

## CHAPTER 6: ECONOMIC ELEMENT

HOW WE THRIVE



The Town of Sullivan’s Island occupies a unique economic niche within the region. By capitalizing on the small beach town atmosphere while still preserving the historic residential community character of the island, Sullivan’s Island has created a thriving and highly desirable sense of place. The blend of residents, visitors, and businesses within the Town all contribute to its economic basis and as such, should be considered when making economic policy decisions within the Town.

INCOME

Household income is one of the most commonly used economic measures at the local level. This is calculated by combining the earnings of all individuals (ages 15+) in a household. In 2022, the median household income (MHI) in Sullivan’s Island was estimated at \$171,838, a 69% increase since 2010 when the MHI was estimated at \$101,563. This was the second highest growth rate when compared to other beach towns in Charleston County (Figure 6.1). The MHI in Sullivan’s Island was similar to IOP’s in both 2010 and 2022.

In an effort to explain this increase, Figure 6.2 compares household income between 2010 and 2022 by income levels to show exactly where these shifts occurred. The most notable change between 2010 and 2022 was in households earning over \$200,000, increasing by more than 16 percentage points. Figure 6.2 also shows that over three-fourths of households in Sullivan’s Island earned at least \$75,000 in annual income in 2022, which was the approximate MHI of Charleston County and the nation in 2022.

Figure 6.1: Comparison of Median Household Income: 2010-2022

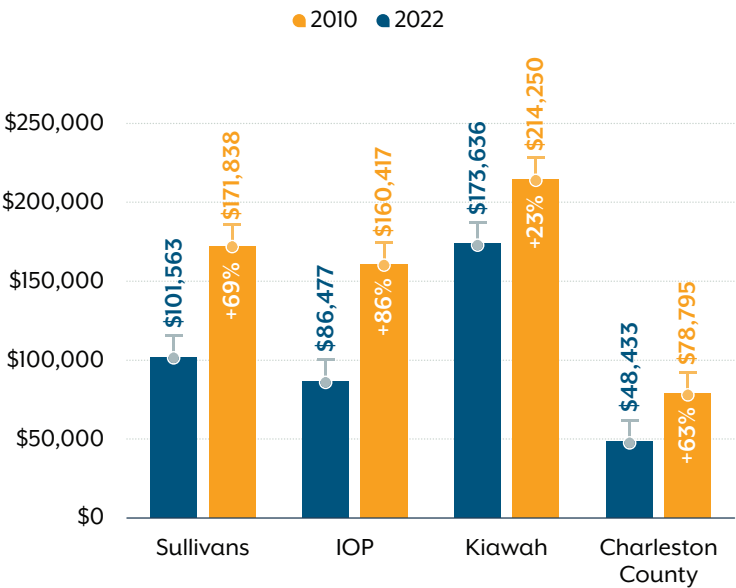
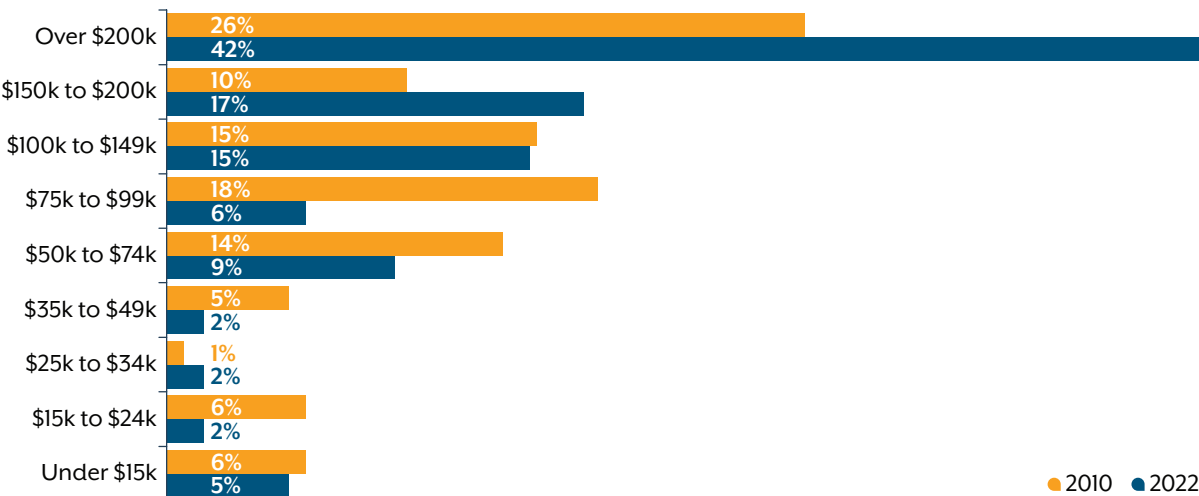


