



**COG**  
**LOWER SAVANNAH**

Council of Governments

**AN ECONOMIC  
ASSESSMENT OF  
THE SIX-COUNTY  
REGION**

Commissioned by:



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# EXECUTIVE SUMMARY

The purpose of this report is to provide a comprehensive economic assessment of the six-county Lower Savannah Council of Governments (LSCOG) region, which includes the counties of Aiken, Allendale, Bamberg, Barnwell, Calhoun, and Orangeburg. This assessment begins with a detailed review of various economic and demographic data documenting the long-

run economic history of the region as well as the impact of the COVID-19 pandemic. This is then followed by an overview of potential growth opportunities that have been identified that the LSCOG region can utilize to maximize its future growth potential based on regional industry clusters and existing industry and workforce composition.

The key findings of the report are as follows:

*The LSCOG region comprises an area of the Palmetto State that has consistently struggled with employment and population losses in recent decades dating back to the 1990s.* For example, during the decade-long U.S. economic expansion that preceded the COVID-19 pandemic, South Carolina experienced total employment growth of 19.7 percent while the LSCOG region saw an increase of just 5.3 percent over the same time period. In addition, while South Carolina's population has increased by 46.8 percent since 1990, the LSCOG region has seen total population growth of just 15.6 percent, with Aiken County being the only county in the region to have experienced any population growth since 2010. More generally, ***Aiken County appears to be a positive outlier across many economic and demographic metrics that can be observed for the region as a whole.***

The population of the LSCOG region is historically older and maintains lower educational attainment relative to the state average. And because educational attainment is highly correlated with income levels, households in the LSCOG region also maintain lower income levels relative to the state average. These differences are likely tied directly to the lack of general employment growth in the region. ***Because of relatively fewer job opportunities for individuals with advanced degrees, younger people with higher levels of education are moving to other areas of South Carolina and contributing to the general population decline of the LSCOG region.*** This phenomenon can also be observed through the fact that nearly half (47.8%) of all employed residents of the LSCOG region commute to work at a job located outside of the region.

Since 2020, the onset of the COVID-19 pandemic has had a profound effect on the economies of both South Carolina and the LSCOG region. Between February 2020 and April 2020, South Carolina's unemployment rate increased from 2.9 percent to 11.6 percent, with statewide employment losses exceeding 300,000 – or 14 percent of the total employment base. Yet despite these significant decreases, South Carolina rapidly recovered and regained virtually all employment losses incurred as a result of the COVID-19 recession in less than two years. Such a rapid recovery is known as a V-shaped recovery pattern. ***The rapid, statewide V-shaped recovery pattern that followed the COVID-19 recession, however, did not extend to the majority of the LSCOG region.*** For example, employment in Allendale, Bamberg, Barnwell, and Orangeburg counties has trended downward before, during, and after the COVID-19 recession of 2020, making the pandemic's impact hard to isolate from longer-run employment trends. Aiken and Calhoun counties, by contrast, experienced the same V-shaped recovery pattern as the state as a whole.

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Even though the LSCOG region has experienced a long period of relatively slow growth compared to South Carolina as a whole, this report also identifies several opportunities to accelerate its economic gains in the coming years.

- **A focus on advanced manufacturing and logistics**
  - *Both sectors are likely to be among the primary industry segments that will drive growth for South Carolina's economy over the next decade, meaning that the growth and development of business sectors that can support these larger industries throughout the state will be advantageous*
  - *These sectors also maintain higher than average employment multiplier effects in the LSCOG region. This implies that an expansion of these industry sectors would generate a relatively higher employment return in the region for any given level of investment*
  
- **A focus on warehousing and distribution-based businesses**
  - *The LSCOG region maintains competitive advantages in the general availability and cost of land, making any type of business with land-intensive operations more attracted to this region*
  - *Additionally, various modes of transportation – including proximity to the Port of Charleston and multiple interstate highway systems – make this region well-suited for these industries*
  
- **A focus on aligning higher education and local employment opportunities**
  - *Ensuring that education programs are available to prepare students for currently open jobs*
  - *Coordination between LSCOG economic development and workforce development initiatives to ensure availability of educational programs and graduates that match industry needs*
  - *Incorporate soft skills training into all existing higher education and workforce programs, as this is an identified area of concern of local businesses*
  
- **A focus on assisting businesses with expanding referral networks**
  - *Large scale, impersonal recruitment efforts are not cited by local businesses as the most effective tools for hiring workers*
  - *The majority of survey respondents believe the most effective hiring originates from word of mouth, personal referrals, and connections through individual social networks*
  
- **A focus on mitigating long-run demographic shifts, including an aging U.S. population**
  - *Identifying opportunities to keep older residents in the labor force; this may include more flexible shifts and/or hours*
  - *Improving K-12 education performance as a strategy to attract younger workers and their families who may have previously left the region to pursue higher education, job opportunities, or military service*
  
- **A focus on incentivizing resident retention and recruitment**
  - *Although there is a long history of providing incentives for business location and expansion, this strategy can also be applied to residents*
  - *Such a strategy could take the form of financial incentives targeted towards recruiting younger individuals to live and/or work in the region (e.g., assistance with student loan relief, housing down payments, etc.)*
  - *Ensuring that post-pandemic working norms are generally available in the LSCOG region*
    - *Widespread reliable broadband access*
    - *Streamline and simplify the local requirements for starting a small business*
    - *Determine the demand for communal work spaces to support new small businesses and remote workers*

Given that South Carolina and the broader Southeastern United States is projected to have among the highest rates of economic growth in the coming years, there is perhaps no better time to strengthen efforts to improve the competitiveness of the LSCOG region.