BRISTOL
TENNESSEE • VIRGINIA
Chamber of Commerce

BRISTOL AREA (TN-VA) 2040 COMMUNITY ASSESSMENT

Submitted by Market Street Services, Inc.
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MARKET ST

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OVERVIEW

In 1765, an adventurous man named Evan Shelby brought his family to an area and named it Sapling Grove. While it took some time, the railroads finally came and in 1853 Joseph R. Anderson laid out and built what is today Bristol, Tennessee-Virginia. There is a rich and full history of this important part of East Tennessee and Southern Virginia.

While the reality of a two-state region holds challenges, it also offers real and interesting advantages. There is no question that the more choices a community can offer, the better positioned it is for positive economic activity. The Bristol area's diverse mix of employment includes healthcare, manufacturing, retail, outdoor recreation and motor sports, and corporate management.

Under the leadership of the Bristol TN-VA Chamber of Commerce, the community is pursuing a collective vision for its future branded Bristol 2040 to ensure that population and economic growth continue to create wealth, enhance quality of life, and strengthen its appeal as a destination for companies, visitors, and talent. To facilitate this process, the Chamber has contracted with Market Street Services, the nation's top firm focused solely on strategic economic development for communities. The initiative will bring together committed leaders to fashion a progressive way forward for the area and create a holistic, actionable, and realistic strategy to make the Bristol TN-VA region an even better and stronger community in which to live and work.

This will be accomplished by leveraging robust data analysis and outreach to constituents across the Bristol area to determine competitive strengths, challenges, and opportunities and formulate an actionable strategic plan to advance the community towards its goals. The process will be overseen by a **Steering Committee** of influential public and private leaders who will inform the development of strategic deliverables, discuss and approve draft reports, and ensure that strategic implementation is positioned for success.

Extensive **public input** was comprised of over a dozen one-on-one interviews, seven focus groups, and an online survey available for three weeks that garnered over 554 responses.

KEY COMPONENTS OF THE BRISTOL 2040 PROCESS INCLUDE:

1. Community Assessment and Competitive Scorecards

It is important that local leaders have an honest appraisal of current trends affecting the Bristol area's competitive position. This Assessment synthesizes existing research, community and stakeholder input, and a wealth of quantitative data covering Bristol, Tennessee and Virginia to produce a narrative about the community – where it has been, where it stands today, and where it may be heading. Research and findings will be structured according to key narrative "stories" that emerge from the analysis. The stories presented in the Community Assessment include comparisons to three peer communities: **Augusta County/Staunton, VA; Spartanburg County, SC;** and **Spotsylvania County/Fredericksburg, VA**, as well as the states of Tennessee and Virginia and the U.S. Accompanying Competitive Scorecards will illustrate how Bristol compares to the three benchmark areas as well as six additional communities.

2. Target Sector Analysis and Marketing Review

The Analysis will seek to identify target business sectors with the greatest potential to drive job creation, elevate standards of living in the Bristol area, and catalyze growth and development. Research will focus not only on businesses, but the occupational concentrations that support them as well as innovation, infrastructure, and entrepreneurial capacities. The Marketing Review will assess Bristol's economic development marketing program to determine its strengths, challenges, and future needs in the context of the broader Community and Economic Development Strategy.

3. Community and Economic Development Strategy

The Strategy represents the culmination of all the quantitative and qualitative research to date through the development of detailed action items geared towards addressing challenges and capitalizing on opportunities for a visionary future. The plan will be supported by innovative best practices successfully implemented by communities from around the country. Where possible, the Strategy will incorporate the numerous efforts already underway in the Bristol area. Upon approval by the project Steering Committee, the Strategy will serve as Bristol's blueprint for competitive enhancement across a broad range of strategic categories.

4. Implementation Plan

A plan, no matter how visionary, is only valuable when it is implemented. The Implementation Plan represents a work plan for the Chamber and its implementation partners to ensure that the Strategy is activated and sustained for the next five years and beyond. The Plan will formalize timelines for phasing in the Strategy's multiple actions, identify lead and support implementation entities, determine existing and necessary financial and personnel capacity to drive implementation, propose optimal staffing and governance operations, and confirm performance metrics to track implementation progress and success.

EXECUTIVE SUMMARY

The Community Assessment phase is an important foundation for the development of the Bristol 2040 Community and Economic Development Strategy. It presents a wealth of quantitative and qualitative data in a condensed, yet focused way in order to identify the challenges that the community must overcome as well as the opportunities and assets it can leverage to write the next chapter of the Bristol area's story. This assessment evaluates the Bristol area's competitive position and the issues that it faces in an increasingly competitive environment for new jobs, talent, and corporate investment.

The Assessment is presented in four distinct stories, each containing important insights that point to strategic implications for community, economic, and workforce development. The four stories are:

1. Population and Labor Force Trends Must Be Addressed
2. An Economy in Transition
3. "Bristol: A Good Place to Live"
4. Two States, One Future

The stories are supplemented by a series of Competitive Scorecards that compare the Bristol Area's competitiveness against nine other communities in five key areas: economic performance, workforce sustainability, innovation and entrepreneurship, business environment, and quality of life and place. These scorecards are available in Appendix A.

The following bullets are key trends that emerged from the Community Assessment research.

1. Population and Labor Force Trends Must Be Addressed

- ✓ **The Bristol area is losing population, the only one of the comparison geographies experiencing this trend**. This issue is particularly acute in Bristol, Virginia. These losses are primarily due to negative natural change: the area has had more deaths than births over time. Population loss is a key concern as it relates to the future sustainability of the local workforce.

- ✓ Coupled with population loss, **the Bristol area also has unsustainable age dynamics**. Compared to the benchmarks, the Bristol area has the highest percentage of residents age 65 and over and the lowest percentage of adults in the prime workforce years of 25 to 44.
    - o In the Workforce Sustainability scorecard, the Bristol area ranked last among nine other communities in a population dependency ratio comparing working age to dependent age populations and a workforce dependency ratio measuring the size of the younger workforce versus the cohort of older workers nearing retirement.

- ✓ **Stakeholders also attribute the Bristol area's declining workforce capacity to "brain drain,"** the phenomenon of key talent moving away to seek better employment opportunities. Migration data supports this assertion.The Bristol area is losing residents to larger metros with more diverse job markets. However, a positive finding is that the area is a magnet for new residents moving from smaller counties in Southwest Virginia and Northeast Tennessee.

- ✓ **The notion of "brain drain" is also supported by low educational attainment in the community**. In 2016, the Bristol area had the lowest percentage of adults 25+ with a bachelor's degree or higher and the second highest percentage of adults without a high school diploma.
    - However, the Bristol area surpassed all comparison geographies except Virginia in the number of certificates and degrees completed per capita. If Bristol can retain graduates or attract those who have moved away, it could improve its educational attainment outcomes.
- ✓ **The Bristol area public K-12 schools have performed favorably compared to districts in benchmark communities**. Graduation rates for all students and those who qualify as economically disadvantaged are at or above many of the comparison districts. Stakeholders are proud of the commitment levels of teachers and administrators and are open to increased coordination and cooperation across jurisdictions. It is important to note that stakeholders are increasingly worried about addressing issues related to student poverty and school funding, especially in Bristol, Virginia.
    - Employers, educators, and other stakeholders would like to see an expansion of career and technical education (CTE) and more coordination among all workforce development partners to ensure that students are prepared for job opportunities in the Bristol area.
- ✓ **The Bristol area's labor force participation rates (LFPR) are lowest among the compared geographies**, meaning that more people have dropped out of the workforce than in the benchmark areas. Contributing to this decline could be public health issues like drug dependence, which was cited by multiple employers as a challenge when hiring.
- ✓ A key concern identified during stakeholder input and supported by data was that **low wages are a competitive disadvantage in the community**. The Bristol area's average annual wage lagged behind all of the comparison areas, as did its wage growth. Though it is a disadvantage in terms of talent attraction and retention, this trend can be considered an advantage for current and prospective employers.
    - Low comparative wages and per capital incomes, coupled with higher rates of income from federal transfer payments (welfare, Social Security, etc.) contributed to elevated Bristol area poverty rates, though they were equivalent to many of the benchmarks. However, youth poverty in the Bristol area was higher than all the comparison geographies.

2. An Economy in Transition

- ✓ **Between 2007 and 2017, the Bristol area lost 6,054 jobs, a 5.3 percent decrease**. Over 77 percent of those jobs were located in Bristol, TN-VA. The only other comparison geography that lost jobs over the ten-year period was Augusta County/Staunton, Virginia.
- ✓ Manufacturing shed more Bristol area jobs than any other local sector over the last five years as recent closings and layoffs took a toll. Despite these losses, **manufacturing is still the largest and most**

concentrated business sector in the Bristol area, accounting for 14.7 percent of jobs and paying wages significantly higher than the area average wage.

- Other major Bristol area sectors that offer higher than average wages like health care and wholesale trade also lost jobs. At the same time, local serving, lower paying jobs increased. Retail trade, which ranks third in employment in the area with over 14,000 workers, experienced a 3.1 percent growth rate, while accommodation and food services grew by 8.1 percent.
- While some are concerned that the jobs created by a proposed Bristol, Virginia casino would not pay sufficient wages, many view it as an opportunity to spur an economic rebound.
- Leveraging local 10 gigabyte internet access was identified as a key growth opportunity.

✓ **Opinions were mixed on the ability of regional economic development organizations to market the Bristol area and expand existing businesses**. The Tri-Cities' disjointed economic development service areas contributed to these concerns. However, there was consensus from business leaders that local business climates could also be improved.

✓ **Small business and self-employment data show that the Bristol area largely trails its comparison areas in terms of enterprise creation capacity and growth intensity**. Existing small business owners would like to see improvements in the local entrepreneurial ecosystem, including greater funding access, awareness of available resources, networking opportunities, and innovation spaces.

✓ **There is no institutional research conducted in the Bristol area**, although nearby East Tennessee State University has intensified efforts to improve its research capacity, output, and technology commercialization processes.

- Ballad Health is also ramping up its research efforts with plans to invest significantly in these activities.
- The overwhelming majority of Bristol area patents have been awarded to Eastman Chemical Company in Kingsport.

3. "Bristol: A Good Place to Live"

✓ **The promise of the sign on State Street was supported by qualitative feedback and key quantitative data** on low costs of living and housing affordability.

- However, some would like to see improved housing options for young professionals and high-income executives. The Bristol area also has a higher comparative cost burden for renters.
- Stakeholders believe that the Bristol area is an inclusive community, though there is room for improvement.

- ✓ **Downtown Bristol's revival is a source of local pride and helps differentiate Bristol from the other Tri-Cities**. Believe in Bristol was cited as a key catalyst for downtown improvement and a testament to the benefits of bi-state collaboration.
    - Stakeholders singled out the Birthplace of Country Music Museum, Bristol Hotel, Paramount Theater, the Pinnacle, Bristol Motor Speedway, and the Virginia Creeper Trail as key local amenities.
- ✓ **The Bristol area has a strong legacy of philanthropic giving** that supports educational and social service programming in the area. This capacity could differentiate Bristol from its peers and help catalyze transformative strategic efforts.

4. Two States, One Future

- ✓ **While there are notable differences between Tennessee and Virginia that create complications in collaborating across state lines, many residents only see "one" Bristol**. Even so, online survey respondents were somewhat pessimistic about the current state of collaboration among the Tri-Cities, as were economic development professionals.
    - Most frequently cited examples of cross-state partnerships were the Bristol Chamber, Believe in Bristol, Bristol TN/VA Convention and Visitors Bureau, the Birthplace of Country Music Museum, and the Bristol Public Library.
- ✓ When survey respondents were asked, "Would there be benefit to creating and marketing a cohesive Tri-Cities 'brand'?" an overwhelming majority (82.6 percent) answered "yes." However, stakeholders have concerns about each city being represented equally, among other issues.
- ✓ Analysis of commuting data from the U.S. Census Bureau demonstrates that **the Bristol area is indeed an integrated labor shed**. With more jobs by establishment than jobs by residence, the Bristol area is clearly a sub-regional jobs center for the Tri-Cities.

KEY CONCLUSIONS

- The Bristol area has many competitive assets but finds itself at a strategic crossroads as structural economic changes, flat population growth, unsustainable labor force trends, and other factors adversely affect its future prospects.
- Though the Bristol area's bi-state geography complicates local collaboration and coordination, most residents see only "one" Bristol and would like local governments to partner more effectively across state lines.
- Quality of life and place strengths are key competitive advantages and can be leveraged to grow the Bristol area's tourism economy, improve talent retention and attraction, and help stimulate a more robust entrepreneurial ecosystem.

- Efforts to change internal and external perceptions of the recently coined Appalachian Highlands – an even broader region than the Tri-Cities – can greatly benefit the Bristol area, but would require a level of intra-regional cooperation not yet realized among the cities and their constituencies.

COMMUNITY ASSESSMENT

The global economy has never been more competitive than it is today. In order to be positioned effectively to retain and attract the talent necessary to grow innovative, knowledge-based businesses, the Bristol area must consider all aspects of how it competes for people, companies, and investment. Addressing challenges and capitalizing on opportunities identified by this exploration will ensure that the community remains an attractive destination for generations to come.

Though it is a two-state community, many leaders do not see these boundaries as definitive of the area's true identity. In fact, multiple stakeholders told Market Street that they conceive of the community as "one" Bristol. That perspective is testament to the progress that many said has been made in recent years to bring the two Bristols and their home counties (understanding that Bristol, Virginia is a separate governmental entity from Washington County) together in more productive and collaborative ways. Bristol 2040 seeks to build this momentum further by prescribing proactive and high-impact ways for the community to partner even more effectively to secure a successful local future.

While the assessment of the greater Bristol area comprised of Bristol, TN-VA, Sullivan County, Tennessee, and Washington County, Virginia is important to understanding the community's competitive dynamics, it is also important to acknowledge the area's position in the broader Tri-Cities consolidated statistical area (CSA) inclusive of Kingsport and Johnson City, Tennessee, certain issues make more sense to address from this geography and require greater levels of coordination and collaboration to achieve positive results. Thus, this Community Assessment also incorporates a broader perspective for certain analysis criteria.

The key findings of the Community Assessment, paired with the principal takeaways from the Target Sector Analysis and Marketing Review, will form the basis of the Bristol 2040 Community and Economic Development Strategy. While the findings in this document evaluates Bristol's recent past through a comparative lens, its primary purpose is to provide insights as the community designs its future.

Throughout this Community Assessment, feedback derived from interviews, focus groups, and the online survey are differentiated by red text.

1. Population and Labor Force Trends Must Be Addressed

Though population growth is not a failsafe measure of economic vitality (Pittsburgh has lost population for decades yet is seen as a model of economic renewal), it nevertheless is seen by many residents and outside observes as a bellwether of long-term community viability. Ultimately, without sustained population growth it will be difficult for any region to maximize its economic potential. Sustainable labor force capacity is also critical to the growth of existing and future companies due to the primacy of technology in legacy and emerging economic sectors.

Across the U.S., smaller regions without a major research university, especially those with economies reliant on production and extraction sectors, are facing challenges to retain and attract talent as high-paying jobs go away and are replaced by positions offering lower average wages. The Bristol area has not been immune to these trends. As the following table shows, **of the comparison geographies examined, the Bristol area was the only one that lost population between 2012 and 2017 and saw only negligible growth between 2007 and 2017**.

POPULATION CHANGE, 2002-2017

	2002	2007	2012	2017	5-Year Change	10-Year Change	15-Year Change
Bristol, VA	17,087	17,540	17,702	16,790	-5.2%	-4.3%	-1.7%
Bristol, TN	25,659	26,302	26,591	26,842	0.9%	2.1%	4.6%
Bristol, TN-VA	42,746	43,842	44,293	43,632	-1.5%	-0.5%	2.1%
Sullivan County, TN	153,160	155,367	156,385	157,158	0.5%	1.2%	2.6%
Washington County, VA	51,670	54,216	55,096	54,387	-1.3%	0.3%	5.3%
Bristol Area	**221,917**	**227,123**	**229,183**	**228,335**	**-0.4%**	**0.5%**	**2.9%**
Augusta County, VA + Staunton, VA	90,426	96,961	97,382	99,672	2.4%	2.8%	10.2%
Spartanburg County, SC	258,467	274,215	288,388	306,854	6.4%	11.9%	18.7%
Spotsylvania County, VA + Fredericksburg, VA	122,303	141,981	153,019	161,393	5.5%	13.7%	32.0%
Tennessee	5,795,918	6,175,727	6,450,632	6,715,984	4.1%	8.7%	15.9%
Virginia	7,286,873	7,751,000	8,188,656	8,470,020	3.4%	9.3%	16.2%
United States	287,625,193	301,231,207	313,993,272	325,719,178	3.7%	8.1%	13.2%

Source: U.S. Census Bureau

Within the Bristol area, growth on the Tennessee side has been stagnant while Bristol, Virginia has experienced concerning declines; in the last five years, Bristol, Virginia lost 912 residents, while Washington County lost 709 residents. The losses were primarily from negative natural change. In the overall Bristol area, 4,041 more people died than were born from 2010 to 2017. This speaks to an aging population with fewer young families as will be discussed shortly. The Bristol area's trends are put into clearer focus when seen against the strong growth of the benchmark communities, especially Spartanburg County and Spotsylvania County/Fredericksburg.

These discrepancies are also present when examining sources of population change. In addition to natural change, communities can gain residents through net positive domestic or international migration. As seen in the following table, the destination communities of Spartanburg County and Spotsylvania County/ Fredericksburg are gaining population from both sources. Bristol, Virginia lost population from all sources while Washington County saw slight gains from domestic and international migration.

Data cannot be separated out by city for Sullivan County, so it is not possible to determine if the county's strong in-migration was evenly distributed among all cities or the result of strength in Kingsport from growth of Eastman Chemical Company, which employs over 15,000 workers.

SOURCES OF POPULATION CHANGE, 2010-2017

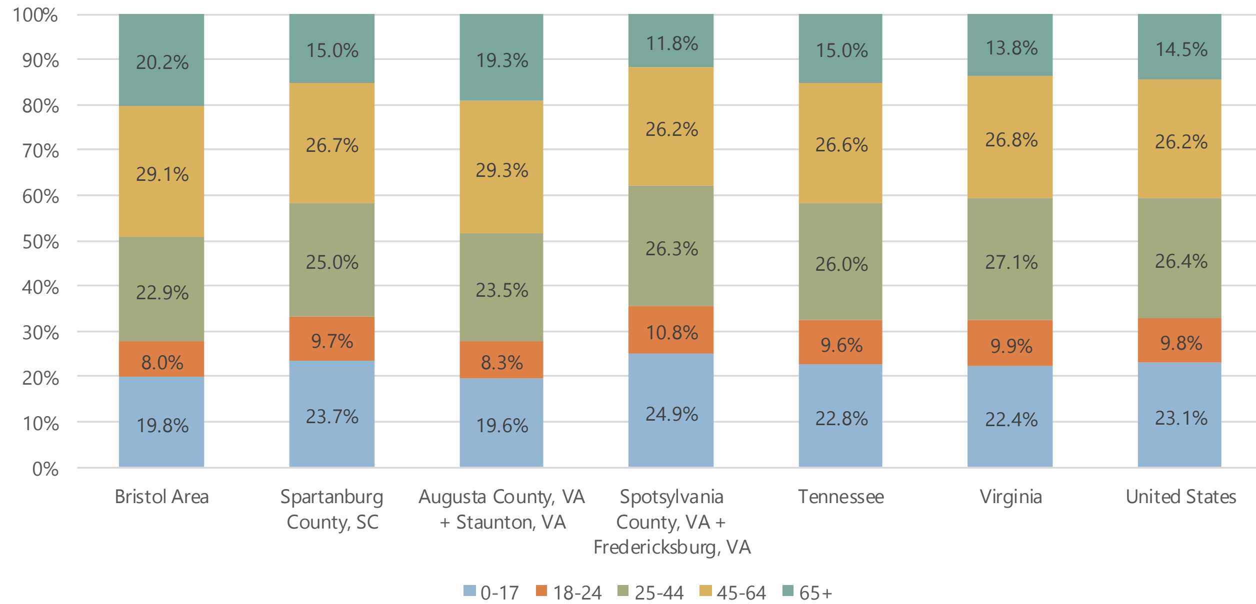
	Population Change	Natural Change	Domestic Migration	International Migration
Bristol, VA	-954	-583	-367	-1
Sullivan County, TN	352	-3,238	3,824	-93
Washington County, VA	-572	-803	209	45
Augusta County, VA	1,393	-126	1,412	138
Staunton, VA	783	-282	799	250
Spartanburg County, SC	22,553	5,035	16,325	1,276
Spotsylvania County, VA	10,584	5,567	3,678	1,400
Fredericksburg, VA	4,182	1,612	1,827	647
Tennessee	369,689	124,385	178,125	66,412
Virginia	468,977	284,313	-53,500	237,242
United States	16,961,073	9,727,447	-	7,233,626

Source: US Census Bureau

The Bristol area's age dynamics are not favorable in terms of workforce dynamics. As shown in the following chart, the Bristol area has the highest percentage of residents age 65 and over and the lowest percentage of adults in the prime workforce years of 25 to 44. Bristol's smaller relative cohorts of 17 and under and 18 to 24 year old residents echoes the negative natural change trends referenced earlier.

Bristol's more rapidly aging population, combined with lower birth rates and stagnant net migration trends, pose threats to the region's labor force sustainability. There is a 6.2 percentage point gap in the Bristol area between experienced workers (45-64) who are nearing retirement and young workers to replace them (25-44). This is larger than in all of the comparison geographies.

AGE DISTRIBUTION, 2016



Source: U.S. Census Bureau

Many stakeholders expressed concern over "brain drain," citing fewer high-wage career opportunities for college graduates and a high outmigration of young adults in search of quality employment. The Bristol Community Survey asked respondents if they agreed or disagreed with various statements about young professionals (aged 21-39). Although a higher percentage of respondents agreed (43.4 percent) than disagreed (35.2 percent) that the Bristol Area is an attractive and desirable place to live for young professionals, a majority of respondents (60.7 percent) disagreed that the Bristol Area can successfully compete for young, new residents from outside the community. Additionally, 53.8 percent disagreed that the Bristol Area retains college graduates that grew up in the area. Many reiterated a need for more entry level professional job opportunities for college graduates.

Analysis of data on tax filings from the Internal Revenue Service (IRS) sheds additional light on migration trends. Comparing tax filers' place of residence from one year to the next shows where they have migrated to or from. In the following table of the Bristol area's top net source counties, it is clear that **the region's significant sources of net in-migrants are smaller counties in Southwest Virginia and Northeast Tennessee**.

TOP 10 SOURCE COUNTIES FOR BRISTOL AREA IN-MIGRATION, 2006-2016

County	Associated Metro	Net Migration 5-Year	Net Migration 10-Year
Scott County, VA	Kingsport-Bristol-Bristol, TN-VA	425	637
Russell County, VA	None	430	623
Wise County, VA	None	366	601
Smyth County, VA	None	321	457
Tazewell County, VA	Bluefield, WV-VA Micro	258	410
Buchanan County, VA	None	85	299
Hawkins County, TN	Kingsport-Bristol-Bristol, TN-VA	117	270
Hamblen County, TN	Morristown, TN	124	184
Lee County, VA	None	95	145
Carter County, TN	Johnson City, TN	21	137

Source: Internal Revenue Service

In contrast, **the Bristol area lost residents to Washington County in the Tri-Cities region and larger, more jobs-rich metro areas across the South and Southeast**. It is important to note that most outmigration destinations are within a five hour drive of Bristol. This reality could represent an opportunity to attract these residents back if the Bristol area's economy can offer a greater diversity of high-value employment options.

