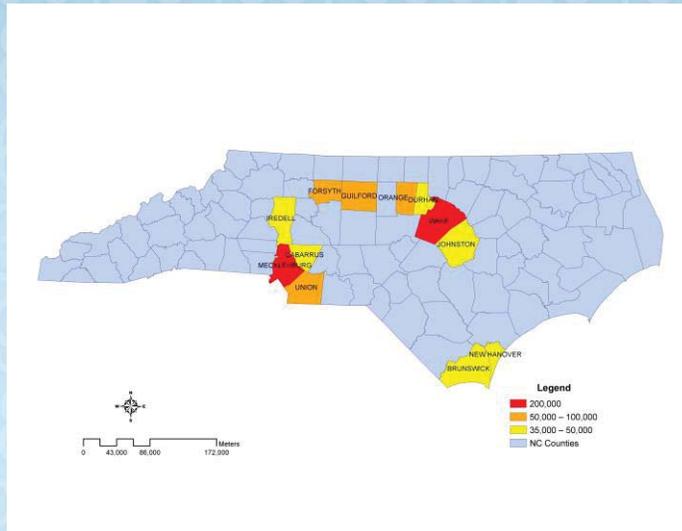
	Northeast	Midwest	South	West
Total	-1,032	-2,008	+2,287	+46
Black	-346	-71	+376	<b>+41</b>
Hispanic	-292	-109	+520	-117
Elderly	-115	+42	+97	-27
Foreign born	-147	-3	+145	+3

= Net Import
  = Net Export

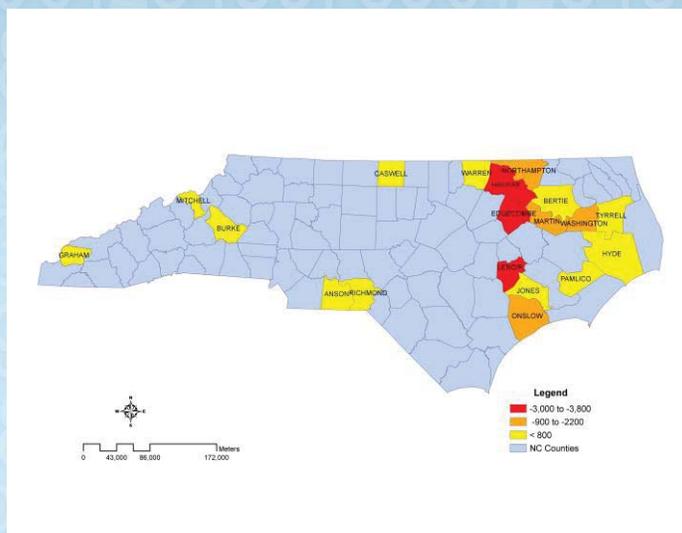
## STATE SHARE OF SOUTH'S NET GROWTH, 2000-2010

Region/State	Absolute Change	State's Share
The South	14,318,924	100.0%
Texas	4,293,741	30.0%
Florida	2,818,932	19.7%
Georgia	1,501,200	10.5%
North Carolina	1,486,170	10.4%
Other Southern States	4,218,881	29.4%

## NC COUNTIES WITH THE LARGEST ABSOLUTE POPULATION GAINS, 2000-2010



## NC COUNTIES EXPERIENCING POPULATION DECLINE, 2000-2010



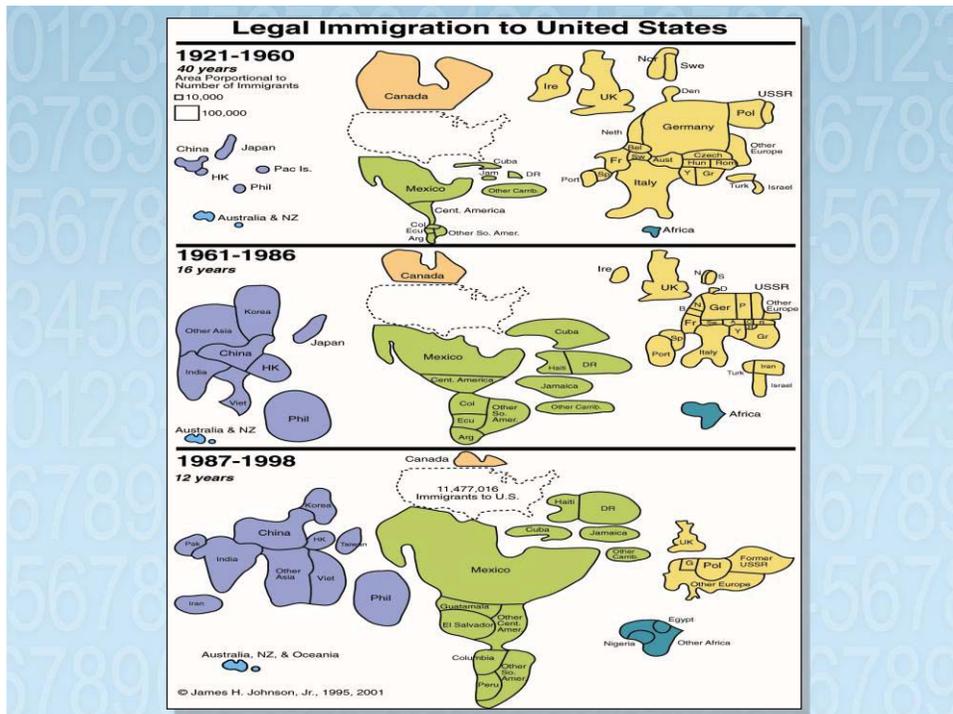
## NC POPULATION CHANGE BY ECONOMIC TIER DESIGNATION

Area	Number of Counties	2010 Population	Absolute Change 2000-2010	Percent Change - 2000-2010	Share of Net Growth
All Counties	100	9,535,483	1,486,170	18.5%	100%
Tier 1 Counties	40	1,589,586	69,365	4.6%	4.7%
Tier 2 Counties	40	2,970,323	327,859	12.4%	22.1%
Tier 3 Counties	20	4,975,574	1,088,946	28.0%	73.3%

## ABSOLUTE & RELATIVE POPULATION CHANGE, 2000-2010

Area	2010 Population	Absolute Change 2000-2010	Percent Change 2000-2010
North Carolina	9,535,483	1,486,170	18.5
Davidson County	162,878	15,632	10.6
Lexington County	18,931	-1,022	-5.1

# THE “BROWNING” OF AMERICA



## THE NUMBERS

### Legal Immigrants:

- 1920-1961: 206,000 annually
- 1961-1992: 561,000 annually
- 1993-1998: 800,654 annually
- 1999-2004: 879,400 annually
- 2005-2008: 1,137,000 annually

### Refugees, Parolees, Asylees

- 1961-1993: 2.1 million (65,000 annually)
- 1994-1998: 428,361 (85,672 annually)
- 1999-2004: 487,386 (81,231 annually)
- 2005-2008: 203,642 (75,661 annually)

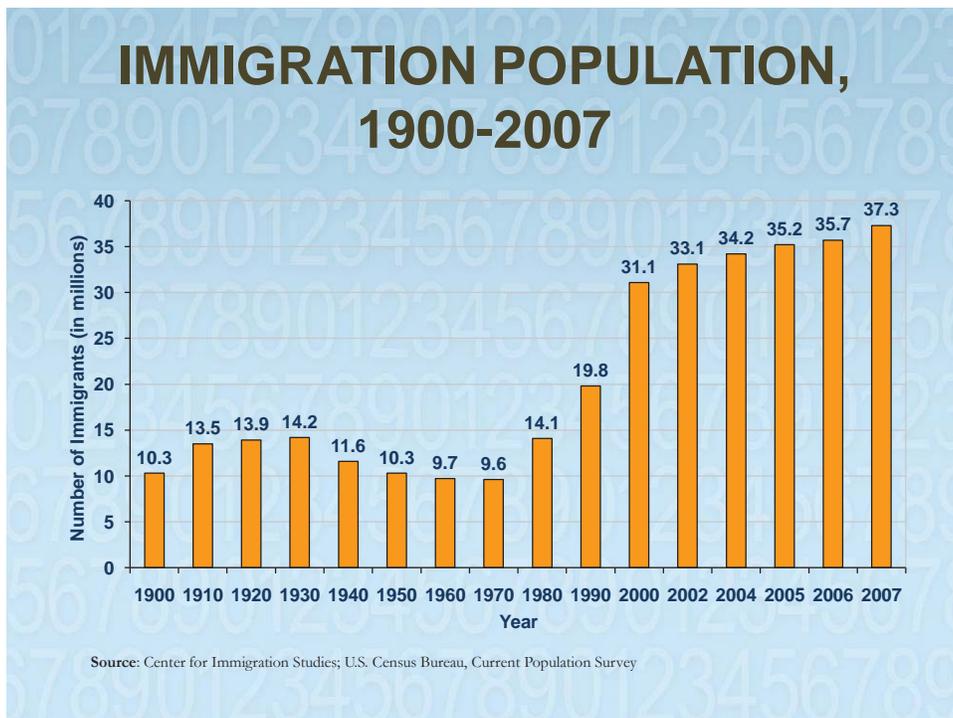
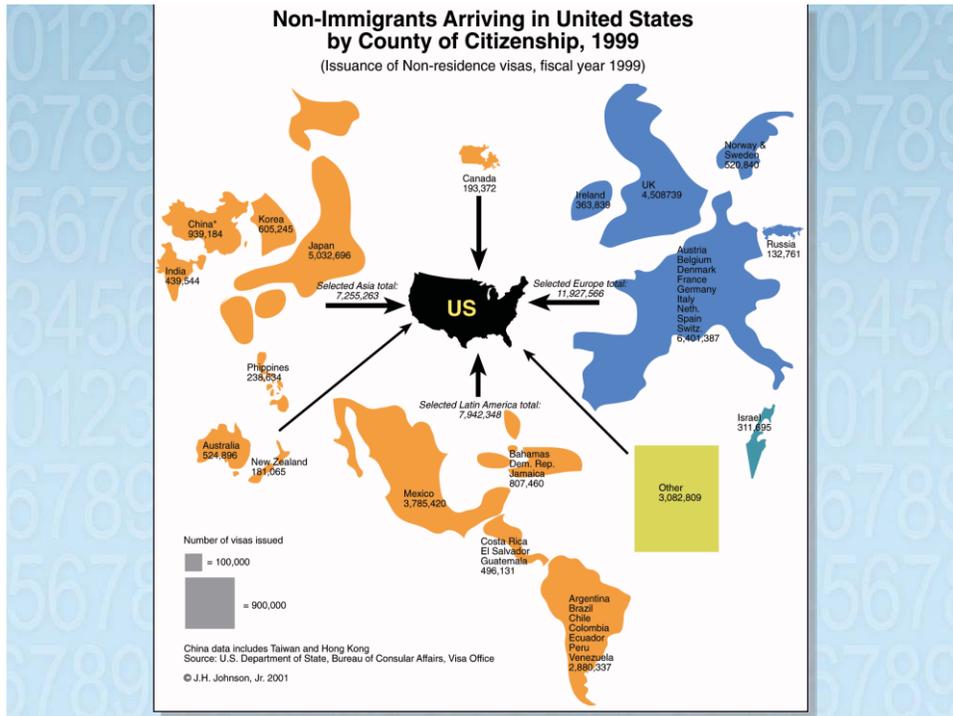
### Illegal Immigrants:

- 300,000 to 400,000 annually over the past two decades
- Three million granted amnesty in 1986
- 2.7 million illegal immigrants remained in U.S. after 1986 reforms
- October 1996: INS estimated that there were 5 million illegal immigrants in the U.S.
- August 2005: Illegal population range from 7 to 15 million.

## NON-IMMIGRANTS ADMITTED TO UNITED STATES, SELECTED YEARS, 1981-2008

Year	All Classes	Exchange Visitors	Academic & Vocational Students
1981	11,756,903	108,023 (1%)	271,861 (2%)
1985	9,539,880	141,213 (1%)	285,496 (3%)
1990	17,574,055	214,644 (1%)	355,207 (2%)
1995	22,640,540	241,364 (1%)	395,480 (2%)
2000	33,690,082	351,743 (1%)	699,953 (2%)
2001	32,824,088	389,435 (1%)	741,921 (2%)
2002	27,907,139	370,176 (1%)	687,506 (2%)
2004	30,781,330	360,777(1%)	656,373(2%)
2008	39,381,928	506,138 (1%)	917,373(2%)

## Appendix IX - Disruptive Demographics – Dr. Johnson



## U.S. POPULATION CHANGE BY RACE & ETHNICITY, 2000-2009

Race	2009 Population	Absolute Change 2000 – 2009	Percentage Change 2000 - 2009
Total	307,806,550	24,834,539	8.8
Non-Hispanic	258,587,226	12,057,648	4.9
White	199,851,240	4,088,448	2.1
Black	37,681,544	3,276,661	9.5
AI/AN	2,360,807	256,564	12.2
Asian	13,686,083	3,233,417	30.9
NH/PI	448,510	79,260	21.5
2 or More Races	4,559,042	1,123,298	32.7
Hispanic	48,419,324	12,776,945	35.8

## SHARES OF NET POPULATION GROWTH, 2000-2009

Race	Absolute Change 2000 - 2009	Percent of Total
Total	24,834,539	100
Non-Hispanic	12,057,648	48.6
White	4,088,448	16.5
Black	3,276,661	13.4
American Indian	256,564	1.0
Asian	3,233,417	13.0
Native Hawaiian	79,260	0.3
Two or More Races	1,123,298	4.5
Hispanic	12,776,945	51.4

### MEDIAN AGE OF U.S. POPULATION BY RACE, HISPANIC ORIGIN & GENDER, 2009

Race	Total	Male	Female
United States	36.8	35.4	38.2
White Alone	38.3	37.0	39.6
White, Non-Hispanic	41.2	39.9	42.6
Black Alone	31.3	29.4	33.3
AIAN Alone	29.5	29.0	30.2
Asian Alone	33.6	32.6	34.6
NHPI Alone	29.9	29.5	30.3
Two or More Races	19.7	18.9	20.5
Hispanic	27.4	27.4	27.5

### TOTAL FERTILITY RATES OF U.S. WOMEN BY RACE/ETHNICITY, 2007

Race/Ethnicity	Total Fertility Rate
Hispanic	2.99
Non-Hispanic White	1.87
Blacks	2.13
Asian	2.04
Native American	1.86

Source: Johnson and Lichter (2010)

## RELATIVE DISTRIBUTION OF U.S. BIRTHS BY RACE / ETHNICITY

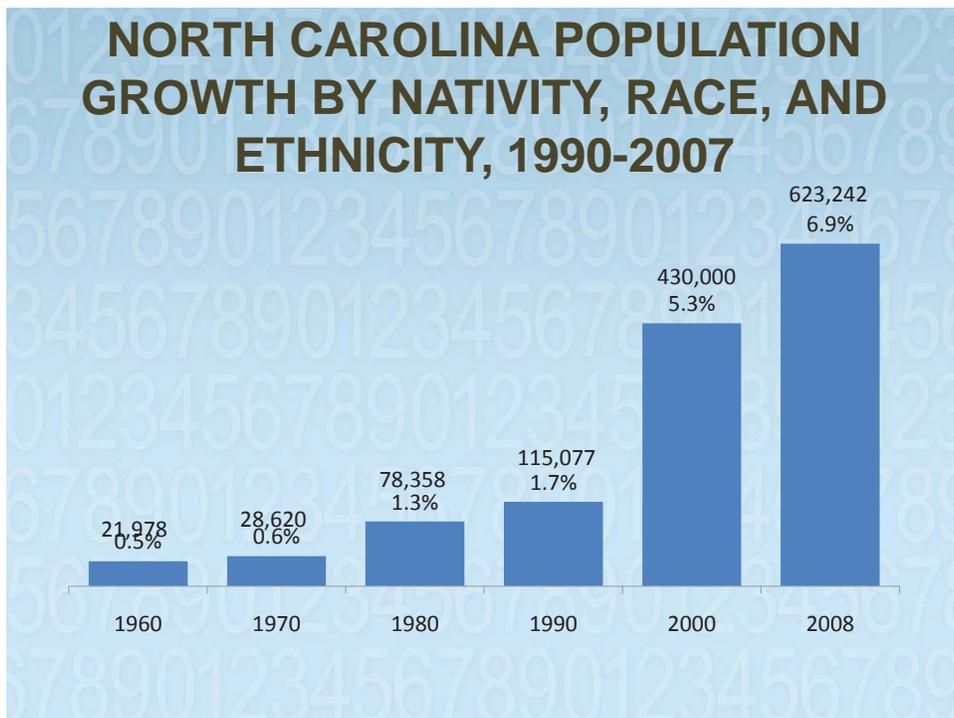
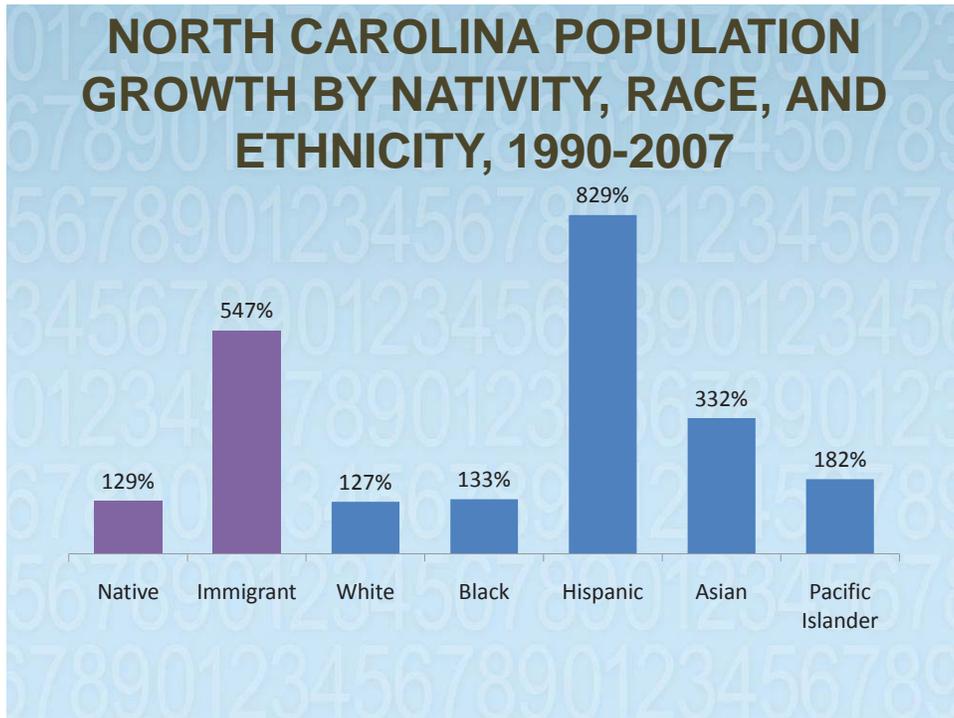
Race/Ethnicity	1990	2008
White	66%	50%
Blacks	17%	16%
Hispanics	15%	26%
Other	2%	8%

Source: Johnson and Lichter (2010).

