

REPORT ON BUSINESS SURVEY FINDINGS
2001 Cumberland County Business and Employers Survey
Presented to County Economic Development Board
February 19, 2002

BACKGROUND

From late October through the month of November 2001, a comprehensive survey was sent out to approximately 4,500 employers in Cumberland County. There were 467 responses which are slightly greater than the targeted 10% response rate and represent a good rate of return for this type of survey.

The purpose of the survey is to assist the County Economic Development Board in establishing priorities for the amended 2002-03 Economic Development *Strategy for Action*. The data have been entered in a database that provides a very detailed analysis of the responses.

The report focuses on the straight, tabular responses to each of the questions asked. In addition, it offers analysis and cross tabulation of certain responses in order to bring a more specific focus to some of the issues raised. Strategy implications are also presented for the Board's discussion and consideration.

SURVEY RESULTS

It is evident from the first several questions of the survey that there was a good cross section of responses. The distribution of business types and the size of the firms are outlined in the following tables.

<u>Type of Business</u>	<u>Number of Responses</u>
Agriculture	11
Construction	21
Manufacturing	43
Wholesale Trade	16
Finance, Insurance, Real Estate	25
Transportation, Communication	14
Business Services	60
Retail Trade	100
Mineral Industries	2

**There were a significant number of "other" responses from firms that did not fit neatly into any one category, or from respondents who wanted to provide additional information.*

<u>Size of Firm</u>	<u># Responses</u>
Less Than 10	311
10 - 50	105
51 - 100	20
101 - 250	14
251 - 500	8
501 - 1000	0
More than 1000	4

<u>Size of Firm</u>	<u># Responses</u>
Less than \$100,000	96
\$100,000 - \$200,000	78
\$251,000 - \$500,000	70
\$501,000 - \$1,000,000	57
\$1,000,001 - \$5,000,000	96
Greater than \$5,000,000	44

Question #4 of the survey got into more subjective material. It asked, *"what factors or conditions caused you to establish your business in Cumberland County and are those factors still present?"* Most of the responses centered on family and other historical ties to the area. Many people grew up here. Others bought businesses that were already part of the community. When the responses strayed from generational or historical links to the area, they often focused on other aspects of location, quality of life, or natural resource issues. Things such as affordable housing, climate, a good environment, an enjoyable place to raise children were all mentioned as responses. Natural resources linked to fishing, boating, and silica sand were all mentioned. The Millville Airport was mentioned as a significant business resource and community asset. In summary, the responses from 2001 were very comparable to those of 1995 when locational, family, natural resources, and quality of life were also prominently mentioned factors.

Question #5 asked what people liked best about doing business in Cumberland County. There was a wide range of responses, but the majority of them were clustered around four themes -- "the people/customers," "the lifestyle," "location," and "business climate." Examples of specific responses show an appreciation for the friendly nature of the area, its close proximity to large markets and populations, good business incentives, a low cost of living, and a relatively rural lifestyle.

Question #6 asked the converse, what respondents liked least about doing business in the County. Again, the answers were diverse, but in this case, two themes seemed dominant -- "infrastructure issues," and "general economic conditions." Infrastructure issues centered primarily on road access to the region, public sewer, and business support facilities such as parking. Concerns about

economic conditions focused generally on downtown and neighborhood problems, high unemployment, the welfare population, and income levels.

In Question 7, the respondents were asked "which of the following characteristics, if any, are important reasons for your business remaining in Cumberland County? (Choose as many as you wish.) The frequency of responses is as follows.

Frequency of Responses

261	Roots in the Local Business Community
35	Good Access to Raw Materials
153	Good Location for Business
22	Quality Labor Force
168	Good Customer Base
10	Urban Enterprise Zone
61	Good Transportation/Access to Markets
144	Good Quality of Life in the Area
73	Costs of Land, Labor, and Capital
22	Education and Training Opportunities
35	Recreation and Tourism Opportunities
38	Empowerment Zone
35	Other

The top five responses to this question were then compared to the responses received in the 1995 survey to determine the extent to which sentiment may have shifted or changed over the years. This comparison can be seen in Table 4.

Reason for Remaining in County	% of Total Responses	
	1995	2001
Roots in Local Business Community	26.2	24.6
Good Customer Base	16.5	15.9
Good Location for Business	12.8	14.5
Good Quality of Life	11.6	13.6
Costs of Land, Labor, Capital	5.7	6.9

As can be seen from these responses, there has been very little change in the business retention priorities since 1995. Slightly more respondents view the location, quality of life, and cost of living offered by the County as important while a slightly smaller percent view family roots and local customer base as overriding factors.