TOP 10 DESTINATION COUNTIES FOR BRISTOL AREA OUT-MIGRATION, 2006-2016

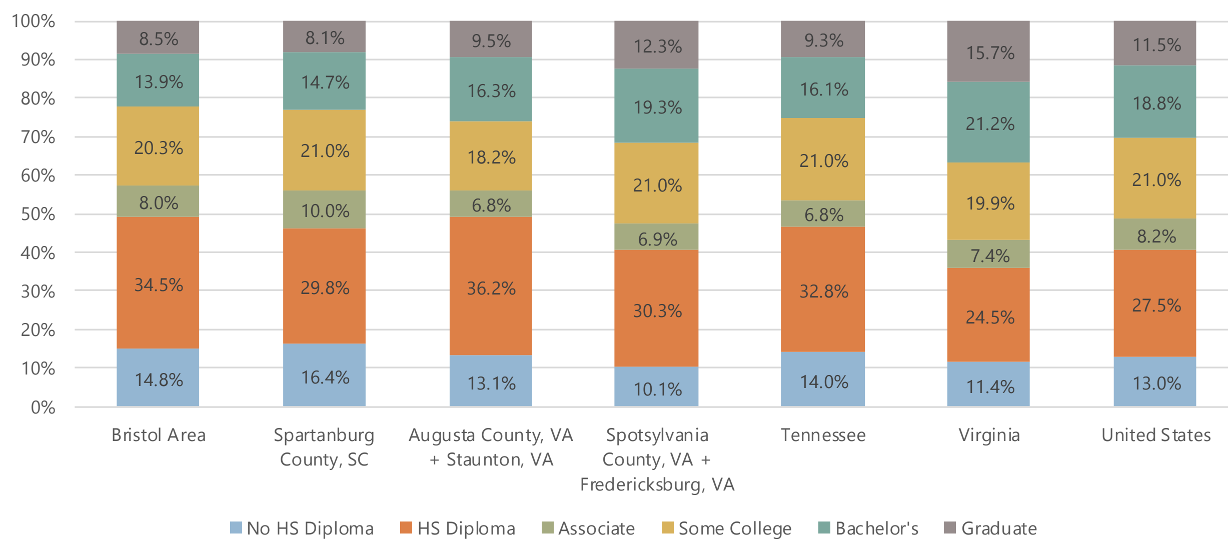
County	Associated Metro	Net Migration 5-Year	Net Migration 10-Year
Washington County (TN)	Johnson City, TN	-177	-593
Knox County (TN)	Knoxville, TN	-206	-507
Davidson County (TN)	Nashville-Davidson-Murfreesboro-Franklin, TN	-88	-164
Rutherford County (TN)	Nashville-Davidson-Murfreesboro-Franklin, TN	-120	-156
Hamilton County (TN)	Chattanooga, TN-GA	-51	-82
Greenville County (SC)	Greenville-Anderson-Mauldin, SC	2	-63
Anderson County (TN)	Knoxville, TN	0	-59
Travis County (TX)	Austin-Round Rock, TX	-49	-49
DeKalb County (GA)	Atlanta-Sandy Springs-Roswell, GA	-14	-46
Forsyth County (NC)	Winston-Salem, NC	-23	-44

Source: Internal Revenue Service

The impact of "brain drain" is also reflected in educational attainment data. The percentage of a region's adults with a college degree is an important indicator of workforce skills capacity assessed by prospect companies and site selectors. Communities with lower educational attainment rates are increasingly at risk of disinvestment as the economy's top jobs now largely require workers to possess a college degree.

In 2016, the Bristol area had the lowest percentage of adults aged 25 and over with a bachelor's degree or higher. At 22.4 percent, Bristol was 7.9 percentage points below the national average. The region also had the second highest percentage of adults without a high school diploma. While Bristol's comparatively high rate of associate's degree attainment was a positive, especially for manufacturing sectors, over two thirds of Bristol area adults had no college degree of any kind. This was 1.8 percentage points below the Tennessee average, 13.9 percentage points worse than Virginia, and 8.1 percentage points behind the top-performing comparison community, Spotsylvania County/Fredericksburg.

EDUCATIONAL ATTAINMENT, 2016



Source: U.S. Census Bureau

Post-secondary completions data show that if the Bristol area was able to retain a higher number of graduates, its educational attainment rates may improve. Including King University and Northeast State Community College, there are 15 public or private, nonprofit colleges and universities within a 50 mile radius of Bristol, TN-VA. In terms of overall completions, the Bristol Area surpassed all comparison geographies except Virginia. Over half of these completions (81.0) were certificates and associate degrees. Per capita totals were lower for bachelor's degrees, with the Bristol area ahead of only Augusta County/Staunton among the benchmark communities.

POST-SECONDARY COMPLETIONS, 2012-2017

	Completions		Certificates		Associate's Degrees		Bachelor's Degrees		Master's Degrees		Doctorate Degrees	
	Total	Per 10,000 residents	Total	Per 10,000 residents	Total	Per 10,000 residents	Total	Per 10,000 residents	Total	Per 10,000 residents	Total	Per 10,000 residents
Bristol Area	18,892	138.0	4,464	32.6	6,631	48.4	6,391	46.7	1,401	10.2	5	0.04
Spartanburg County, SC	17,958	101.1	1,637	9.2	4,402	24.8	10,693	60.2	862	4.9	364	2.0
Augusta County/Staunton, VA	9,240	156.4	3,661	62.0	3,324	56.3	1,594	27.0	597	10.1	64	1.1
Spotsylvania Co./Fredericksburg, VA	7,960	84.3	152	1.6	12	0.1	6,595	69.8	1,201	12.7	0	0.0
Tennessee	454,803	115.3	89,214	22.6	65,368	16.6	209,259	53.1	70,034	17.8	20,928	5.3
Virginia	717,847	143.5	106,697	21.3	119,575	23.9	331,050	66.2	129,292	25.8	31,233	6.2

Source: Economic Modeling Specialists Intl. via IPEDS

In public input, higher education professionals expressed that they would like to see a greater levels of cooperation and coordination with private industry to create a more aligned training pipeline and improved opportunities for students. One wish is for institutions to share academic and training credits across the state line at the higher education and K-12 levels so students can better leverage all of the community's training resources.

Employers would like to see more career and technical education (CTE) and vocational program capacity, potentially at a centralized facility serving students in both Tennessee and Virginia. Stakeholders spoke of a negative stigma surrounding CTE training that may limit students' interest in pursuing a future in these fields.

The Bristol Chamber and partners including the Bristol, TN City Schools; Bristol, VA Public Schools; United Way of Bristol; Communities in Schools Southwest Virginia; and others, have organized various events, including the ONE BRISTOL Career Exploration Event, to expose students to local businesses and future opportunities. There is interest in creating more internships and apprenticeships that can lead to full-time positions after graduation as well as new training programs designed to provide employers with a ready pool of workers.

The path to college and careers begins in the K-12 system. It is critical that these years both expose students to opportunities after high school and also provide them with skills to succeed regardless of their chosen path. The Bristol area is served by five public school districts: Bristol Public Schools (TN), Bristol City Public Schools (VA), Kingsport Public Schools, Sullivan County Public Schools, and Washington County Public Schools.

When seen against the districts in the benchmark communities, the performance of Bristol area schools compares favorably. Overall graduation rates and those for economically disadvantaged students in the region are on par or above most of the benchmark districts. The state line affects the K-12 dynamics of the Bristol area's K-12 schools. The Bristol, Virginia and Washington County, Virginia districts have higher percentages of disadvantaged students than their Tennessee counterparts, with Bristol City's overall graduation rate the lowest of the Bristol area districts and disadvantaged student graduation rate above only Bristol, Tennessee. Though Washington County has the highest percentage of disadvantaged students, its overall graduation rates were among the highest of all districts analyzed, while the percentage of disadvantaged students graduating trailed only Staunton City Public Schools.

Enrollment decline was pervasive among Bristol area districts between 2012 and 2017. Only the Bristol, Tennessee schools added students during this period.

K-12 PUBLIC SCHOOL STATISTICS

	State	2016-17 Enrollment	5-Year Enrollment Change	% Economically Disadvantaged	Per Pupil Expenditures	2018 Graduation Rate	2018 Grad Rate, Econ. Disadv.
Bristol Public Schools	TN	3,888	2.8%	28.9%	$10,313	93.3%	86.3%
Bristol City Public Schools	VA	2,299	(4.6%)	52.8%	$10,901	90.7%	87.1%
Kingsport Public Schools	TN	7,185	10.8%	39.1%	$10,888	95.9%	91.3%
Sullivan County Public Schools	TN	9,525	(10.3%)	33.3%	$9,771	95.4%	90.1%
Washington County Public Schools	VA	7,264	(1.6%)	57.6%	$10,415	95.4%	91.7%
Augusta County Public Schools	VA	10,384	(3.3%)	37.5%	$10,597	96.2%	89.9%
Fredericksburg City Public Schools	VA	3,577	9.4%	52.6%	$13,498	84.2%	80.8%
Spotsylvania County Public Schools	VA	23,597	(0.9%)	37.1%	$10,873	92.8%	84.5%
Staunton City Public Schools	VA	2,679	(0.1%)	47.7%	$11,282	89.6%	95.3%
Tennessee		963,294	1.3%	34.7%	$9,958	89.1%	82.1%
Virginia		1,286,711	2.2%	37.9%	$12,171	91.6%	87.7%

Source: Tennessee Department of Education; Virginia Department of Education

Overall, stakeholders had mixed feelings about public schools in the Bristol area. While many praised the quality and performance of local districts, others were concerned that challenges to educate an increasingly lower-income student population facing challenges such as drug use and homelessness was affecting student performance and public perceptions. This was especially true for the Bristol, Virginia district, which was frequently cited by input participants as struggling due to the city's fiscal issues. One interviewee noted that Bristol, Virginia schoolteachers had not received a raise in ten years. Others spoke of the trend of families with means moving to Tennessee to access what they perceive to be as better schools and to avoid paying income tax.

A number of employers spoke of the challenges they are experiencing with employees' "soft skills," and would like to see local school districts begin to emphasize skills needed for employability as much as standardized coursework.

Educators in the area stressed that a challenge for the community is that many view education as an obligation and expense, rather than an opportunity to invest in the future of the community. Efforts to increase public spending for K-12 districts have been a challenge. Education and training representatives spoke of the work being done to improve student outcomes, but would like to see more coordination between efforts, particularly across state lines.

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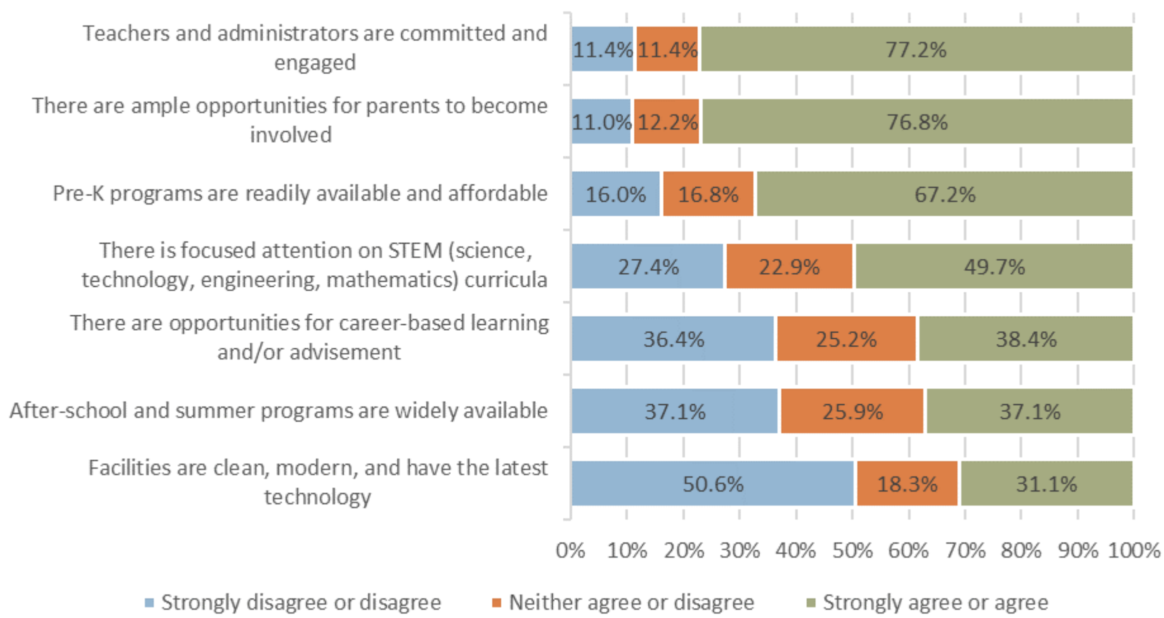
Survey respondents were asked to agree or disagree with various statements related to the quality of public schools in the area. Of the seven statements, three received overwhelmingly favorable responses. Only one statement received a majority of unfavorable responses: that school facilities are clean, modern, and have up-to-date technology. Despite these perspectives, many residents are opposed to a proposed consolidation of Bristol, Virginia elementary schools that they feel will cause students to travel too far to attend class.

PLEASE RESPOND TO THE FOLLOWING STATEMENTS ABOUT THE QUALITY IN THE SCHOOL/DISTRICT WITH WHICH YOU ARE MOST FAMILIAR.



Source: *Market Street Services*; Bristol 2040 Community Survey (2018)

As educators and other leaders continue to work to connect students to future jobs, the community is grappling with a decreasing talent pool. **In 2016, the Bristol Area's labor force participation rate (LFPR) was only 56.3 percent, considerably lower than every other comparison geography**. LFPR is a function of both labor force and population trends, so it is important to note that the number of Bristol area residents in the labor force is also dwindling. In 2017, there were 104,572 people working or actively seeking work in the Bristol area, down by 3.8 percent from 2012. Identifying ways to re-engage these adults in the workforce would be a real benefit to economic output, per capita income, and other indicators.

LABOR FORCE PARTICIPATION RATE, 16+, 2012-2016

Geography	2012-16	Pct. Pt. Chg.
Bristol Area	56.3%	-1.0%
Augusta County, VA + Staunton, VA	59.3%	-1.1%
Spartanburg, SC	61.1%	-0.6%
Spotsylvania County, VA + Fredericksburg, VA	67.8%	-0.9%
Tennessee	61.1%	-1.6%
Virgina	66.2%	-1.0%
United States	63.5%	-1.3%

Source: U.S. Bureau of Labor Statistics; U.S. Census Bureau

Employers participating in public input largely praised the work ethic of the local workforce, citing the "blue collar legacy" of the Bristol area as contributing to a steadfast desire to work hard and work well. But many also noted that this work ethic has begun to flag as older generations retire and younger workers to not share these same values. As noted earlier, employers feel that the "soft skills" of certain workers are lacking and are concerned that jobs that require extensive technological skills may go unfilled as talent with this knowledge base has left the region in search of higher-value employment.

Many employers, particularly those who can provide on-the-job training for employees, express that a major impediment to filling open jobs is failed drug testing. This echoed other Bristol area stakeholders, who identified the opioid epidemic as particularly damaging to the community, both in terms of effect on the population and external perception of the area.

Perceptions of the Bristol area's drug-related challenges are largely borne out by data, though numbers do not differentiate by drug type; so the impact of opioids themselves cannot be assessed. According to data provided by the County Health Rankings and Roadmaps program, a collaboration between the Robert Wood Johnson Foundation and the University of Wisconsin Population Health Institute, there is in fact a higher prevalence of drug use in the Bristol Area. Data from the Opioid and Health Indicators database hosted by amfAR, the Foundation for AIDS Research, also shows a higher prevalence of overdose deaths and percentage of individuals ages 12 and higher reporting drug dependence in the Bristol area. But trends are fairly equivalent to most of the comparison areas.

HEALTH STATISTICS

	Physicians Per 100K Residents (2017)	Access to exercise opps (2016)	Adults reporting poor or fair health (2016)	Obesity rates, % of adults BMI ≥ 30 (2014)	% of population under age 65 without health insurance (2015)	Food environment index, 0 (worst) to 10 (best) (2015)	Drug overdose deaths per 100K (2014-16)	% of People 12+ Reporting Drug Dependence (2014)
Bristol, VA	53	88%	19%	29%	11%	6.7	25	2.68
Sullivan County, TN	367	78%	18%	32%	11%	7.1	26	2.16
Washington County, VA	224	69%	15%	30%	11%	8.7	17	2.68
Spartanburg County, SC	184	53%	18%	30%	13%	7	18	2.69
Augusta County, VA	136	56%	13%	35%	11%	8.9	9	2.55
Staunton, VA	229	100%	17%	27%	11%	8.1	20	2.55
Spotsylvania County, VA	149	77%	13%	32%	10%	8.9	17	2.55
Fredericksburg, VA	658	100%	18%	30%	11%	7.7	24	2.55
Tennessee	204	71%	19%	32%	12%	6.2	22	2.41
Virginia	213	83%	16%	28%	10%	8.9	14	2.53

Source: Sperling's Best Places; County Health Rankings; Opioid and Health Indicators

In 2016, Sullivan County, Tennessee was identified by the Center for Disease Control and Prevention (CDC) as one of the 220 counties at risk of outbreaks of HIV and/or hepatitis C as a result of the opioid epidemic. These 220 counties represent the top five percent of counties in the nation based on six factors: drug-overdose deaths, prescription opioid sales, per capita income, white, non-Hispanic race/ethnicity, unemployment, and buprenorphine prescribing potential by waiver. Sullivan County ranks #151 nationally, and #34 in Tennessee.

Other health indicators presented in the previous table do not show great variation between Bristol area trends and those in the comparison communities. This again is contrary to many resident perceptions of poor health outcomes in the Bristol area.

The provision of competitive wages is an important factor in retaining and attracting workers. Stakeholders mentioned often that low comparative wages in the Bristol area were a factor in sustaining a competitive local workforce.

As shown in the following table, **the Bristol area's average annual wages and wage growth trail the peer communities, states, and nation**. However, spreads were widest between the Bristol area and Tennessee, Virginia, and the U.S. Averages trended more closely to the comparison areas, with only Spartanburg County seeing higher annual wages than the Bristol area. Wage growth is more of a concern, however, with five and ten-year increases in average wages trailing all of the comparison geographies, often by notable amounts. It is important to note here that while some stakeholders believe that this is a competitive disadvantage in terms of talent attraction and retention, others view this is as a competitive advantage for prospective employers since cost of labor is a major factor for some employers.

AVERAGE ANNUAL WAGES, 2007-2017

	2007	2012	2017	5-Year Change	10-Year Change
Bristol Area	$36,137	$39,868	$41,638	4.4%	15.2%
Augusta County, VA + Staunton, VA	$31,347	$34,916	$38,935	11.5%	24.2%
Spartanburg County, SC	$36,416	$39,644	$44,033	11.1%	20.9%
Spotsylvania County, VA + Fredericksburg, VA	$33,757	$36,731	$39,342	7.1%	16.5%
Tennessee	$37,467	$41,833	$46,521	11.2%	24.2%
Virginia	$44,961	$50,252	$54,619	8.7%	21.5%
United States	$42,614	$46,964	$52,792	12.4%	23.9%

Source: Economic Modeling Specialists Intl (EMSI)

With lower average wages, it is not a surprise that per capita income (PCI) was also lower in the Bristol area than all the comparison geographies. As with wages, five and ten-year PCI increases were lower than all the benchmarks, especially between 2012 and 2017 when the Bristol area's rate lagged the comparison areas by factors of two and three.

PER CAPITA INCOME, 2002-2017

	2002	2007	2012	2017	5-Year Change	10-Year Change	15-Year Change
Washington + Bristol, VA*	$24,790	$33,627	$40,145	$39,221	-2.3%	16.6%	58.2%
Sullivan County, TN	$26,649	$32,827	$37,744	$41,431	9.8%	26.2%	55.5%
Bristol Area	**$26,073**	**$33,079**	**$38,507**	**$40,742**	**5.8%**	**23.2%**	**56.3%**
Spartanburg County, SC	$26,295	$32,397	$36,047	$41,709	15.7%	28.7%	58.6%
Augusta, Staunton + Waynesboro, VA*	$25,794	$33,710	$37,425	$42,436	13.4%	25.9%	64.5%
Spotsylvania + Fredericksburg, VA*	$30,676	$39,803	$44,066	$48,823	10.8%	22.7%	59.2%
Tennessee	$28,298	$34,178	$39,439	$45,517	15.4%	33.2%	60.8%
Virginia	$34,436	$44,289	$49,431	$55,105	11.5%	24.4%	60.0%
United States	$31,832	$39,844	$44,582	$51,640	15.8%	29.6%	62.2%

Source: U.S. Bureau of Economic Analysis

* BEA groups Washington County with Bristol, VA; Waynesboro, VA with Augusta County and Staunton, VA; and Spotsylvania County, VA with Fredericksburg, VA.

Another factor contributing to the Bristol area's lower PCI was a higher percentage of local income derived from federal transfer payments, including welfare, disability, and Social Security. Transfer payments do not raise wealth levels to the same degree as wages from employment. Slightly less than 27 percent of the Bristol area's income is derived from transfer receipts compared to 19.7 percent for Tennessee, 13.8 percent for Virginia, and 17.0 percent for the U.S. The next closest comparison community to the Bristol area was Augusta County/Staunton at 21.7 percent of income from transfer payments. These trends are also more common in regions with a higher percentage of elderly residents.

Lower average wages and per capita income coupled with high percentages of income from transfer payments have contributed to elevated poverty rates in the Bristol area. As seen in the following table, 16.5 percent of Bristol area residents lived at or below the poverty line in 2016. While this rate is equivalent to Tennessee and lower than Spartanburg County, it is above the remaining geographies. This is particularly due to high poverty rates in Bristol, Virginia, where one in five residents lives in poverty. Though rates in both Bristol, Virginia and Tennessee are decreasing faster than all the comparison geographies.

POVERTY, 2012-2016

	2016 Total Poverty Rate	4-Year Pct. Pt. Change	2016 Youth Poverty Rate	4-Year Pct. Pt. Change
Bristol, VA	20.6%	-1.8%	37.0%	3.2%
Bristol, TN	15.6%	-3.6%	23.0%	-6.0%
Sullivan County, TN	16.8%	0.0%	26.4%	1.9%
Washington County, VA	14.3%	1.9%	19.3%	4.1%
Bristol Area	**16.5%**	**0.3%**	**25.7%**	**2.6%**
Spartanburg County, SC	17.0%	0.01%	25.5%	1.5%
Augusta County, VA + Staunton, VA	10.8%	0.1%	15.9%	1.2%
Spotsylvania County, VA + Fredericksburg, VA	9.8%	0.5%	12.3%	0.6%
Tennessee	17.2%	0.0%	25.1%	0.6%
Virginia	11.4%	0.4%	15.1%	0.6%
United States	15.1%	0.2%	21.2%	0.3%

Source: U.S. Census Bureau

Trends are equally concerning for youth poverty in the Bristol area. Just over one in four children in the Bristol area lived in poverty in 2016, the highest among the benchmarks. In Bristol, VA, that figure was 37.0 percent, well above every comparison geography. Child poverty contributes to a long list of social, educational, and economic challenges that can manifest throughout an individual's life. Children who grow up in poverty are much less likely to finish high school than their less impoverished peers, and young girls growing up in poverty are much more likely to become pregnant as teenagers.[1] These realities – and others – can significantly limit the lifetime economic success of children who grow up in poverty.

Acknowledging these trends, there are many government and social service agencies, foundations, and individual philanthropy in the Bristol area that fund programs to help youth succeed in school and live healthy lives. The community's charitable capacity and programs will be discussed in greater detail later in this report.

[1] Caroline Ratcliffe and Signe-Mary McKernan. "Child Poverty and Its Lasting Consequence." The Urban Institute, September 2012.

2. An Economy in Transition

Structural changes occurring in the national and global economies have affected certain communities more negatively than others. For technology-centric economies – and those regions that have pivoted to capture new opportunities in expanding and emerging technologies – movement away from commodity manufacturing towards a services-based economic model has led to creation of well-paying technology jobs requiring skilled talent and ecosystems of supportive education, training, and research capacity. Production-based economies that have yet to pursue strategies to transition to more innovation-based systems or high-end-services-focused models have suffered in the past decade-plus, especially during and after the Great Recession. The majority of U.S. counties have yet to regain their pre-recession employment totals.

The Bristol area is comprised of cities and counties that have yet to recover from the wrenching changes occurring in the global economy. As one input participant noted, "We were an industrial service center for the coalfields – those jobs are all gone now." Many stakeholders spoke wistfully of a time when Bristol was home to big-name companies that have since closed or moved away, still referencing the negative impacts from Unisys shuttering its computer systems, peripherals and printed-circuit-board plant in 1987 and Raytheon closing its missile manufacturing plant in 1998. Similar to other manufacturing-centric economies, what has largely replaced these jobs in the Bristol area have been lower-paying services employment.