## RELATIVE DISTRIBUTION OF U.S. POPULATION BY RACE / ETHNICITY

Race/Ethnicity	2005	2050
White	67%	47%
Blacks	12.8%	13%
Hispanics	14%	29%
Asian	5%	9%

Source: Pew Research Center, 2008 \*projected.



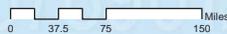
## MAJOR REDISTRIBUTORS OF POPULATION TO NORTH CAROLINA, 2004-2008

State of Origin	Number of Arriving Migrants
Florida	62,528
Virginia	53,536
New York	49,284
South Carolina	39,096
Georgia	28,264
California	27,813
Pennsylvania	23,185
New Jersey	22,620
Foreign	22,533

## MIGRATION MAGNET COUNTIES OF NORTH CAROLINA



4



**Legend**  
 Tertiary  
 Secondary  
 Primary  
 NC Counties

## PER CAPITA INCOME OF ARRIVING & DEPARTING MIGRANTS, NC, 2004-2008

Year	Arriving Income	Departing Income	Difference
2004-05	\$22,464	\$21,124	\$1,522
2005-06	\$23,327	\$22,333	\$ 994
2006-07	\$24,576	\$22,422	\$2,154
2007-08	\$25,000	\$23,530	\$1,470

## CONTRIBUTIONS OF NON-WHITES & HISPANICS TO NC POPULATION CHANGE, 2000-2010

Area	Absolute Population Change	Percent Non-White*	Percent Hispanic
All Counties	1,486,170	61.2	28.5
Tier 1 Counties	69,365	84.1	51.5
Tier 2 Counties	327,859	63.2	34.2
Tier 3 Counties	1,088,946	59.1	25.0

Source: Census 2000 and Census 2010. \*Non-whites include Blacks, Hispanics, American Indians and Alaskan Natives, Asians, Native Hawaiians & Pacific Islanders, and people of two or more races.

## MEDIAN AGE & FERTILITY RATES FOR FEMALES IN NC, 2005-2009

Demographic Group	Median Age	Fertility/1000 women*
All Females	38.1	56
White, Not Hispanic	41.6	49
Black	35.0	58
American Indian & Alaskan Native	34.1	74
Asian	32.8	67
Native Hawaiian & Pacific Islander	25.5	33
Some other race	22.1	108
Two or more races	17.8	78
Hispanic	22.3	101
Native Born	38.7	52
Foreign Born	35.3	92

Source: American Community Survey  
 \*Women 15 to 50 with births in past 12 months

## CHANGE IN THE RACE/ETHNIC COMPOSITION OF NC PUBLIC SCHOOLS, 2000-2009

Group	2009 Enrollment	2000 Enrollment	Absolute Change	Percent Change	Share of Net Change
Total	1,427,960	1,268,422	159,538	12.6	100.0%
AI/AN	20,378	18,651	1,727	9.6	1.2%
Black	444,870	393,712	51,158	13.0	32.1%
Asian	35,140	23,576	11,564	49.0	7.2%
Hispanic	152,605	56,232	96,373	171.4	60.4%
White	774,967	776,251	- 1,284	- 0.2	

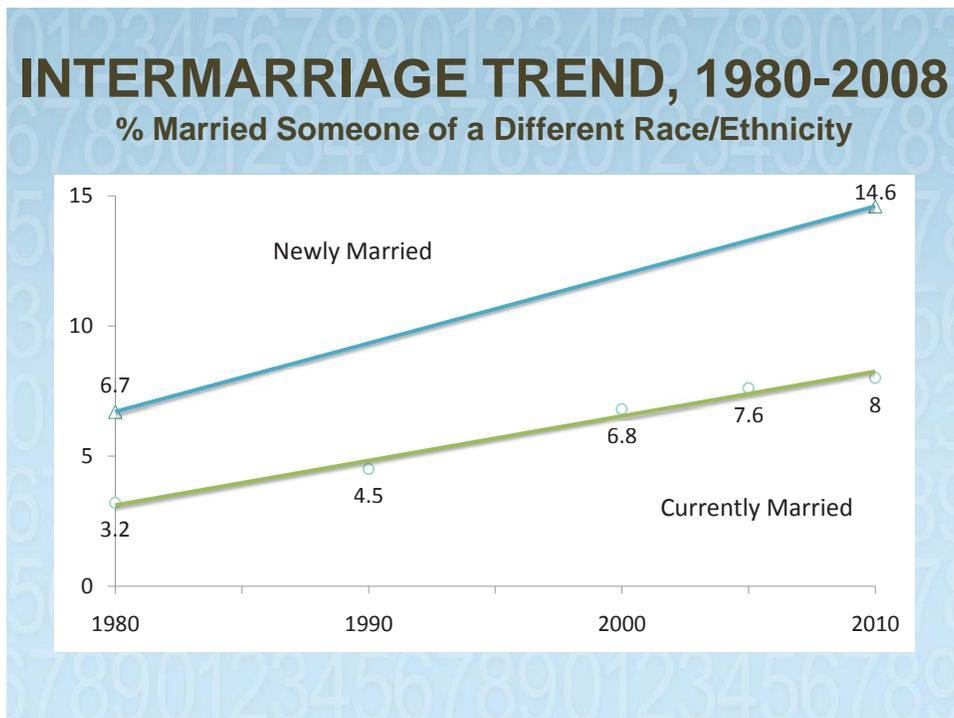
Source: DPI, The Statistical Profile Online

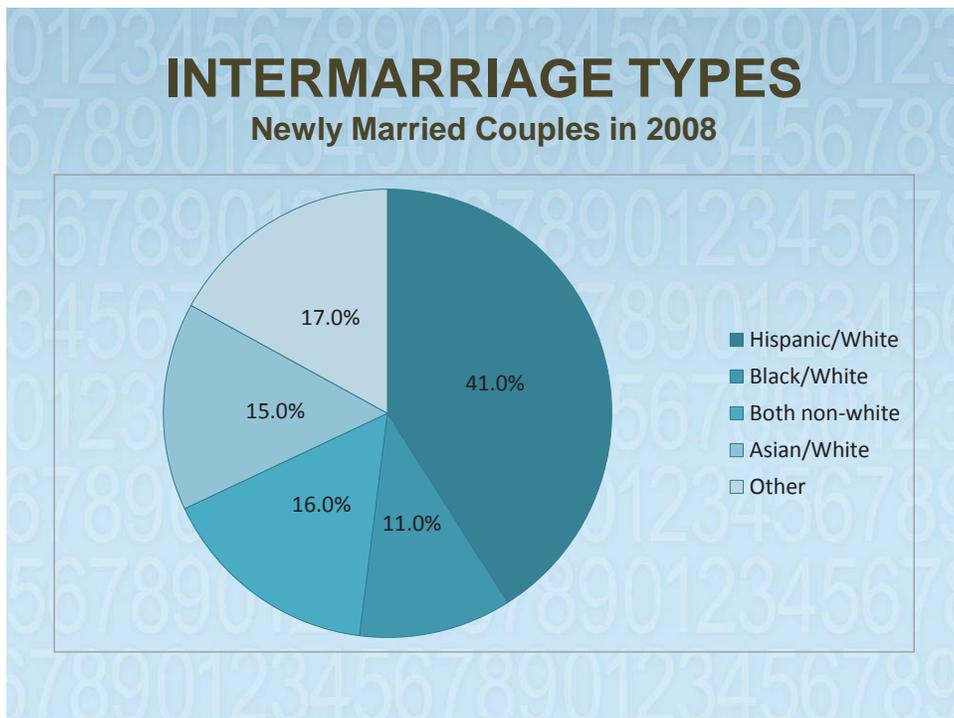
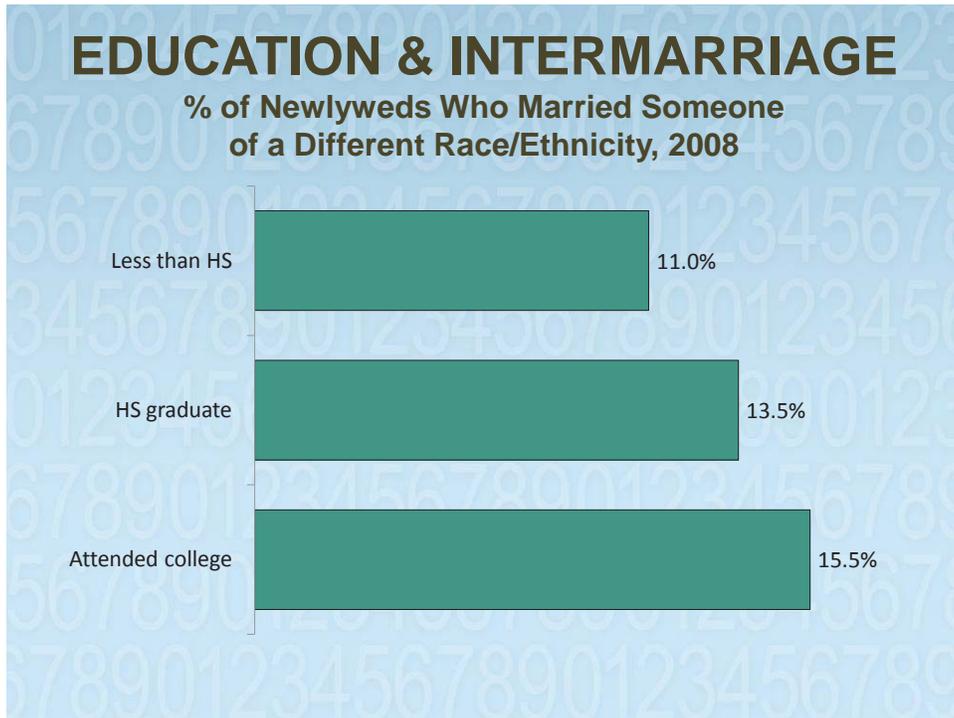
## RACE/ETHNIC POPULATION CHANGE, 2000-2010

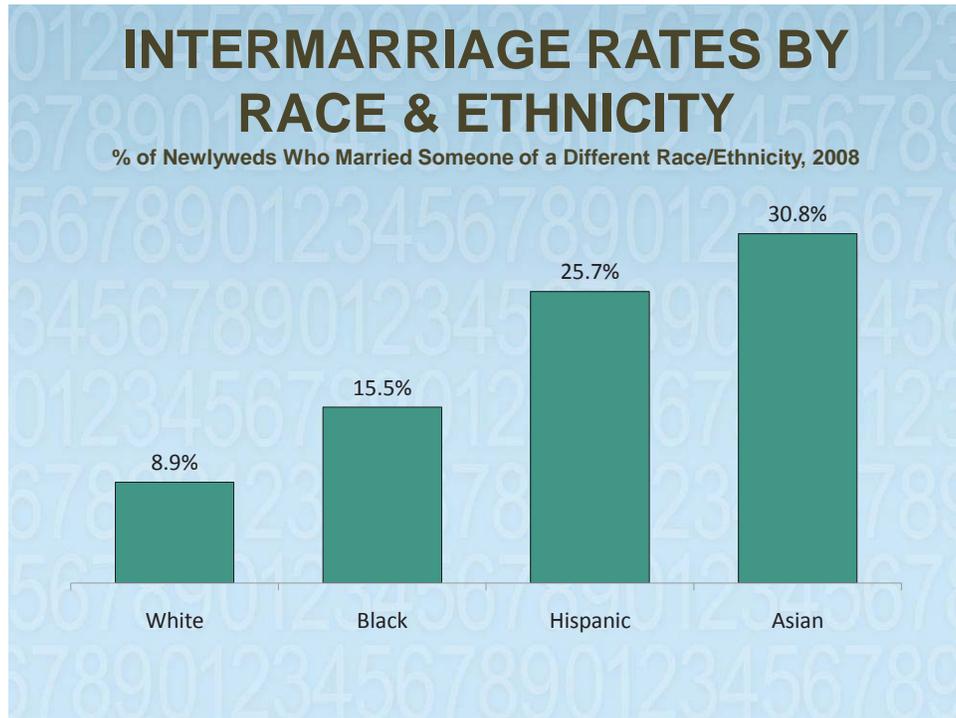
Race/Ethnicity	2010 Population	Absolute Change 2010	Percent Change 2000-2010
<b>Davidson County</b>			
White	133,486	7,328	5.8
African American	14,421	958	7.1
Hispanic	10,408	5,643	118.4
<b>Lexington</b>			
White	9,424	-1,512	-13.8
African American	5,372	-591	-9.9
Hispanic	3,082	947	44.4

## MEDIAN AGE BY RACE/ETHNICITY & GENDER, 2000-2010

Race/Ethnicity	Male	Female
<b>Davidson County</b>		
White	41.8	43.4
African American	34.9	37.8
Hispanic	24.5	22.4
<b>Lexington</b>		
White	43.5	48.4
African American	34.5	38.8
Hispanic	24.7	21.5







## U.S. POPULATION CHANGE BY AGE, 2000-2009

Age	2009	Absolute Change 2000 - 2009	Percentage Change 2000 - 2009
<25	104,960,250	5,258,492	5.3
25-44	84,096,278	-1,898,345	-2.2
45-64	79,379,439	16,977,567	27.2
65+	39,570,590	4,496,886	12.8
TOTAL	307,006,550	24,834,593	8.8

## U.S. POPULATION TURNING 50, 55, 62, AND 65 YEARS OF AGE, (2007-2015)

	Age 50	Age 55	Age 62	Age 65
Average Number/Day	12,344	11,541	9,221	8,032
Average Number/Minute	8.6	8.0	6.4	5.6



## ABSOLUTE AND PERCENT CHANGE IN U.S. POPULATION BY AGE

Age	2005	2050	% Change
Total	296	438	50.0
0-17	73	102	39.7
18-64	186	255	37.1
65+	37	81	118.9

### OLDER WORKERS IN U.S. WORKFORCE

YEAR	Age 65 or Older	Age 75 or Older
1998	11.9%	4.7%
2008	16.8%	7.3%

### NC ABSOLUTE POPULATION CHANGE BY AGE, 2000-2010

Age	All Counties	Tier 3 Counties	Tier 2 Counties	Tier 1 Counties
All Ages	1,486,170	1,088,946	327,859	69,365
<25	449,385	369,818	85,481	- 5,914
25-44	73,209	159,248	- 36,139	-49,900
45-64	698,545	410,705	199,101	88,739
65+	265,031	149,175	79,416	36,440

## NC RELATIVE POPULATION CHANGE BY AGE, 2000-2010

Age	All Counties	Tier 3 Counties	Tier 2 Counties	Tier 1 Counties
All Ages	18.5%	28.0%	12.4%	4.6%
<25	16.2%	27.4%	9.3%	- 1.2%
25-44	2.9%	12.5%	-4.5%	-11.5%
45-64	38.6%	48.7%	33.3%	24.1%
65+	27.3%	35.1%	24.1%	17.0%

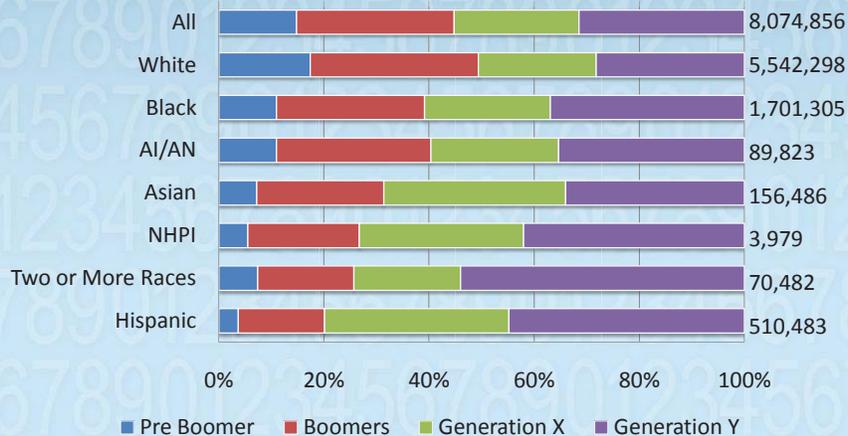
## NC SHARES OF NET POPULATION GROWTH BY AGE, 2000-2010

