

# 2022 Local Incentives Study

The North Carolina Economic Development Association and Creative Economic Development Consulting surveyed local economic development agencies across North Carolina to gauge the usage and terms for incentives for economic development. Ninety-two organizations responded to the survey representing 63 of North Carolina's 100 counties, 23 municipalities with economic development programs, and six nonprofit organizations. The results of this study can be used to inform local governments about standard incentive practices in North Carolina.

## Counties

**94%** offer incentives

**66%** have an adopted incentive policy

**63%** have an investment **threshold**

**48%** have a job creation **threshold**

**70%** require companies pay the **average county wage**

**68%** require companies pay a portion of **employee health insurance**

Most cited sectors eligible **Manufacturing, Distribution, HQs, Information, and R&D**

**51-60%** and **71-80%** tied as the amount of grant offered as **% of net new property tax revenue**

**5 years** most standard payout

## Municipalities

**91%** offer incentives

**75%** have an adopted incentive policy

**66%** have an investment **threshold**

**44%** have a job creation **threshold**

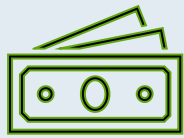
**61%** require companies pay the **average county wage**

**52%** require companies pay a portion of **employee health insurance**

Most cited sectors eligible **Manufacturing, Distribution, HQs, Information, and R&D**

Grants typically equal **71-80%** of **net new property tax revenue**

**5 years** most standard payout



**81%**

offer cash grants as incentives



**65%**

offer water and/or sewer infrastructure improvements as incentives



**79%**

have no restrictions on how cash grants are expended



**98%**

require an incentive contract



**47%**

offer retention incentives

## Trends

- ⦿ Increase in eligibility thresholds: investment (64% to 65%), job (38% to 49%), wage (57% to 80%), and employer contributions to health insurance (30% to 63%).
- ⦿ Grants as a percentage of net new property tax revenue stayed about the same at 71-80%. At the county level, that category tied with the 51-60% category.
- ⦿ Most cited years of grant payments stayed the same at 5 years.
- ⦿ Cash grants as the most common form of incentive declined from 94% to 81%.
- ⦿ Increase in the % requiring an incentive contract, from 92% to 98%.

*The survey was sent to members of NCEDA and promoted to the North Carolina economic development community through e-communications and social media. There were 95 responses.*