Figure 6.2: Change in Household Income by Income Brackets: 2010-2022





## LABOR FORCE

The labor force is a foundational element in any community's economic profile. Most economic measures, like work status, occupation, earnings, etc., are based off the labor force, specifically those that are participating in the labor force. Overall, the total labor force consists of all participating individuals ages 16+ that are either actively employed, actively seeking employment, or actively serving in the armed forces. In 2022, Sullivan's Island had an estimated 1,213 people actively participating in the labor force, a participation rate of 60.6%. Of those 1,213 people, 1,194 were employed and 19 were unemployed (Table 6.1).

**Table 6.1:** Change in Labor Force and Participation, 2000-2022

	2000	2010	2015	2022
Total Population 16+	1,500	1,659	1,676	2,001
In Labor Force	1,013	1,105	1,070	1,213
Employed	998	1,090	1,027	1,194
Unemployed	15	15	43	19
Armed Forces	0	0	0	0
Not in Labor Force	487	554	606	788
Unemployment Rate	1.5%	1.4%	4.0%	1.6%
Participation Rate	67.5%	66.6%	63.8%	60.6%

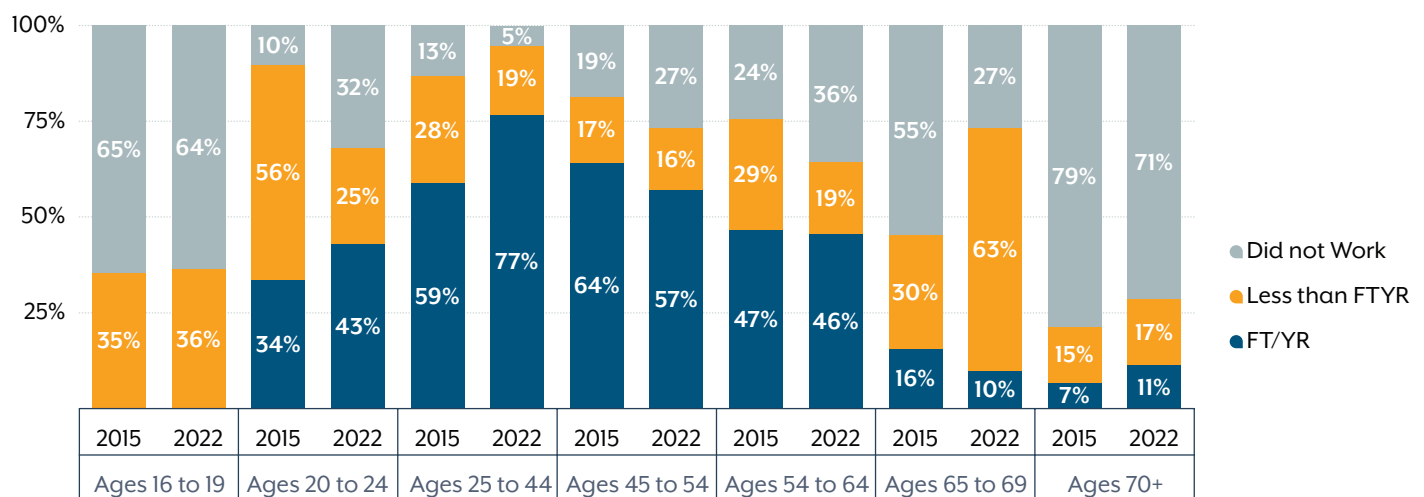
## Work Status

Given the declining participation rate, it can be informative to dive into potential causations that could not only help explain this trend, but also provide insight on whether it is likely to continue in the future. The work status classifies people ages 16+ who reported to either work full-time, year-round (FTYR), work less than full-time, year-round, or who did not work in the past year. Figure 6.3 compares the work status by age cohorts to reveal any shifts in people not working or participating in the labor force.

The most notable changes shown in Figure 6.3 between 2015 and 2022 were:

- The increase in people ages 20 to 24 who reported to have not worked in the past year,
- The increase in Full Time Year-Round (FTYR) workers ages 25 to 44, and
- The significant decrease of people ages 65 to 69 reporting to have not worked in the past year likely resulting from the increase in workers ages 65 to 69 who reported working less than FTYR.

