South Carolina Aerospace
Achieving Diversified and Sustainable Growth

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Recapping Existing Findings
2014: Economic Impact of Aerospace in South Carolina

Select Key Takeaways

• Aerospace is a rapidly expanding industry
• Aerospace has a sizeable economic footprint, including many small firms
• Aerospace supports the knowledge economy
• Aerospace supports the state’s tax base
2015: South Carolina and its Competitive Markets

Select Key Takeaways

• Aerospace is a diverse cluster – majority of firms not in Boeing’s supply chain
• There are gaps in the supply chain
• South Carolina firm presence is statewide with concentrations in Lowcountry and Upstate regions
Where are we in 2016?

(1) Is South Carolina’s aerospace cluster continuing to grow?

(2) If so, where is the source of this growth?

(3) What is the outlook for aerospace in South Carolina?
National Establishment Time-Series (NETS)

- Firm-level data across South Carolina
- Includes firm names, addresses, various industry codes, employment, sales revenue, headquarters location, etc…
- Data are captured over time: 1989-2013
Strengths and Limitations of NETS

• Excellent source for overall market trends

• Timeliness of data – most current data is 2013

• Firms self-select into industry categories

• Percentage of a given firm’s aerospace client base is unknown
Aerospace Cluster Defined

Private Sector Aerospace Core

- Aerospace Manufacturing
- Air Transp.
- Air Transp. Support Services

Military Aviation
Airports not incorporated into this analysis

S.C. airport system plan study forthcoming in 2017
S.C. Aerospace Cluster Total Employment
2003-2013

Source: NETS Database
South Carolina Employment Growth

- 2010: -3.7% (Aerospace), -0.4% (S.C.)
- 2011: 19.5% (Aerospace), 1.3% (S.C.)
- 2012: 11.7% (Aerospace), 1.7% (S.C.)
- 2013: 4.6% (Aerospace), 2.0% (S.C.)

Source: NETS Database & U.S. Bureau of Labor Statistics
Has the Economic Impact Grown? Yes!

<table>
<thead>
<tr>
<th></th>
<th>Total Impact</th>
<th>Employment</th>
<th>Tax Revenue Contribution</th>
<th>Employment Multiplier</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Results</td>
<td>$17.4 billion</td>
<td>102,721</td>
<td>$532 million</td>
<td>2.2</td>
</tr>
<tr>
<td>(2012)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Results</td>
<td>$19.1 billion</td>
<td>108,426</td>
<td>$619 million</td>
<td>2.3</td>
</tr>
<tr>
<td>(2013)</td>
<td></td>
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- **Growth in Aerospace Occurred Despite Not Including Airports as Part of the Cluster in Current Analysis**
- **Aerospace represents 6.3% of South Carolina’s economy**

*Source: S.C. Council on Competitiveness*
Total Aerospace Job Creation: 108,426

Source: S.C. Council on Competitiveness
Growth Source?

Two primary sub-sectors

Private Sector Aerospace Core

Aerospace Manufacturing

Air Transp. & Support Services

- Aerospace Manufacturing: 45.3%
- Air Transportation and Support Services: -0.9%

Source: NETS Database
Aerospace Manufacturing Explored
Aerospace Manufacturing: S.C. Economic Output (in millions)

- Aircraft Manuf. ($2,120.8m) 81%
- Engine Manuf. ($379.5m) 14%
- Other Aircraft Parts Manuf. ($66.0m) 3%
- Instrument Manuf. ($25.0m) 1%
- Misc. Parts Manuf. ($26.0m) 1%

Source: S.C. Council on Competitiveness
Distribution of Firms by Employment Size (2013)

Source: NETS Database
• The overall number of firms has increased more than 62% since 2005.

Source: NETS Database
Annual Employment Growth (2005-2013)

Source: NETS Database
Avg. Annual Compensation by Industry: 2013

- S.C. State Average: $41,338
- Air Trans. & Support Svs. Avg.: $50,777
- Manufacturing Industry Average: $53,350
- Aerospace Industry Average: $70,008
- Aircraft Manuf., Engine Manuf. & Misc.: $80,758
- Other Aircraft Parts Manuf.: $107,933
- Instrument Manuf.: $77,552

Source: Quarterly Census of Employment and Wages
Aerospace in the Larger Context
Manufacturing is Moving South!

Source: U.S. Bureau of Labor Statistics

Source: U.S. Bureau of Labor Statistics
Aerospace and Automotive Cluster Employment

1990-2013

Source: U.S. Bureau of Labor Statistics
We Must Actively Build on Existing Success
Thank You!

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