Data speak to the economic challenges the Bristol area has faced in recent years. Between 2007 and 2017, Sullivan County, TN, Washington County, VA, and Bristol, VA lost 6,054 jobs combined, a 5.3 percent decrease. Over 77 percent of those jobs were located in the cities of Bristol, TN-VA. The only other comparison geography that lost jobs over the ten-year period is Augusta County and Staunton, VA, which experienced a 2.1 percent job loss. However, the Staunton area is turning around; from 2012 to 2017, the area added 2,129 jobs, or 5.3 percent growth.

EMPLOYMENT, 2007-2017

				5-year		10-year	
Description	**2007 Jobs**	**2012 Jobs**	**2017 Jobs**	**#**	**%**	**#**	**%**
Bristol, TN-VA	38,035	35,490	33,353	(2,137)	-6.0%	(4,682)	-12.3%
Bristol Area	114,075	108,827	108,021	(806)	-0.7%	(6,054)	-5.3%
Augusta County, VA + Staunton, VA	43,214	40,180	42,309	2,129	5.3%	(905)	-2.1%
Spartanburg, SC	132,953	127,733	150,396	22,663	17.7%	17,443	13.1%
Spotsylvania County, VA + Fredericksburg, VA	62,507	61,650	66,717	5,067	8.2%	4,210	6.7%
Virginia	4,202,477	4,127,456	4,348,906	221,450	5.4%	146,429	3.5%
Tennessee	3,120,346	2,995,642	3,286,719	291,077	9.7%	166,373	5.3%
United States	152,750,893	148,776,264	160,933,518	12,157,254	8.2%	8,182,625	5.4%

Source: Economic Modeling Specialists Intl.

Unlike the other Tri-Cities, Johnson City (East Tennessee State University) and Kingsport (Eastman Chemical), Bristol lacks a major anchor employer that could shelter the community against economic downturns. Rather, Bristol is comprised of multiple smaller manufacturers and an increasing base of retail, hospitality, and health care employers.

Stakeholders spoke proudly of growing legacy companies like United Company, Strongwell, Permatile, and Electro-Mechanical Corporation, and hopefully of retail successes such as the Pinnacle and the promise of a recently announced major casino project in Virginia that will be contingent on new state legislation and a public referendum in Bristol, Virginia. Though opinions differ on the potential impact of the casino, most cited it as an opportunity, albeit one with largely lower-paying employment. Sectors like hospitality, tourism, and retiree services that capitalize on the Bristol area's lifestyle advantages such as a dynamic downtown, outdoor recreation amenities, and arts and cultural anchors like the Birthplace of Country Music museum and the Paramount were spoken of with the most promise by many local leaders.

The following table sheds light on the Bristol area's economic structure and the changes its top sectors have experienced in the most recent decade. Employment concentrations are measured by "location quotients" (LQ), which measure the share of the area's employment in a given business sector divided by that same sector's share of total national employment. A business sector with an LQ above 1.0 is more concentrated locally than nationally, frequently a sign of competitive advantage. A more complete analysis of the Bristol area's economic sectors, occupational dynamics, and highest priority growth opportunities will be provided in the next phase of Bristol 2020, a Target Sector Analysis and Marketing Review.

ECONOMIC COMPOSITION, 2017

	Bristol Area				2012-2017 % Chg.			
			2012-2017					
Description	2017 Jobs	2017 LQ	#	%	Bristol, TN-VA	Sullivan County, TN	Washington County, VA	USA
Manufacturing	15,875	1.87	(1,659)	-9.5%	-11.4%	-7.0%	-5.1%	4.2%
Health Care & Social Assistance	15,478	1.13	(461)	-2.9%	-1.1%	-4.4%	0.0%	11.7%
Retail Trade	14,024	1.27	428	3.1%	3.2%	3.7%	11.9%	6.2%
Government	13,231	0.81	252	1.9%	-1.6%	2.9%	6.9%	1.3%
Accommodation & Food Services	10,618	1.14	799	8.1%	5.0%	11.8%	6.9%	15.4%
Construction	7,601	1.28	(100)	-1.3%	-8.5%	0.6%	-10.6%	17.3%
Other Services (except Public Admin)	5,814	1.12	594	11.4%	-0.8%	9.5%	36.3%	0.3%
Admin/Support & Waste Mgmt/Remdn Svcs	4,840	0.72	(203)	-4.0%	-38.7%	22.1%	20.5%	12.3%
Transportation & Warehousing	3,860	1.02	277	7.7%	-22.8%	18.5%	-1.6%	18.1%
Wholesale Trade	3,674	0.91	(484)	-11.6%	-34.5%	-2.2%	-5.8%	3.9%
Professional, Scientific, & Technical Services	2,901	0.42	64	2.3%	-8.5%	1.3%	12.9%	12.9%
Finance & Insurance	2,653	0.61	(238)	-8.2%	-14.1%	-1.0%	-16.7%	5.5%
Management of Companies & Enterprises	1,814	1.19	60	3.4%	127.5%	25.2%	-37.7%	13.7%
Educational Services	1,712	0.61	117	7.4%	0.6%	19.6%	28.5%	10.0%
Information	1,182	0.59	(279)	-19.1%	-14.0%	-21.3%	-7.7%	5.1%
Arts, Entertainment, & Recreation	1,079	0.58	70	6.9%	7.4%	11.5%	6.8%	14.9%
Real Estate & Rental & Leasing	956	0.53	(33)	-3.4%	1.2%	-4.3%	-4.3%	11.0%
Agriculture, Forestry, Fishing & Hunting	400	0.31	36	9.8%	9.3%	7.9%	11.1%	3.0%
Utilities	141	0.38	13	9.7%	-44.4%	76.5%	-43.1%	1.5%
Mining, Quarrying, & Oil & Gas Extraction	116	0.27	(111)	-48.9%	129.5%	-6.7%	-61.1%	-21.6%
Total	108,021		(806)	-0.7%	-6.0%	2.2%	2.7%	8.2%

Source: Economic Modeling Specialists Intl.

The Bristol area's manufacturing sector has shed the most jobs over the most recent five-year period for which data is available. Recent closings and layoffs in the area have taken a toll. On the Tennessee side, nearly 600 jobs were impacted by closings and layoffs at TEC Industrial (238 jobs), DLH Bowles (99), Synalloy Metals (93), Dr Reddys Laboratories Tennessee LLC (63), Coyne International Enterprises Corp. (50), and Bristol Custom Solutions/BLOCK & CO., INC. (43). On the Virginia side, there have been over 550 jobs lost in recent years, including from Bristol Compressors (303), Ball North American Metal Beverage Package (200), and Sandvik (49). Despite these losses, manufacturing is still the largest and most concentrated business sector in the Bristol Area, accounting for 14.7 percent of area jobs.

Other major sectors that offer higher than average wages are also losing jobs. From 2012 to 2017, health care and social assistance, the second largest sector in the area with nearly 15,500 jobs, experienced a 2.9% employment decrease. Wholesale trade, which employs 3,674 workers, declined by 11.6 percent; and information, which employs 1,182 workers, declined by 19.1 percent. **At the same time, local serving, lower paying jobs are increasing**. Retail trade, which ranks third in employment in the area with over 14,000 workers, experienced a 3.1 percent growth rate, while accommodation and food services grew by 8.1 percent.

On seemingly a positive note, transportation and warehousing added 277 jobs, a 7.7 percent increase. This sector is involved in the movement and bulk business-to-business sales of all manner of finished goods, parts, raw manufacturing inputs, etc. However, growth in the Bristol area despite declines in manufacturing could be indicative of the success of Eastman, located in Kingsport; in Bristol, TN-VA, there was actually a 22.8 percent decline in transportation and warehousing. The same intra-regional dynamics could be true of professional, scientific, and technical services and management of companies and enterprises jobs, which both saw growth. The Target Sector Analysis will explore these trends in greater detail.

The Bristol area is on the brink of a couple of noteworthy economic wins. American Merchant is retrofitting the former Ball Corporation plant to manufacture high-end cotton towels. Production is expected to begin at the end of 2018, creating 40 new jobs. Dharma is a startup company waiting on approval for a state license to grow cannabis and produce and dispense cannabidiol oil and THC-A oil at a site inside the shuttered Bristol Mall. If awarded the license, Dharma plans to renovate the space and start production in 2019 with 150 projected jobs.

The topic of economic development was a popular one among input participants. Most felt that the Bristol area would benefit from more aggressive business attraction and retention and expansion services, and improved messaging. One leader noted, "We have to work on our message. If our image is opioid addiction and RAM (Remote Area Medical) clinics, we're not going to get looks." Another said, "We aren't proactive in terms of working with and attracting business." Stakeholders spoke of a history of failed attempts at regional marketing coalitions and business development organizations in the Tri-Cities.

There was hope tempered with suspicion of a new regional communications and marketing effort for an area inclusive of yet broader than the Tri-Cities initially branded as Appalachian Highlands. Driven by the region's three largest employers – Eastman Chemical, Ballad Health, and ETSU – the campaign would seek to change external perceptions of the greater Tri-Cities. Some local leaders and economic development professionals feel that they have not been fully engaged in Appalachian Highlands planning and are concerned that the Bristol area may be overshadowed by Kingsport and Johnson City in the campaign.

The Bristol area is currently marketed externally by NETWORKS Sullivan County, an economic development partnership. Opinions were mixed on the efficacy of NETWORKS. Some feel that they are effectively promoting the Bristol area's advantages and opportunities, but others believe that direct job benefits from NETWORK's efforts have been lacking. Others believe activities are centered more on Kingsport than Bristol.

One issue that drew almost universal concern was the Bristol area's business climate and existing business services. A host of private sector leaders expressed frustration about the local political climate, with both Bristol, Tennessee and Virginia's public leadership coming under criticism. However, feedback about anti-business-friendly permitting development processes and attitudes were most prevalent about Bristol, Virginia. Tensions between the business community and the cities' elected leadership and staff were evident in a Community Assessment focus group facilitated by Market Street.

Existing business services focused on supporting the retention and expansion of large Bristol area employers were said to be largely non-existent and is a prime opportunity area. Major companies spoke of never being visited by economic development professionals and noted that they largely "ignored" local government when considering support for growth opportunities. One top local executive said, "No one has ever come and talked to me about opportunities I could inform them about or facilitate."

Both local and regional economic development programming in the Bristol area and Tri-Cities must be responsive to external market conditions and be quick to address internal growth challenges and support opportunities if the region is to most effectively manage its transition to the New Economy.

Some young professionals with ties and attachments to the community said in public input that moving is likely the best choice for someone with marketable skills looking to start or advance their career. With this in mind, leveraging the area's access to 10 gigabit high-speed internet was said to be a key untapped asset for attracting more professional, scientific, and technical services jobs.

According to the online survey, business people identify lack of well-paying jobs, lack of capacity to fill various job vacancies across an array of knowledge and skill levels, and difficulty in attracting young professionals as the top economic challenges in the Bristol area. They also see competition with surrounding communities, particularly Kingsport and Johnson City, as a major challenge.

Business people were also asked to identify how the economy can be improved. Among the top answers were 1) diversifying the economy by attracting business sectors that are currently not well represented in Bristol through more aggressive economic development efforts, 2) focusing on talent attraction and retention while also bolstering workforce development efforts, 3) promoting entrepreneurship and small business development, and 4) continuing to invest in quality of life amenities.

Economic development is a "three-legged stool" where business attraction, existing business expansion, and entrepreneurship all play important roles in job growth and wealth creation. Enterprise development and startup creation are thus critically important factors driving local growth.

There are key ways in which entrepreneurial and small business activity can be measured using both government and proprietary data. These include examining the number and average dollar amount of small business loans, the percentage of a community's workforce that is self-employed, the proportion of employment in firms that have been open for less than five years or have a small amount of employees, and so on. **The trends in the Bristol Area underscore that the small business and entrepreneurial activity is relatively weak and can be improved with focused efforts**.

The U.S. Census Bureau's Quarterly Workforce Indicators (QWI) dataset shows the number of employees in a specific geography by establishment size. In 2017, 23.2 percent of employees in the Bristol Area were employed at firms with less than 50 employees. This proportion is lower than in all other comparison geographies except Spartanburg County; between 2012 and 2017, the Bristol Area also experienced the most rapid decrease in this measure (-3.2 percentage points, compared to only 1.0 percentage point nationally).

PERCENTAGE OF WORKERS EMPLOYED AT FIRMS WITH LESS THAN 50 EMPLOYEES, 2012-2017

	2012	2017	5-yr Pct. Pt. Change
Bristol Area	26.4%	23.2%	-3.2%
Augusta County, VA + Staunton, VA	35.7%	34.7%	-1.0%
Spartanburg, SC	25.3%	22.3%	-3.0%
Spotsylvania County, VA + Fredericksburg, VA	34.2%	33.3%	-0.9%
Tennessee	25.3%	24.2%	-1.1%
Virginia	28.7%	27.4%	-1.3%
United States	29.2%	28.2%	-1.0%

Source: U.S. Census Bureau, Quarterly Workforce Indicators (QWI)

Growth in young companies also helps illuminate small business trends. According to the U.S. Bureau of Labor Statistics, roughly 80 percent of new businesses fail after one year of operation, and of those that remain, half fail after five years. Thus, this indicator gives insight into the small business churn in a community and the generation of new businesses replacing those that have closed. **Only 6.9 percent of all workers in the Bristol area are employed at firms in their first five years of existence, lower than every other geography examined and more than four points lower than the national average**. As with trends in businesses with under 50 employees, there has been a recent decline of employment in young firms in the Bristol area greater than all the benchmarks.

PERCENTAGE OF WORKERS EMPLOYED AT FIRMS FIVE YEARS OLD OR LESS, 2012-2017

	2012	2017	5-yr Pct. Pt. Change
Bristol Area	8.1%	6.9%	-1.2%
Augusta County, VA + Staunton, VA	10.1%	10.4%	0.4%
Spartanburg, SC	8.9%	8.7%	-0.2%
Spotsylvania County, VA + Fredericksburg, VA	13.2%	12.8%	-0.4%
Tennessee	10.1%	10.7%	0.6%
Virginia	10.5%	10.3%	-0.1%
United States	11.1%	11.2%	0.0%

Source: U.S. Census Bureau, Quarterly Workforce Indicators (QWI)

Self-employment is an indicator of a community's entrepreneurial spirit and dynamism. Nearly 6 percent of all jobs in the Bristol Area are held by the self-employed, and the spread between the Bristol area and those geographies ahead of it is minimal. More concerning is the decline in the number of self-employed workers in the Bristol area from 2012 to 2017. All the other comparison areas except Spartanburg County saw increases during this period.

SELF-EMPLOYMENT AS A PERCENTAGE OF TOTAL EMPLOYMENT, 2012-2017

	Number of Self-Employed		Percent of Total Jobs that are Self-Employed	
Description	**2017**	**5-year % Change**	**2017**	**5-Year Pct. Pt. Change**
Bristol Area	6,368	-1.5%	5.9%	-0.05%
Augusta County, VA + Staunton, VA	2,654	1.1%	6.3%	-0.3%
Spartanburg County, SC	7,592	-10.6%	5.3%	-0.7%
Spotsylvania County, VA + Fredericksburg, VA	4,004	8.2%	6.0%	0.0%
Tennessee	232,259	2.2%	7.1%	-0.5%
Virginia	231,597	3.8%	5.3%	-0.1%
United States	10,351,488	2.8%	6.4%	-0.3%

Source: Economic Modeling Specialists Intl. (EMSI)

Stakeholders said that the Bristol area used to be a more entrepreneurial community, and the spirit of new business creation that defined its early economy has declined. Small business people participating in public input expressed frustration in understanding what support resources were available locally. **Some said that the Bristol area's strong quality of life and gigabit internet could be key drivers for expansion of the local entrepreneurial economy in emerging technology sectors.**

In the Bristol 2040 community survey, individuals who self-identified as entrepreneurs or small business owners were asked to rate various components of the local entrepreneurial climate. Over 60 percent of respondents called the local entrepreneurial ecosystem "very weak or "weak". They were most critical of small business funding (66.7 percent identified as "very weak" or "weak"), entrepreneurial mentors (63.0%), small business development support (65.4 percent), co-working spaces (79.2 percent), and small business incubators (65.2 percent). Respondents also noted that capital is extremely challenging to find in the Bristol area.

There is no institutional research conducted in the Bristol area, although ETSU, a research university, is just down the road in Johnson City. Although its historical investments in sponsored research were low, **ETSU has intensified efforts in recent years to improve its research capacity, output, and technology commercialization processes**. A key tenet of ETSU's 2016-2026 strategic plan is, "Expanding the foundation for scholarly (research and creative activity) excellence and innovation in all disciplines."

In 2003, the university chartered the **East Tennessee State University Research Foundation** (ETSURF) as a not-for-profit entity to support research, scholarly, and artistic activities at ETSU. It has also created the **ETSU Innovation Lab**, a high-tech business incubator focused on identifying and generating solutions to global problems, championing entrepreneurs, and building a cooperative entrepreneurial hub and network to catalyze sustainable economic growth. The Lab's receipt of an International Soft Landings Designation allows it to serve as a nexus between entrepreneurs, educational institutions, economic development councils, and the international business community by offering physical and virtual business support to growing companies.

Ballad Health, the recently consolidated regional health corporation inclusive of three hospitals and multiple clinics is also ramping up its research efforts with plans to invest significantly in these activities. Ballad sees ETSU as a key partner in these efforts.

The overwhelming majority of Bristol area patents have been awarded to Eastman Chemical Company in Kingsport. From 2000 to 2015, Eastman received 776 patents. The next highest total was Bristol Compressors (domestic and international) with 51. Prisma Fibers was next with 23, followed by Sandvik Intellectual Property with 22, and Beecham Pharmaceuticals with nine.

3. "Bristol: A Good Place to Live"

According to most local stakeholders, the sign does not lie. The iconic welcome message on State Street boasts of the bi-state city's desirability as a place to plant your roots; most residents feel that the promise is not an empty one. In fact, strengths related to the Bristol area's quality of life, people, natural beauty, livability, lack of traffic congestion, destination neighborhoods, arts and culture, recreation opportunities, and an emerging nightlife scene downtown were frequently cited as the best things about the community by focus groups.

More than ever, communities that take a holistic approach to economic development recognize the importance of quality of place (the physical characteristics of a community) and quality of life (the well-being and happiness of its residents) to support high-value job creation. There are numerous factors that influence quality of place and quality of life, though many of them are subjective. Nevertheless, they are closely linked with a community's economic prospects, particularly when it comes to talent attraction and retention. As has been discussed throughout this report, the Bristol area needs to increase its labor force across multiple skill levels, but particularly educated workers.

The importance of quality of place and quality of life in the context of community and economic development is best evidenced by the "Knight Soul of the Community" report from the John S. James L. Knight Foundation and Gallup. The report was the culmination of three years of research in 26 communities around the country that sought to determine what attaches people to a community. The report defines community attachment as, "an emotional connection to a place that transcends satisfaction, loyalty, and even passion. A community's most attached residents have strong pride in it, a positive outlook on the community's future, and a sense that it is the perfect place for them. They are less likely to want to leave than residents without this emotional connection. They feel a bond to their community that is stronger than just being happy about where they live."

According to the report, three factors stood out in terms of their influence on community attachment:

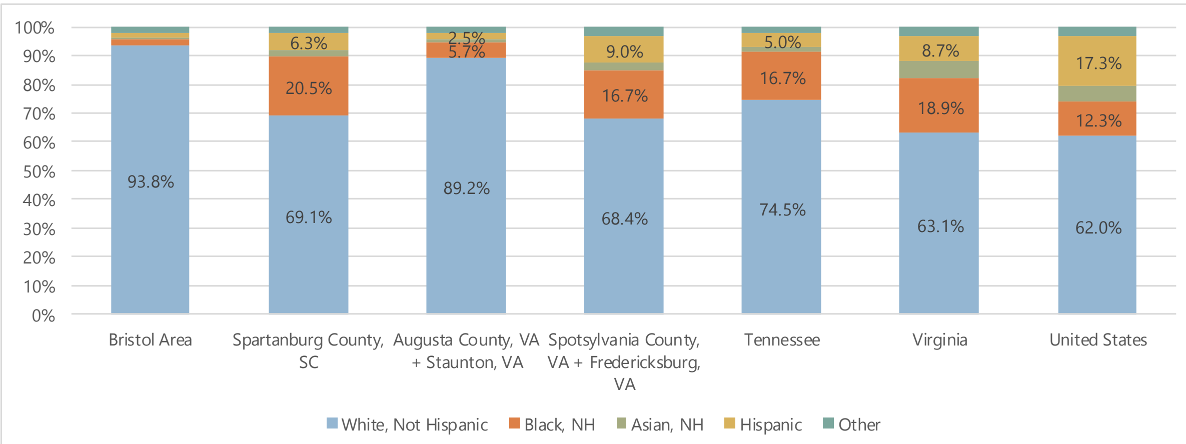
- ✓ **Social offerings** (such as entertainment options and places to meet people)
- ✓ **Aesthetics** (physical beauty, green spaces, etc.)
- ✓ **Openness** (the ability for all kinds of people to build networks and thrive)

These factors are much more than feel-good sentiments. The report examined the relationship between levels of community attachment and economic growth and entrepreneurship and found a positive relationship. In other words, places in which residents are attached to their community are more economically successful than those that are not.

Community attachment must be possible for all residents, regardless of race, ethnicity, religion, lifestyle, age, or political beliefs. Top talent – especially young professionals – are also increasingly seeking diverse and inclusive communities as their preferred destinations.

Racial and ethnic diversity can be quantified by data provided by the U.S. Census Bureau. Currently, the Bristol Area is the least racially and ethnically diverse of all of the examined geographies, with nearly 94 percent of its resident reporting themselves as white, not Hispanic. However, between 2011 and 2016, all minority populations except the Asian community experienced population growth.

RACIAL AND ETHNIC DISTRIBUTION, 2016



Source: U.S. Census Bureau

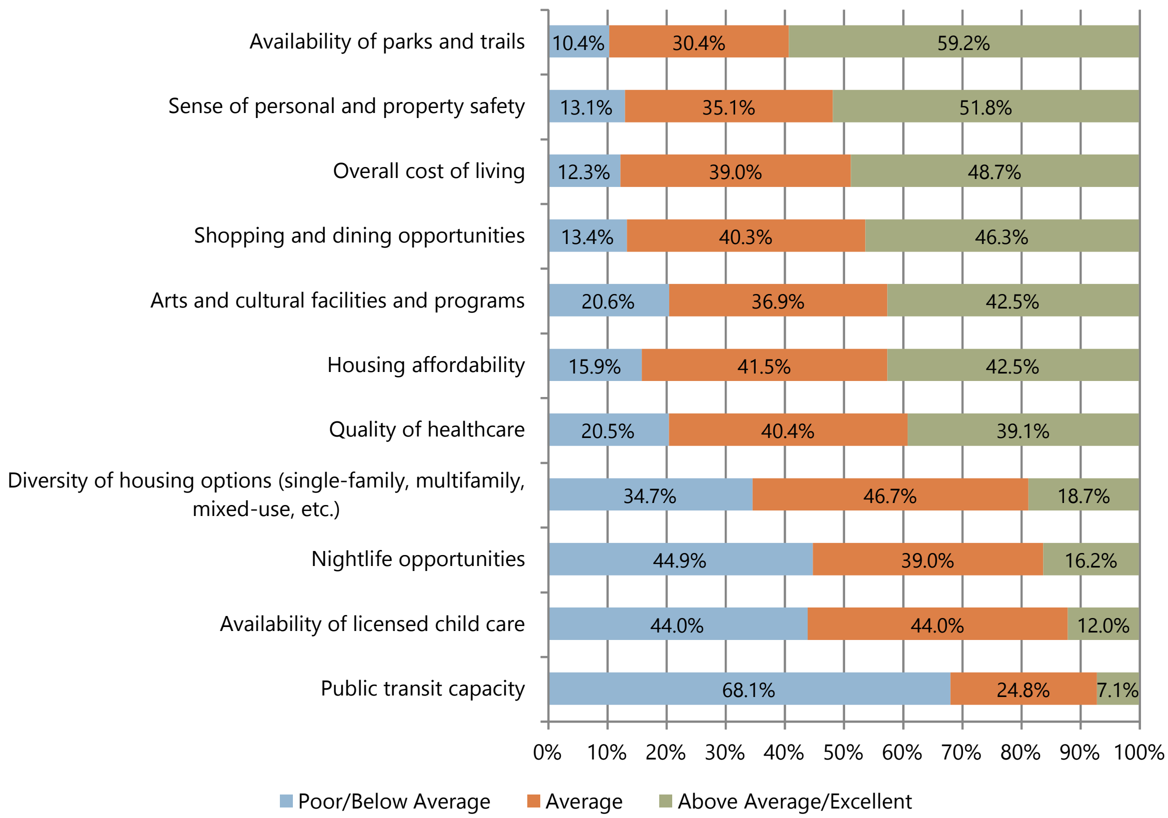
Community Assessment online survey participants were asked about the Bristol area's diversity and openness to newcomers and minorities. Consistent with the Bristol area's demographics, respondents to the survey were overwhelmingly white. While many stakeholders believe that the area is welcoming, they also acknowledge that the community has room to improve. One survey respondent noted that "the Bristol area is welcoming to short stay visitors, but it is not very opening to people looking to make this place home."