**Figure 6.3:** Change in Work Status by Age Cohorts, 2015-2022



Typically, the younger and older age cohorts (Ages 16 to 19 and 65+) are more likely to be working less than FTYR or not working at all due to school or retirement. This holds true for Sullivan's Island in both 2015 and 2022, as a majority of people ages 16 to 19 and 70+ reported to have not worked in the past year. Additionally, with one-third of residents estimated to be over the age of 65 in 2022 (as discussed in the Population Element), the sheer size of that population group likely contributed to the decline in the Town's overall participation rate.

## BUSINESS AND INDUSTRY ANALYSIS

Businesses and their employees can be classified by industry. Industry classifications focus on the entire business and type of work that business conducts. As such, employees at any given business are all classified under one industry, regardless of occupation.

In 2023, Esri's Community Analyst tool estimated that Sullivan's Island had 85 total businesses located within Town, employing an estimated 660 employees. **Table 6.2** classifies these businesses and employees using the North American Industry Classification System (NAICS) code. As **Table 6.2** outlines, Other Services (except Public Administration) and Accommodation and Food Services had the largest number of businesses within Town while the Accommodation and Food Services industry employed the largest number of people. Businesses that would fall under the Accommodation and Food Services industry class include restaurants, bars/taverns, hotels/motels, and bed & breakfasts.

**Table 6.2:** Number of Businesses and Employees by Industry, 2023

INDUSTRIES BY NAICS CODE	BUSINESSES		EMPLOYEES	
	NUMBER	PERCENT	NUMBER	PERCENT
Agriculture, Forestry, Fishing & Hunting	0	0%	0	0%
Mining	0	0%	0	0%
Utilities	0	0%	0	0%
Construction	5	5.90%	36	5.50%
Manufacturing	0	0%	0	0%
Wholesale Trade	1	1.20%	5	0.80%
Retail Trade	6	7.10%	22	3.30%
Transportation & Warehousing	1	1.20%	2	0.30%
Information	5	5.90%	35	5.30%
Finance & Insurance	3	3.50%	17	2.60%
Real Estate, Rental, & Leasing	8	9.40%	23	3.50%
Professional, Scientific, and Tech Services	7	8.20%	29	4.40%
<i>Legal Services</i>	<i>1</i>	<i>1.20%</i>	<i>3</i>	<i>0.50%</i>
Management of Companies and Enterprises	1	1.20%	2	0.30%
Administrative, Support, and Waste Mgmt. Services	1	1.20%	4	0.60%
Educational Services	2	2.40%	48	7.30%
Health Care and Social Assistance	6	7.10%	80	12.10%
Arts, Entertainment, and Recreation	3	3.50%	33	5.00%
Accommodation and Food Services	11	12.90%	185	28.00%
<i>Accommodation</i>	<i>1</i>	<i>1.20%</i>	<i>15</i>	<i>2.30%</i>
<i>Food Services and Drinking Places</i>	<i>10</i>	<i>11.80%</i>	<i>170</i>	<i>25.80%</i>
Other Services (except Public Administration)	13	15.30%	62	9.40%
Public Administration	7	8.20%	77	11.70%
Unclassified Establishments	5	5.90%	0	0.00%
<b>Total</b>	<b>85</b>	<b>100%</b>	<b>660</b>	<b>100%</b>



Some of the top employers within the Town include (in alphabetical order) Durst Family Medicine, Fort Sumter and Fort Moultrie National Historic Park Visitor Center, Home Team BBQ, Poe's Tavern, Sullivan's Island Elementary School, Sullivan's Island Local Government, and Sullivan's Restaurant. These top employers were all reported to employ 20+ employees in 2023. Lastly, Esri's Community Analyst also reported that in 2023, the 85 businesses located in Town estimated just over \$65 million in sales.

### *The Natural and Historical Environment as an Economic Asset*

The natural environment plays a significant role in Sullivan's Island local economy, drawing people to live and explore the Island. The surrounding ocean and marsh, expansive views, and recreational opportunities attract visitors and residents alike. Economic benefits from these amenities include: increased property values and seasonal support of local businesses. These benefits add to the Town's wealth in two ways. First, they provide business and property owners opportunities to make personal financial gains and assist in protecting their individual investments. Second, the economic benefits of the beach provide the Town increased income through business licenses, accommodations taxes, and higher property assessments.

Likewise, the history of Sullivan's Island draws future residents and visitors to either live or visit the Island. From the storied 17th century military post of Captain Florence O'Sullivan, to the local designation of the Moultrieville, Sullivan's Island, and Atlanticville historic districts, the economic benefits to the community are great. A more detailed historical narrative can be viewed in Chapter 5 -Cultural Resources or a very succinct narrative may be viewed here: <http://sullivansisland-sc.com/Files/Historic%20Preservation/Historical%20Summary.pdf>