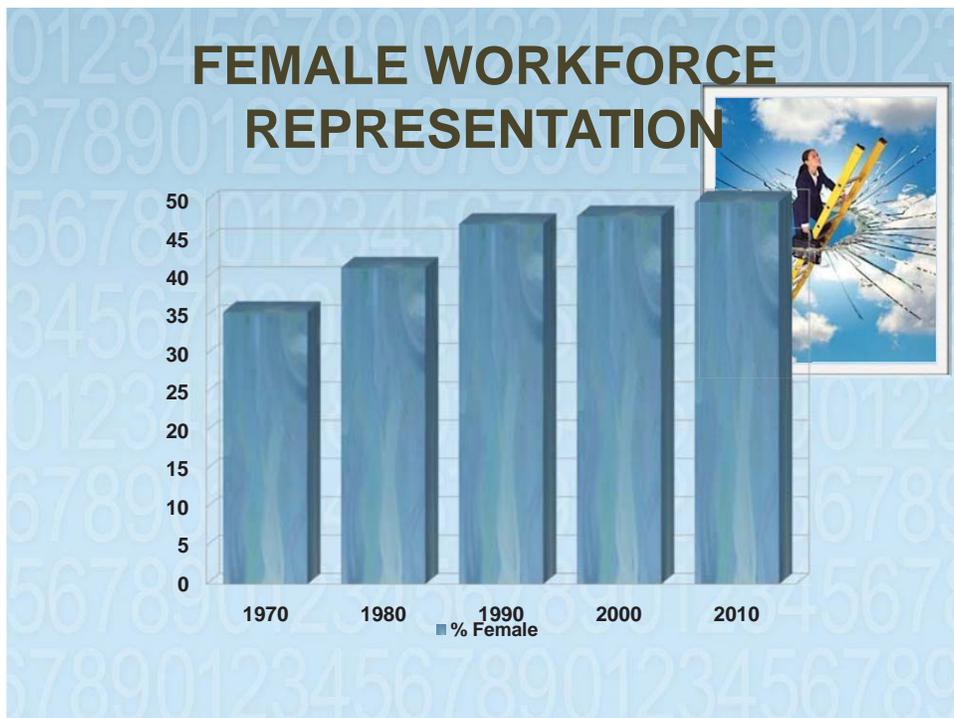
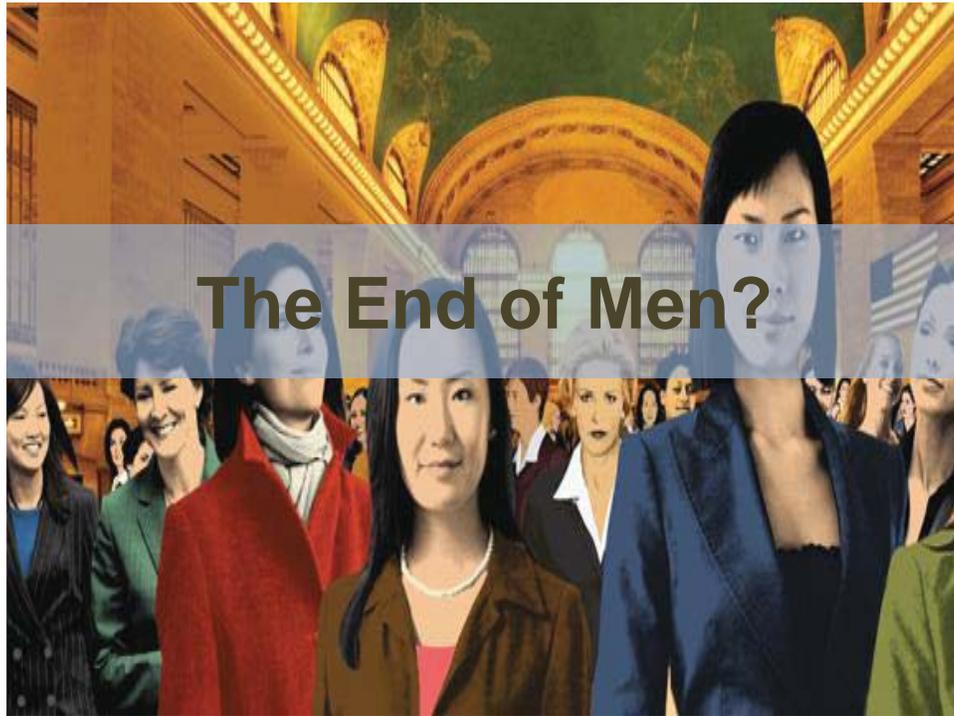
Age	All Counties	Tier 3 Counties	Tier 2 Counties	Tier 1 Counties
All Ages	100.0%	100.0%	100.0%	100.0%
<25	30.2%	34.0%	26.1%	- 9.1%
25-44	4.9%	14.6%	- 11.0%	- 76.6%
45-64	47.0%	37.7%	60.7%	136.2%
65+	27.3%	13.7%	24.3%	55.9%

## ABSOLUTE & RELATIVE POPULATION CHANGE BY AGE, 2000-2010

Age	2010 Population	Absolute Change 2010	Percent Change 2000-2010
<b>Davidson County</b>			
All	162,878	15,632	10.6
< 25	51,053	4,035	8.6
25-44	42,051	-3,884	-8.5
45-64	46,386	10,867	30.6
65+	23,388	4,614	24.6
<b>Lexington</b>			
All	18,931	-1,022	-5.1
< 25	6,447	-348	-5.1
25-44	4,966	-988	-16.6
45-64	4,660	513	12.4
65+	2,855	-199	-6.5

## N.C. POPULATION DISTRIBUTION ACROSS THE GENERATIONS BY RACE/ETHNICITY, 2009





## COLLEGE CLASS OF 2010

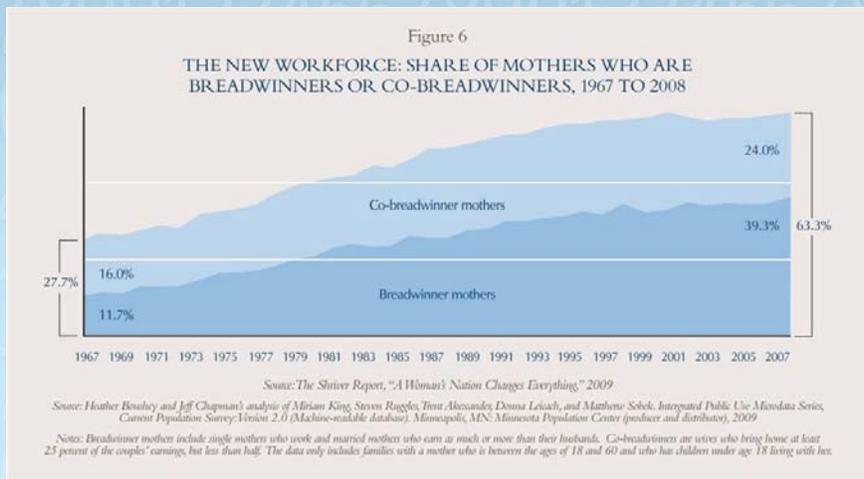
DEGREE	MALE	FEMALE	DIFFERENCE
Associate's	293,000	486,000	193,000
Bachelor's	702,000	946,000	244,000
Master's	257,000	391,000	134,000
Professional	46,800	46,400	-400
Doctor's	31,500	32,900	1,400
TOTAL	1,330,300	1,902,300	572,000

## ENROLLMENT IN 2 YEAR COLLEGES, 2009

Area	Total Enrollment	Full Time Enrollment (%)	Male Enrollment (%)	Black Enrollment (%)
U.S.	20,966,826	63	43	13
Southeast Region	4,731,356	65	41	23
North Carolina	574,135	64	41	24
NC- 2 Yr Colleges	253,383	43	40	25

## UNC SYSTEM STUDENT ENROLLMENT BY GENDER AND TYPE OF INSTITUTION, 2010

Type of Institution	Total Enrollment	Male Enrollment	Percent Male
UNC System	175,281	76,953	44
Majority Serving	139,250	63,403	46
Minority Serving	36,031	13,550	38
HBU's	29,865	11,191	37



## **JOBS LOST/GAINED BY GENDER DURING 2007 (Q4) – 2009 (Q3) RECESSION**

<b>Industry</b>	<b>Women</b>	<b>Men</b>
Construction	-106,000	-1,300,000
Manufacturing	-106,000	-1,900,000
Healthcare	+451,800	+118,100
Government	+176,000	+12,000
Total	-1,700,000	-4,700,000

## **COOLING WATERS FROM GRANDMA'S WELL**

And Grandpa's Too!

### CHILDREN LIVING IN NON-GRANDPARENT AND GRANDPARENT HOUSEHOLDS, 2001-2010

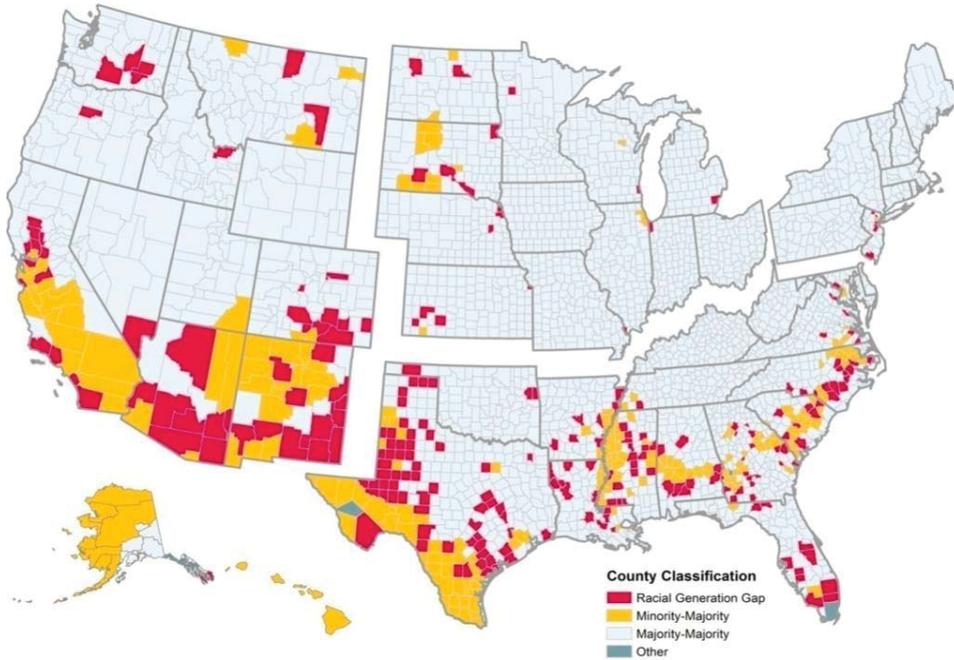
Household Type	Absolute Number 2010	Absolute Change 2001-2010	Percent Change 2001-2010
All	74,718	2,712	3.8
No Grandparents	67,209	917	1.4
Both Grandparents	2,610	771	41.9
Grandmother Only	1,922	164	9.3
Grandfather Only	318	71	28.7

### CHILDREN LIVING IN NON-GRANDPARENT AND GRANDPARENT-HEADED HOUSEHOLDS BY PRESENCE OF PARENTS, 2010

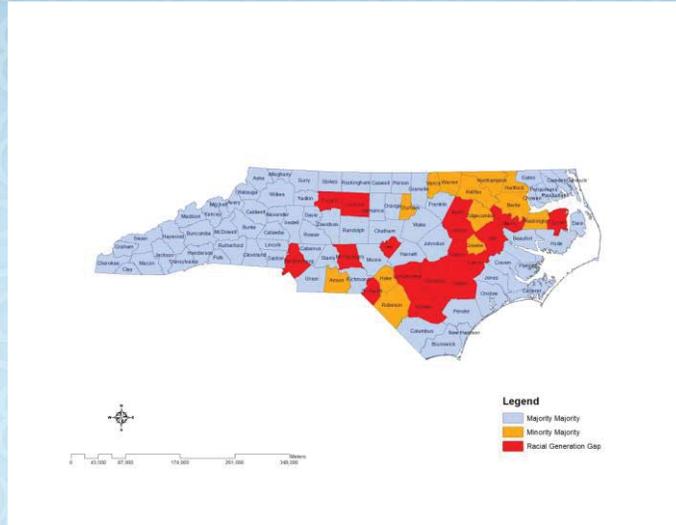
Household Type	All Children (in thousands)	Living with Both Parents	Living with Mother Only	Living with Father Only	Living with Neither parent
All	74,718	69.3%	23.1%	3.4%	4.0%
No Grandparents	67,209	73.4%	21.2%	3.3%	2.1%
Both Grandparents	2,610	18.1%	40.6%	5.2%	36.1%
Grandmother Only	1,922	13.8%	48.4%	4.5%	33.2%
Grandfather Only	318	26.4%	45.9%	4.4%	23.6%



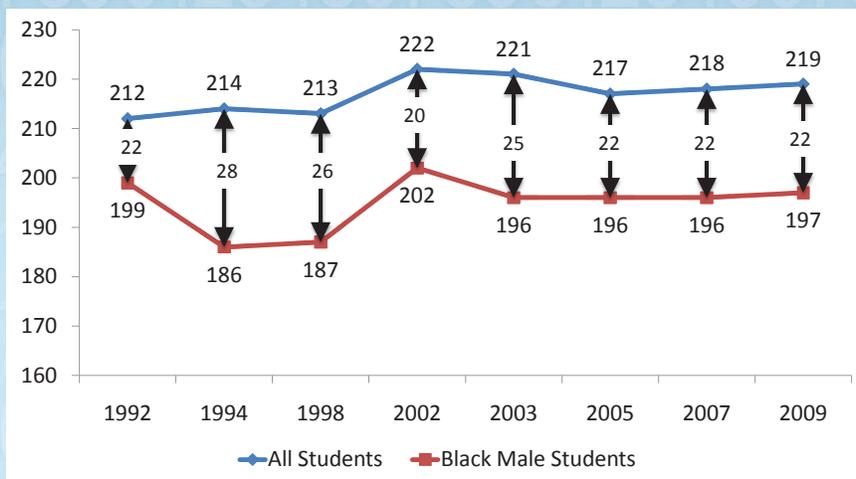
**Racial/Ethnic Typology of U.S. Counties, 2005**



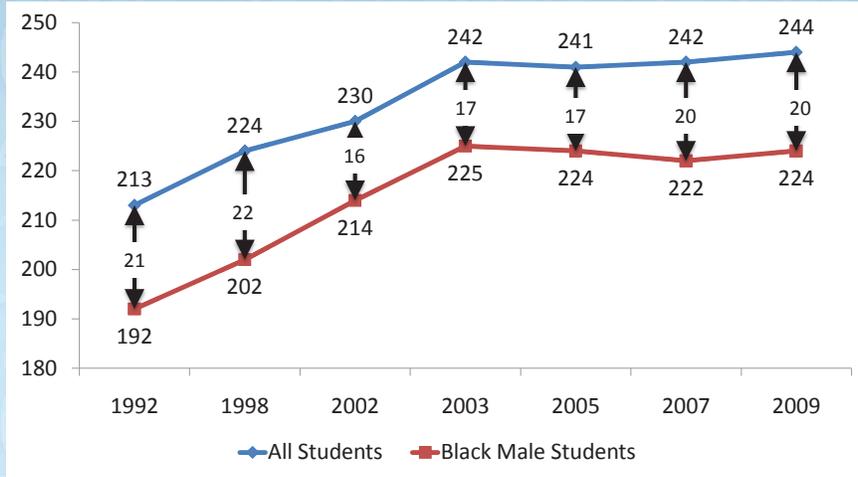
## RACIAL TYPOLOGY OF NORTH CAROLINA COUNTIES, 2010



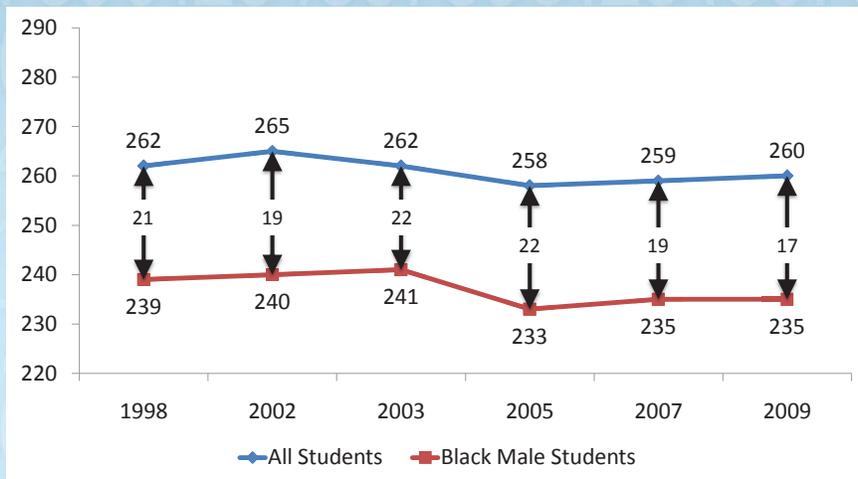
## LONG TERM TRENDS IN READING ACHIEVEMENT – NC GRADE 4