Focus group participants said that the Bristol area's lack of diversity itself contributes to challenges of inclusion because there are few opportunities to engage with people of color and challenge people's stereotypes and assumptions. Stakeholders pointed to other forms of diversity that create local divisions, particularly political affiliations, socioeconomic status, and religious beliefs. One resident stated that the community must "look beyond politicizing problems and solutions and focus more on non-partisan collaboration for the benefit of everyone."

The rest of this section discusses quality of place and quality of life in the Bristol area as a community advantage. It relies heavily on qualitative feedback because, as was noted, there are few universal measures to assess these factors because they are often subjective. That said, the competitive benefits of the Bristol area's livability and lifestyle assets were a strong and consistent theme throughout Competitive Assessment input.

In the Bristol 2040 community survey, respondents were asked to rate a variety of quality of life and place elements. Overall, residents enjoy the Bristol area but acknowledge the need for improvements. Many factors are seen as community strengths, with only four of 11 criteria garnering more "very poor/below average" responses than "excellent/above average" responses.

PLEASE RATE THE FOLLOWING ASPECTS OF THE BRISTOL AREA'S QUALITY OF LIFE.



Source: *Market Street Services*; Bristol 2040 Community Survey (2018)

As seen in the previous chart, **stakeholder's perceptions of the Bristol area's housing options are mixed**. While nearly 20 percent feel they are above average, most believe that the community's housing stock is average or below average.

Housing is a critical quality of life issue and one of today's most challenging issues for U.S. communities of size. Lack of quality affordable housing has reached crisis points in many major cities both on the coasts and in between. **The Bristol area's housing issues are less about cost and more about capacity**; stakeholders feel that there is limited housing choice for executives seeking high-end housing or young professionals looking for starter single-family or attached homes or rentals close to the city center.

From a cost standpoint, data supports residents' belief that housing in the Bristol area is affordable. Over 42 percent of survey respondents rated "housing affordability" as "excellent" or "above average" compared to just 15.9 percent who rated it "very poor/below average." This is consistent with the home affordability ratios in the Bristol area compared to comparison geographies. The affordability ratio, shown in the following table, is calculated by dividing a geography's median home price by its median household income. Because the ratio is based on median values, aggregation across the entire Bristol area is not possible. Nevertheless, **all areas within the Bristol area are among the most affordable of the examined geographies**.

HOUSING AFFORDABILITY, 2016

	Median Home Price	Median Household Income	Affordability Ratio
Bristol, TN	$116,100	$38,985	2.98
Bristol, VA	$108,900	$35,801	3.04
Sullivan County, TN	$125,400	$40,983	3.06
Washington County, VA	$134,600	$43,835	3.07
Spartanburg County, SC	$136,000	$45,219	3.01
Augusta County, VA	$202,300	$56,802	3.56
Staunton, VA	$146,400	$42,948	3.41
Spotsylvania County, VA	$261,400	$79,742	3.28
Fredericksburg, VA	$298,400	$53,980	5.53
Tennessee	$156,800	$46,574	3.37
Virginia	$252,700	$66,149	3.82
United States	$216,200	$55,322	3.91

Source: Sperling's Best Places; U.S. Census Bureau

Another way to measure housing affordability is to examine how much an average household spends on rent. The U.S. Department of Housing and Urban Development has determined that families spending over 30 percent of income on housing are cost burdened and may have trouble being able to pay for other necessities. **The Bristol area has the second lowest percentage of renters spending more than 30 percent of their income on rent of all comparison geographies**. Within the area, Bristol, Tennessee has the highest percentage of renters in unaffordable units, with over half spending 30 percent or more of their income on rent. The city also had the highest rate of change over a five-year period of the geographies analyzed.

RENTAL AFFORDABILITY, 2016

	>30+ of Income	5-Year Pct. Pt. Change
Bristol, TN	51.8%	6.8%
Bristol, VA	42.1%	-7.3%
Sullivan County, TN	45.9%	1.3%
Washington County, VA	44.1%	3.0%
Bristol Area	**46.3%**	**2.4%**
Spartanburg County, SC	48.9%	-0.2%
Augusta County, VA + Staunton, VA	45.5%	-0.2%
Spotsylvania County, VA +Fredericksburg, VA	52.6%	-1.5%
Tennessee	49.4%	-0.9%
Virginia	49.5%	0.6%
United States	51.1%	-0.5%

Source: U.S. Census Bureau

Although the Bristol area's housing is affordable, stakeholders are frustrated by a lack of choices for their housing dollar. Young professionals in particular want more and newer multi-unit options, both for purchase and for rent. One YP survey respondent noted, "The housing options alone is enough to keep younger people away. There are some beautiful, established neighborhoods that are too expensive for many young professionals (especially single ones), so the options that are left swing dramatically to run-down, tired, and unsafe. Also, nothing is very conveniently located with restaurants and shopping being spread from Exit 7 to The Pinnacle to downtown." Another wrote that "Bristol's housing market is somewhat stagnant, with few options for high-end rental property that might be attractive to recent college graduates or young professionals."

It is not only YPs that feel limited by the Bristol area's housing options. One business executive spoke anecdotally about "a guy who came here to spend $1 million on a home and couldn't find one for $600,000… You talk about attracting people – where are they going to live?"

For residents interested in quality rental options, there has been little product developed in the Bristol area in recent years to supply this market. Building permit data show that single-family homes and duplexes are the predominant house type constructed in the area. Between 2012 and 2017, less than 40 percent of all permitted structures contained five or more units. The vast majority of these have been in Sullivan County. In fact, Washington County did not see a single multi-family structure built between 2012 and 2017.

One option mentioned as a potential location for multi-family development was Downtown Bristol. **The downtown is a great source of pride for many in the Bristol area**. In fact, the district's resurgence was cited by many input participants as a key factor uplifting residents' spirits after many years of economic uncertainty. While Bristol is viewed as having a "small town feel," stakeholders are proud of the "big city" amenities that they have access to, many of which are located downtown. Among downtown's most frequently cited strengths are the Birthplace of Country Music Museum, the Bristol Hotel, the Paramount, craft breweries, and diverse restaurants. The Rhythm and Roots Reunion festival held annually in Downtown Bristol is the community's signature cultural event and rivals races at the Bristol Motor Speedway for tourism impact and visitor spending. The three-day festival features 20 outdoor stages and indoor venues offering over 120 acts of live music.

The Birthplace of Country Music Museum, an affiliate of the Smithsonian Institution celebrating the seminal Bristol Sessions' impact on country music, was cited frequently as a critical asset not only for the Bristol area's hospitality sector but as an important catalyst for changed external perceptions of the community. Stakeholders view the museum as the potential centerpiece of an expanded music-based economy in the region.

The Bristol Hotel is the result of $20 million in investment and three years of dedication. The historic renovation project transformed one of Bristol's oldest buildings into a 65-room boutique hotel with a restaurant and the city's only rooftop bar. Since opening earlier this year, the hotel has quickly become a prime location for after work drinks and dinner. Stakeholders see the Bristol Hotel as confirmation of the city's destination appeal and a game-changer for its perception as an up-and-coming location for a new generation of residents. The hotel's chic design, modern décor, and hip rooftop bar would not be out of place in any major U.S. urban center.

Cited by many as the catalyst for Downtown Bristol's revitalization, the renovation of the Paramount Theater was a labor of love for leaders in the arts community and a source of pride for major philanthropists who contributed to its rebirth. The performing arts venue offers theatre, film, and other arts performances throughout the year.

Residents of all ages, but particularly young professionals, are excited about the current supply and impending opening of various drinking establishments. They praised the ability to "park and enjoy an evening where we can walk from one place to another." Participants in a young professional focus group would like to see downtown establishments stay open later to cater to a younger crowd and night owls visiting from bigger cities. Though the potential for Downtown Bristol to be a "live, work, play" district with the development of new residential lofts and hip office spaces was suggested by young professionals, they were not alone in feeling that the next stage in downtown's evolution is as a full-service activity and lifestyle center.

In recent years, progress in Downtown Bristol can also be attributed to the ongoing work of Believe in Bristol, a non-profit dedicated to promoting downtown and ensuring that it continues to grow and thrive. Through its efforts, Downtown Bristol has achieved the status of a certified Main Street Community. Not resting on its laurels, the Believe in Bristol Board of Directors has established the following goals for the organization: develop the downtown area's sense of community and place; strengthen Bristol's economic vitality, downtown and community-wide; sustain and grow residential living downtown; develop and market the downtown experience; and improve the professionalism of the downtown program.

Since 2011, Downtown Bristol has added 1,425 jobs. In the past 10 years, nearly $41 million has been invested in the downtown area with over 61 percent of these dollars coming from the private sector, a steady rise from earlier years in which public funds represented the lion's share of investment.

Believe in Bristol was also cited as one of the community's most visible examples of bi-state collaboration and coordination. The organization is funded by Bristol, Tennessee and Virginia and works to market both sides of State Street equally. Some stakeholders are concerned that funding reductions by the City of Bristol, Virginia to Believe in Bristol set a bad precedent and threaten to derail the downtown's progress. Rail – or, more specifically, Amtrak passenger rail – is another opportunity cited by input participants as a hospitality catalyst if the service could be successfully attracted to the Bristol Train Station.

Amtrak is now providing rail service from Lynchburg to Roanoke. Advocates would like Virginia to partner with Tennessee to promote and plan for a passenger route that extends from Roanoke through Bristol on to Knoxville, Chattanooga, and finally Atlanta. Bristol, Virginia is currently working with the Community Transportation Association of America (CTAA) to conduct an economic benefit study about extending service from Roanoke to Bristol.

Other important quality of place assets in the Bristol area outside of downtown include the Pinnacle, an important regional center for shopping and restaurants, the Bristol Motor Speedway, and the Virginia Creeper Trail.

A longstanding asset for the area, the Bristol Motor Speedway (BMS) is one of the largest spectator sport venues in the world. It also hosted a college football game in 2016 between Tennessee and Virginia Tech branded the Pilot Flying J Battle at Bristol that set a new record for highest attendance ever at a college football game at 156,990 people.

With NASCAR declining in popularity in recent years, BMS's two annual Monster Energy NASCAR Cup Series races have not delivered the same economic impact as in year's past. However, the track is still considered to be the most important asset contributing to external awareness of the Bristol area. Opportunities to leverage the track for additional events are constantly being considered. An example of the venue's off-season value is Speedway in Lights. Open nightly from mid-November through early January, Speedway in Lights transforms BMS into a route of approximately four miles and two million holiday-themed lights.

Speedway in Lights is the largest fundraiser for the Bristol Chapter of Speedway Children's Charities, a network of organizations housed at each of Speedway Motorsports' eight facilities. Founded in 1996, the Bristol Chapter provides annual funding to qualified local children's-based non-profit organizations. The Bristol chapter has distributed nearly $13 million dollars since its inception. Speedway Children's Charities Bristol Chapter is one of the top fundraisers in the eight-chapter system.

This output is consistent with the Bristol area's strong legacy of philanthropic giving for children's programs, education facilities, public health efforts, arts and cultural amenities, and many other causes. Indeed, the community's philanthropic generosity is one of its defining features, according to many Community Assessment stakeholders. In fact, one leader noted, "Money is not our problem." This is a tremendous benefit for any community to possess, especially related to community, economic, and workforce development where needs are great and resources are scarce. The capacity of the Bristol area to fund transformative programs, initiatives, and facilities represents a tremendous opportunity for approved Bristol 2040 priorities to come to fruition.

4. Two States, One Future

The brass markers positioned at various intervals along State Street in Downtown Bristol are a well-known destination for visitors, who often stop traffic by posing for pictures, one foot in Tennessee and one in Virginia. A GEICO commercial with its famous gecko was even filmed in the middle of State Street. In many ways, these markers are a fitting metaphor for the benefits and challenges of Bristol's bi-state geography. They are certainly a curiosity and point of interest; one is hard pressed to find another city bisected so centrally by a state line.

Though Bristol can reap the potential benefits of two states' worth of programs, funding, and political support, these same elements represent a potential minefield of logistical challenges to get anything done, especially downtown. As one official noted, "You can't even trim the trees on both sides without jumping through hoops." Navigating policies of two states can be difficult for residents, business owners, economic development professionals, and other stakeholders. Each side has its own incentives and timelines can be so different that it becomes complicated to coordinate.

The story of the State Street markers also speaks to the other reality of bi-state dynamics: the very human foibles of jealousy, envy, and competitive drive. As MyBristolVisit.com notes, the original 1930's-era State Street markers had "Bristol" imprinted between the states' names, "The name 'Bristol' was viewed upside down from the Tennessee side. Therefore they were removed then replaced without the city names." So Bristol's attempts to manage the personalities and interests of its two-state geography are not new.

Compounding Bristol's reality are key differences between Tennessee and Virginia. The latter has independent cities; so while Bristol, Tennessee can share services and benefits funded by Sullivan County, Bristol, Virginia is a completely separate entity from Washington County. In some ways, they are actually competitors for new investment because Bristol, Virginia cannot annex property to increase its commercial tax digest.

Taxation is another notable difference between the two states. Tennessee does not impose an income tax while Virginia does, though Bristol, Virginia has a significantly lower sales tax (5.3 percent combined versus 9.25 percent). Thus, there are inherent advantages to live in Tennessee but shop in Virginia. Anecdotal evidence from stakeholder feedback and population and public school enrolment data show that there is indeed a movement of population from the Bristol area's Virginia to Tennessee communities.

The Bristol area's bi-state challenges were brought up by every interviewee and in every focus group. Concerns over the anti-competitive effects of the bi-state issue were usually tempered by testaments of the improving relationships between the Bristols over the decades and examples of true bi-state collaboration like the Bristol Chamber, Believe in Bristol, Bristol TN/VA Convention and Visitors Bureau, the Birthplace of Country Music Museum, the Bristol Public Library, a combined sewer plant, consolidated traffic engineering by the metropolitan planning organization (MPO), etc. But they are then typically followed by examples of failed partnerships such as a joint planning department, a joint-city business alliance, a jointly funded economic development staff person at the Bristol Chamber, and others.

A key reason that it can be challenging to work across the state line is that Bristol, Virginia is currently facing fiscal challenges due to investments in the underperforming Falls development along with other factors. With its debt capacity essentially maximized, an overcrowded jail, the prospect of staff and budget reductions, and escalating interest payments that comprise nearly a quarter of the city's general fund, Bristol, Virginia has little flexibility to invest in its growth or partner on jointly funded efforts.

The general public is acutely aware of the Bristol area's inter-governmental challenges and are frustrated by what they perceive to be dysfunction in the face of a changing economy and population loss. One survey respondent noted, "We are two small cities jammed together, trying to outdo one another. We have two police departments, two schools systems, two fire departments, two of everything. Very inefficient." Another discussed how the lack of cooperation turns off residents, saying "The infighting between Bristol, TN and Bristol, VA is extremely off-putting to young professionals. I've worked in Bristol for 6+ years now, but I refuse to move here, choosing instead to commute first from Johnson City and now from Elizabethton where I purchased a home. I would rather drive 70+ miles round-trip than live in Bristol."

Stakeholders would like to see a higher level of coordination of services across the cities – some even mentioned services consolidation – but acknowledge the political difficulties of accomplishing this. When cooperation has been engendered between the cities, input participants said it is because the private sector united behind the effort and public officials responded followed suit.

Such cooperation is complicated by state policy. To compete with neighboring states for commercial and retail developments, the Tennessee General Assembly adopted the Border Region Retail Tourism Development District Act, which allowed border cities to collect a portion of the state's share of sales tax revenue from new developments to incentivize retailers and developers.

This legislation ultimately influenced the decision to develop the Pinnacle on the Tennessee side, prompting the Virginia General Assembly to also create sales tax revenue rebates for project developments. When the proposed Falls retail mall fell through on the Virginia side, the City of Bristol, Virginia provided the support for the project that has exacerbated its debt issues.

Economic development professionals discussed the difficulty of trying to convince lawmakers to collaborate across state lines. They would like to see programs such as revenue-sharing to incentivize communities like Bristol to partner on project development. Collective goals like bringing Amtrak to the community were also suggested as catalysts for cross-state cooperation.

As was mentioned earlier in this report, bi-state issues in Bristol and the inherent challenges of a region like the Tri-Cities with three major population centers complicates the process of regionalism. Currently, multiple organizations are charged managing processes for sub-regional geographies. Select examples include:

- NETWORKS Sullivan Partnership which represents Bristol, TN-VA, Kingsport, TN, and Bluff City, TN, or what it calls "two-thirds of the Tri-Cities Region"
- Northeast Tennessee Regional Economic Partnership which serves Washington County, TN, including Johnson City, TN; Carter County, TN; and Unicoi County, TN

- Northeast Tennessee Tourism Association, which primarily serves Carter, Greene, Hancock, Hawkins, Johnson, Sullivan, Unicoi, and Washington counties in Tennessee but also supports portions of Southwest Virginia
- United Way of Southwest Virginia ,which serves Bland, Buchanan, Carroll, Dickenson, Giles, Grayson, Lee, Pulaski, Russell, Scott, Smyth, Tazewell, Washington, Wise, and Wythe counties along with the cities of Bristol, Galax, and Norton, VA.
- United Way Bristol that covers Sullivan County, TN and Bristol, TN-VA
- YWCA of Northeast Tennessee and Southwest Virginia, which serves eight counties in northeast Tennessee and 13 counties in Virginia.

While these organizations and their many partners do what they can to collaborate, it is a definite challenge when the communities they serve often differ so greatly and funding protocols are frequently dictated by geographic boundaries. Even the name "Tri-Cities" was said to refer only to Tennessee communities and not include Bristol, Virginia.

When survey respondents were asked, "Would there be benefit to creating and marketing a cohesive Tri-Cities 'brand'?" an overwhelming majority (82.6 percent) answered "yes." However, consensus does not extend to how this could be accomplished. Stakeholders have concerns about each city being represented equally, how the funding arrangement would work, and long memories of previous regional marketing initiatives that were unsustainable. Still others would like to re-evaluate the meaning and geographic boundaries of the Tri-Cities brand itself as is being contemplated with the Appalachian Highlands effort.

Online survey respondents were largely pessimistic about the current state of collaboration among the Tri-Cities. When asked, "Do you feel that communities in the Tri-Cities collaborate with each other?," 67.5 percent of respondents said "No" while 32.5 percent answered "Yes," (Note: respondents who answered "Don't Know/Not Sure" were removed from the sample.) Examples provided of regional collaboration included Ballad Health, Aerospace Park, A! Magazine for the Arts, Believe in Bristol, chambers of commerce collaboration, the Birthplace of Country Music Museum, and the Bristol Public Library, among others.

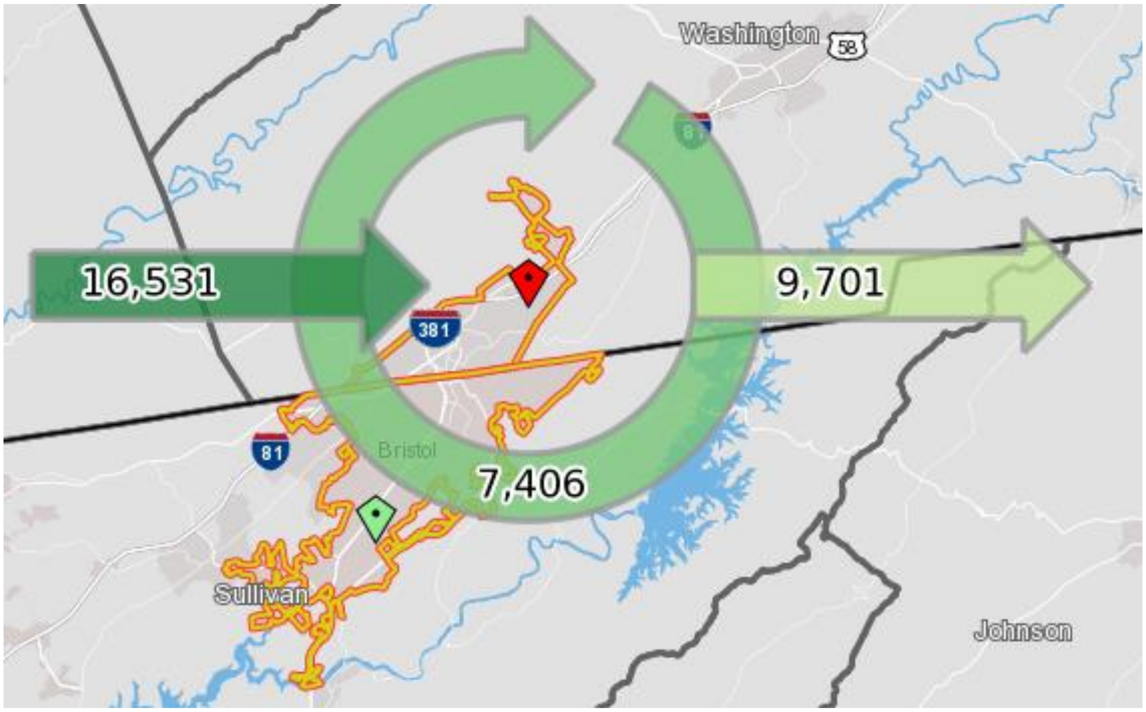
What follows is a "word cloud" created from the most frequently referenced terms in the online survey question, "What are the most promising opportunities for partnerships and/or projects as a Tri-Cities region?"

Opportunities involving economic development and tourism, including the proposed Bristol, Virginia casino, were referenced frequently by survey respondents. They were also bullish on the potential to bring Amtrak to the Bristol area.

Despite the inherent barriers to achieve cohesion between the Tri-Cities regionally and the Bristol area sub-regionally, many stakeholders are hopeful about opportunities to move towards a new future of collaboration, cooperation, and shared prosperity. One interviewee explained, "Bristol, Tennessee and Virginia – it's the same Bristol. It's the people." Another said, "It's so rare that I think about what side of the street I'm on. When we talk about 'two cities,' it's one city and I think that's where we have to get to."

Analysis of data from the U.S. Census Bureau demonstrates that the Bristol area is indeed an integrated labor shed. According to its On the Map tool, in 2015, 16,531 workers commute daily into Bristol, TN-VA, while 9,701 commute out of the twin cities for work. An additional 7,406 individuals live and work in Bristol, TN-VA. With more jobs by establishment than jobs by residence, the Bristol area is clearly a sub-regional jobs center for the Tri-Cities.

INFLOW AND OUTFLOW OF WORKERS, BRISTOL, TN-VA, 2015



Source: U.S. Census Bureau, OnTheMap

Multiple leaders spoke in public input about the benefits of looking at the Bristol area as a hub of a broader region even more expansive than the Tri-Cities. The combined footprint of Ballad Health reflects this larger service area extending from Northeast Tennessee to Southwest Virginia. Consumer data from the Pinnacle also shows that retailers draw from a customer shed of nearly one million people.

