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3 **Hayne Hipp**

4 **London: I am speaking with Mr. Hayne Hipp and I want to welcome you**  
5 **and thank you for joining us today. I want to start, first of all, by asking you**  
6 **what is your vision for South Carolina ten years down the road?**

7 **Hipp:** Well, Donna, I think as we talk about where South Carolina should be in  
8 ten years; there are a couple of distinctive things about South Carolina. One of  
9 those is that South Carolina is really not a state, it's a community and it is a tight-  
10 knit community. We have certain advantages in that geographically we are small  
11 and there is a lot of communication. It is important as we talk about South  
12 Carolina and where we want to go, that we focus on communications among  
13 South Carolinians on the positive aspects. How do we move the state forward?  
14 What do we do to make South Carolina better for South Carolinians and we can  
15 do because of the uniqueness of this state geographically and from a personality  
16 point of view? So that's one factor. Another factor is that as you look at the state  
17 and where it's going, the state has always had an issue of capital. By that,  
18 capital creates wealth. Wealth is what makes its citizens strong. In the 30s, 40s,  
19 and 50s, South Carolina was a capital poor state. It basically was a  
20 sharecropper's state. If you remember and you look at your history, Georgetown  
21 County prior to the Civil War was the richest county in the Country. After the  
22 War, it was the one of the poorest. That whole area was poor. In the late 50s,  
23 60s, 70s and 80s, a number of South Carolinians built businesses. We created  
24 our wealth, we created capital and were able to invest that. With that investment  
25 of capital, true profits stay in the community. Then in the late 80s, and 90s a  
26 number of the companies sold, Daniel, the construction industry, textile industry,  
27 the insurance industry including our company, Liberty Life, the banks. We no  
28 longer have those based here in South Carolina and we have once again  
29 become capital poor. We have become a sophisticated version of a  
30 sharecroppers state. So, as we look at where the state should go, we really  
31 need to be thinking, "how do we regain that momentum so that we can create  
32 that wealth that will stay in South Carolina and how do we do that taking  
33 advantage of the fact that we are a community and not really a state?" So those  
34 are two platforms that as we talk, keep that in mind.

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36 **London: Are there some specific things we should be doing that will bring**  
37 **us back to a capital intensive state?**

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39 **Hipp:** Yes. They are what I would call unglamorous issues. It's not razzmatazz  
40 type of stuff. Let's just take one issue, the way our state government works. The  
41 Budget and Control issue. And let's ignore who happens to be governor, who  
42 happens to be Speaker of the House and who is the head of the Senate. That is  
43 not the issue. The fact is that type of government is now obsolete, because no  
44 one has to take responsibility, there is no accountability, and a person with vision  
45 would have difficulty working and driving an agenda that would have a positive  
46 impact. But, you sit there and you say how do I bring the message to the voters

1 of South Carolina, to the citizens of South Carolina, and say if we change and  
2 move to a more effective form of government, here are your benefits. Because  
3 the benefits are long range. There is accountability built into there. There is  
4 measurability built into there. It has the potential, instead of dealing with  
5 localism, you have issues that are across the state, we can deal with them on a  
6 statewide basis. So we need to address that. The challenge is how do you  
7 effectively communicate that to all the citizens of South Carolina so they can say  
8 you are absolutely right and here is where I will benefit and let's move on with it.

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10 **London: Are there other key issues that should be addressed in order to**  
11 **achieve this vision?**

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13 **Hipp:** As you talk to people across the state, particularly you with the project that  
14 you are doing, that you will find that there is a regular theme that we have an  
15 issue of education. We have an issue of health. We have an issue of  
16 infrastructure. We have the same long list of issues that all states have, all  
17 communities have and all families have. We need to figure out a way to bring  
18 those together so that we can begin to deal with them. When you talk about  
19 globalization, which seems to be on everybody's mind, obviously you have to  
20 have a work force that is competitive because a noncompetitive workforce is not  
21 going to be able to create that wealth and generate those profits, which they can  
22 invest back into their families, and in their community. So education, a tolerance  
23 of diversity of perspectives, a bringing together of all the citizens regardless of  
24 their background, religion or color. All of those are issues that communities are  
25 challenged with. We have the potential to address those, we just need to move  
26 forward.

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28 **London: Do you believe the next generation of South Carolinians will be**  
29 **competitive in the global economy?**

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31 **Hipp:** I do if we are prepared to make those changes. I think the next  
32 generation is going to be key. I'm talking about, as you said, in that 10-year  
33 period, we have to move the thought process that education is probably the most  
34 valuable and tangible thing, reward, that we can pass on to our children. Without  
35 that education, they are not going to be able to compete. So South Carolinians,  
36 we need to be putting a higher value on education than I think we presently do.