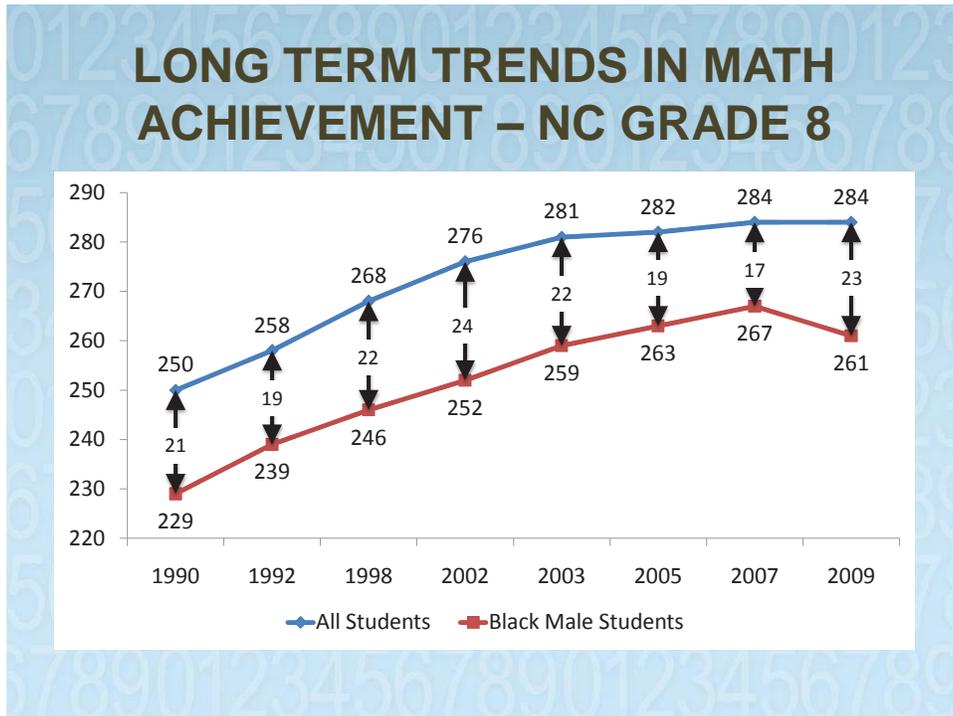


### LONG TERM TRENDS IN MATH ACHIEVEMENT – NC GRADE 4



### LONG TERM TRENDS IN READING ACHIEVEMENT – NC GRADE 8





## AVERAGE SHARE OF LONG-TERM UNEMPLOYMENT BY EDUCATION

Education	1990-1993	2001-2004	% Change
Less Than High School	24.7%	23.7%	-1.0
High School Graduate	40.6%	34.3%	-6.3
Some College	20.7%	24.4%	3.7
Bachelor's Degree or More	14.0%	17.6%	3.6

## AVERAGE SHARE OF LONG-TERM UNEMPLOYMENT BY OCCUPATION

Occupation	1990-1993	2001-2004	% Change
Blue Collar	40.5%	31.6%	-8.9
Service Occupation	14.3%	16.7%	2.4
White Collar	38.5%	44.4%	5.9

## THE LONG-TERM UNEMPLOYED, 2009

PROFESSION	% OF ALL JOBLESS WORKERS
Architecture & Engineering	41.2
Management	39.0
Community & Social Services Occupations	36.1
Installation, Maintenance & Repair Work	34.9
Production Occupations	33.4

## CHANGE IN INCIDENCE OF POVERTY BY EDUCATIONAL ATTAINMENT IN NC, 2005-2007, 2008-2010

Educational Attainment	2005-2007	2008-2010	Percent Change
Less than High School	253,304	276,757	9.3%
High School Graduate	216,667	234,371	8.2%
Some College, Associate Degree	136,185	186,834	37.2%
Bachelor's degree or higher	49,082	57,919	18.0%

Source: American Community Survey

## **THE COMPETITIVE TOOL KIT**

- Entrepreneurial Acumen
- Contextual Intelligence
- Soft Skills/Cultural Elasticity
- Agility and Flexibility

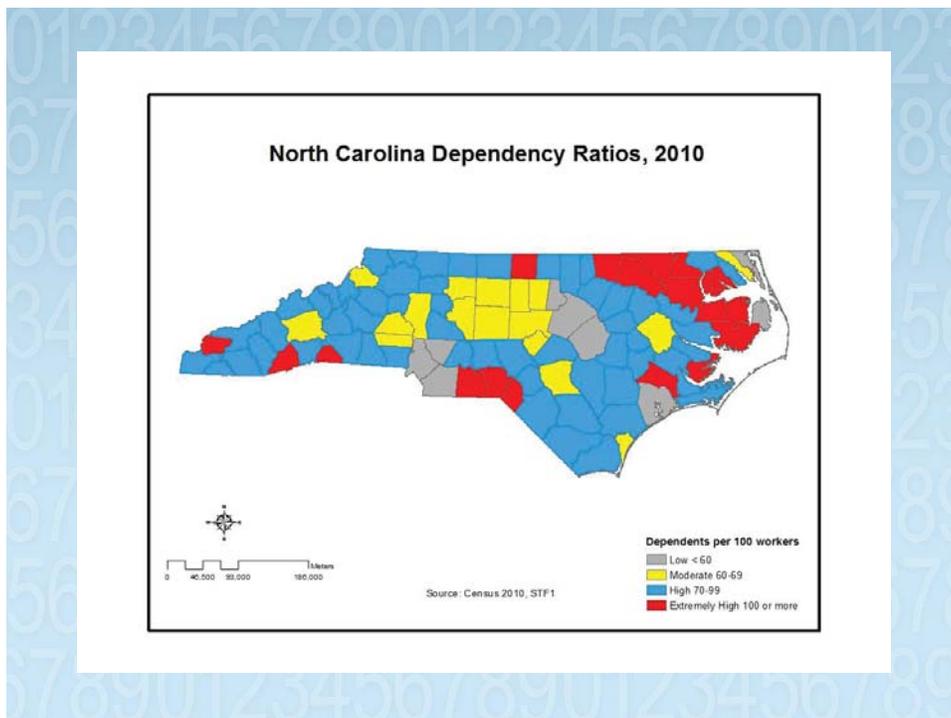
## **GROWING DEPENDENCY**

A Train Wreck in the Making

## ABSOLUTE & PERCENT CHANGE IN DEPENDENCY RATIOS, 2000-2009

Area	2000	2009	Percent Change
All Counties	60.7	66.1	8.9
Tier 1 Counties	78.8	90.5	15.2
Tier 2 Counties	63.5	71.3	10.9
Tier 3 Counties	52.9	56.6	7.5

Source: compiled by authors from Census 2000 and Census 2010



## CHANGES IN DEPENDENCY RATIOS, 2000-2010

Area	2000	2006-2010	Percent Change
North Carolina	60.7	66.1	8.9
Davidson County	55.6	66.3	19.2
Lexington City	87.4	107.0	22.4

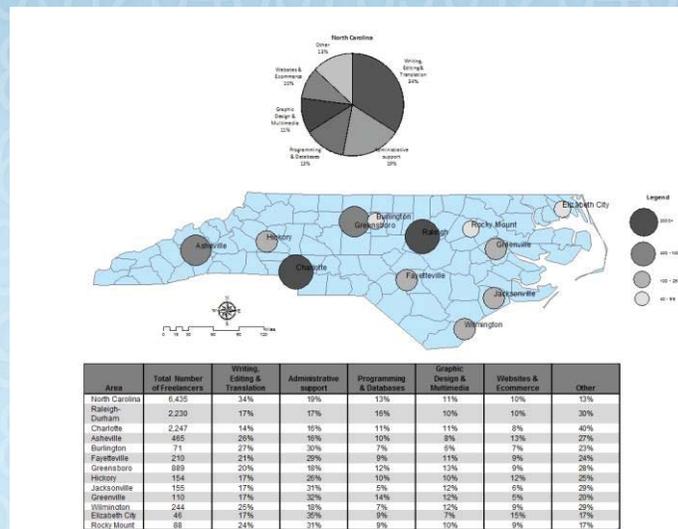
## Human Development Indices for Davidson County, NC, 2010

Indicator	All	Whites	Blacks	Racial Differences
HDI	3.88	4.72	2.73	1.99
Health	4.30	5.53	4.13	1.40
Education	5.03	5.47	2.02	3.45
Earnings	2.31	3.16	2.04	1.12
Life Expectancy at Birth	76.3	76.6	72.4	4.20

## MOVING FORWARD

- Rebrand the County & City as sustainable places to live and do business
- Improve Male Education Outcomes
- Augment efforts to recruit plants with strategies to recruit people
- Embrace immigrants
- Recognize demographic-driven business development & job creation opportunities

## DISTRIBUTION OF FREELANCE ENTREPRENEURS



## IMPLICATIONS FOR BUSINESS

- Emergence of global care economy
- Adjustments for aging consumers
- Succession Planning
- Female-Dominated Labor Force and Leadership
- Fierce Global Competition for Talent

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## OPPORTUNITIES

- Tap the spending power of ethnic minorities
- Cater products & Labeling to emerging Groups
- Design & package products with equality in mind

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## LABELING & PACKAGING

- Easy to Read
- Easy to Understand
- Easy to Carry
- Easy to Enjoy
- Safer to Use

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## DEFINITION OF EASY TO CARRY: CURRENT VS. FUTURE

Current Population	Future Grey Population
Bulky and Heavy	Minimal Unit Size and Weight
Big-sized cart, shopping cart, car trunk	Compact car, Rolling carriage
Price Sensitive	Weight Sensitive
Aesthetics Is More Important	Function Is More Important
Mostly carry with one hand	Handle with both hands

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## Institute for Emerging Issues

### Strategic Planning Committee

Tammy Absher 10-20-11

Sources: Mitchell Silver, APA President, US Census Bureau and

<http://www.ncsu.edu/iei/>

## Institute for Emerging Issues

- Located at NCSU, IEI is a public policy "think-and-do" tank concerned about the future of North Carolina.
- Employs a unique public policy process to convene leaders from business, nonprofit organizations, government and higher education to discuss and develop action steps to combat the challenges to North Carolina's future prosperity.
- Convenings center around specific programs of work, such as reforming higher education and modernizing North Carolina's system of tax and finance.
- Programs of work are developed from five general areas of focus: education, healthcare, economic development, energy and the environment, and tax and finance.
- Founded in 2002 by former Governor [Jim Hunt](#), now the chair of IEI. The organization was born out of the Emerging Issues Forum, which was established in 1986 by Hunt. Hunt established the Forum to have leaders discuss and debate the challenges facing the state. The Institute was established to take the ideas that came out of the Forum and put those ideas into action.
- The Forum continues to be IEI's signature event, drawing over 1000 leaders each year from around the world.

## Generations

- Born between
- Greatest Generation 1901-1924
- Silent/Chosen Generation 1923-1945
- Baby Boom Generation 1946-1964
- Generation X 1965-1981
- Generation Y 1982-1995
- Generation Z 1996-today

Source: Mitchell Silver, AICP (compiled from multiple sources including Wikipedia and About.com)

## Generation Y (1982-1995)

- 16 to 29 years old today.
- Also known as “Millennials” and “Echo Boomers” children of boomers.
- Lived through parents consumerism. Want choice.
- Tech savvy. Familiar with computers, internet, digital technology.
- Craves attention. Needs constant feedback and attention. Moves from job to job.
- Instant communication: email, texting, IM, YouTube
- Achievement-oriented and team-oriented.
- Trophy kids: no one loses, everyone gets rewarded.
- More racially and culturally tolerant than previous generations.
- Prefers urban lifestyle. Environmentally conscience. Place matters, not just job.

Source: Mitchell Silver, AICP (compiled from multiple sources including Wikipedia and About.com and interviews over a 2-year period)

## Generation Z (1996-today)

- 15 years old and under today
- Too early to discern traits about this generation
- Lived through 9/11 and Katrina
- Living through the Greatest Recession and 2 Wars
- First African-American President elected
- Emergence of MP3 players
- Declining birth rate
- Somewhat tech savvy by elementary school age.
- Children of youngest boomers and Generation X and Y.
- More non-traditional households.
- Environmentally conscience, many similarities to Generation Y.

Source: Mitchell Silver, AICP (compiled from multiple sources including Wikipedia and About.com and interviews and observations over a 2-year period)

## Generation Z

- Generation Z is beginning to join the workforce.
- Has never really existed in a world without the web or lacking the widespread use of cell phones, laptops, and freely available wireless networks and digital media.
- The combination of job changes caused by technology's impact and the employment issues that come with an economic recession makes finding work a very different experience for Generation Z--vastly different what their parents, grandparents, or even siblings went through. And the workplace is finding that dealing with these hyper-connected Internet-generation "kids" greatly changes the game.

## IEI and Generation Z

- Each year, the Institute chooses one discrete issue, a common challenge confronting the state workforce. And this year's topic is Generation Z and the impact these young workers will have on the coming business environment.

## Generation Z

- The first generation in the history of the US to enter the workforce under expectations that they will be (on average) less well-off than their parents. The lack of jobs and the difficulty finding a good job fit means that many in this generation can expect to spend more time job-seeking or job-jumping and are less able to sustain themselves as independent households.

## Generation Z

- Technology skills Z exhibits can be a great advantage for employers. Connectivity and the use of modern media is as natural as breathing.
- They do not have to learn the communications skills that pre-Internet generations struggle with, and technology is already integrated into their daily routines.
- Generation Z divides and assumes social roles based on setting--and the (sometimes mistaken) expectation that others would also understand this segregation.

## Generation Z

- "Z wants to know: How do I fit in? Why do I have to do this? Why does it have to be done by then?"
- And though these statements were initially framed as self-interest from a generation accustomed to instant gratification, a closer examination reveals that Z is not the only group that benefits from knowing those things--from being invested in those things--within corporate culture.
- They expect to be part of the design process.

## Generation Z

- Transparency, self-reliance, flexibility, and personal freedom are all non-negotiable aspects of Generation Z's work ethic--and properly harnessing those qualities improves the working world for all of us. Ignoring them--or worse, trying to force-fit them into a traditional job environment--could result in peer frustration, reduced productivity, low morale, and a lack of employee engagement.

## Generation Z

- Lexington should involve Y and Z in a process of designing the environment now, because the environment will play a key role in determining whether or not they choose to live here in the future.
  - Zs favor an urban setting with walkable access to social settings and services.
  - Zs reject single family large lot development.

# Building on Innovation

The Significance of Anchor Institutions  
in a New Era of City Building

**Tom Murphy**

Senior Resident Fellow

ULI/Klingbeil Family Chair for Urban Development

## About the Urban Land Institute

The mission of the Urban Land Institute is to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide. ULI is committed to

- Bringing together leaders from across the fields of real estate and land use policy to exchange best practices and serve community needs;
- Fostering collaboration within and beyond ULI's membership through mentoring, dialogue, and problem solving;
- Exploring issues of urbanization, conservation, regeneration, land use, capital formation, and sustainable development;
- Advancing land use policies and design practices that respect the uniqueness of both built and natural environments;
- Sharing knowledge through education, applied research, publishing, and electronic media; and
- Sustaining a diverse global network of local practice and advisory efforts that address current and future challenges.

Established in 1936, the Institute today has nearly 30,000 members worldwide, representing the entire spectrum of the land use and development disciplines. ULI relies heavily on the experience of its members. It is through member involvement and information resources that ULI has been able to set standards of excellence in development practice. The Institute has long been recognized as one of the world's most respected and widely quoted sources of objective information on urban planning, growth, and development.

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## Building on Innovation

The innovation economy is sweeping away the old rules of city building in the United States and “anchor institutions”—research hospitals and universities—have become one of the primary drivers of this community-based change. At one time, companies could operate independently of community development factors, make industry-based acquisitions or mergers, forgo partnerships with the public sector, and forge their independent path to thriving business and enterprise value. Today, the technology and information economy has created a tempo of quick-speed change and public/private community interdependencies that have grown so great they have generated a new paradigm of local economic development and city building.

In just 20 years, metropolitan Boston has lost more than 100,000 manufacturing jobs while adding nearly 200,000 jobs in education, professional services, and health care-related sectors. Baltimore, Denver, and San Francisco now have double or even triple the jobs in educational, professional, and health services as in manufacturing. The capacity of communities to achieve economic resiliency amid these tectonic shifts will determine the difference between prosperous and failed local economies.

Land use decisions lie at the center of this capacity to succeed. A community’s ability to reuse its former manufacturing sites, to synergistically locate technology companies near research labs and each other, to encourage the growth of anchor institutions, and to build vibrant, engaging, and modern places to live and play is central to its competitiveness.

**At the heart of these local economic development challenges lie the often overlooked anchor institutions of hospitals and universities that are the heavyweights of local employment and globally competitive innovation.**

The United States leads the world in higher education, health care delivery, basic research, and venture capital investment. Other economies seek to catch up. For individual communities in the United States to retain their quality of life, relationships between the public, private, and nonprofit sectors need to adapt to the new reality of the global innovation economy. Local leaders need a greater understanding of the desirability for business, institutions, and governments to mutually support each other rather than to be at loggerheads in the effort to nurture an agile workforce.

These relationships play out at several levels, but radical change is necessary at the local and metropolitan levels. Across this country, millions of manufacturing jobs have moved off shore as the information and technology economy has evolved. The pace of change continues to accelerate, and leaders at all levels need to act with common purpose to generate new wealth for communities. Metropolitan regions are increasingly being acknowledged as the laboratory for competition, learning, innovation, and change. The cumulative impact of local land use strategies and real estate investments is playing a decisive role in positioning communities for tangible growth and long-term prosperity.