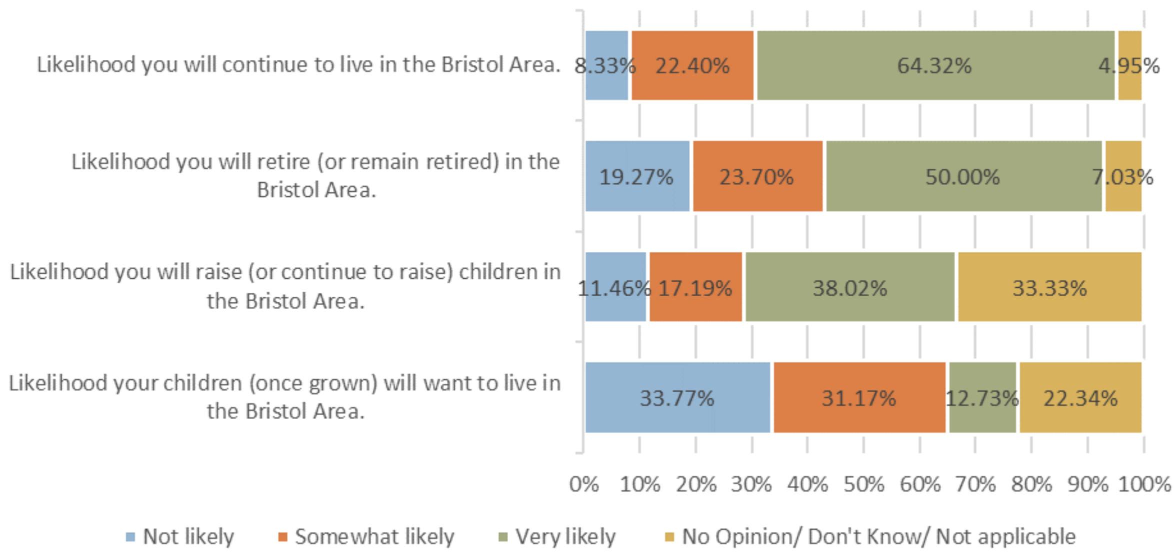
Because of the Bristol area's strategic location on Interstate-81 it can be positioned as the nexus of this expanded geography for multiple purposes ranging from retail to talent absorption to regional branding and other opportunities. As noted previously, this more expansive market is the focus of the Appalachian Highlands campaign currently under development.

CONCLUSION

Though it possesses many compelling and competitive assets, the Bristol area must not ignore the challenges and uncertainty that the community must address to ensure a vibrant future. A revitalized downtown, major NASCAR track, stable and expanding legacy employers, beautiful natural scenery and recreation opportunities, a hard-working labor force with marketable production skills, a strong complement of arts and culture amenities, and a strategic location along a major interstate are just a few of the assets the community can offer to current and prospective businesses, talent, and visitors. However, there can be no denying that years of uncertainty caused by a changing economic structure, shuttered manufacturing plants, slow to declining population trends, the "flight" of many smart young people out of the community, and other factors have taken their toll on local residents' optimism.

The below graphic displays respondents' answers to the Community Assessment online survey question about future residency in the Bristol area:

Please rate the following statements.



While Market Street cautions that these surveys are intended to be wholly inclusive and not representative samples, it is nevertheless concerning that so many parents do not believe their children will live in the community. Only 12.73 percent of those who felt the question was applicable to them believe their grown children will want to live in the Bristol area. One respondent added, "I encourage my kids to soar and seek better employment opportunities than what exist in this community."

Local leaders in the public and private sectors must acknowledge that their community is at a critical turning point and commit to working more deliberately and collaboratively to create a competitive environment for the types of jobs that will enable in-demand talent to choose the Bristol area as a place to live, work, and raise their families.

The Bristol area has tremendous assets to leverage in its pursuit of a vision for a more dynamic community in the year 2040. A legacy of successful business people has created a philanthropic capacity that communities of its size would truly envy. Public dollars from multiple sources can complement private and non-profit resources to fund potentially transformative programs, facilities, initiatives, and campaigns in service of the Bristol area's vision. Woven into the fabric of efforts to grow the Tri-Cities economy and a geography even broader than the consolidated statistical area, Bristol's blueprint for its visionary future can have even greater impact.

As the Bristol 2040 process advances, the components of this vision will come into greater focus as the full breadth of qualitative and quantitative feedback is leveraged to inform the community's Community and Economic Development Strategy.

When the Bristol 2040 strategy is complete, that is when the **real** work will begin. The process of changing a community is hard and it never ends. The Bristol area must grow the seeds of collaboration planted in recent years and nurture them into a stalk sturdy and healthy enough to compete in the most challenging economy our nation has ever known.

APPENDIX A: COMPETITIVE SCORECARDS

This section presents a complete series of scorecards that demonstrates how the Bristol area compares to nine other communities for jobs and talent, including those referenced throughout this report. These scorecards provide a broader view of the Bristol area's recent performance to top competitors across the nation in the following areas:

Economic Performance: employment, output, wages, income, and poverty

Workforce Sustainability: age composition, educational attainment, migration, and higher education

Small Business and Entrepreneurship: self-employment, startups, and small business loans

Business Environment: infrastructure, business costs, and labor productivity

Quality of Life and Place: commuting, cost of living, health outcomes, and recreational amenities

Each of these five scorecards presents a series of rankings (1-10), evaluating the performance of the Bristol area against the three Community Assessment benchmarks and six additional communities with which it shares attributes and/or competes for jobs and workers:

1. Outagamie County (Appleton), WI
2. Buncombe County (Asheville), NC
3. Richmond County (Augusta), GA
4. Hamilton County (Chattanooga), TN
5. Spotsylvania County + Fredericksburg, VA
6. Lynchburg, VA
7. Roanoke County + Roanoke, VA
8. Spartanburg County (Spartanburg), SC
9. Augusta County + Staunton, VA

All data for the aforementioned comparisons are collected at the county level except where explicitly noted. For comparison purposes, Virginia independent cities that are surrounded by a county have been coupled together with those counties.

In this appendix, **Bristol Area refers to the custom geography including Bristol, VA; Washington County, VA; and Sullivan County, TN, except where otherwise noted**. Scorecards include column headings with the primary city names for each county or city/county aggregation for ease of interpretation and comparison.

Rankings are color-coded with top performers appearing in shades of green, middle-of-the-pack in shades of yellow and orange, and bottom performers in shares of red. For those indicators that are not considered "good" or "bad," the gradation is from yellow to green. A ranking of "1" signals that the

community is the top performer, but does not necessarily have the highest value (for example, the community with the lowest crime rate would receive a ranking of "1").

These scorecards reinforce trends discussed throughout the Assessment. **The Bristol area ranks last among these competitive communities in Economic Performance and Workforce Sustainability** due to sub-optimal performance in key indicators including employment growth, population growth, population and workforce dependency ratios, labor force growth, wage growth, per capita income growth, poverty rates, associate and bachelor's degree attainment, and proportion of young professionals in the population.

In **Innovation and Entrepreneurship, the Bristol area ranks #7**, higher than Richmond County (Augusta), GA; Lynchburg, VA; and Roanoke County and Roanoke, VA. The Bristol area ranked highly in patents per 10,000 residents (driven by significant patent production at Eastman Chemical Company in Kingsport), various self-employment statistics, and annual earnings. However, the ranking was pulled down by lower performance in the percentage of employment in new firms and small firms and the change in those percentages over a five-year period.

In Business Environment, the Bristol area ranks #6, higher than Augusta County and Staunton, VA; Richmond County (Augusta), GA; Outagamie County (Appleton), WI; and Lynchburg, VA. In terms of business climate, the Bristol area benefits from competitive state commercial electricity rates and comparatively rapid growth in air freight cargo at the Tri-Cities Airport.

Finally, **the Bristol area ranks #3 in Quality of Life and Place, consistent with qualitative feedback discussed in the Assessment**. The Bristol area has many assets, some not quantifiable, that make the community "a good place to live." Among those indicators that can be quantified, the community ranked high in its cost of living, home affordability, rent affordability, and comparatively low percentage of commuters who drive alone to work. As stated in the Assessment, there is room for improvement in the area's health outcomes.

SCORECARD: ECONOMIC PERFORMANCE

	Year	Bristol Area	Appleton, WI	Asheville, NC	Augusta, GA	Chattanooga, TN	Fredericks-burg, VA	Lynchburg, VA	Roanoke, VA	Spartan-burg, SC	Staunton, VA
Employment and Unemployment											
1-yr employment growth rate	2016-17	**9**	6	4	7	5	2	3	10	1	8
5-yr employment growth rate	2012-17	**10**	8	2	6	4	3	5	9	1	7
Unemployment rate	2017	**8**	1	2	10	4	6	9	5	7	3
Establishments											
Business bankruptcy rate per 1k est.	2017	**7**	10	2	4	9	6	1	8	5	3
5-yr chg. business bankruptcy rate per 1k est.	2012-17	**6**	9	3	4	5	1	2	10	8	7
Exports, Output, and Productivity											
Exports per job	2017	**5**	6	7	1	2	10	9	8	3	4
Gross domestic product (GDP) per job	2017	**5**	3	8	2	1	9	10	7	4	6
Wages, Income, and Poverty											
Wages, salaries, & proprietor earnings	2017	**6**	3	7	2	1	9	8	5	4	10
5-yr wages % chg.	2012-17	**10**	1	3	7	2	8	9	5	6	4
Per capita income (PCI)*	2017	**8**	2	5	10	1	3	9	4	7	6
5-yr PCI % chg.*	2012-17	**10**	2	1	4	6	7	9	8	3	5
Total poverty rate	2016	**8**	1	4	10	4	2	9	6	7	3
Child poverty rate	2016	**7**	1	5	10	4	2	9	6	8	3
5-yr % chg. total poverty rate	2012-16	**9**	8	2	5	4	7	1	10	3	6
5-yr % chg. child poverty rate	2012-16	**7**	9	1	2	4	8	3	10	5	6
Average Ranking, All Indicators		7.7	4.7	3.7	5.6	3.7	5.5	6.4	7.4	4.8	5.4
Average Ranking, All Indicators		10	3	1	7	1	6	8	9	4	5

*BEA groups Campbell, VA with Lynchburg, VA; Salem, VA with Roanoke; and Waynesboro, VA with Augusta County and Staunton.

DATA VALUES: ECONOMIC PERFORMANCE

	Year	Bristol Area	Appleton, WI	Asheville, NC	Augusta, GA	Chattanooga, TN	Fredericks-burg, VA	Lynchburg, VA	Roanoke, VA	Spartan-burg, SC	Staunton, VA
Employment and Unemployment											
1-yr employment growth rate	2016-17	**-0.5%**	0.8%	1.9%	0.6%	1.8%	2.9%	2.1%	-0.9%	3.9%	-0.3%
5-yr employment growth rate	2012-17	**-0.7%**	5.1%	13.2%	6.3%	8.2%	8.2%	6.9%	3.2%	17.7%	5.3%
Unemployment rate	2017	**4.1%**	3.0%	3.5%	5.9%	3.6%	3.8%	5.0%	3.8%	4.0%	3.5%
Establishments											
Business bankruptcy rate per 1k est.	2017	**2.7**	4.0	1.1	1.6	3.0	2.1	0.7	2.7	2.1	1.1
5-yr chg. business bankruptcy rate per 1k est.	2012-17	**-30.9%**	5.9%	-54.0%	-50.6%	-43.2%	-65.3%	-63.1%	16.8%	-5.8%	-8.5%
Exports, Output, and Productivity											
Exports per job	2017	**$125,486**	$116,368	$105,685	$205,735	$150,176	$75,072	$91,051	$103,372	$135,741	$127,815
Gross domestic product (GDP) per job	2017	**$97,116**	$101,579	$88,566	$101,663	$109,785	$84,030	$77,875	$89,674	$99,956	$95,492
Wages, Income, and Poverty											
Wages, salaries, & proprietor earnings	2017	**$41,638**	$45,096	$39,966	$45,338	$47,180	$39,342	$39,785	$42,984	$44,033	$38,935
5-yr wages % chg.	2012-17	**4.4%**	13.6%	12.7%	9.1%	13.1%	7.1%	5.0%	11.2%	11.1%	11.5%
Per capita income (PCI)*	2017	**$40,742**	$49,191	$46,102	$36,309	$50,196	$48,823	$36,356	$46,259	$41,709	$42,436
5-yr PCI % chg.*	2012-17	**5.8%**	15.8%	21.2%	15.5%	12.1%	10.8%	5.9%	7.5%	15.7%	13.4%
Total poverty rate	2016	**16.5%**	8.0%	13.5%	25.6%	13.5%	8.6%	17.8%	15.1%	15.6%	10.1%
Child poverty rate	2016	**23.9%**	10.3%	19.4%	38.9%	19.1%	12.1%	24.5%	20.6%	24.3%	14.3%
5-yr % chg. total poverty rate	2012-16	**-0.5%**	-1.0%	-4.2%	-1.8%	-1.8%	-1.1%	-6.0%	1.2%	-3.8%	-1.5%
5-yr % chg. child poverty rate	2012-16	**-1.4%**	-0.8%	-6.6%	-5.7%	-3.4%	-0.9%	-4.8%	0.4%	-2.9%	-1.7%

*BEA groups Campbell, VA with Lynchburg, VA; Salem, VA with Roanoke; and Waynesboro, VA with Augusta County and Staunton.

SCORECARD: WORKFORCE SUSTAINABILITY

	Year	Bristol Area	Appleton, WI	Asheville, NC	Augusta, GA	Chattanooga, TN	Fredericks-burg, VA	Lynchburg, VA	Roanoke, VA	Spartan-burg, SC	Staunton, VA
Population Change											
5-Year population growth rate	2012-17	**10**	6	2	9	5	3	4	8	1	7
5-Year Labor force growth rate	2017	**10**	3	2	9	4	5	6	8	1	7
% of in-migrants with no HS diploma	2012-16	**7**	2	3	6	4	1	5	8	10	9
% of in-migrants with Bachelor's +	2012-16	**10**	5	1	6	3	4	2	7	8	9
Labor force participation rate	2012-16	**10**	1	5	8	4	2	9	3	6	7
5-Year change in labor force participation rate	2011-16	**3**	7	8	10	9	2	5	6	1	4
Employment:population ratio	2012-16	**9**	1	5	10	4	2	8	3	6	7
5-Year change in employment:population ratio	2011-16	**6**	4	8	10	5	3	1	9	2	7
Age Composition											
% of population 25-44	2017	**9**	4	2	1	3	5	10	7	6	8
Population dependency ratio (under 18+over 65/18-64)	2017	**10**	4	6	2	5	3	1	8	7	9
Workforce dependency ratio (25-44/45-64)	2017	**10**	7	3	2	4	6	1	8	5	9
Workers aged 55+ as share of total	2017	**7**	4	6	1	3	8	9	5	2	10
Educational Attainment											
% 3- and 4-year olds enrolled in pre-K	2012-16	**5**	7	3	10	6	9	2	1	4	8
% of 18-24 year olds enrolled in college	2012-16	**7**	5	3	9	2	4	1	8	6	10
% age 18-24 w/ some college or college degree	2012-16	**7**	5	4	9	2	3	1	8	6	10
5-Year change, % 18-24, some college/assoc.	2011-16	**6**	3	2	4	1	5	9	10	8	7
% age 25+ w/ associate's degree +	2012-16	**9**	3	1	10	6	4	2	5	7	8
5-Year change, % 25+, associate's degree +	2011-16	**7**	1	4	8	10	3	2	6	5	9
% age 25+ w/ bachelor's degree +	2012-16	**9**	6	1	10	4	3	2	5	8	7
5-Year change, % 25+, bachelor's degree +	2011-16	**8**	2	4	5	10	3	1	9	6	7
Average ranking score, all indicators		**7.95**	4.00	3.65	6.95	4.70	3.90	4.05	6.60	5.25	7.95
Average Ranking, All Indicators		**9**	3	1	8	5	2	4	7	6	9

DATA VALUES: WORKFORCE SUSTAINABILITY

	Year	Bristol Area	Appleton, WI	Asheville, NC	Augusta, GA	Chattanooga, TN	Fredericks-burg, VA	Lynchburg, VA	Roanoke, VA	Spartan-burg, SC	Staunton, VA
Population Change											
5-Year population growth rate	2012-17	**-0.4%**	3.9%	5.7%	0.1%	4.6%	5.5%	4.8%	1.4%	6.4%	2.4%
5-Year labor force growth rate	2017	**-3.8%**	4.4%	8.3%	-2.1%	3.2%	2.8%	0.6%	-1.1%	8.5%	-0.4%
% of in-migrants with no HS diploma	2012-16	**11.2%**	7.1%	9.2%	10.9%	10.1%	5.8%	10.3%	11.8%	15.0%	14.9%
% of in-migrants with Bachelor's +	2012-16	**23.1%**	34.7%	47.7%	31.4%	37.0%	35.7%	38.1%	29.2%	28.5%	28.3%
Labor force participation rate	2012-16	**56.3%**	70.8%	61.4%	58.7%	62.4%	67.8%	58.3%	63.3%	61.1%	59.3%
5-Year change in labor force participation rate	2011-16	**-1.0%**	-1.6%	-2.5%	-2.9%	-2.6%	-0.9%	-1.3%	-1.4%	-0.6%	-1.1%
Employment:population ratio	2012-16	**52.0%**	68.2%	57.6%	48.9%	58.0%	63.3%	54.1%	59.3%	56.4%	56.2%
5-Year change in employment:population ratio	2011-16	**-0.8%**	-0.1%	-1.1%	-1.9%	-0.7%	0.8%	1.0%	-1.5%	0.9%	-0.8%
Age Composition											
% of population 25-44	2017	**22.8%**	26.1%	27.2%	28.0%	26.7%	25.6%	22.4%	25.2%	25.4%	23.7%
Population dependency ratio (under 18+over 65/18-64)	2017	**0.69**	0.61	0.62	0.58	0.61	0.60	0.51	0.66	0.64	0.66
Workforce dependency ratio (25-44/45-64)	2017	**0.79**	0.96	1.01	1.17	1.01	0.96	1.19	0.93	0.97	0.83
Workers aged 55+ as share of total	2017	**23.8%**	22.1%	23.0%	19.2%	22.1%	24.2%	24.3%	22.6%	21.5%	26.4%
Educational Attainment											
% 3- and 4-year olds enrolled in pre-K	2012-16	**41.6%**	40.5%	46.6%	37.0%	40.7%	39.8%	49.4%	50.1%	42.1%	40.1%
% of 18-24 year olds enrolled in college	2012-16	**46.0%**	48.4%	52.2%	37.6%	55.4%	49.9%	76.0%	41.4%	48.0%	36.7%
% age 18-24 w/ some college or college degree	2012-16	**50.0%**	53.7%	55.9%	44.1%	61.7%	56.2%	71.3%	47.7%	51.4%	43.1%
5-Year change, % 18-24, some college/assoc.	2011-16	**1.4%**	2.1%	2.6%	1.6%	10.0%	1.5%	-1.0%	-3.6%	-0.8%	0.3%
% age 25+ w/ associate's degree +	2012-16	**30.3%**	39.9%	44.6%	28.9%	37.5%	38.5%	41.2%	38.0%	32.9%	32.6%
5-Year change, % 25+, associate's degree +	2011-16	**-0.7%**	12.6%	3.8%	-1.0%	-4.2%	4.3%	12.5%	2.1%	3.3%	-3.6%
% age 25+ w/ bachelor's degree +	2012-16	**22.3%**	27.8%	36.6%	21.0%	29.6%	31.7%	33.3%	28.4%	22.8%	25.8%
5-Year change, % 25+, bachelor's degree +	2011-16	**-1.9%**	8.1%	4.5%	0.6%	-3.3%	4.9%	12.8%	-2.1%	0.4%	-0.2%

SCORECARD: INNOVATION AND ENTREPRENEURSHIP

	Year	Bristol Area	Appleton, WI	Asheville, NC	Augusta, GA	Chattanooga, TN	Fredericks-burg, VA	Lynchburg, VA	Roanoke, VA	Spartan-burg, SC	Staunton, VA
Research and Development Activity											
Patents per 10,000 residents	2015	**2**	1	6	10	7	8	3	5	4	9
Startups, Small Businesses, and Self-Employed											
Self-employment as a % of all jobs	2017	**4**	9	1	10	6	3	7	8	5	2
5-Year change, self-employment as % of all jobs	2012-17	**3**	4	9	5	1	2	8	6	10	7
Average annual earnings, self-employed	2017	**3**	2	6	10	1	5	7	4	8	9
5-Year change, self-employed earnings	2012-17	**5**	1	7	6	2	9	10	8	4	3
% of jobs in firms w/ < 50 employees	2017Q2	**5**	4	3	7	6	2	10	9	8	1
5-Year change, % of jobs, firms w/ < 50 employ.	12-17Q2	**9**	5	1	6	2	3	10	7	8	4
% of jobs in firms < 5 years old	2017Q2	**9**	7	2	8	5	1	6	10	4	3
5-Year change, % of jobs in firms < 5 years old	12-17Q2	**8**	2	7	9	5	6	3	10	4	1
Capital Environment											
Small business loans (originations) per 1,000 residents	2017	**9**	10	1	8	3	2	7	4	6	5
5-yr chg. in small business loans (originations) per 1,000 residents	2012-17	**9**	10	2	6	4	1	7	5	3	8
Average Ranking, All Indicators		**6.00**	5.00	4.09	7.73	3.82	3.82	7.09	6.91	5.82	4.73
Average Ranking, All Indicators		**7**	5	3	10	1	1	9	8	6	4

DATA VALUES: INNOVATION AND ENTREPRENEURSHIP

	Year	Bristol Area	Appleton, WI	Asheville, NC	Augusta, GA	Chattanooga, TN	Fredericks-burg, VA	Lynchburg, VA	Roanoke, VA	Spartan-burg, SC	Staunton, VA
Research and Development Activity											
Patents per 10,000 residents	2015	**3.0**	5.2	1.4	0.5	1.0	0.7	2.4	1.8	2.0	0.6
Startups, Small Businesses, and Self-Employed											
Self-employment as a % of all jobs	2017	**5.9%**	3.5%	7.1%	3.5%	5.2%	6.0%	3.8%	3.7%	5.3%	6.3%
5-Year change, self-employment as % of all jobs	2012-17	**-0.05%**	-0.05%	-0.45%	-0.24%	0.12%	0.00%	-0.31%	-0.25%	-0.72%	-0.26%
Average annual earnings, self-employed	2017	**$27,409**	$27,861	$25,800	$23,179	$29,898	$25,815	$25,284	$26,017	$25,146	$24,784
5-Year change, self-employed earnings	2012-17	**6.7%**	10.6%	4.0%	5.3%	7.5%	2.8%	2.8%	3.5%	6.7%	6.9%
% of jobs in firms w/ < 50 employees	2017Q2	**23.2%**	25.0%	32.9%	22.4%	22.9%	33.3%	21.9%	22.0%	22.3%	34.7%
5-Year change, % of jobs, firms w/ < 50 employ.	12-17Q2	**-3.2%**	-1.3%	-0.2%	-1.9%	-0.7%	-0.9%	-5.9%	-1.9%	-3.0%	-1.0%
% of jobs in firms < 5 years old	2017Q2	**6.9%**	7.4%	11.8%	7.3%	8.2%	12.8%	8.1%	6.7%	8.7%	10.4%
5-Year change, % of jobs in firms < 5 years old	12-17Q2	**-1.2%**	0.1%	-1.0%	-1.3%	-0.3%	-0.4%	-0.1%	-1.6%	-0.2%	0.4%
Capital Environment											
Small business loans (originations) per 1,000 residents	2017	**12.5**	12.3	24.7	12.8	17.1	17.7	13.0	16.2	14.4	16.2
5-yr chg. in small business loans (originations) per 1,000 residents	2012-17	**-7.9%**	-19.1%	29.5%	15.4%	23.0%	34.6%	10.7%	19.8%	27.9%	1.7%