There are a couple significant implications for County policy which stem from these results. First, if these are the top reasons for local businesses remaining in the County, many of these are also factors that should be promoted to attract business -- particularly issues of customer base, location,

quality of life, and affordability. Second, as part of the 2002 marketing program, the marketing committee has been discussing a new "Community Pride" campaign that would form the basis for a more comprehensive business retention program. These issues can be the basis for that campaign.

Question 8 asks if *"any of the following characteristics are causing you problems in your business? (Check as many as you wish.)* The responses are as follows.

- 30 Substance Abuse by Employees
- 136 Deterioration of Neighborhoods
- 56 Problems with Financing
- 123 Dealing with Government Regulations
- 45 Lack of Transportation to Job Site
- 172 Lack of Skilled or Motivated Work Force
- 42 Marketing Problems
- 65 Crime and Vandalism
- 50 Other

Table 5 contrasts these results to the 1995 survey findings. As can be seen from the Table, the top five issues from the 2001 results point to many of the priorities that have been at the top of local and County government agendas as well.

Issue Identified	% Total Responses	
	1995	2001
Workforce Development	14.9	23.9
Neighborhood Revitalization	21.3	18.9
Concerns about Governmental Regulations	22.1	17.1
Concern about Crime and Vandalism	16.1	9.0
Need for Support with Business Financing	8.8	7.8

**The 1995 survey contained an additional question about dealing with Federal Clean Air standards. Because the question allows the respondent to check as many responses as desired, the additional choice provided in the 1995 survey should not diminish the comparisons to 2001 data.*

As in question #7, the level of responses in 2001 was similar to 1995 responses with a couple exceptions. Employers were more concerned in 2001 with the skill level of the workforce than previously. This is probably due to the fact that the economy was in better condition in 2001 than it was in 1995. Consequently, there is more competition today for qualified employees than there was in 1995. The fact that labor force issues scored highly also supports findings from around the nation that point to workforce development as a paramount economic development issue.

The other significant difference in the responses focused on concerns about crime and vandalism. The marked drop in the response rate to this issue probably reflects the general drop in crime rates recently reported throughout the county, state, and region.

Question # 9 asked the survey respondent to identify how important the Quality of Life in Cumberland County is to the firm and its employees. Respondents were given three choices -- Very Important, Important, or Not Very Important. There was a total of 464 responses. Seventy five percent (349 respondents) indicated Quality of Life was Very Important. Another 22% indicated it was Important. Only 2% felt it was Not Very Important.

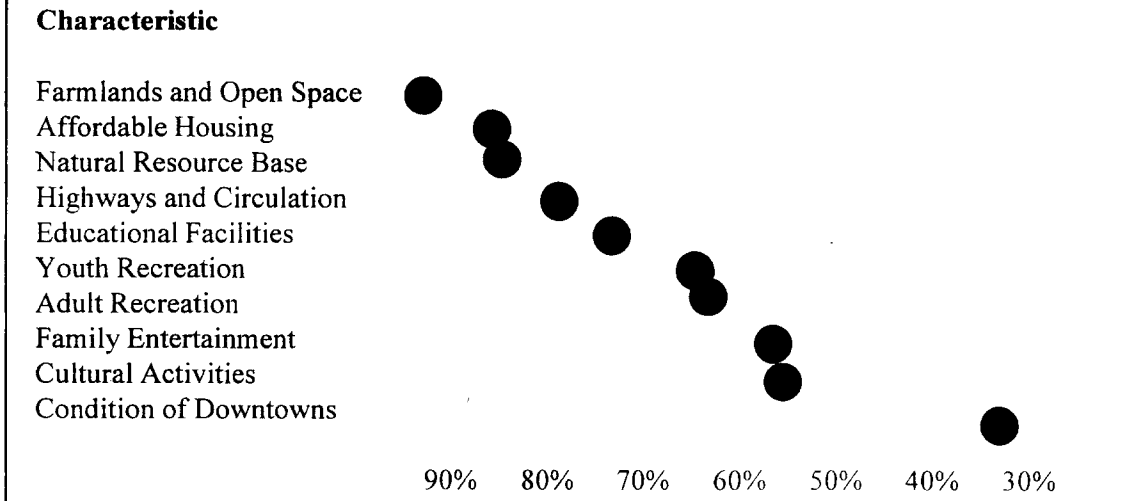
The next question attempted to determine the impressions of the respondents on a range of Quality of Life characteristics. The objective was to rank a range of characteristics that might be descriptive of Quality of Life, to determine the level of attention that might be needed in these areas. Respondents were asked to rank each characteristic in Cumberland County as "above average," "average," or "below average." The following Table presents these findings.