The global marketplace for private sector investment is more mobile than ever. Investors and entrepreneurs want to see a community and its leadership moving to the future before allocating their time and capital. A city hoping to have a thriving and sustainable economy needs to be a place that demonstrates a track record of effective partnerships for this type of ongoing innovation to occur.

**The ability of the United States to compete depends on countless decisions by thousands of local leaders in virtually every community.**

Unlike other countries, where education, land use, and industrial policies are centrally planned, in the United States, many strategic policies and decisions are shaped and implemented at the local level. With more than 74,019 local governments and 13,506 school districts in the United States, local leaders must deliberately choose to invest in the future, be entrepreneurial, and build the critical public/private partnerships necessary to harness the strengths of the community and the region.

**The success of institutions in becoming drivers of innovation and community development lies in their ability to link local networks of intellectual and business infrastructure.**

Locally elected school boards determine the cost and quality of education, and it is overwhelmingly paid by local taxes. Local real estate interests and public leaders control and determine the quality and type of land use. To unleash these transformative economic drivers requires strong regional and local strategies and cross-sector collaborations.

This paper builds on the following three assumptions before offering some strategies for success:

1. Cities and their metropolitan regions will succeed only if they are managed well and adequately provide basic services.
  - Cities need to be clean and safe.
  - Cities need to be educating their workforce for the jobs of the future.
  - Cities need to offer a reasonable cost of living.
2. Cities will succeed if they commit to economic innovation and embrace cross-sector collaboration and partnerships.
  - Some cities already have the raw materials in existing research activities being undertaken at universities and medical institutions intent on commercializing their research.
  - Some cities have fostered public/private/university partnerships to drive their economic transformation and to help foster an entrepreneurial climate in their community.
  - Some cities recognize the need to attract various forms of venture capital available to invest in local business creation.
3. Cities will succeed if they provide vibrant places to live, plan regionally to maximize quality of life, and provide diverse housing choices and sustainable infrastructure.

## Understanding the Past, Dissecting the Future

For the purpose of this paper, ten cities were selected to highlight the potential for change and to showcase the opportunities for growth when the raw materials of the innovation economy are met with public leadership and engagement. The ten metropolitan areas are a cross section of communities around the country that either have been created as a result of innovation strategies, such as the Research Triangle, North Carolina, or have re-created themselves like Baltimore and Pittsburgh. A third category includes communities that have definitively positioned themselves on the global stage as drivers of innovation, including San Francisco/San Jose and Boston. Each of these places tells a somewhat different story, but over the past 20 years, all of these metropolitan areas have dramatically changed and are in the midst of advancing their own transformations into thriving new-economy communities.

In every case, these changes happened over years—and most often over several decades. Often the community’s response, in the midst of declining and changing employment, looks better after the crisis than it did in the middle of it. In other words, no one game plan applies. These communities were often reacting to incredibly challenging situations, and they responded with creativity and resiliency, bringing together a great cross section of individuals, groups, and visions. For thousands of years, cities have been reinventing themselves, and American cities have thrived through constant reinvention. What is now new is the global nature of the competition, the rapidity of change, and the need for communities to form partnerships across traditional boundaries.

Table 1 shows the significant losses—and increases—in employment in the ten selected cities compared to the nation as a whole. Critical to each community are

**TABLE 1: Employment Changes in Select U.S. Metropolitan Areas, 1990–2009**

Metro Area	Manufacturing			Professional and Business Services			Education and Health Services		
	1990 (thousands)	2010 (thousands)	% Change	1990 (thousands)	2010 (thousands)	% Change	1990 (thousands)	2010 (thousands)	% Change
Research Triangle	76.9	62.1	-19	62.4	121.4	95	51.6	118.5	130
San Diego	123.4	90.7		124.1	198.8		84.1	147.4	
Philadelphia	246.9	130.1	-47	213.6	286	34	278.3	434.5	56
Boston	205.8	92		226.1	296.1		267.2	378.5	
Seattle	222.2	169.1		138.8	224.7		114.8	213.7	
Houston	201.5	221.8		208.3	349.3		161.3	309.5	
Denver	84.8	59	-30	129.5	202.6	56	72	143.9	100
Baltimore	128.5	59.5		123.1	191.4		145.8	244.6	
San Francisco	170.5	113.4	-33	275.7	339.8	23	173.7	235.5	36
Pittsburgh	130.6	85.5		126.6	155.6		160.2	239.8	
U.S. Total	17,695	11,743	-34	10,848	16,991	57	10,984	19,838	81

Source: U.S. Bureau of Labor Statistics.

Note: The highlighted rows indicate a metropolitan area studied for this paper.

the offsetting increases in job production in the education, and health and professional services sectors of the local economy.

Dedicated partnerships are necessary to advance educational aspirations, investments in research, and coordination to transfer research knowledge into commercial applications and products. Recently at an Urban Land Institute (ULI) conference, a panelist repeated an oft-used phrase—“governments just need to get out of the way”—in referring to efforts to improve the economy. Although a popular sentiment, in fact, in many ways the opposite is true if communities are to align their resources in the context of globally competitive economic development. Communities with strong private and public leadership are more likely to succeed.

Today, cities and metropolitan regions are in a far more competitive environment than ever before. American states used to be dominated by one or two large cities. Of course, regional competition for jobs, corporate expansion, and quality of

## Leadership in Working Together: The Research Triangle

For the Research Triangle in North Carolina, the story goes back to 1959; six business leaders in Raleigh had been rained out of their golf game and were sitting in the clubhouse. They were lamenting the fact that they were sending their sons and daughters to college only to have them move elsewhere because employment choices in the Raleigh area were largely limited to tobacco, lumber, and furniture. These visionaries proceeded to organize the Research Triangle—buying 4,600 acres (1,850 ha) of land, creating a plan for a new local economy, forming university partnerships, and exercising public leadership. The rest is history. Research Triangle is now the largest high-tech research park in North America, boasting 20 million square feet (1,858,061 m<sup>2</sup>) of developed space and home to 157 companies, employing 39,000 people. It is a center of innovation.



Research Triangle Foundation

life was ongoing, but the game has recently changed forever. Today, competition is fierce—among metropolitan areas, regions, countries, and continents.

Whereas until now diverse employment opportunities and quality-of-life issues have been the two imperatives for cities to succeed, today the ability to create and reinvent economic engines, marketplace synergies, and corporate enterprise offshoots is required. For many years, the emphasis was on job creation—often at the expense of the quality of life. The rules have changed. The forces of global trade, new requirements for energy and infrastructure, climate change impacts, technological innovation, and demographics are redefining the critical elements cities need to compete and succeed.

### Getting the Basics Right

Certain threshold requirements exist for cities to succeed in the new economy:

- **Cleanliness and safety:** Efficient delivery of basic services, including security, cleanliness, and basic competency in good government, is essential. Without safety and cleanliness, no city can excel at providing new benchmarks of economic competitiveness. The improvement in urban management techniques over the past decade has enhanced police performance significantly. As an example, the CompStat program created in New York City tracks crime, and on a daily basis, it diverts and deploys resources as needed using a modern GPS system. This aggressive management and use of technology is credited with cutting the murder rate in New York City from over 2,000 in 1990 to under 500 by 2009. This leadership and use of technology has resulted in New York consistently having one of the lowest overall crime rates per capita in the nation.
- **An educated workforce:** Besides providing for safety, the single most important service that governments can offer in partnership with other institutions is education. Table 2 illustrates the percentage of the local workforce with various levels of educational attainment. Communities such as Seattle and Boston had a relatively well-educated workforce in 1990 so the changes were not as dramatic; in cities such as Pittsburgh and Baltimore, the changes have been impressive. Houston and San Diego continue to have a less well-educated workforce, with a lower percentage of college graduates, in part because these cities have experienced a significant increase in foreign immigrants.

In particular, an increasing percentage of college-educated individuals reflects an accelerating change in a community as its economy shifts. If the educational basis of a community is not rising, the lack of a qualified workforce will impede the community's ability to capture technology based jobs. Of particular importance is the increase in graduate degrees in Boston, San Francisco, and the Research Triangle. Graduate and doctorate degrees bring the research dollars. In many ways, cutting-edge researchers are now like free agents in major-league sports, requiring high salaries, first-rate research facilities, and strong support staff. They then are expected to deliver the "wins," the breakthrough technology results.

**TABLE 2: Educational Attainment in Select U.S. Metropolitan Areas, 1990–2009**

Metro Area	High School Graduates (%)		Bachelor's Degree (%)		Graduate Degree (%)	
	1990	2009	1990	2009	1990	2009
Research Triangle	82	88	20	26	12	18
San Diego	82	85	16	22	9	13
Philadelphia	76	87	14	19	8	13
Boston	81	91	17	24	11	18
Seattle	88	91	21	24	9	13
Houston	75	80	17	18	8	10
Denver	86	89	20	25	9	13
Baltimore	75	88	14	20	9	15
San Francisco	82	87	22	27	13	17
Pittsburgh	77	91	12	17	7	11
U.S. Total	75	85	13	18	7	10

Source: American Community Survey, U.S. Census Bureau.

o **Cost of living and quality of life:** In addition to the availability and skill set of the local workforce, the underlying cost of living plays a role in encouraging new business and innovation. In many parts of the country, the high cost of housing drove people to the outer-edge developments. Few jobs existed in those areas. As the recession hit and some jobs were lost, the cost of gas and transportation increased, leaving households more strapped for cash; many lost their homes. The nexus of jobs with housing is an ongoing challenge, particularly as local governments cut back transit service to less-populated suburban districts. The cost of housing and transportation are the two largest segments in determining a community's cost-of-living score.

Increasingly, playgrounds, bike trails, ballfields, and parks are a major defining element of a community's "livability." Examples of significant investments in parks include Millennium Park in Chicago, City Gardens in St. Louis, and Discovery Green in Houston. These parks are seen as investments in a number of ways, increasing real estate values on adjacent property and providing new places for civic activity.

The quality and responsiveness of local government encourages—or deters—growth and creativity. Local leaders and governments can embrace major institutions and civic leaders, or they can assume that they are to be fought at every opportunity.

## Sustained Economic Growth

Every community with a hospital or a university believes it can create a “new” economy. State and local governments have partnered with research institutions and private investors to nurture homegrown startup technology companies and to encourage major research institutions to relocate and engage local business communities.

Local innovation initiatives can be found across the country:

- The state of Florida and The Scripps Research Institute (TSRI) formed a partnership in 2006 to expand TSRI from La Jolla, California, to open a biomedical research facility in Jupiter, Florida. The Florida legislature appropriated \$310 million to fund the investment. The local governments made available 170 acres for the development of the campus and research facilities. More than 100 acres (40 ha) of land was committed for future technology development accommodating as much as 8 million square feet (743,224 m<sup>2</sup>) of new space. Since 2006 the facility has grown to 367 staff members. It has been the catalyst for the attraction of two additional research facilities: the Max Planck Institute and the Torrey Pines Institute. Additionally, Florida Atlantic University has located a postdoctoral and medical school at the campus. The Florida legislature approved investment of \$350 million of pension funds in venture capital firms to support startup companies resulting from the research. This coordinated state and local leadership and funding is one example of forward planning and implementation to change local economic conditions.
- Louisiana and the federal government are building a \$2 billion medical complex in New Orleans composed of a new Louisiana State University medical center (\$1.2 billion) funded by the state and a new Veterans Administration complex (\$800 million) replacing those facilities lost during Hurricane Katrina. These new facilities not only will serve patients and clientele but also are intended to stimulate related health care technology industry.
- In Las Vegas, an effort to broaden the employment base led the city to partner with the Cleveland Clinic and private contributors to build the \$100 million Cleveland Clinic and the Lou Ruvo Brain Center for research and cutting-edge neurological treatment. The building was designed by Frank Gehry and is part of a larger development plan known as Symphony Park, which includes the \$470 million Smith Center for the Performing Arts with additional plans for offices and housing. Newland Communities master planned the 61-acre (25-ha) site and is overseeing its development in partnership with the city, which owned most of the land. When completed, the development will represent a \$2.8 billion investment. Dan Van Epp, chief financial officer of Newland Communities, commented that “the development is a good model of a public/private partnership at a number of levels, between the Cleveland Clinic and the Ruvo Family; between the cultural, medical, retail, commercial, and housing developments; and, of course, between Newland Communities and the city in our role as master planner and developer. It has been a good experience.” Already, Cleveland Clinic is negotiating to expand its facilities in Symphony Park.

## Ben Franklin Technology Partners, Pennsylvania

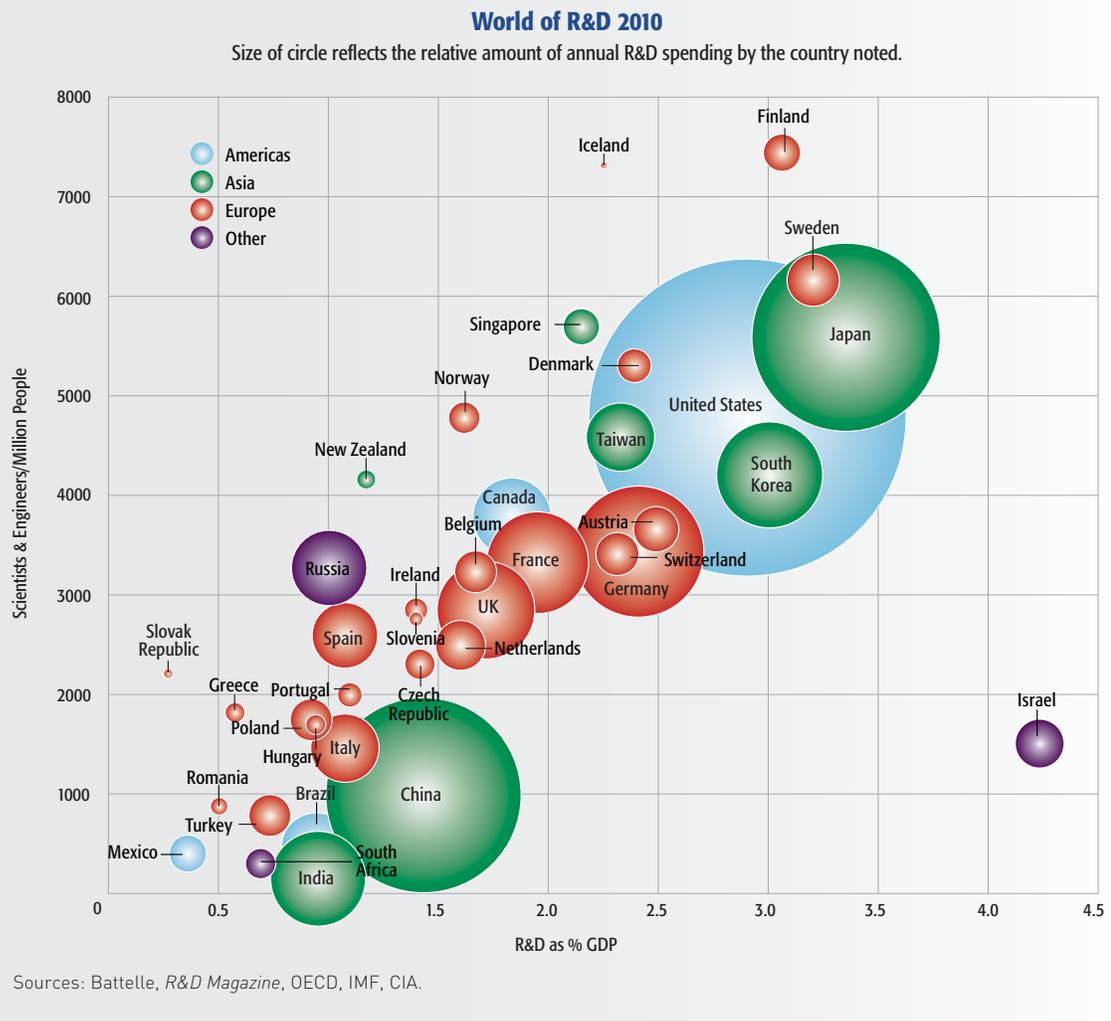
Launched with high hopes in 1983, the award-winning Ben Franklin Technology Partners (BFTP) is one of the nation's longest-running technology-based economic development programs. These programs were created in Pennsylvania as a partnership between business, government, and universities at a time when many of the traditional industries were in serious decline. These programs have maintained strong bipartisan support from both Republican and Democratic governors over 27 years. The mission has been to accelerate the commercialization of technology by providing very early stage financing to aspiring entrepreneurs. The program has been consistently funded with at least \$20 million annually over its history. The funds are invested through four Innovation Centers located in Pennsylvania.

BFTP has provided both early-stage and established companies with funding, business and technical expertise, and access to a network of innovative, expert resources. The program has been replicated in Connecticut, Indiana, Kansas, Minnesota, New York, and Ohio. BFTP has a 3.5-to-1 return on investment for every state dollar invested. It is credited with boosting the state's economy by more than \$17 billion. Investments have generated 45,667 additional job-years in client firms and 80,160 job-years beyond those in client firms—for a total of 125,827 additional job-years.