SCORECARD: BUSINESS ENVIRONMENT

	Year	Bristol Area	Appleton, WI	Asheville, NC	Augusta, GA	Chattanooga, TN	Fredericks-burg, VA	Lynchburg, VA	Roanoke, VA	Spartan-burg, SC	Staunton, VA
Infrastructure											
Passenger departures	2018	**8**	6	2	7	3	4	9	5	1	10
5-Year change, passenger departures	2013-18	**9**	4	1	6	2	3	8	7	5	10
Air freight/mail (lb. in millions)	2018	**5**	3	6	8	4	7	9	2	1	10
5-Year change, air freight/mail (lb. in millions)	2013-18	**2**	4	7	10	6	1	9	3	5	8
Business Costs											
Commercial electricity costs (cents/kwh)*	2018	**1**	10	6	7	9	1	1	1	8	1
Industrial electricity costs (cents per kwh)*	2018	**5**	10	4	2	1	5	5	5	2	5
Ratio of labor productivity to labor cost**	2017	**6**	3	7	1	2	10	8	9	5	4
Business Climate Perceptions											
KPMG/Tax Fndn. Bus. Tax Climate Index	2017	**3**	8	1	9	2	3	3	3	10	3
CNBC America's Top States for Business	2017	**8**	6	7	10	1	1	1	1	1	9
Forbes Best States for Business	2017	**7**	8	1	9	2	2	2	2	2	10
Average Ranking, All Indicators		**5.40**	6.20	4.20	6.90	3.20	3.70	5.50	3.80	4.00	7.00
Average Ranking, All Indicators		**6**	**8**	**5**	**9**	**1**	**2**	**7**	**3**	**4**	**10**

*State level data

** Defined as total gross regional product (labor productivity) divided by total earnings (labor cost)

DATA VALUES: BUSINESS ENVIRONMENT

	Year	Bristol Area	Appleton, WI	Asheville, NC	Augusta, GA	Chattanooga, TN	Fredericks-burg, VA	Lynchburg, VA	Roanoke, VA	Spartan-burg, SC	Staunton, VA
Infrastructure											
Passenger departures	2018	196,000	314,000	530,000	291,000	488,000	343,000	80,000	318,000	1,081,000	6,464
5-Year change, passenger departures	2013-18	-3.4%	32.5%	65.1%	11.5%	62.1%	53.8%	1.3%	4.6%	18.0%	-69.2%
Air freight/mail (lb. in millions)	2018	83,000	23,000,000	68,000	53,000	19,000,000	61,000	11,000	29,000,000	64,000,000	681
5-Year change, air freight/mail (lb. in millions)	2013-18	56.6%	9.5%	-5.6%	-68.5%	5.6%	79.4%	-57.7%	16.0%	8.5%	-44.2%
Business Costs											
Commercial electricity costs (cents/kwh)*	2018	$8.39	$11.08	$8.58	$9.72	$10.32	$8.39	$8.39	$8.39	$9.85	$8.39
Industrial electricity costs (cents per kwh)*	2018	$6.83	$7.74	$6.79	$6.20	$5.85	$6.83	$6.83	$6.83	$6.20	$6.83
Ratio of labor productivity to labor cost**	2017	$1.53	$1.55	$1.46	$1.61	$1.57	$1.36	$1.45	$1.44	$1.54	$1.55
Business Climate Perceptions											
KPMG/Tax Fndn. Bus. Tax Climate Index	2018	22	32	12	33	16	22	22	22	35	22
CNBC America's Top States for Business	2018	13	7	9	30	4	4	4	4	4	17
Forbes Best States for Business	2018	12	20	2	25	4	4	4	4	4	32

*State level data

** Defined as total gross regional product (labor productivity) divided by total earnings (labor cost)

SCORECARD: QUALITY OF LIFE AND PLACE

	Year	Bristol Area	Appleton, WI	Asheville, NC	Augusta, GA	Chattanooga, TN	Fredericks-burg, VA	Lynchburg, VA	Roanoke, VA	Spartan-burg, SC	Staunton, VA
Commuting and Congestion											
% of commuters who drive alone to work	2016	3	9	1	2	7	4	10	5	6	8
% of commuters w/ commute times > 30 minutes	2016	5	9	7	2	1	3	6	10	4	8
Affordability and Cost of Living											
Home affordability index*		3	1	9	2	4	8	10	7	6	5
Renters spending 30%+ of income on rent	2016	3	1	7	9	6	8	10	4	5	2
Cost of living index*	2016	1	7	9	2	8	10	5	4	2	6
Health											
Physicians per 100K residents*	2016	7	9	3	4	6	1	2	5	10	8
% of adults reporting poor or fair health	2016	6	1	4	10	5	3	9	7	8	2
% of adults reporting BMI >/= 30	2014	7	4	1	10	6	8	2	3	4	9
% of population under age 65 w/out health insurance	2015	4	1	9	10	5	2	7	3	8	6
Recreation and Volunteerism											
Walk Score *	2018	9	3	4	10	7	1	7	2	6	5
Recreation and fitness facilities per 10K residents	2014	6	2	5	10	4	7	1	3	8	9
		4.91	4.27	5.36	6.45	5.36	5.00	6.27	4.82	6.09	6.18
***Data for principal city only**		**3**	**1**	**4**	**10**	**7**	**5**	**7**	**2**	**9**	**6**

Due to data availability, home affordability index, cost of living index, and walk score for Bristol, TN-VA is based on Bristol, TN only. Bristol, VA values are included in the footnotes of the Data Values table.

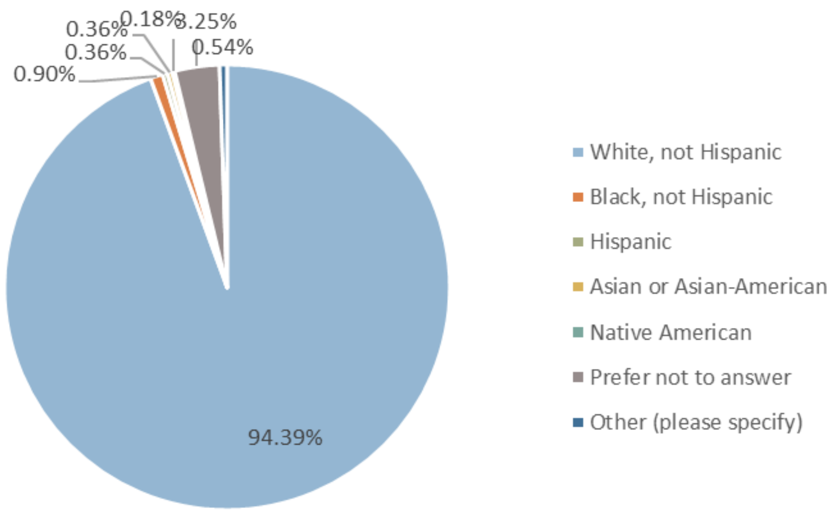
DATA VALUES: QUALITY OF LIFE AND PLACE

	Year	Bristol Area	Appleton, WI	Asheville, NC	Augusta, GA	Chattanooga, TN	Fredericks-burg, VA	Lynchburg, VA	Roanoke, VA	Spartan-burg, SC	Staunton, VA
Commuting and Congestion											
% of commuters who drive alone to work	2012-16	**80.7%**	86.2%	79.1%	80.0%	85.6%	80.8%	87.4%	82.5%	82.8%	86.0%
% of commuters w/ commute times > 30 minutes	2012-16	**23.9%**	31.0%	25.3%	19.1%	18.8%	22.3%	24.7%	36.0%	23.1%	27.1%
Affordability and Cost of Living											
Home affordability index*	2012-16	**2.87**	2.56	4.72	2.61	3.05	3.68	5.96	3.67	3.39	3.25
Renters spending 30%+ of income on rent	2012-16	**46.3%**	38.4%	51.5%	55.0%	49.6%	52.6%	55.3%	46.6%	48.9%	45.5%
Cost of living index*	2016	**84.5**	91.0	113.0	85.0	92.2	116.0	88.0	87.0	85.0	90.0
Health											
Physicians per 100K residents*	2016	**246**	203	374	358	304	658	395	319	184	229
% of adults reporting poor or fair health	2016	**17.1%**	11.2%	14.7%	21.5%	16.9%	14.3%	18.9%	17.2%	18.5%	14.2%
% of adults reporting BMI >/= 30	2014	**31.2%**	30.1%	22.7%	34.1%	31.0%	31.3%	29.0%	29.5%	30.1%	32.7%
% of population under age 65 w/out health insurance	2015	**11.2%**	5.9%	13.4%	14.4%	11.3%	10.5%	11.7%	11.0%	13.0%	11.5%
Recreation and Volunteerism											
Walk Score *	2018	**25**	40	36	22	29	45	29	41	30	34
Recreation and fitness facilities per 10K residents	2014	**1.2**	2.9	1.4	0.5	1.5	1.2	3.4	2.4	1.1	0.6

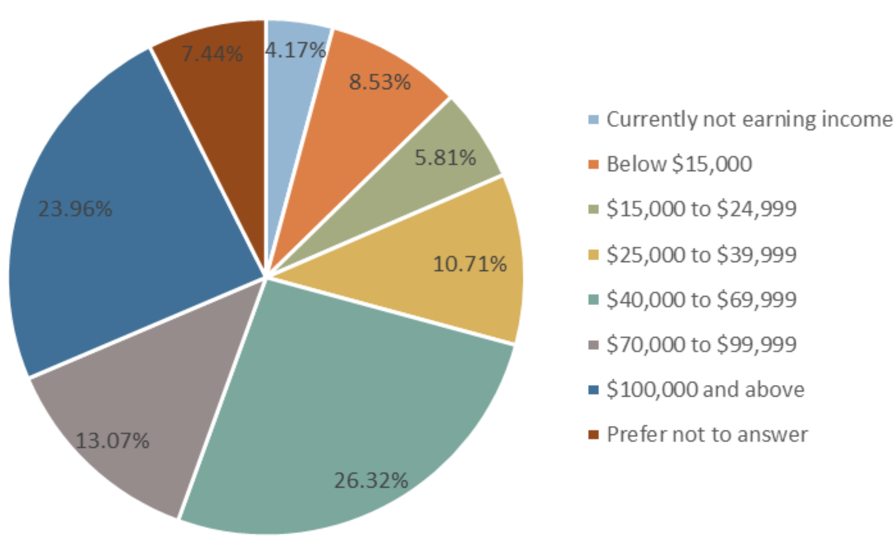
Due to data availability, home affordability index, cost of living index, and walk score for Bristol, TN-VA is based on Bristol, TN only. Bristol, VA values are as follows:
Home Affordability Index: 3.05
Cost of Living Index: 83.0
Walk Score: 30

APPENDIX B: ONLINE COMMUNITY SURVEY

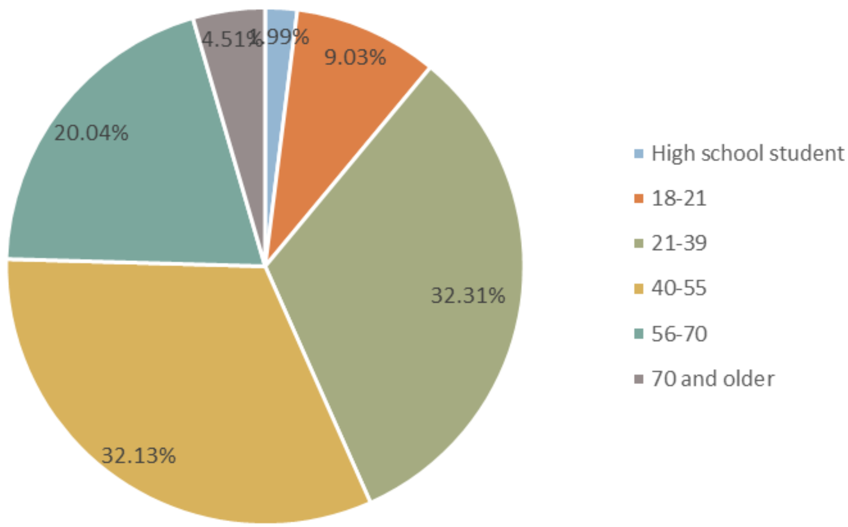
1. What is your race/ethnicity?



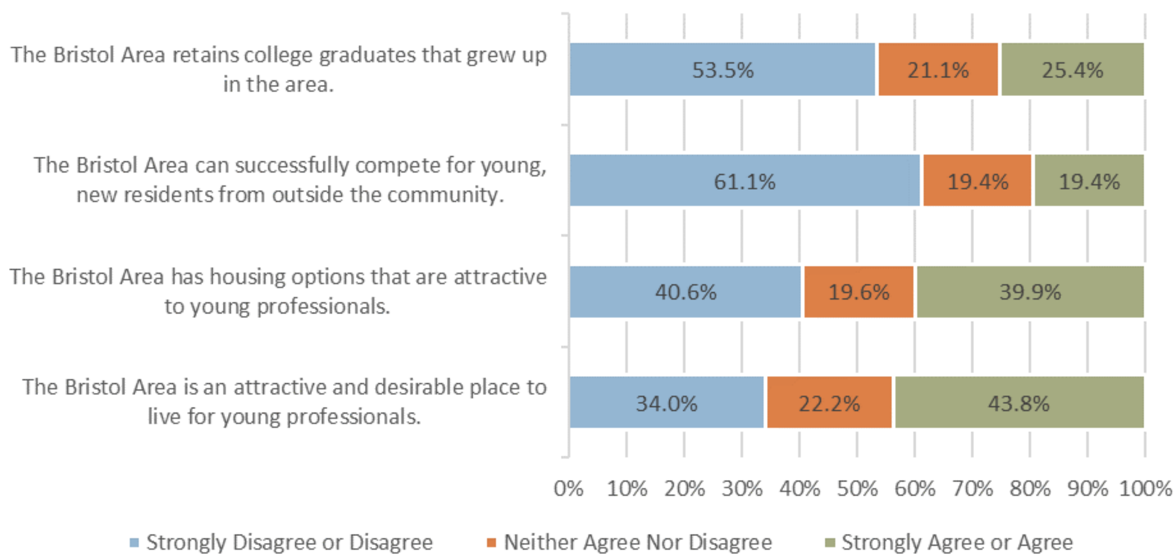
2. What is your income level?



3. What is your age?



4. Please indicate if you disagree or agree with the following statement about young professionals (working ages 21-39):

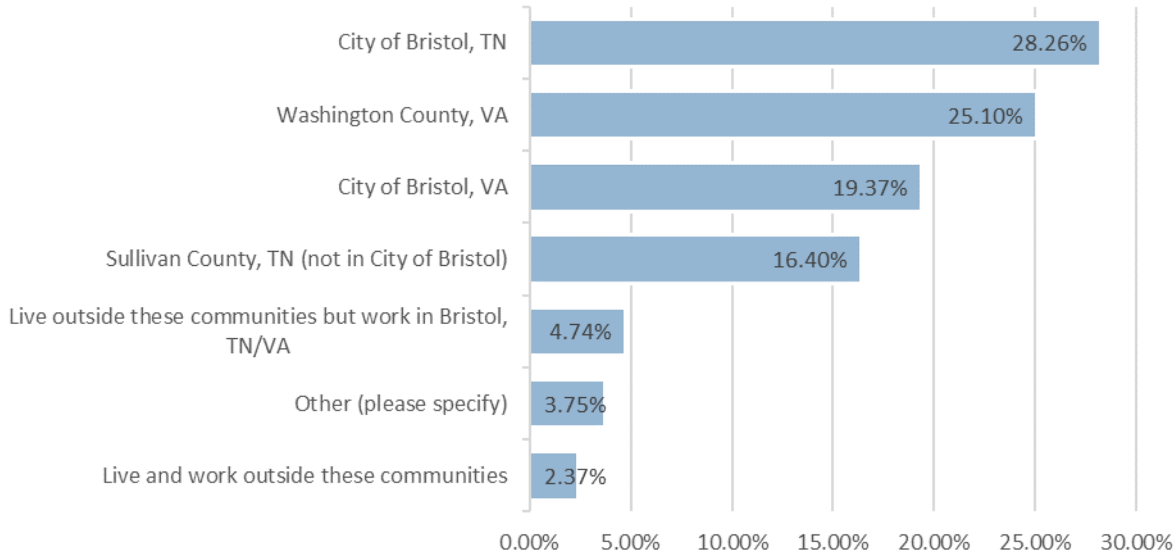


5. If you feel that it's a challenge, what needs to be done in the Bristol Area to more effectively retain and attract young professionals?

Select responses:

- This area has an abundance of service jobs and needs some higher paying jobs to come in to compete for young professionals.
- Outside of advanced manufacturing, healthcare, and municipal/government services, the region does not offer many opportunities for young professionals. Economic development will be key to attracting new businesses and building new industry sectors. Additionally, Bristol's housing market is somewhat stagnant, with few options for high-end rental property that might be attractive to recent college graduates or young professionals.
- Bristol is a retirement area. In the evening everything shuts down. And you are expected to be at home. If I wanted to go out with friends and family I'd have to drive to Johnson City.
- More new and affordable housing options, more jobs that will attract out of area young professionals and retain local young professionals.
- More job opportunities available. Also, education should be a focus. We want great schools for our children. It’s hard to attract young families if schools aren’t up to par. Also, family friendly entertainment options in Bristol.

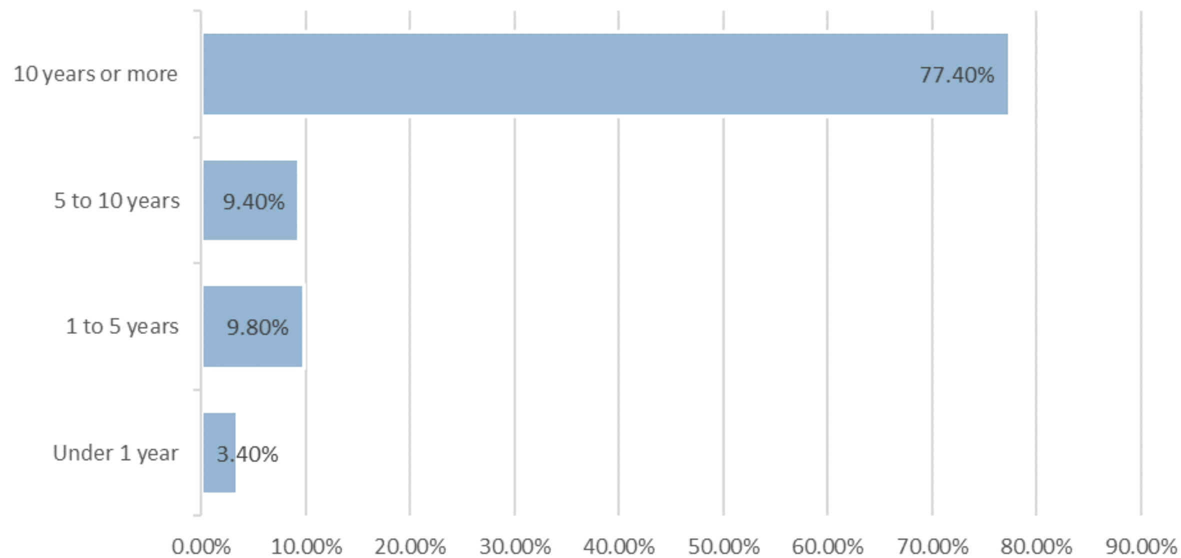
6. Please select your place of residence from the following options:



7. What is the ZIP code of your residence?

Zip Code	Count
37620	157
24201	89
24202	52
24210	28
24211	26
37618	24
37617	20
24340	10
37660	8
24361	7
All other zip codes	74

8. How long have you been in the Bristol Area?



9. In your opinion, what is the Bristol Area's GREATEST STRENGTH - the thing that differentiates the community from anyplace else?

Select responses:

- Beauty of mountains and lake; country music history and tradition
- Resurgence of downtown; racetrack; low housing costs and cost of living in general;
- The niches that you can find everywhere. Downtowns are awesome (Bristol, Abingdon), the stores are unique, and they are bustling!

- The greatest strength is the community we have. We have great people here, and a hard-working, honest workforce.
- We have a little bit of everything, we have shopping centers, we have entertainment, and we have places to retreat into nature and enjoy the wilderness.
- Bristol Motor Speedway and Downtown Bristol
- Downtown - two states at once, beautiful historic buildings, great museum and entertainment venues (the Paramount!), good restaurants, and now a wonderful hotel.

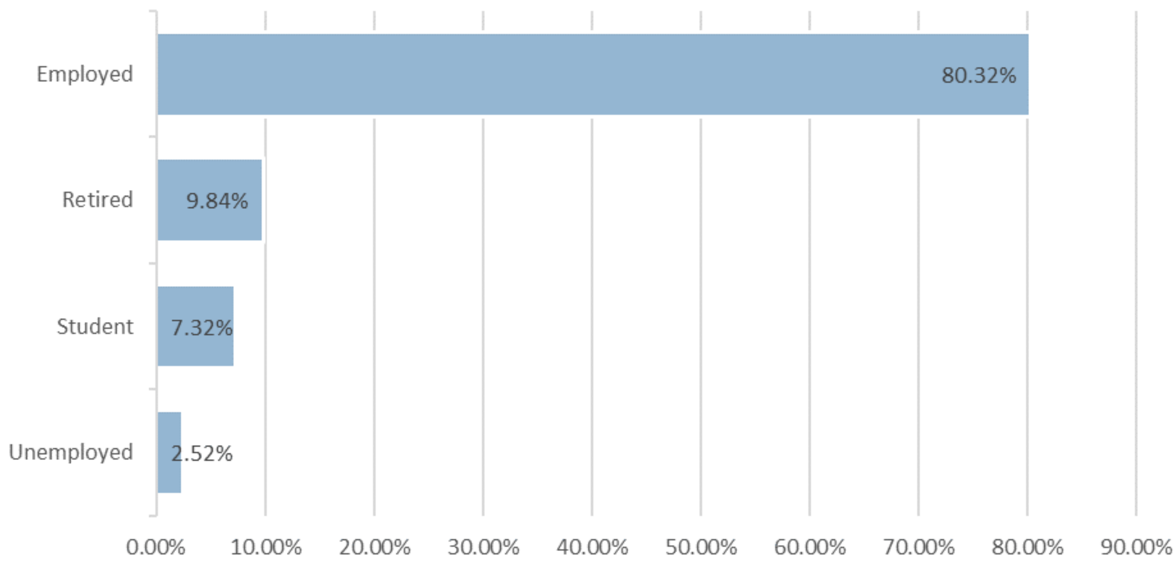
10. Conversely, what is the Bristol Area's biggest COMPETITIVE CHALLENGE - the thing that most holds the community back from realizing its full potential?

Select responses:

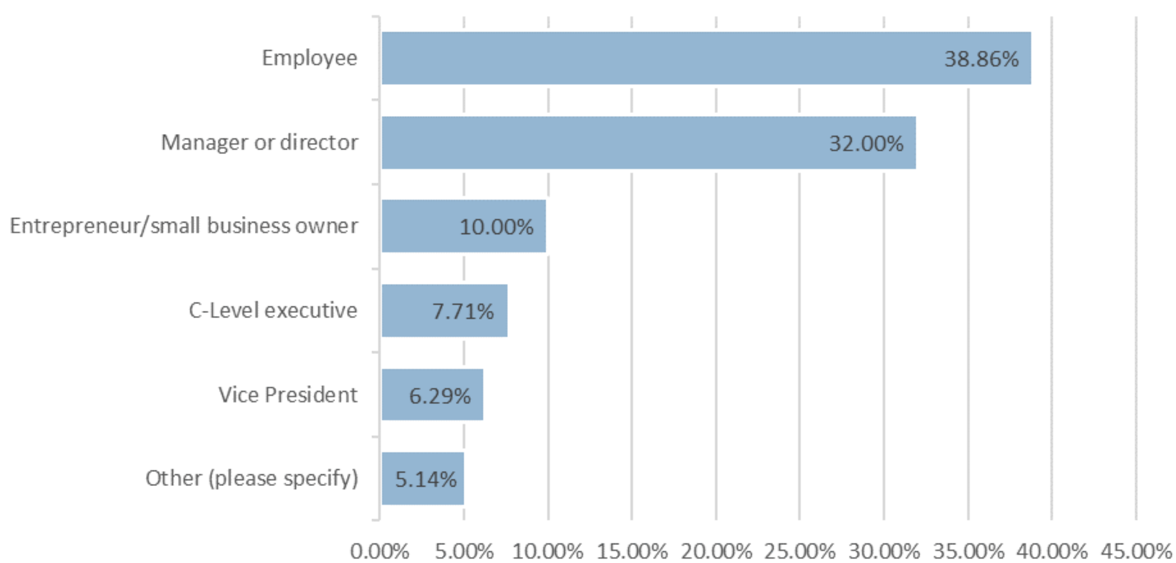
- Workforce development. The widespread loss of highly skilled manufacturing jobs (Unisys, Raytheon, and now Bristol Compressors) has created a lack of technical skilled workers.
- Brain drain. We are losing young people to larger areas because there is not enough industry.
- Lack of willingness to work across borders. Lack of vision and intention to improve.
- Too many empty businesses. We need industry.
- A limited number of employment opportunities needed to keep Bristol growing strong. Most jobs now tend to pay lower wages with little growth potential.
- The ability to attract and retain industries and high paying jobs.