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38 **London: How should we position ourselves to take advantage of the new**  
39 **global economy and still maintain the quality of life that we have in South**  
40 **Carolina?**

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42 **Hipp:** We can maintain the quality of life because the global economy does not  
43 mean a heavy polluter. It does not mean an industry that is going to come in and  
44 take advantage of the natural resources we have, the work capabilities that the  
45 citizens have. It really means to create real wealth and to compete, what you've  
46 got to have is brains. Whether it's coming out of Clemson, Furman or Greenville

1 Tech. When you look at the drop out rates, we ought to have a commitment that  
2 every child who goes and enters into the 9<sup>th</sup> and 10<sup>th</sup> grade, graduates from high  
3 school. Now that may be a little bit idealistic, but if we set that as our goal, as our  
4 vision, we will certainly move further along and move South Carolina forward. So  
5 if we move up from 40 percent to 50 percent, to 70 percent to 80 percent, we are  
6 still significantly further ahead than where we are today.

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8 **London: Let's get back to the discussion about the business community  
9 and the strength of the business community. Because the state's  
10 wellbeing is so dependent on the business community, what do you see as  
11 the connection between the state's wellbeing and philanthropy?**

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13 **Hipp:** Well, to give away money, you have to have money. If we aren't  
14 generating our own wealth and our own profits, then what are we going to give  
15 away? That comes back to we have to figure out a way where we can build  
16 businesses here. We have been tremendously successful in attracting  
17 businesses that are not headquartered here. Once they get here, they obviously  
18 have the same passion, the same love for the state, as those of us who grew up  
19 here. We want to figure out a way to capture that and have them reinvest those  
20 profits back into the community, not back into a different place, but back into  
21 South Carolina. We've done a good job of that. We need to do a much better  
22 job of that.

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24 **London: In your mind, are we headed in the right direction in the state of  
25 South Carolina?**

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27 **Hipp:** All the pieces are in place. When you look at the various programs that  
28 are underway. When you look at the Michael Porter Report, the Palmetto  
29 Institute, New Carolina, Liberty Fellowship Program, Leadership South Carolina.  
30 All of those pieces are there. What we have not been able to successfully do is  
31 take that momentum, take that enthusiasm, take those reports, take those brains,  
32 and effectively move it all forward together in a coordinated way. That is what  
33 will be key in moving South Carolina forward and again, at the risk of being  
34 redundant, making South Carolina a better place for South Carolinians.

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36 **London: What are the responsibilities of South Carolinians in meeting the  
37 needs of future generations of South Carolinians?**

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39 **Hipp:** First of all, I think we have been extraordinarily lucky to have lived here, to  
40 have worked here, to have enjoyed the natural resources, to have enjoyed the  
41 companionship of other South Carolinians, to have built businesses here. It gets  
42 down to the good life, not the cibaritic life, not the wasteful life, but the just  
43 society and the obligation to give back to the community when all of us have  
44 been so fortunate to receive so much. It doesn't necessarily have to be a  
45 business person. It is a teacher, a housewife, a nonprofit head. It doesn't make  
46 any difference. Once we all begin to give back to the community, to be a good

1 servant, that is the key to success. To put aside the differences in a very small  
2 state that really we shouldn't get bogged down into, and really focus on the big  
3 picture of moving South Carolina forward.

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5 **London: Partnership and wholistic thinking is important.**

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7 **Hipp:** I will buy into wholistic and partnership all day long.

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9 **London: Other specific issues that we should be addressing?**

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11 **Hipp:** Well, we have environmental issues. We are addressing those. We have  
12 educational issues. We are addressing those. We have business issues. We  
13 have legal issues. We are addressing those. All of the issues are being  
14 addressed. But at some point, let's get past addressing and begin to make  
15 something happen. That comes back to bringing us together. The fact that we  
16 are a small state. We are actually a community and let's all work together and  
17 put aside the very small differences that we have and focus on the overall good  
18 of the state.

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20 **London: Do we have the political will to do that?**

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22 **Hipp:** That will be an interesting question. I think that there is a political will  
23 there but we are hampered by politics. Even though there is the political will.  
24 That sounds a little jumbo mumbo. At some point, the various parties must put  
25 aside the differences and decide what is the best for South Carolina, not what is  
26 the best for my party or my business or my community. But what is the best we  
27 can do for everybody? We may have an agenda that is this long, but we will  
28 agree on 70 or 80 percent. Let's agree to get the 70 or 80 percent done. Then  
29 we will have the luxury of coming back and arguing over the remaining 20.

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31 **London: Well said.**

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