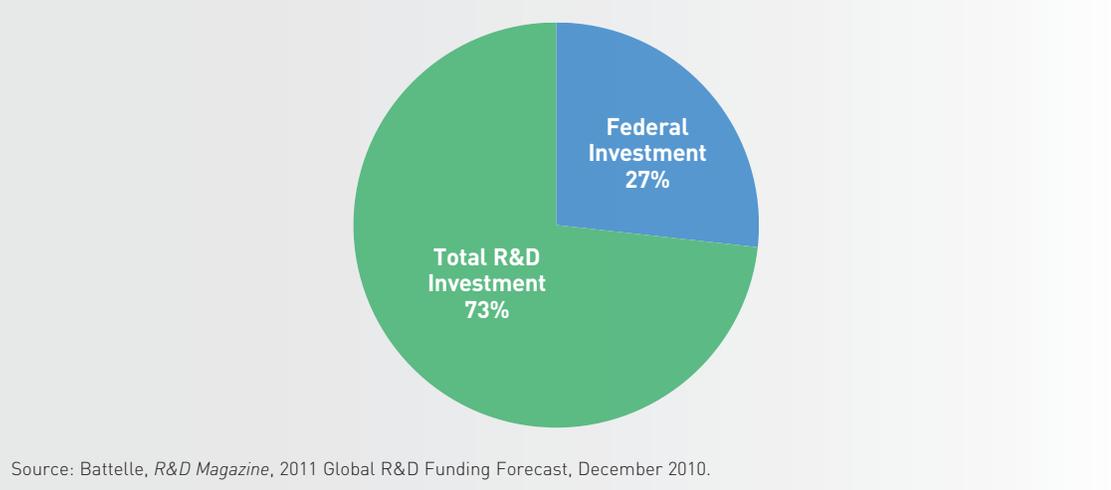
These investments are just examples of what has happened in many areas of the country. Other examples that also provide early-stage financing for promising technologies are Georgia, Michigan, and Ohio. The employment changes in communities across the country are pointing to a major shift toward research, medical, and health care. Local economies will continue to have dominant industries, such as gambling in Las Vegas, tourism in Orlando, banking in Charlotte, and energy in Houston. A move toward economic diversification and innovation becomes an integral part of every successful community's economic development program. Private and public investments in research represent a huge industry in itself. Where these dollars go, the ability of a community to leverage them and to nurture startup companies or to attract others interested in the technology is remaking regional economies.

The United States continues to lead other countries in the critical investment of research from public, private, and philanthropic sources (see figure 1). The federal government is the single largest source of research investment, representing \$147 billion of almost \$400 billion invested in 2010 (see figure 2). Recent discussions in Congress about deficit reduction efforts include significant proposed reductions in federal research investments that could seriously undercut the country's historic position as a leader in innovation.

**FIGURE 1: Annual Research and Development Spending by Country, 2010**



**FIGURE 2: Federal Investment in U.S. Research and Development, 2010**



### The World’s Preeminent Research Institutions

The United States continues to hold a dominant lead internationally in top research universities, with 17 of the top 20 institutions sprinkled across the country (table 3). Of these institutions, eight of the 17 are in the metropolitan areas discussed in this paper. Significant dollars continue to be spent on research at these and many other institutions. For example, almost \$48 billion was invested in research in the United States in 2007 at institutions across the country.

**TABLE 3: World Rank for University Research Performance, 2010**

Rank	Institution	Region
1	Harvard University	Boston*
2	University of California, Berkeley	Berkeley*
3	Stanford University	San Jose*
4	Massachusetts Institute of Technology	Boston*
5	University of Cambridge	United Kingdom
6	California Institute of Technology	Los Angeles
7	Princeton University	New Jersey
8	Columbia University	New York
9	University of Chicago	Chicago
10	University of Oxford	United Kingdom
11	Yale University	New Haven
12	Cornell University	Ithaca, New York
13	University of California, Los Angeles	Los Angeles
14	University of California, San Diego	San Diego*
15	University of Pennsylvania	Philadelphia*
16	University of Washington	Seattle*
17	University of Wisconsin–Madison	Madison
18	The Johns Hopkins University	Baltimore/Washington*
18	University of California, San Francisco	San Francisco*
20	The University of Tokyo	Japan

Source: Academic Ranking of World Universities (ARWU), Center for World-Class Universities and the Institute of Higher Education of Shanghai Jiao Tong University, China.

\* Indicates a metropolitan area studied for this paper.

### Creating Successful Public/Private Partnerships

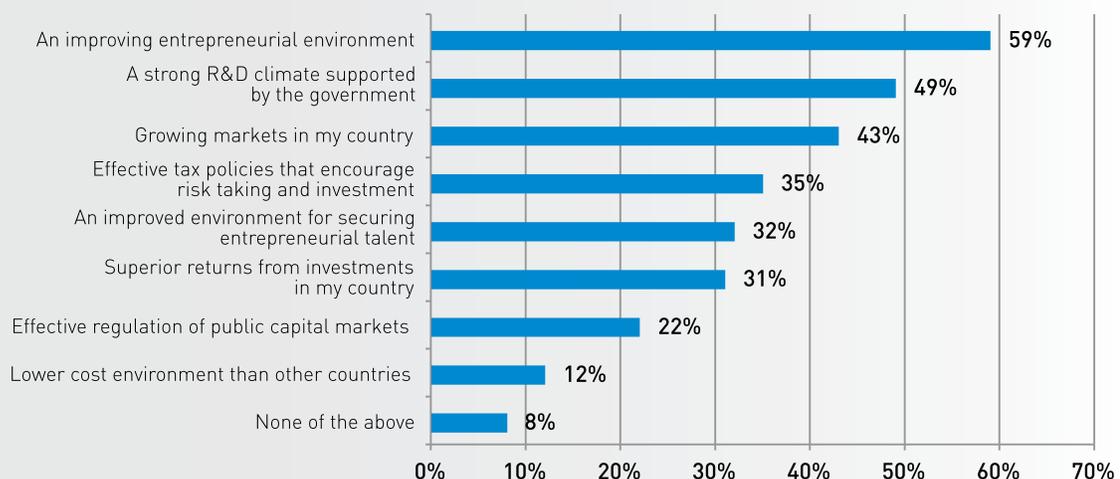
Although the investment of research dollars in institutions is an important ingredient in developing a new technology sector, it does not ensure that venture capital and startups will follow. The mix also includes such elements as the amount of early-stage capital available, the emphasis at the institutions on commercializing research, the degree of patent control, and the availability of the right type of real estate. Local governments can assist by providing surplus land, small business lending programs, and fast-track approvals.

A recent survey of global venture capital investors illustrates the importance of both the local business climate and the availability of research dollars as the two most important ingredients to encourage investment and growth of a technology sector.

To paraphrase, “it takes a whole village to grow a company”! The ability of local government to move beyond a stance of not impeding and into a position of creating a framework of support for investments in research activities—the raw material—is a decisive factor leading to success. The support of an entrepreneurial business climate by facilitating such elements as appropriate tax policies, land use approvals, and other regulations highlights the public/private partnership nature of each of the success stories throughout the United States.

The survey response from venture capital investors in figure 3 illustrates the importance of the milieu in which the startup company is operating. Most of these factors are out of the control of the local company and require favorable local governmental policies. By definition, a startup company does not yet have facilities staff, intergovernmental staff, or the other specialized personnel of a larger company. For every hour a small company spends on obtaining permits, locating appro-

**FIGURE 3: Factors for Favorable Attraction of Venture Capital Investment Globally**



Source: 2010 Global Venture Capital Survey, National Venture Capital Association, Deloitte Development LLC.

priate facilities, obtaining required licensing, and doing paperwork, time is lost that could be spent on developing new products and transferring innovation into the marketplace. To resolve these issues, many economic development departments in larger cities have been effective in creating “one-stop shops” to speed companies through these processes. This pro-business, expediting process is critical to a small company’s chances for success.

In many ways, the ability of a community to nurture a diverse economy and continually create and foster new business has become the most compelling challenge. Although real estate development and economic activity continue to be largely initiated by private entrepreneurs, increasingly an expectation exists that public officials will be more proactive in seeking real estate development and promoting economic activity. Communities will succeed where the civic and public leadership come together to share a common vision in the creation of a competitive, diverse economy and a vibrant community.

Today, the United States continues to be the place for innovation and patent registration. The United States not only encourages innovation and entrepreneurship, but it also has a well-recognized system of patent registration, laws governing intellectual capital, and legal enforcement of patent infringement. The United States continues to lead in the number of patents being issued, but China and other Asian economies have clearly increased their research efforts. The continued high-level investment in basic research by the U.S. federal government is essential to the long-term mastery of commercializing research.

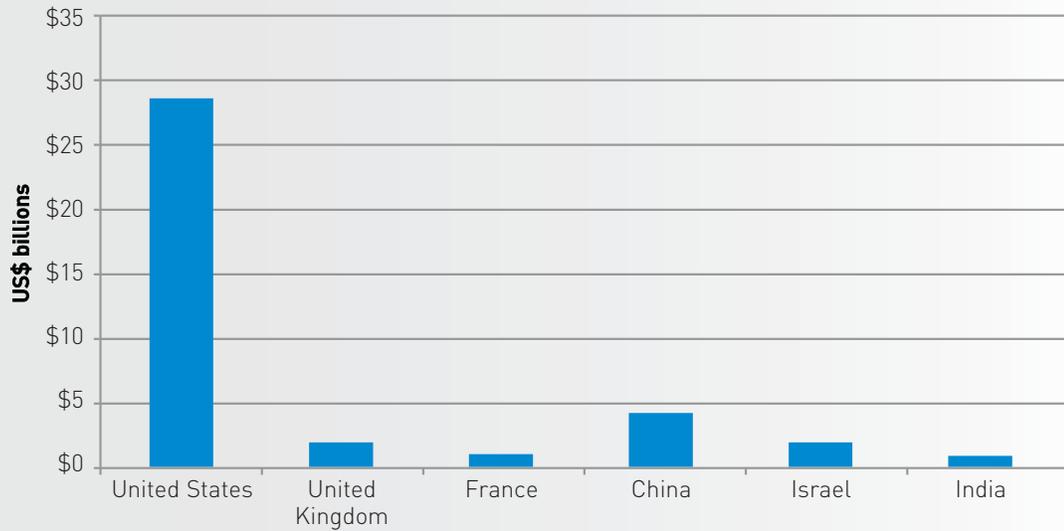
### Finding the Money

In terms of venture capital investments by country, the United States continues to be the overwhelming global leader (figure 4). Despite other serious challenges associated with U.S. competitiveness in foreign markets, this leadership position in venture capital investment translates into a dominant position in the creation of new companies and the business of nurturing startup companies.

Early venture money is not distributed evenly across the country but largely concentrated in just two regions in the United States: Silicon Valley and New England (figure 5). These two areas dominate the market, capturing over 50 percent of the venture funds. Silicon Valley was originally driven by university research and the stories of well-known and dramatic technology upstarts. Over the last 30 years, much of the dominance of the San Francisco/San Jose region has been a result of private sector technology company creation and expansion. Indeed, the Silicon Valley story has itself become a local economic development strategy that has been exported and emulated by cities and regions around the world.

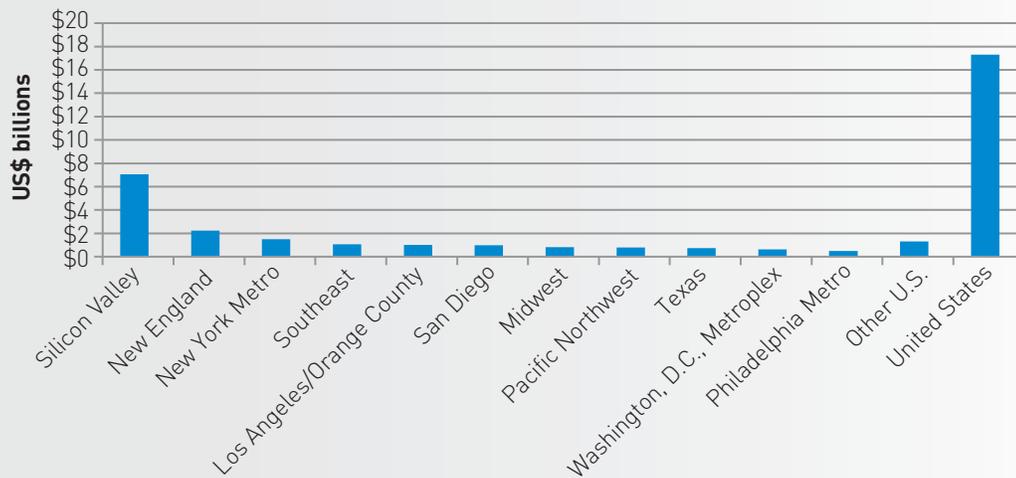
The ability of a community to attract venture capital becomes a critical piece of growing a technology community. If domestic venture capital is not readily available, startup companies will often “follow the money” and move their operations to the locations where financing is available. Often, venture capitalists prefer that. The relationship between receptivity of the local business community, availability of

**FIGURE 4: Venture Capital Investments by Country, 2008**



Source: Dow Jones VentureSource, 2008.

**FIGURE 5: Venture Capital Investments by U.S. Region, 2009**



Source: PriceWaterhouseCoopers, National Venture Capital Association.

skilled workers, and responsiveness and creativity of local government are all factors well known to venture capitalists and will often influence where they suggest new companies locate.

Table 4 illustrates the growth trends among cities in the number of newly created venture-backed companies, total dollars invested over time, and university research expenditures. In 1980, almost 90 percent of the venture capital invested in the United States was placed in only two states: Massachusetts and California. These markets have been attracting venture companies for years, particularly in Boston and San Jose, respectively. In many ways, growth in these larger new-economy cities was organic and attributable to the sheer amount of research undertaken at local universities and the ready availability of venture capital and land or real estate.

Of strategic interest are the “up and comers”—the communities that have made major gains in attracting both research dollars and venture capital companies over the past decade. Cities such as Austin, Pittsburgh, and Seattle are becoming much more aggressive about encouraging venture investments and creating the business environments to allow thriving companies to grow. Conversely, when looking at university research expenditures, some communities with extensive university research funding have notably little venture activity. Baltimore, Chicago, and Houston, for example, all appear to have lost ground or missed opportunities in this area over the past decade. The up and comers like Pittsburgh and the Research Triangle are communities where the civic and public leaders made a clear decision to intervene in the market with the goal of diversifying the economy.

In addition, these cities receive such accolades as mention on the “hot” lists of most livable cities. As an example, Pittsburgh—which 30 years ago was one of the most environmentally degraded cities in America—in 2011 has been ranked by the *Economist* and *Forbes* magazines as the most livable city in America. Other communities with world-class research and medical institutions such as Cleveland and Baltimore have not seen the same success. They have not gathered the leadership and entrepreneurship, in both the public and private sectors, to create a climate of innovation, shared vision, and progress.

Finding the money includes developing a whole array of potential investor vehicles. The largest single source of funds is the “angel” investor, providing over \$23 billion in 2005. Angels are generally individuals who provide capital to one or more startup companies. Venture capital firms are the second-largest source of capital, providing over \$22 billion in 2005. Whereas angel investors may come from anywhere and support a company located anywhere, venture capital firms concentrate in two major markets: San Francisco/San Jose and Boston.

Given this heavy geographic concentration, states have worked with major cities to develop investment strategies that equalize the playing field a bit. One example of such a program is in Pennsylvania. As a limited partner, the Pennsylvania State Employees’ Retirement System (SERS) is a public pension fund with \$34 billion in assets under management. Founded in 1923 and headquartered in Harrisburg,

**TABLE 4: Metropolitan Leaders in Venture Capital-Backed Companies**

	U.S. Region	Number of Venture-Funded Companies			Total Venture Investment (Millions)			University Research Expenditures* (Millions)
		1997	2007	Percentage Change	1997	2007	Percentage Change	2007
Long-Term Leaders	San Jose	497	669	35	\$3,514	<b>\$7,581</b>	116	N/A
	Boston	222	314	41	\$1,165	<b>\$3,174</b>	173	\$2,057
	San Francisco/Berkeley	194	303	56	\$1,135	<b>\$2,521</b>	122	\$2,390
	New York Metro	187	216	16	\$1,283	<b>\$1,695</b>	32	\$3,245
Emerging Leaders	San Diego Metro	83	129	55	\$496	<b>\$1,990</b>	301	\$2,450
	Washington Metroplex	105	180	71	\$558	<b>\$1,282</b>	130	\$2,868
	Seattle	65	132	103	\$403	<b>\$1,253</b>	211	\$967
	Los Angeles	72	124	72	\$450	<b>\$1,150</b>	155	\$1,797
	Austin	46	65	41	\$243	<b>\$675</b>	178	\$446
	Research Triangle, NC	48	53	10	\$208	<b>\$509</b>	145	\$1,776
Market Movers	Philadelphia	83	88	6	\$427	<b>\$665</b>	56	\$1,056
	Denver	63	70	11	\$351	<b>\$537</b>	53	\$521
	Dallas	51	42	-18	\$334	<b>\$487</b>	46	\$388
	Atlanta	61	52	-15	\$327	<b>\$457</b>	40	\$922
	Chicago	61	48	-21	\$333	<b>\$426</b>	28	\$1,193
	Minneapolis/St. Paul	54	39	-28	\$227	<b>\$402</b>	77	\$624
	Portland	28	28	0	\$125	<b>\$251</b>	101	\$477
	Houston	35	27	-23	\$247	<b>\$243</b>	-2	\$1,015
	Baltimore	N/A	32	N/A	N/A	<b>\$225</b>	N/A	\$2,442
	Pittsburgh	12	44	267	\$32	<b>\$198</b>	513	\$889

Sources: PriceWaterhouseCoopers, National Venture Capital Association.