- Aging workforce; Reduction in manufactures and jobs; Lack of representation and vision in SW Va. at the state capital; Young, educated workforce moving elsewhere.

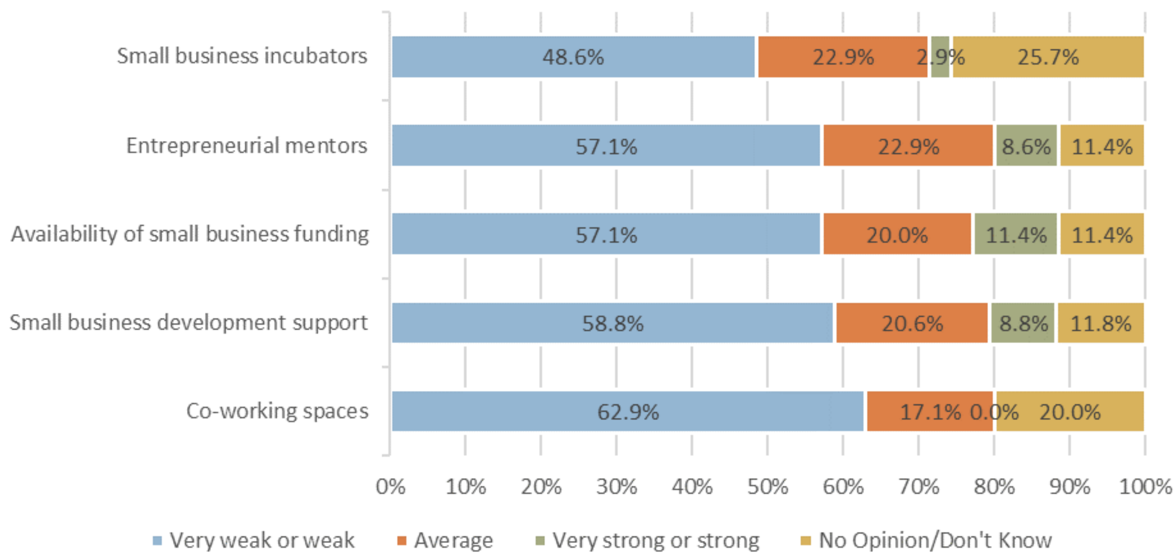
11. Which of the following best describes your current employment status?



12. Which of the following best describes your role at your business or organization?



13. Please rate the following components of the Bristol Area's entrepreneurial climate:



14. What could be done to enhance the Bristol Area's entrepreneurial capacity or "ecosystem"?

Select responses:

- Be more open to new ideas and changes for what the public want/need to bring them to town. Example: a daycare for their dogs, their children with reasonable prices. IN TOWN. Within walking distance of shopping and gathering places on State Street.
- Communication. Networking opportunities. Recognizing small business and not just downtown merchants.
- More mentorship, support, resources, funding and affordable business rentals.

- Most of these questions I know nothing about, so if we are providing these services to our community we need to do a better job of letting likely entrepreneurs know of resources to help them and Bristol grow.
- Give small business more funding opportunities.

15. Please select your business's industry from the following options:

Industry	Responses	
Professional services	23.49%	35
Tourism / hospitality	18.79%	28
Education	14.09%	21
Financial services	13.42%	20
Health services	8.72%	13
Retail	7.38%	11
Manufacturing / production	6.04%	9
Arts and culture	4.70%	7
Information technology	1.34%	2
Agriculture	1.34%	2
Biosciences	0.67%	1
Other (please specify)		38

16. In your opinion, what is the biggest CHALLENGE(S) facing the Bristol Area's economy?

Select responses:

- Lack of well-paying jobs
- Population stagnation; lack of capacity to fill job vacancies in manufacturing, healthcare, etc.

- Attracting young professionals. This has to be intentional. Given the lack of corporate jobs, attracting entrepreneurs is important.
- The lack of good paying jobs and the lack of focus on education of our children
- Jobs paying a living wage and education being available at an affordable rate to those willing to get more education.
- Competition with many surrounding communities - for tourism dollars, economic development projects, workforce pool, and more.

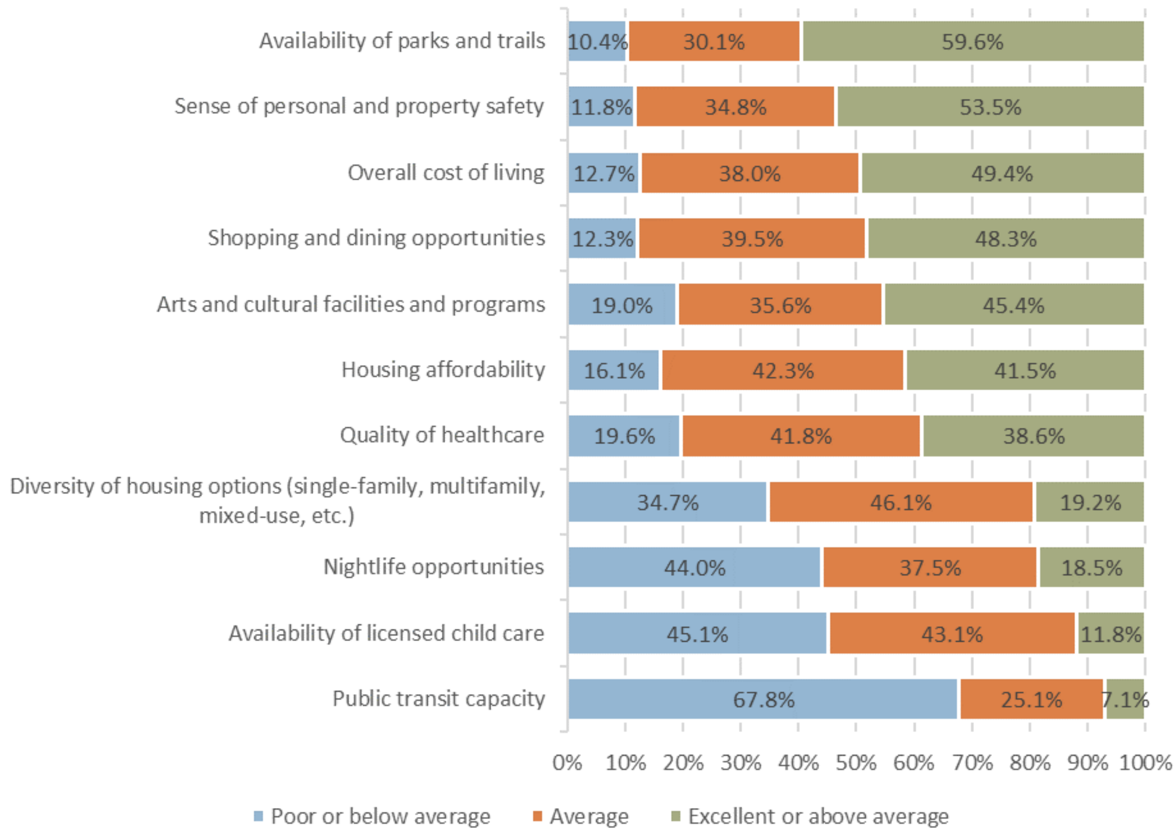
17. What is the MOST IMPORTANT THING that needs to happen to improve the Bristol Area's economy?

Select responses:

- Retain current industry and attract new ones.
- Preparing the workforce and attracting industry
- Develop entrepreneurs and help small business owners be successful
- I would think continuing Bristol's recent trend of increasing tourism with the money/development in the downtown area and major events in the area.
- Attracting young professionals and providing affordable housing. Improving the quality of the middle and high schools is also really important as we are behind both JC and Kingsport.

- Support and help existing business grow. Cities need to invest in quality of life areas. Train young people to have skills needed.
- Aggressive economic development focusing on industry sectors not currently well represented in Bristol's economy. Economic development currently seems focused on attracting tourism features, but new employers are needed in many fields to create and sustain long-term population growth.
- The most important thing is to find industry, and bring back jobs to our community. The coal industry is not coming back, and we need to supplements for other industries that continue to leave the Tri-Cities.

18. Please rate the following aspects of the Bristol Area's quality of life.

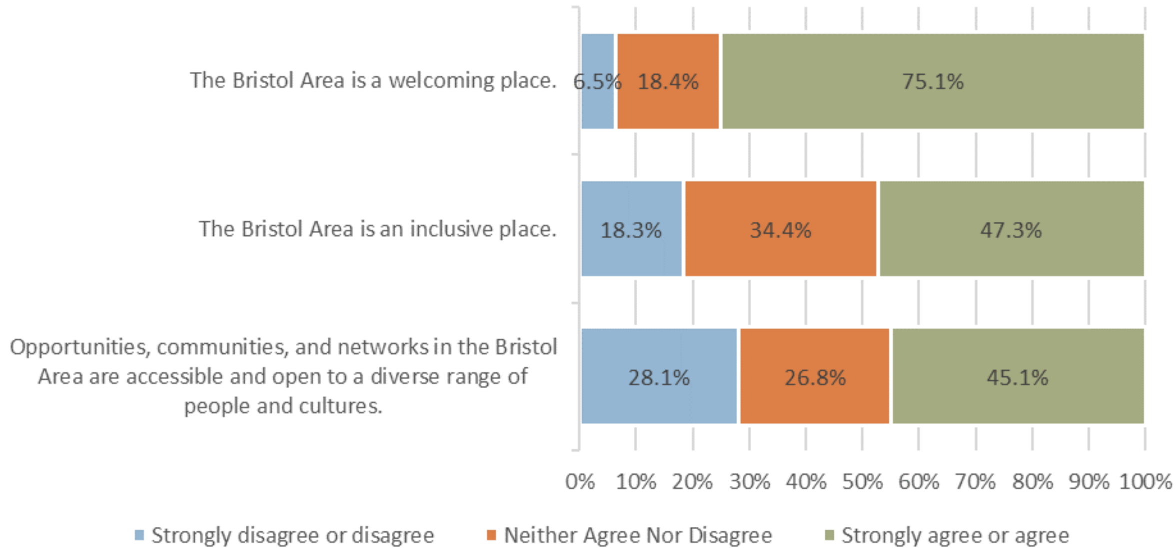


19. In your opinion, what additional quality of life amenities does the Bristol Area need most to become more competitive with comparable communities?

Select responses:

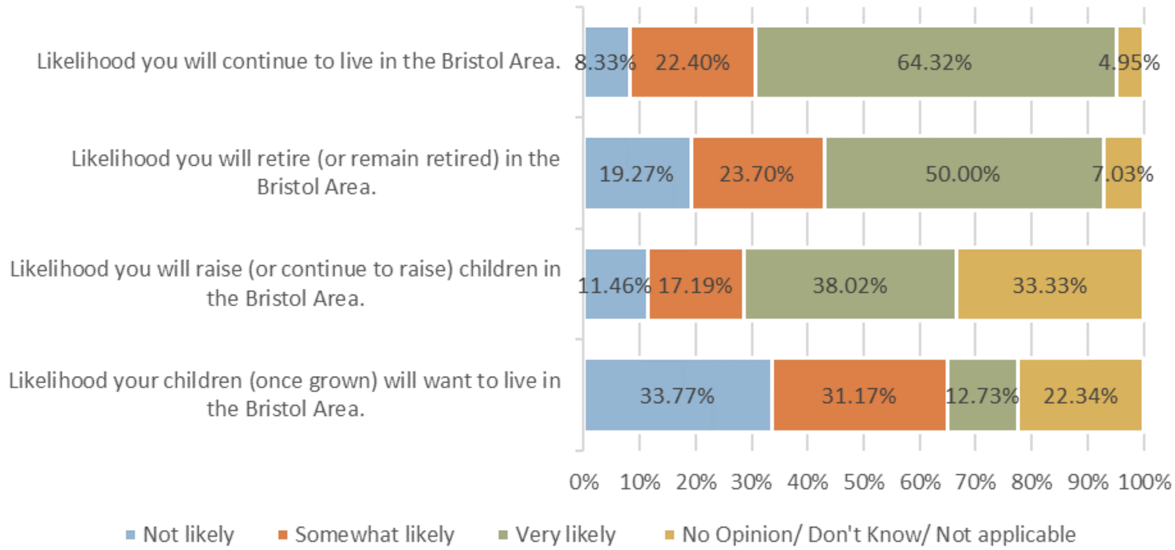
- Jobs that provide sustainable incomes. Housing that is affordable. Opportunities for children and youth to participate in that promotes the development of skills and critical thinking.
- Improve access to health care, control opioids, more affordable housing, more senior transportation options, improvement in educational opportunities for young and old, a plan for future effects of climate change, and improvements and repairs of our infrastructure.
- The music scene needs to return to the city that birthed the big bang of country music. More venues/listening rooms.
- More walkability and connectivity. Better public transportation or bike lanes. Affordable and reliable child care for working families. More affordable arts programming and after school programming for children.
- I continue to feel as though we need more job opportunities which business and industry would create. More dining experiences in and around the downtown area. We have a beautiful downtown but need more family friendly restaurants.
- Educational opportunities and more support of the public school system
- The casino would provide competition and economic opportunity to the region.

20. Please rate the following statements on the community's diversity and openness.



21. If you feel that the Bristol Area is not inclusive and/or welcoming, what could be done to make the region a more inclusive and/or welcoming community?

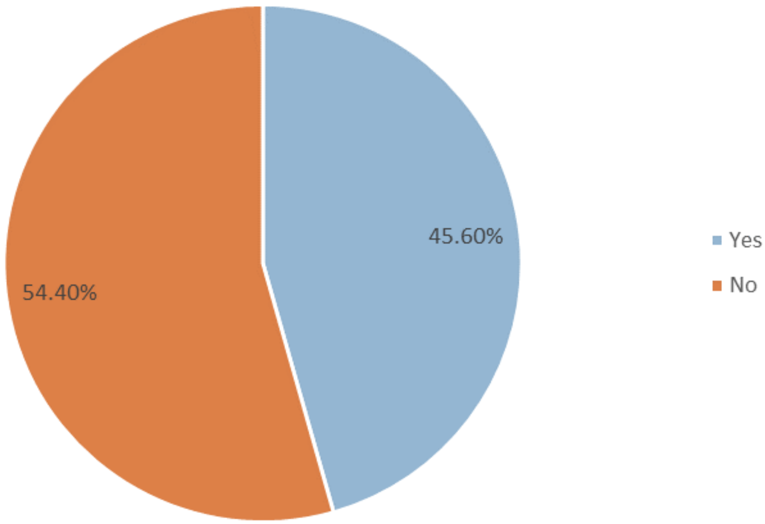
22. Please rate the following statements.



Select responses:

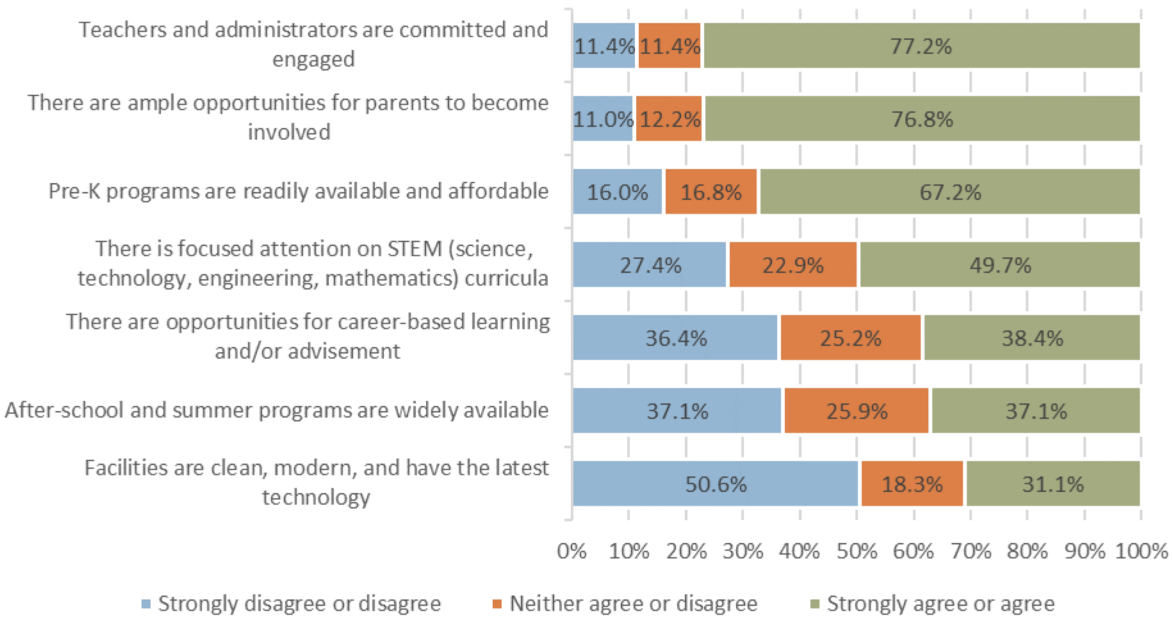
- I encourage my kids to soar and seek better employment opportunities than what exist in this community.
- I would be happy to stay in Bristol until retirement if the economy and job market hold out. However, as mentioned earlier, there aren't many job opportunities outside of certain predictable fields.
- I don't have children, but the sense I get from the young people who have the opportunity to go elsewhere is that there isn't as much to offer as other cities. Let's make it so the young people WANT to stay. :-) I think that means greenways/walking neighborhoods and good, sustainable jobs.
- Children born and raised in Bristol and have left the area for employment
- We are off to a good start with downtown development. Now we need educational programming that will help our youth to bring innovation into the workforce. We need a sustainable future. This also includes clean energy.

23. Do you have school-age children or have knowledge about the Bristol Area's Pre-K to 12 school systems?

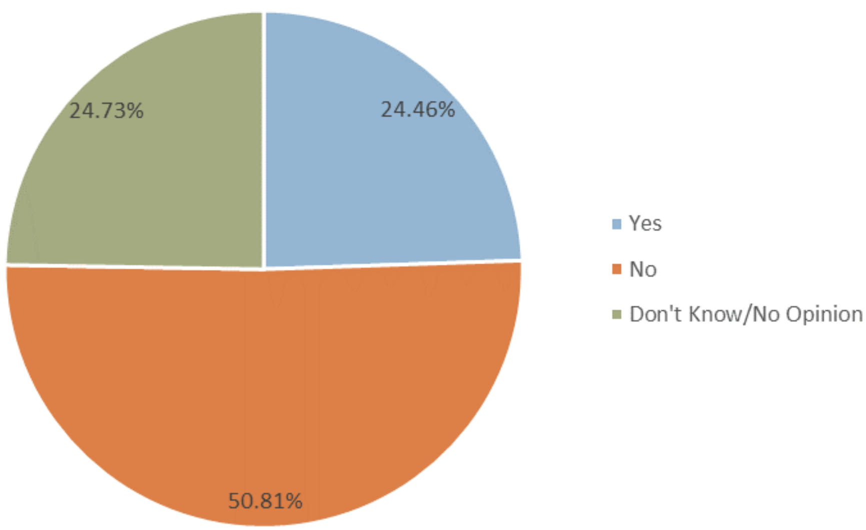


24. Which school(s) do/did your children attend?

25. Please respond to the following statements about the quality in the school/district with which you are most familiar.



26. Do you feel that communities in the Tri-Cities region collaborate with each other?



27. If you answered "yes," what are some examples of this collaboration?

Select responses:

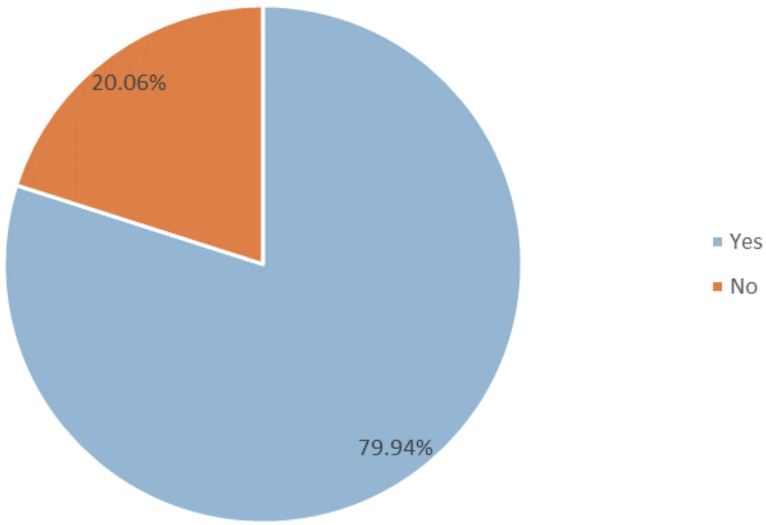
- Ballad Health's creation of a regional health system. Many of the chambers work well and collaborate on regional initiatives (such as government relations events)
- Young Professionals and Junior League
- Well, signs of collaboration are the events most of the people organize like fairs, art shows, and blood drive, but other than that there aren't many things I know about.
- I feel like as a region we have a strong tie to one another. I feel like we work together to do what's best, and for the most part get along.
- Minimal collaboration. Need to combine in MSA to be eligible for more economic programs.
- Aerospace Park, Washington/Sullivan Commissions' joint task force, Washington Va./Bristol, Va more cooperative stance. Chambers joint regionalism effort.
- "A! Magazine for the Arts; Civic club projects; VA-TN partnerships demonstrated through such agents as Believe in Bristol, Birthplace of Country Music, and the Bristol Public Library"

28. What are the most promising opportunities for partnerships and/or projects as a Tri-Cities region?

Select responses:

- Changing the local tax distribution structure to create incentives for bringing new business to the region instead of competing against neighboring cities. Align economic development efforts across the region.
- The casino provides a promising opportunity for the city to partner with private investors
- We need to drop the working against each other and adopt working together so we can experience meaningful growth that middle Tennessee and southeast Tennessee is experiencing.
- Combining our three cities into one region - making it bigger and more attractive. Working together.
- I feel the Casino, and retail expansion downtown and at the Pinnacle are the biggest opportunities here currently.
- The Tri-Cities coming together and supporting cultural and artistic diversity

29. Would there be benefit to creating and marketing a cohesive Tri-Cities "brand"?



Why or why not? (Select responses)

- Again the 3 cities work well with each other to some degree but need to be seen as individuals
- Bristol is unique, and probably benefits more as its own brand.
- We may be two states but we are one city and all Bristolians
- Taken as a whole the Tri Cities area is much stronger and would appeal to individuals coming from more urban settings.
- We need to market our region - we have so much to offer and really don't tell our story collectively.
- Yes, but it would require a complete change in the way citizens & communities think. Probably not a viable option, though.
- The larger you can appear to be to the rest of the world, the more likely you will get their attention and possible business relationship built.
- Many work and live in two towns. Unity would build community

APPENDIX C: METHODOLOGY

DATA SOURCES: COMMUNITY ASSESSMENT

A variety of public and private data sources are used throughout this assessment. A great deal of information is drawn from the U.S. Census Bureau and other public sources, including the U.S. Bureau of Labor Statistics (BLS), the U.S. Bureau of Economic Analysis (BEA), the National Center for Education Statistics (NCES), the Federal Bureau of Investigation (FBI), the Internal Revenue Service (IRS), and the Virginia and Tennessee Departments of Education. Proprietary data covering economic composition (employment and wages by sector and occupation) are provided by Economic Modeling Specialists, Inc. (EMSI).