\* Major research universities: Seattle: University of Washington; Pittsburgh: University of Pittsburgh, Carnegie Mellon; Chicago: Northwestern, University of Illinois at Chicago; Baltimore: Johns Hopkins, University of Maryland at Baltimore.

Note: N/A=not available.

Pennsylvania, SERS engages in the following alternative investment strategies: buyouts and corporate finance; distressed debt and turnarounds; energy, oil and gas; international private equity; and limited partnership secondary, mezzanine, and venture capital. SERS commits from \$10 million to \$100 million per partnership and has a net internal rate of return target of 400 to 500 basis points above Standard and Poor's 500 Index. The fund allocates a maximum of 14 percent, or \$4.76 billion of its total assets, to alternative investments. One of the advantages

to states in encouraging local startups is the opportunity to keep the jobs and economic spin-offs of a new company in the state.

## Metropolitan Impacts

Two years ago, Charlotte was becoming one of the largest banking centers in the United States. Mergers and the recession of the late 2000s have changed the plan. Thirty years ago, Pittsburgh was the steel production center of America, and Detroit was the auto center. Each of these cities is in the process of major transformation and re-creation. As has been the case for thousands of years, successful cities and societies are reinventing themselves continually. In contrast, the communities that have major research hospital and education anchor institutions have some certainty. The price of moving a major campus, hospital complex, or substantial government center is prohibitive. As the economy continues its movement to “brains, technology, and service,” these anchor institutions become critical.

Cities with a strong university and medical research presence—including the California cities—have generally done better in this recession. Regions such as Austin, Boston, Denver, Pittsburgh, Seattle, and the Research Triangle have tracked lower unemployment rates than the national average.

Generally, communities that have diversified their economies are experiencing lower unemployment rates. Education, medical, and university-based economies are growing and are “place based,” meaning that they have great difficulty moving. Collectively they act as a solid foundation for a community’s employment. The ability to grow from those anchors further improves and broadens the economic base. The reliance on a dominant industry as seen historically in Pittsburgh or Detroit, or more recently in Charlotte, Orlando, or Las Vegas, leaves a community open to wrenching changes because of recession, economic shifts, or technological innovations. Although the California cities’ unemployment rates may be higher than the national average, they are still lower than the California unemployment rate, which is 12.4 percent (table 5).

**TABLE 5: Unemployment Rate in Select Cities, October 2010**

City	Unemployment Rate (%)
Baltimore	7.4
Boston	7.0
Denver	8.2
Houston	8.2
Philadelphia	8.8
Pittsburgh	7.6
Research Triangle	7.1
San Diego (California is 12.4%)	10.2
San Francisco (California is 12.4%)	10.1
Seattle	8.8
United States	9.8

Source: U.S. Bureau of Labor Statistics.

## Torrey Pines Mesa: San Diego

Twenty-five years ago, then mayor Pete Wilson of San Diego convened University of California, San Diego (UCSD), and local business leaders to explore how to stimulate the commercialization of science and technology discoveries from local research institutions. With land transferred from the city to the university, known as the Torrey Pines Mesa in La Jolla, UCSD created a research and technology park and dedicated funds to a new organization called CONNECT—a nonprofit business coordinator and catalyst—with the mission of commercializing research discoveries through education, mentoring, and access to capital.



UCSD Geisel Library, San Diego, California.

aeworldmap.com, [http://aedesign.wordpress.com/2010/02/25/ucsd-geisel-library-san-diego-california-united-states/geisel\\_library\\_ucsd-use/](http://aedesign.wordpress.com/2010/02/25/ucsd-geisel-library-san-diego-california-united-states/geisel_library_ucsd-use/)

CONNECT has assisted in the formation and development of more than 2,000 companies since 1985 and is widely regarded as the world's most successful regional program linking investors and entrepreneurs with the resources they need for commercialization. Key to success has been the "culture of collaboration" among industry, capital sources, professional service providers, and research organizations. In 2007–2008, UCSD's total research expenditures were \$842 million, and the National Science Foundation ranked

San Diego sixth in the nation in terms of federal research expenditures.

Today San Diego is home to 6,000 technology companies employing 140,000 people. Technology companies represent 6 percent of the region's employers but pay a full quarter of the region's wages. The city is now home to 75 research institutes; 1,900 information technology, wireless, communications, and software companies; 600 biomedical and life sciences companies; 250 clean-tech companies; 600 action and sport innovation companies; and more than 260 defense and transportation companies. Over 40 percent of the people employed in the San Diego biotechnology industry work in UCSD spin-offs. Qualcomm was founded in 1985 by UCSD professor Irwin Jacobs, and UCSD is a national leader in developing and fostering biotech/high-tech clusters, making San Diego one of the nation's leading biotech/high-tech hubs.

Thanks to the proximity of researchers and industry on the Torrey Pines Mesa, San Diego has developed economic clusters that leverage the region's strengths:

- Ten convergence research institutes;
- Fifty mobile health companies;
- Seventy-five genomics and bioinformatics companies;
- Seventy-five cyber security and autonomous robotics companies; and
- Two hundred forty biofuels, solar energy, and energy storage companies.

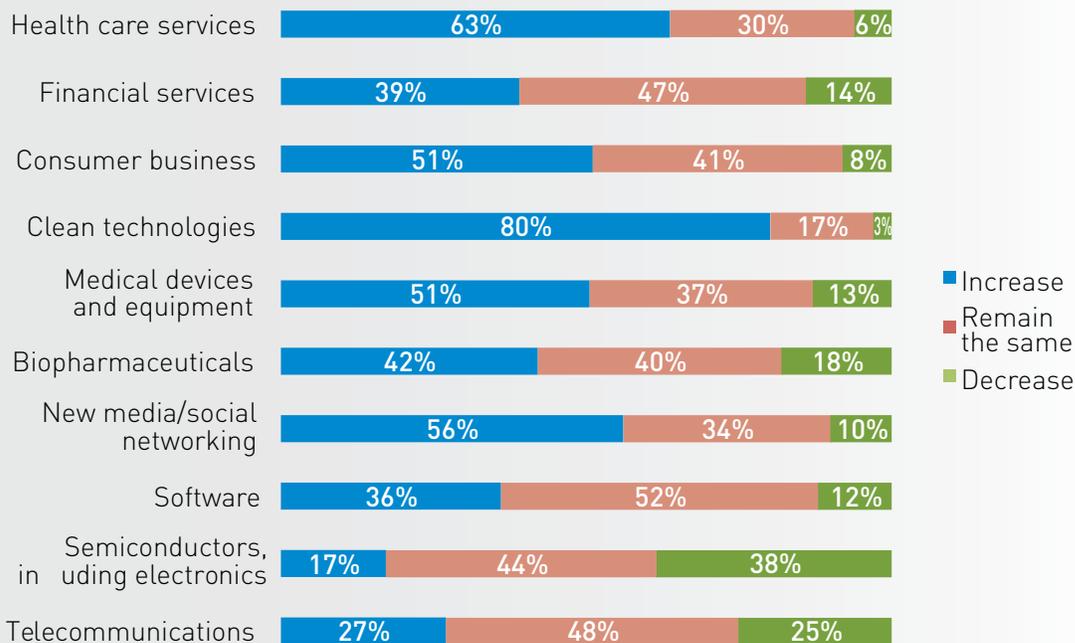
In 2007, CONNECT helped 54 companies start up, and 150 are currently in the formation pipeline. It is a "coach" for emerging companies and literally "connects" them to venture capital and enterprise development services.

## Looking Ahead

The domestic economy will continue to trend away from manufacturing and into technology, information, and services. Figure 6 illustrates the likely new technology drivers and investments over the next five years. Health care and the new media will continue to have significant growth and effect. Who could have imagined the impact of Google, YouTube, Facebook, or Groupon even ten years ago?

The technologies of driving, of building, and of managing energy use in daily living and running businesses are now influencing decision making. With or without government climate change legislation, the genie is out of the bottle. It is not going to be put back in. The impetus toward clean technologies will have a dramatic effect on real estate. Two-thirds of carbon emissions in the United States are caused by the types of buildings we live and work in and by the means in which we move around. Of course, how we build buildings and where we put them are critical to any success in reducing carbon emissions.

**FIGURE 6: Investment by Sector in the Next Five Years**



Source: 2010 Global Venture Capital Survey, National Venture Capital Association, Deloitte Development LLC.

## Building a 21st-Century City

Whether in Baltimore's Science + Technology Park at Johns Hopkins, Pittsburgh's Collaborative Innovation Center, Seattle's redefinition of its economic base, or Houston's efforts to grow its medical center, common lessons can be learned from these remarkable success stories of long-term public/private partnerships.

- **Leadership:** Change doesn't happen without a champion, nor will a community reinvent its economy overnight! Leadership can come from the public or private arena, from an individual or a group, but it requires someone to visualize the result, understand its place in the overall city development, create public enthusiasm, make it real, and begin to identify the resources necessary to move forward. Leadership needs to be sustained and committed to the long term. These developments will extend beyond the term of an elected official, often taking ten to 20 years to succeed. Whether in the Research Triangle, where the leadership came from business leaders, or in San Diego, where public leadership rallied the city, each success story has benefited from the presence of a champion. Although these success stories may seem obvious now, in the middle of competing interests creating an investment an investment that will have a long-term payoff—or not—is extraordinarily difficult. Quite simply, without leadership these deals are unlikely to happen. One of the major challenges to these success stories is determining a method of sustaining leadership—through different local elections, changing business, and institutional leaders. Without sustained and broadening leadership, these long-term developments and the promise of expanding synergies fall short.
- **Strategy:** One needs to know where one is going in order to get there! An individual development needs to be seen strategically, not as just another project. It should be understood as catalytic in its impact on both market and perception. A strategy and a plan need to be critically focused on a true competitive advantage, not an abstract idea of some undefined goal. Public, business, and institutional leadership need to come together to create an ongoing dialogue to create, sustain, and expand an environment that encourages economic growth. The required elements may include improving school performance, easing and expediting approval and permitting processes, and making land assembly easier. Any process needs to be reasonably transparent and inclusive while moving expeditiously toward the shared goals.
- **Institutional capacity:** To carry through on long-term commitments, public/private/university partnerships require sophisticated organization on all sides. The institutions have to have a professional stability that outlast terms of office and the professional capabilities in financing, design, and other areas to fairly negotiate with governmental and private entities. A critical ingredient in the success of these partnerships is the research institution's commitment to an efficient technology transfer process and an institutional commitment to encourage professors, students, and others to think entrepreneurially. On the public side, having the land, financing, and deal-making responsibilities and authority all in one place is most effective. The best example is the Research Triangle, which has had

almost 50 years to integrate these components. Special-purpose authorities have frequently been created to govern and encourage research park development, acquire land, and provide specialized financing.

- **Financing infrastructure:** Success depends on creating strong public/private/university or medical relationships. Partnerships often entail investments by both the public and private organizations that fund the development. Public investments are assuming some of the risks of the deal for two reasons: first, to alleviate the perception that the market will not support the cost of the development without subsidy, and second, to realize some clear public benefits from the investment as defined by the public agency, such as increased tax revenue, more jobs, blight removal, or additional public space. Thus, the public agency must have enough knowledge of the market to confirm (a) that the developer actually needs the subsidy, and (b) that the public benefits are clearly measurable and cost-effective. To be effective, the public agency needs to be a public entrepreneur with the flexibility to respond as nimbly as the private partner. It is helpful if the public agency develops a “financial menu” of programs that can be used to finance different components of a development. In Baltimore, a partnership between the city, private sector developers, community groups, and Johns Hopkins University helped create a 31-acre, new Science + Technology Park at Johns Hopkins, focusing on biomedical innovations.

Availability of both venture capital and early-stage investment cannot be stressed enough. Without these resources, deals may move elsewhere, and the success story will go with the move. The San Francisco metro area and Boston dominate the U.S. venture capital funding market—attracting close to 50 percent of the venture funding. As local budgets are cut, the availability of state or local financing, state pension funds, and investment, as well as the creation of new funds, will require creativity and shared vision. Whether in Baltimore or Las Vegas, efforts to move forward on projects that build upon the research capabilities of universities almost always depend on public/private investments. Leveraging private investments with public financing may require tools such as tax increment financing, small business loans, industrial revenue bonds, infrastructure funds, and public tax-exempt financing.

- **Education:** A knowledge economy is driven by educated people. Companies that locate or grow in these cities need an educated workforce. Universities need innovative thinkers to continue successful research activities. The educational attainment shifts over the last 20 years have shown that cities such as Boston and San Francisco have high preschool education enrollment, as well as a high percentage of citizens with college and other advanced degrees. Cities such as Baltimore and Pittsburgh have increased dramatically their educated workforce as their manufacturing industries decreased and their economies became more education and health services based. In contrast, Houston lags the other cities in educational attainment, but, interestingly, is the only city in this group that has had an increase in manufacturing in the last 20 years.

## A Moment in Time

While attending a medical conference in San Francisco, Dr. Horatio Nelson Jackson went out to dinner with a group of other doctors. In a spirited conversation, Dr. Jackson and the other doctors discussed a new invention, the automobile, and its impact on society. All the other doctors thought its usefulness was limited, a fad really. Dr. Jackson believed otherwise and that evening bet the others \$50 that he could drive across the United States in 90 days. They all took the bet and laughed.

It was 1903; there were 8,000 cars, 150 miles of paved roads, and no highway departments in the entire country. The very next day Dr. Jackson bought his first car, a Winston, convinced the young mechanic, Sewall Crocker, to go with him, and brought a dog named Bud. Two days later they were on the road with no support team or an infrastructure to provide gas or repairs. Sixty-three days later they drove down Fifth Avenue in New York City, the first people to drive an automobile across the United States.

In 1923, only 20 years later, there were 8 million cars, hundreds of thousands of miles of paved roads, and a highway department in every state. Society had changed virtually overnight.

Is that moment of time here again? The forces of global trade, energy needs, climate change, technological innovation, infrastructure needs, and demographics are going to change society as we know it.

## The Bottom Line

What if in 20 years oil is not the primary source of fuel for transportation (70 percent of the oil used in the United States is used for transportation)? Where will the innovations happen? Where will the new products be manufactured? Winchester, Virginia, now located squarely in the exurbs of the Washington, D.C., metropolitan region, just witnessed the closure of the last incandescent light-bulb manufacturing facility in the United States. New compact fluorescent, energy-efficient bulbs are all being manufactured in China. Those communities that respond effectively to these forces will be well positioned to succeed in the 21st century.

Land use is at the center of these forces. Without thoughtful, sustainable land use that both positions a city to compete for jobs and creates a high quality of life, growth will, in a new paradigm, become unsustainable, leading to further pollution, congestion, health issues, and a lower, less-competitive quality of life. Public/private partnerships that recognize the momentous changes happening and embrace a new framework for development will position their investments and communities to compete in a new world.

ULI has an important role to play in educating public officials, civic leaders, and industry stakeholders about the real estate and economic and community development potential associated with the new economy. The new economy requires these actors to lead their communities toward a more entrepreneurial perspective in their identification of local development opportunities and effective public/private partnerships. A shared vision at the local level must leverage the leadership of anchor universities, medical institutions, public sector officials, and private entrepreneurs to forge new local economies with which to sustain their communities. The willingness to innovate is America's competitive advantage.

## About the Author



Tom Murphy is a senior resident fellow, ULI/Klingbeil Family Chair for urban development. A former mayor of Pittsburgh, Murphy joins six other ULI senior resident fellows who specialize in public policy, retail/urban entertainment, transportation/infrastructure, housing, real estate finance, and environmental issues. His extensive experience in urban revitalization—what drives investment, what ensures long-lasting commitment—is a key addition to the senior resident fellows’ areas of expertise.

Since January 2006, Murphy had served as ULI’s Gulf Coast liaison, helping coordinate with the leadership of New Orleans and the public to advance the implementation of rebuilding recommendations made by ULI’s Advisory Services panel last fall. In addition, he worked with the Louisiana state leadership as well as with leadership in hurricane-affected areas in Mississippi, Alabama, and Florida to identify areas appropriate for ULI involvement.

Before his service as the ULI Gulf Coast liaison, Murphy served three terms as the mayor of Pittsburgh, from January 1994 through December 2005. During that time, he initiated a public/private partnership strategy that leveraged more than \$4.5 billion in economic development in Pittsburgh. Murphy led efforts to secure and oversee \$1 billion in funding for the development of two professional sports facilities and a new convention center that is the largest certified green building in the United States. He developed strategic partnerships to transform more than 1,000 acres of blighted, abandoned industrial properties into new commercial, residential, retail, and public uses, and he oversaw the development of more than 25 miles of new riverfront trails and urban green space.

From 1979 through 1993, Murphy served eight terms in the Pennsylvania State General Assembly House of Representatives. He focused legislative activities on changing Western Pennsylvania’s economy from industrial to entrepreneurial and authored legislation requiring the Commonwealth of Pennsylvania pension fund to invest in venture capital. He authored legislation creating the Ben Franklin Technology Partnership, which is dedicated to advancing Pennsylvania’s focus on technology in the economy; he also authored legislation to encourage industrial land reuse and to transform abandoned rail rights-of-way into trails and green space.

Murphy served in the Peace Corps in Paraguay from 1970 through 1972. He is a 1993 graduate of the New Mayors Program offered by Harvard University’s Kennedy School of Government. He holds an MS in urban studies from Hunter College, New York, and a BS in biology and chemistry from John Carroll University, Ohio.

He is an honorary member of the American Society of Landscape Architects, a board member of the Pennsylvania League of Cities and Municipalities, and a board member of the National Rails to Trails Conservancy. He received the 2002 Outstanding Achievement of City Livability Award from the U.S. Conference of Mayors and was selected as the 2001 Pittsburgh Man of the Year Award by Vectors Pittsburgh.



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# State of the North Carolina Workforce

## *2011-2020*

*“Preparing North Carolina’s Workforce and Businesses  
for the Global Economy”*



## **Executive Summary**

*June, 2011*

**The North Carolina Commission  
on Workforce Development**



*“Preparing North Carolina’s Workforce and Businesses  
for the Global Economy”*

*This report is a product of the North Carolina Commission on  
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to conduct this research:*



## Executive Summary

This study examines the state of North Carolina's workforce in 2010-2011 as a result of in-depth analysis of economic and employment data as well as a number of interviews with key stakeholders across the state during the late fall of 2010. It also evaluates the impact of the 2008-09 recession (sometimes referred to as the "Great Recession") and the ongoing structural economic shifts described in the previous *2007 State of the Workforce Report*. An important goal is to assess North Carolina's readiness to meet current and future workforce challenges.

In short, these challenges are largely tied to the rapid effects of change on the state's industries, their workers, and its communities. Many of the most severely impacted industries are those traditionally competing for business based on relative cost advantages. Those industries are feeling the greatest global competitive pressures and must change to survive. Many are also located in communities that traditionally provided a large available low-skilled labor pool. For many years, these companies served as the state's backbone in creating a low-skilled, middle class. In order to survive and ultimately thrive again in this economic climate, these very same industries (including manufacturing, construction, and others) must make significant changes. This means that their workers, often employed in low-skilled occupations that offered moderate, family-sustaining wages are at greatest risk. Furthermore, it means that communities where these activities were most prevalent – such as the rural/micropolitan areas and a selected few metropolitan areas – are also suffering the greatest from economic dislocation and transition.

The impact of this dislocation is further complicated by the types of industries emerging as replacement employers for North Carolina workers. Because an emerging knowledge-based economy uses skilled talent to create a competitive advantage, emerging growth industries rely on workers who can demonstrate innovation and unique capabilities. These characteristics often derive from combining knowledge with creative instincts. For many low-skilled, dislocated workers, these skills may be beyond their reach without a significant investment of time and resources in education and training.

A key finding from this 2011 Report is that the recession accelerated the state's shift to this knowledge-based economy because firms had to adjust to this new reality in a much shorter timeframe. Unfortunately, many workers—incumbent and dislocated alike—as well as a large share of current jobseekers are simply not prepared for the transition and face severe challenges in adapting to this new economic reality.

### North Carolina's workforce challenges

Ultimately, this report seeks to articulate the state's most critical workforce challenges and offer a framework for setting policies that can address them. The following summarizes ten key challenges as well as the economic trends creating them.

#### **1. Worker dislocation accelerated during the recession due to long-term structural changes.**

While manufacturing job losses have been particularly prominent in the NC economy since the sector's peak in the late 1990s, many industries are exploring ways to increase productivity by

changing the way they work. In manufacturing and in low-skilled service industries, off-shoring was a common strategy employed by many companies pursuing lower costs. They simply moved low-skilled jobs to countries offering lower wages. However, for other companies seeking a more sustainable U.S. business model, the focus has been on redesigning their business processes to increase efficiency and expand the use of technology. As firms begin to rehire during the recovery, they are not likely to simply replace the workers they shed before the recession. Instead, businesses are much more likely to seek more highly-skilled workers who can do very different jobs than workers did before the firm began transforming its business model and work process.

**2. Workers employed in low-skill, middle-wage jobs are competing for fewer good-paying jobs while opportunities offering similar wages (i.e., “new middle” jobs) demand higher skills.**

The disappearing middle jobs highlighted in the *2007 State of the Workforce Report* – those that offered a family sustaining wage for individuals with limited educational experience – are not completely gone, but fewer of these types of good-paying jobs are available and they are at a greater risk of elimination as a result of technological change or globalization. Workers dislocated from these careers are finding that they seldom qualify for the available careers offering wages similar to what they once earned. Instead, these dislocated workers are having to settle for one of the growing number of low-wage, low-skilled occupations created by other industries. Consequently, these workers are also competing against other low-skilled workers for these lower-wage jobs with only limited opportunity for advancement. Furthermore, even if transitioning workers invest some time or resources in education or training, they are having to compete against other entry-level workers, with little guarantee that, in the short-term, their wages would be the same or higher than in their old jobs.

**3. While metropolitan workers have a more diverse set of career possibilities, they must continuously adapt to increasing demands in the workplace and a more competitive labor market.**

In general, metropolitan economies are bouncing back from the recession at a more rapid pace than the state’s micropolitan or rural areas, but the recovery is uneven. The largest proportion of available jobs will be in metropolitan areas and their success is crucial to help the state get people back to work and bring down the unemployment rate. For those metropolitan areas with high concentrations of industries undergoing structural change, the recovery is likely to take longer than elsewhere. In the rapid-growing metropolitan areas, the economic fundamentals – as measured by per capita income, educational attainment, and industry diversity – are strong, but many workers struggle to adapt. These high-growth areas will also be important assets for the state as it develops strategies for getting people back to work quickly.

**4. Dislocated or young workers in economically hard-hit micropolitan and rural areas have very limited alternatives for employment.**

Job opportunities in rural and micropolitan areas are not always readily available for skilled workers, even during the best economic times, but those opportunities were particularly scarce during the recession. For that reason, job losses in manufacturing, which were especially severe in the state’s small cities, created significant hardships in places, leaving no viable employment alternatives. As a result, during the Great Recession, unemployment rates were much higher in the micropolitan

areas. While the outflow of people to metropolitan areas will likely continue, it was mitigated during the recession by the poor economy elsewhere. As the economy recovers, many rural/micropolitan jobseekers will ultimately have to seek careers in new industries (because their old jobs will not likely return) or seek jobs elsewhere. Some of these jobs may be in places within a reasonable commuting distance, but many others will likely be in places that are not nearby. Thus, rural/micropolitan areas, already struggling economically to retain their best employers, are simultaneously struggling to keep their most skilled workers.

**5. Seeking good-paying jobs, more workers must increase their skills by accessing and completing education beyond high school or by earning industry-recognized credentials.**

At least 42 percent, perhaps many more, of the new jobs being created in North Carolina will require **at minimum** some post-secondary education, many in Science, Technology, Engineering and Math—STEM—disciplines. This may represent an underestimate because businesses are increasingly opting to replace lower-skilled workers (lost through attrition and layoffs) with more highly educated or trained employees. An even higher share of new, higher-wage jobs will require STEM-related skills, and many of those jobs will require post-secondary education or industry-recognized credentials. In particular, STEM jobs will constitute an increasing share of higher and medium-wage jobs, creating significant barriers to employment for unprepared young adults and existing workers. For many low-skill workers and students, gaining access to STEM academic training, as well as affording the time and resources to take the training, could represent potential insurmountable barriers due to the breadth of the gap between their current skill level and the skill required for emerging or in-demand jobs.

**6. The recession slowed baby boomer retirements, but the impact is likely to be felt first and greatest in micropolitan and rural areas where more workers are near-retirement age.**

A significant demographic challenge facing all communities is the retirement of the baby boom generation, which began turning 65 in 2011. The economy has delayed the on-set of retirement for many “experienced” workers by as much as three to four years. As industry labor force demands continue to increase, the ultimate exodus of baby boomers from the workforce will first ease the current high unemployment rates, but then ultimately could result in a subsequent shortage of experienced workers. While the recession-induced “retirement pause” among baby boomer workers can help companies in the short-term, this delay also has the unintended consequence of slowing career growth for many Generation X and Millennial workers waiting for those baby boomer retirements. Consequently, firms will need to create explicit succession plans, especially in mission critical occupations. At the same time, many dislocated, lower-skilled older workers must now learn completely new jobs that may require long-term education or training that some older workers may strongly resist.

**7. High-skill in-migrants recruited to help companies meet their talent requirements are seeking jobs in amenity-rich metropolitan areas.**

The Census Bureau reports that North Carolina attracted more new in-migrants with a four-year degree or higher in 2008-09 than the state's university system graduated. Furthermore, if these trends continue, the number of people born outside of North Carolina will surpass the number of native North Carolinians within the next three years. As this shift continues, the very fabric of the state's culture will also continue changing. New high-skill in-migrants are helping to foster growth, but due to their diversity, they create a new set of challenges, especially since they tend to concentrate in certain parts of the state. For companies seeking high-skilled workers, national recruitment efforts are invaluable in finding the workers they need and filling the gap that exists in the current labor market. However, North Carolina's success in attracting workers has been concentrated to its metropolitan areas, but the talent is needed throughout the state. Furthermore, the prevalence of in-migration might also be masking a potential mismatch between the skills that students in the state's higher education system are learning and the skills that North Carolina industry requires.

**8. Migration of new workers continued at near pre-recession levels, even among low-skilled workers, despite the limited availability of jobs.**

Migration also accounted for 80 percent of North Carolina's population growth during the past decade. Recent Census data suggests that in-migration continued at a relatively rapid pace even during the recession. This was true even among lower-skilled in-migrants locating in communities across the state. A relatively larger concentration of migrants is of Hispanic or African American origin. Growth among these groups accounted for 44 percent of urban population growth and more than half of rural/micropolitan growth during the past five years. Many more slow-growing rural counties would have experienced population decline without an influx of Hispanics. Thus, the areas that have endured the greatest economic dislocation also have been most successful in attracting minority workers because they are willing to take many of the low-wage, low-skill jobs being created in smaller communities.

**9. Lower-skilled workers accounted for most of the unemployed and required significantly greater social services during the recession.**

North Carolina's unemployment rate has consistently been higher than the nation during the past few years. This can be attributed to the mix of industries located in the state as well as the educational qualifications of the state's workers. An examination of historical data finds that individuals with a baccalaureate degree were half as likely to be unemployed as the average worker, while individuals without a high school degree were twice as likely as the average worker to be unemployed. Furthermore, workers with a baccalaureate degree can expect to earn \$1.5 million more over a 30 year career than a high school dropout, and this gap widened by nearly 50 percent during the past three years alone. Low-skill and high-skill jobs are being created at a rapid rate, but the chasm between the education required and earnings expected appears to be growing. This wage gap also limits the opportunities for lower-skilled workers to search for the "next" better paying job because the skill gap is so wide as well. With lower wages, these workers frequently

work two jobs to make ends meet, leaving little time to invest in the long-term education and training required to move into a better paying career. Ironically, this same gap is an important reason why there is a greater shortage of prepared, skilled workers available to take advantage of the better-paying jobs that are going unfilled in so many industries.

**10. Workers employed in certain industries – e.g., manufacturing, finance, distribution, or construction – were more likely to lose their jobs and to need retraining to find work.**

Even before the recession started, net job declines were already occurring in some sectors – driven by industry-specific economic forces. Furthermore, because some areas of the state are more concentrated in these activities, those areas were especially hard-hit by lay-offs in these industries. The low-skilled workers most significantly impacted by lay-offs were not those who were unable to handle multiple tasks requiring different skill sets. Employers in a number of industries repeatedly cite examples of how skill demands are changing for jobs and how workers must be capable of doing multiple jobs. Furthermore, these companies often require fewer skilled workers to produce the same or more output. The most successful workers were those with post-secondary education at some level – university, community college, and industry-driven credentialing – who could adapt to these new workplace realities.

### Preparing a call to action

The Great Recession was felt across the full breadth of the state impacting all elements of industry, geography and occupation. The recession served to accelerate many long-term economic trends, and exposed the lingering truth that there is now an extreme imbalance between the demand for jobs and the supply of workers to fill those jobs. It significantly exposed the challenges facing workers across the state as particularly acute because so many are ill-prepared for the next generation economy.

While the study identified ten key challenges that could stand alone as a critical priority, it is notable that they are all interrelated and must be addressed as long-term issues that require time and investment to overcome. Addressing these workforce challenges as a whole will require intentional action. Furthermore, addressing one or more of these issues in isolation will not likely fundamentally shift the trajectory of the state's workforce. Only dealing with the issues holistically, and in collaboration with North Carolina's educational and economic development systems, will do so.

As leaders review the key workforce challenges facing the state, North Carolina must consider policies aimed at:

- *Transitioning workers dislocated due to structural change by considering questions about how North Carolina can help existing and dislocated workers adjust to a new work environment.*
- *Guiding dislocated middle-skilled workers competing for good-paying jobs by identifying at-risk workers in “old middle” jobs and helping those workers access the education and training required for careers in “new middle” jobs.*
- *Helping workers adapt to increased employer and labor market demands by assessing how to efficiently connect jobseekers to education and training, ensuring that the state's post-secondary educational system is prepared to deal with chronic skill mismatches, and enhancing the ability*

*of workers, jobseekers, or students to improve their skills to command better jobs with higher wages.*

- *Engaging education at all levels more actively in the state's future prosperity by ensuring that students enroll in educational programs that teach the right skills, linking the curriculum offered and industry needs, and integrating work-relevant learning into the academic experience.*
- *Enhancing economic opportunity for workers in micropolitan and rural areas by focusing on issues related to how far workers will commute, how to take advantage of changing rural workforce demographics, and making sure that community colleges, in particular, can adapt to the customized needs of small numbers of workers seeking specialized training.*
- *Encouraging employers and communities to adapt to the potential impact of large-scale retirements by helping older workers remain in the workforce, continue learning, and mentor other workers while also helping companies develop appropriate success plans, especially for key occupations.*
- *Increasing the availability of talent from high-skill in-migrants by ensuring that the state continues to maintain its competitive edge in attracting these in-migrants while also identifying ways to encourage out-of-state migration to the state's rural and micropolitan areas.*
- *Managing worker in-migration amid the limited availability of jobs in the short-term by promoting in-migration of entrepreneurs and skilled people into rural areas, addressing skill shortages in certain industries, and improving access to education and training for rural/micropolitan workers.*
- *Ensuring greater employment stability through earned post-secondary education or learned adaptable skills by guiding students more effectively in their career planning and addressing the substantial education or training gap that must be met for low-skilled jobseekers or workers to compete for good-paying jobs.*
- *Preparing workers for changes in certain sectors by targeting workforce development resources and the workforce system to the needs of key industries, especially those at-risk or those that offer the best opportunities while also ensuring that industry has workers prepared for the "mission critical" jobs in the state's economic driver industries.*

When all is said and done those individuals who are well prepared for the transformation will be best able to adapt to the needs of jobs that offer the greatest opportunity while ill-prepared workers are much more likely to be left behind. The tragedy in this context is two-fold -- a larger number of individuals will be at risk of being left behind while very good job opportunities go unfilled for lack of available workers. This creates a related pressure on the state's economy because if companies can't find the workers they need, then they cannot compete for global opportunities and will be left to stand by while global companies with better prepared workers elsewhere take advantage. This leaves North Carolina at risk of losing its competitive edge and losing even more jobs in the future.

An overarching goal for policy makers to consider is *"How do we set policy to remove or lower barriers to education and training to ensure that all of North Carolina's citizens can take advantage of opportunities to gain the required education and skills to create a competitive workforce advantage for them and the state?"* There are some occupations in which these barriers have created shortages while at the same time the state has many jobseekers who want to work. Improving this labor supply-demand match and

addressing the barriers to the efficient operation of this system provide the framework for action and will require direct involvement of local and state government, education, labor, economic development, businesses and community stakeholders.

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Bill Downey  
L.A. Downey and Son  
Durham, NC

Ed Drescher  
Plumbers & Pipefitters Local 421 of  
the Carolinas'  
Raleigh, NC

Sandy Drum  
Nash-Rocky Mount Schools  
Nashville, NC

Phrantceena Halres  
Aelmings Human Resources Corp.  
Charlotte, NC

Scott Hamilton  
AdvantageWest  
Fletcher, NC

Chairman Lynn Holmes  
NC Employment Security Commission  
Raleigh, NC

Susan Jackson  
WakeMed Physician Practices  
Raleigh, NC

Earl Jaggers  
AFL-CIO (BCT-317-T)  
Burlington, NC

Martha Matthews  
Raleigh, NC

Don McCorquodale  
SAS Institute  
Cary, NC

MaryBe McMillan  
NC State AFL-CIO  
Raleigh, NC

Keith Norwood  
Armacell, LLC  
Mebane, NC

Priscilla Nunn  
Eisai, Inc.  
Durham, NC

Michael Okun  
NC AFL CIO  
Raleigh, NC

Virginia Parker  
Wake Tech Foundation  
Raleigh, NC

Bill Ragland  
Steve Owens & Associates  
Brevard, NC

President Scott Ralls  
NC Community Colleges System  
Raleigh, NC

Alex Rankin  
Concord Engineering and Surveying  
Concord, NC

Chris Rolfe, Retired  
Duke Energy Corporation  
Charlotte, NC

Mark Sorrells  
Golden LEAF Foundation  
Rocky Mount, NC

Jerri Tryon  
The Coca-Cola Company  
Cary, NC

Jerry Walters  
Littler Mendelson, P.C.  
Charlotte, NC

Paul Witt  
WMS Aerospace International  
Greensboro, NC

Chuck Wood  
Volvo Construction Equipment  
Asheville, NC



*“Preparing North Carolina’s Workforce and Businesses  
for the Global Economy”*

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