DATA SOURCES: COMPETITIVE SCORECARDS

ECONOMIC PERFORMANCE

- 1-year and 5-year employment change: Economic Modeling Specialists Intl. (EMSI)
- Unemployment rate: U.S. Bureau of Labor Statistics (BLS)
- Business bankruptcy rate per 1,000 establishments and 5-year change: U.S. District Courts via Moody's; EMSI
- Exports per job: EMSI
- Gross domestic product per job: EMSI
- Wages, salaries, & proprietor earnings and 5-year change: EMSI
- Per capita income and 5-year change: BEA
- Total and child poverty rate and 5-year changes: U.S. Census Bureau, Small Area Income and Poverty Estimates

WORKFORCE SUSTAINABILITY

- 5-year population growth rate: U.S. Census Bureau, Population Estimates
- 5-year labor force growth rate: BLS
- In-migrants without a high school diploma+: U.S. Census Bureau, ACS 5-year Estimates
- In-migrants with bachelor's degree and higher: U.S. Census Bureau, American Community Survey (ACS) 5-year Estimates
- Labor force participation rate and 5-year change: U.S. Census Bureau, ACS 5-year Estimates
- Employment to population ratio and 5-year change: U.S. Census Bureau, ACS 5-year Estimates
- Population dependency ratio (under 18 + over 65/18-64): U.S. Census Bureau, Population Estimates
- Workforce dependency ratio (aged 25-44/aged 45-64): U.S. Census Bureau, Population Estimates
- Workers aged 55+: EMSI
- Percent of 3- and 4-year olds enrolled in pre-K: U.S. Census Bureau, ACS 5-year Estimates
- Share of population aged 18 to 24 enrolled in college: U.S. Census Bureau, ACS 5-year Estimates
- Percent of population aged 18-24 with some college or college degree and 5-year change: U.S. Census Bureau, ACS 5-year Estimates
- Share of adults aged 25+ with associate degree and higher and 5-year change: U.S. Census Bureau, ACS 5-year Estimates

- Share of adults aged 25+ with bachelor's degree and higher and 5-year change: U.S. Census Bureau, ACS 5-year Estimates

INNOVATION AND ENTREPRENEURSHIP

- Patents per 10,000 residents: United States Patent and Trademark Office (USPTO)
- Self-employment as a percentage of all jobs and 5-year change: EMSI
- Average annual earnings of self-employed workers and 5-year change: EMSI
- Percentage of employment in firms with fewer than 50 employees and 5-year change: U.S. Census Bureau, Quarterly Workforce Indicators (QWI)
- Percentage of employment in firms with fewer than 5 years old and 5-year change: QWI
- Small business loans (originations) per 1,000 residents and 5-year change: U.S. Federal Financial Institutions Examination Council (FFIEC): Community Reinvestment Act (CRA), Moody's Analytics Calculated; U.S. Census Bureau, Population Estimates

BUSINESS ENVIRONMENT

- Air passenger departures and 5-year change: Federal Aviation Administration (FAA), Research and Innovative Technology Administration Bureau of Transportation Statistics (RITA-BTS)
- Air freight/mail (lb. in millions) and 5-year change: Federal Aviation Administration (FAA), Research and Innovative Technology Administration Bureau of Transportation Statistics (RITA-BTS)
- State-level commercial electricity costs: Energy Information Administration (EIA)
- State-level industrial electricity costs: EIA
- Ratio of labor productivity to labor costs: EMSI
- Business Climate Perceptions: Tax Foundation, CNBC, and Forbes

QUALITY OF LIFE

- Percentage of commuters who drive alone to work: U.S. Census Bureau, ACS 5-year Estimates
- Percentage of commuters with commute times greater than 30 Minutes: U.S. Census Bureau, ACS 5-year Estimates
- Home affordability index, using median home value: U.S. Census Bureau, ACS 5-year Estimates
- Renters spending 30% or more of income on rent: U.S. Census, ACS 5-year Estimates
- Cost of living index: Sperling’s
- Physicians per 100,000 residents: Sperling's
- Adults reporting fair or poor health: Robert Wood Johnson Foundation, County Health Rankings and Roadmaps
- Adults reporting a BMI of greater than or equal to 30: County Health Rankings and Roadmaps
- Population under age 65 without health insurance: County Health Rankings and Roadmaps
- Walk Score (principal city): Walkscore.com
- Recreation and fitness facilities per 100,000 residents: U.S. Department of Agriculture Health Atlas

GEOGRAPHIES

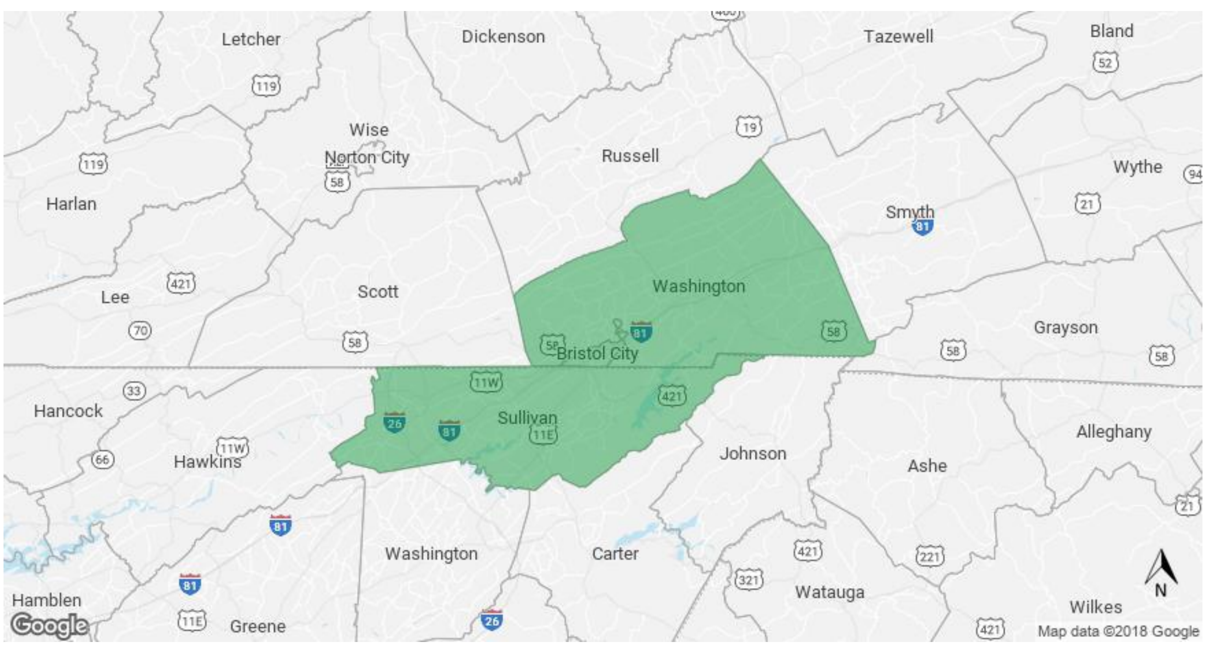
Through this assessment, **the Bristol area** represents the geography including the independent city of Bristol, VA; Washington County, VA; and Sullivan County, TN, which contains Bristol, TN. This geography was selected to maximize data availability, understanding that while Bristol, VA is an independent city, Washington County, the county surrounding the Virginia side of the city is similar to the remainder of Sullivan County, TN that surrounds the Tennessee side of the city.

For certain indicators, the geography examined was the twin city of Bristol, TN-VA. In the document, when **Bristol, TN-VA** is referenced, it represents the aggregation of the official cities of Bristol, TN and Bristol, VA, in terms of their formal boundaries as recognized by public data sources.

In this Community Assessment, the Bristol area is benchmarked against three communities with which it might legitimately compete for jobs, workers, and investment: **Augusta County, VA + Staunton, VA; Spartanburg County, SC;** and **Spotsylvania County, VA + Fredericksburg, VA**. The counties surrounding the selected Virginia independent cities are included for more parallel comparison to counties in other states. Comparative data for Tennessee, Virginia, and the U.S. are incorporated as needed to highlight certain key trends.

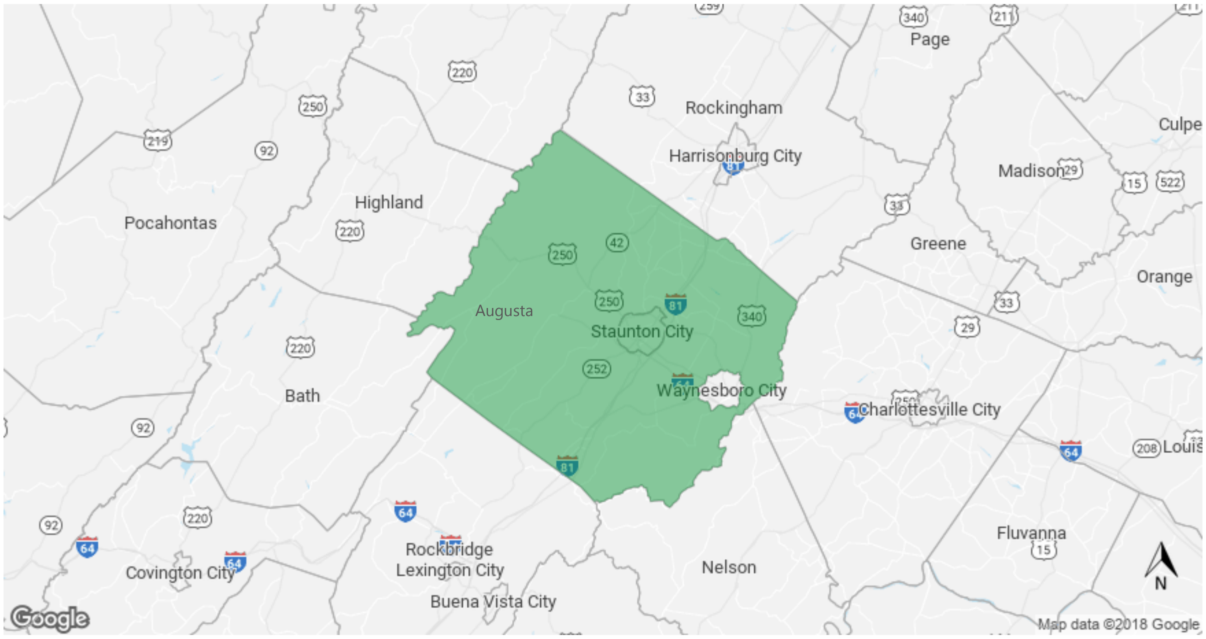
The following maps illustrate the geographies examined in this assessment.

BRISTOL AREA

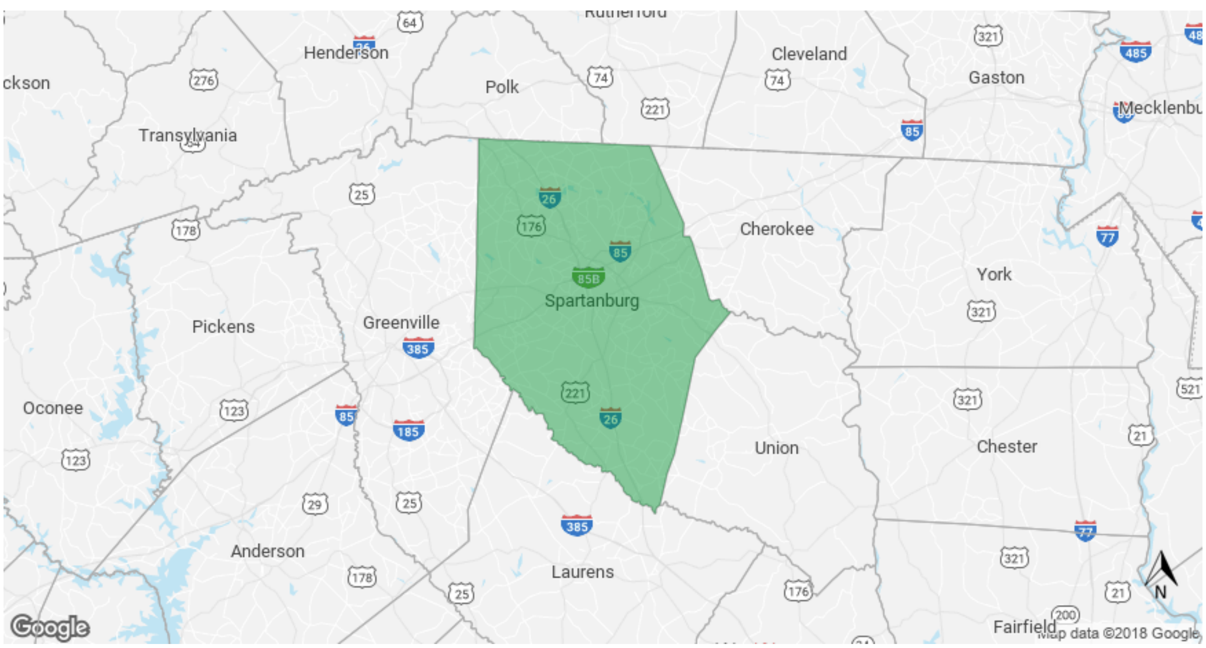


This custom geography includes Bristol, TN; Bristol, VA; and the counties surrounding these geographies, Washington County, VA, for which data is separate from Bristol, VA, and Sullivan County, TN, for which data includes Bristol, TN.

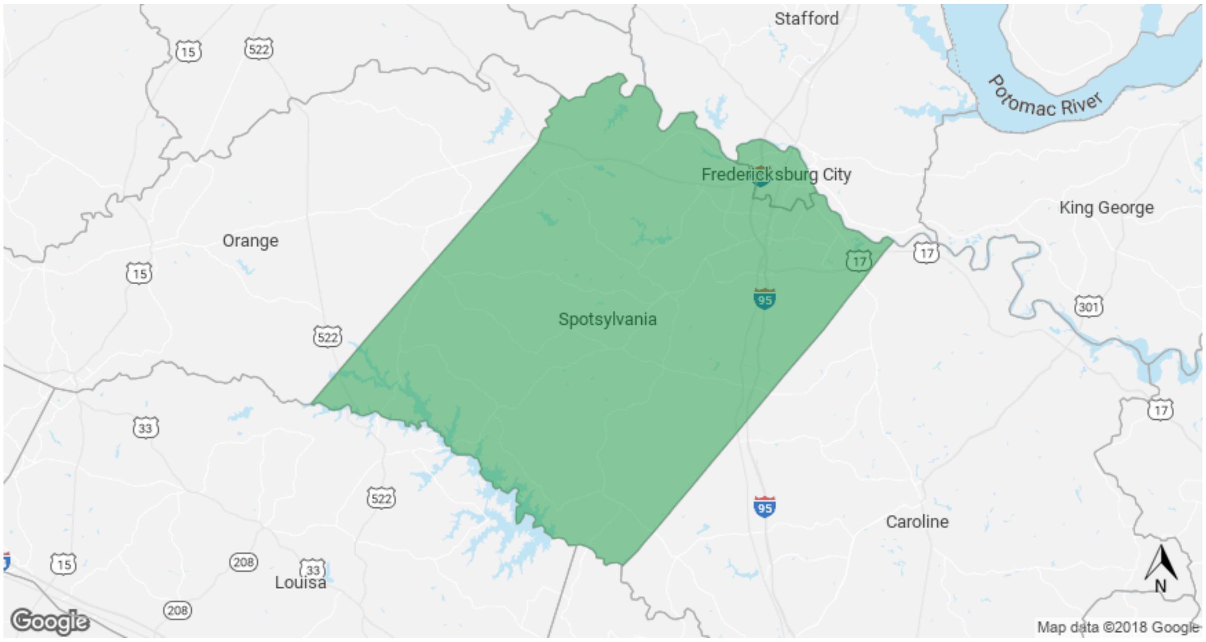
AUGUSTA COUNTY, VA + STAUNTON, VA



SPARTANBURG COUNTY, SC



SPOTSYLVANIA COUNTY, VA + FREDERICKSBURG, VA



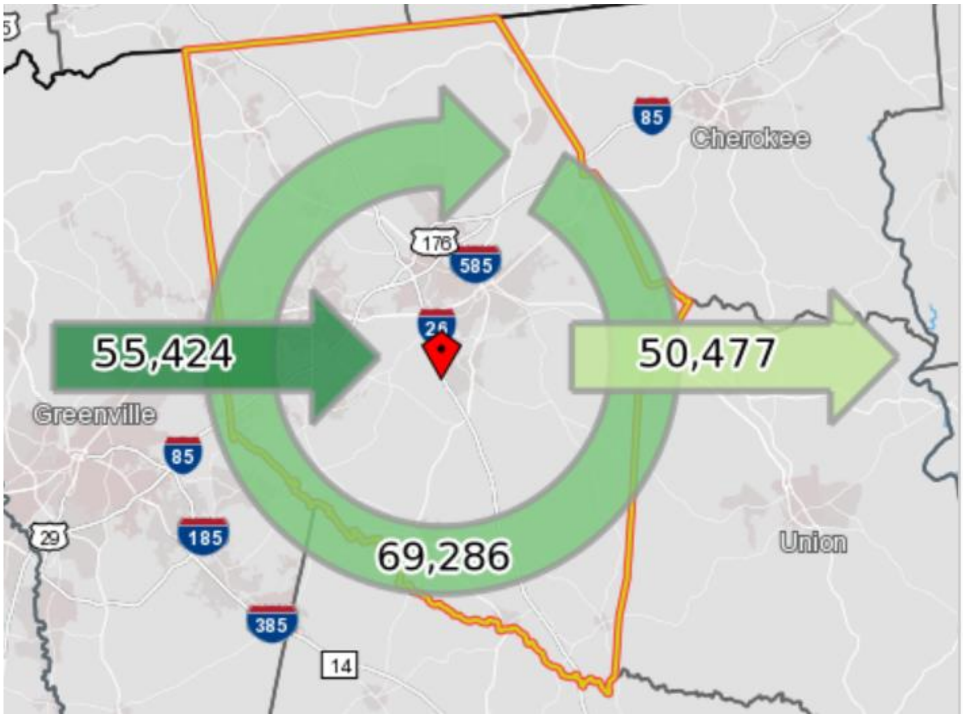
ADDITIONAL REQUESTED DATA

At the December 12, 2018 Steering Committee meeting during which the draft Community Assessment was presented, Steering Committee members requested various data points to complement this report, as follows.

Inflow and Outflow of Workers in the Comparison Communities

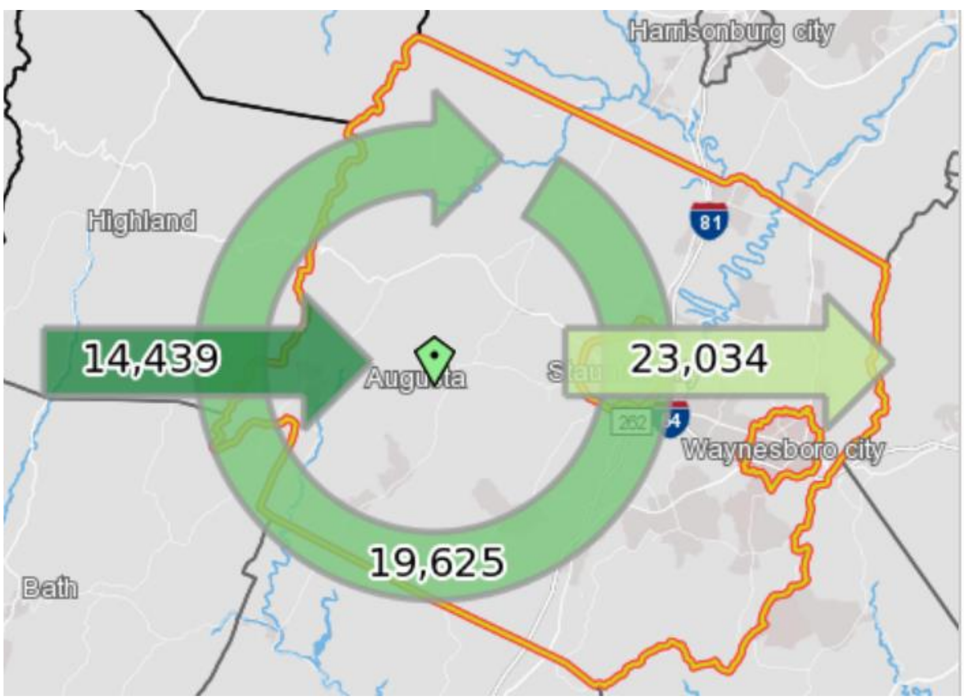
The Community Assessment reveals that in 2015, 16,531 workers commuted into Bristol, TN-VA daily for employment, 9,701 residents commuted out for work, and 7,406 both lived and worked in the twin cities. The following graphics show these figures for the comparison communities examined in this report.

INFLOW AND OUTFLOW OF WORKERS, SPARTANBURG COUNTY, 2015



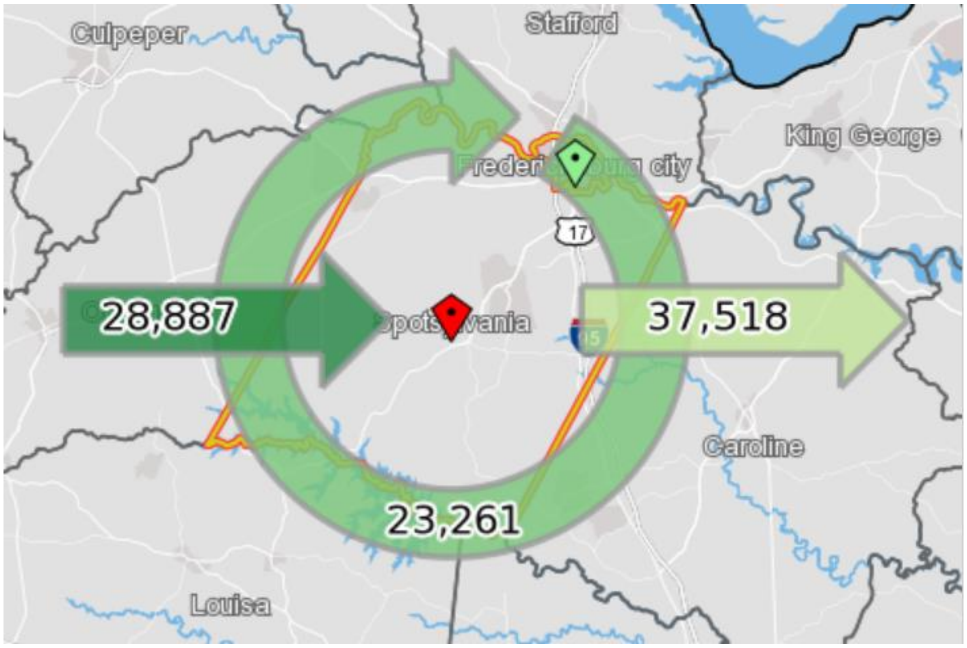
Source: U.S. Census Bureau, OnTheMap

INFLOW AND OUTFLOW OF WORKERS, AUGUSTA COUNTY + STAUNTON, VA, 2015



Source: U.S. Census Bureau, OnTheMap

INFLOW AND OUTFLOW OF WORKERS, SPOTSYLVANIA COUNTY + FREDERICKSBURG, VA, 2015



Source: U.S. Census Bureau, OnTheMap

Labor Force Statistics

The committee was interested in seeing the labor force participation rate disaggregated by the components of the Bristol area. The following table includes this information. Another question from the committee concerned quantifying the difference between the Bristol area's LFPR and the national LFPR. The Bristol area would need to add 13,661 existing residents to the labor force to reach the national LFPR.

LABOR FORCE PARTICIPATION RATE, 16+, 2012-2016

Geography	2012-16	Pct. Pt. Chg.
Bristol Area	56.3%	-1.0%
Bristol, VA	58.8%	3.8%
Washington County, VA	57.1%	-1.1%
Sullivan County, TN	55.7%	-1.5%
Augusta County, VA + Staunton, VA	59.3%	-1.1%
Spartanburg, SC	61.1%	-0.6%
Spotsylvania County, VA + Fredericksburg, VA	67.8%	-0.9%
Tennessee	61.1%	-1.6%
Virginia	66.2%	-1.0%
United States	63.5%	-1.3%

Source: U.S. Bureau of Labor Statistics; U.S. Census Bureau