Characteristic	Percent of Respondents		
	Above Average	Average	Below Average
Recreational Opportunities/Youth	14.6	48.9	36.5
Recreational Opportunities/Adults	10.2	50.4	39.4
Highways/Traffic Circulation	21.1	55.2	23.7
Condition of Urban Downtowns	6.6	27.5	65.9
Protected Farmlands and Open Space	45.9	44.2	9.9
Affordable Housing	29.5	55.4	15.1
Cultural Activities	7.4	46.3	46.3
Schools and Educational Facilities	18.2	53.4	24.6
Natural Resource Base	25.6	57.0	17.4
Family Entertainment	5.4	50.5	4.5

Another way of looking at this information is to examine what percentage of the characteristics were ranked average and above average. The following graph presents those statistics.

Marketing the County is one of the major economic development initiatives that the County government is coordinating. As such, the survey sought to solicit suggestions on the types of companies that might be complementary to this effort. Both Question #11 and Question #12 asked for recommendations, both from a business perspective and a personal point-of-view. Among the most prominent suggestions are the following.

Table 7
Percentage of Respondents Ranking "Average and Above Average"



Question #13 asked respondents whether they agreed with any of the following statements. The level of responses are noted next to each statement.

- 184 Redeveloping the downtown areas of Bridgeton, Millville, and Vineland is more important to the future of the County than providing development opportunities outside of these urban centers.
- 173 Bringing new business and industry to the County is vital to the future of the County even if it means giving up the open spaces and altering the relatively rural character of the area.
- 299 Bringing new business and industry to Cumberland County is important, but there must be an effort made to ensure that it complements the existing business operations and character of the County.
- 312 We need to work to bring new business and industry to the County from a regional perspective, recognizing that an expansion of the job base in any one part of the County benefits everyone.
- 312 Improving the quality of the labor force in the County and ensuring that potential employees have the technical skills they need to compete in the 21st century should be one of the top economic development priorities in the County.
- 3 I do not agree with any of the above statements.

Looking back at the 1995 survey results, the pattern of responses is very similar. In both years, the statement about regional economic development scored just a few more responses than addressing labor force training. Bringing in new industry that was compatible with the area finished third in both years, but well ahead of the fourth and fifth place responses.

Question #14 asks the respondent to identify very directly, in which of the following areas County government can play an important role in assisting business. Respondents could check as many as they wished. The results are as follows.

Areas Where County Government Can Assist

- 247 Marketing the County and its location for business
- 236 Providing training and job skills for the labor force
- 255 Helping business through the maze of State, Federal, and other government regulations.
- 114 Being a catalyst for coordinating technology investments and strategies
- 193 Providing educational and life skills for prospective employees
- 169 Promoting tourism and visitation to the County
- 300 Promoting a good quality of life for County residents and businesses
- 97 Offering comprehensive economic development training for business managers
- 238 Providing financing and loan assistance to business
- 160 Helping secure transportation for employees needing to get to work or to training programs

Table 8
Top Five Areas Where County Can Provide Business Assistance
1995-2001

1995	2001
Promoting Good Quality of Life	Promoting Good Quality of Life
Helping Business with Regulation	Helping Business with Regulation
Providing Financing Assistance	Marketing the County
Marketing the County	Providing Financing Assistance
Providing Training and Job Skills	Providing Training and Job Skills

The top five priority areas remained the same across both survey years. The order of priority changed somewhat, but it is important to note that from the employer's perspective, the top responsibilities of County government remain fairly constant.

There was discussion at the December 2001 meeting of the Economic Development Board about the need for a specific industry by industry breakdown of priorities. Table 9 on the following page outlines survey responses by type of industry. For example, among those businesses identifying themselves as "retail" firms, the most frequently cited area where the County can be of assistance is in promoting the quality of life. In manufacturing, the top priority is training. In wholesale trade it is marketing. This analysis offers some guidance on how to target county services and programs to meet specific industry needs.

The following four questions on the survey, #15-#18, attempted to solicit more detailed responses from businesses for suggestions on county assistance, ideas on training and education, partnerships, and the direction of economic development. A brief analysis of the responses to these questions is as follows.

Responses to question #15, which asked if there were specific suggestions on ways that County government could help address some of the issues identified in question #14, focused on four areas. They were training/education, marketing, transportation, and regulatory streamlining. There were also a number of responses that focused on quality of life issues and infrastructure investments. For example, respondents stressed the need for early childhood education. While not mentioned by name the "School Counts" program being sponsored by the college is something that respondents

Table 9
Priority Issues by Industrial Sector

Total	Retail Trade		Agriculture		Construction		Manufacturing		Wholesale Trade		Finance		Transportation		Business Service		Mineral		Other	
	100		11		21		43		16		25		14		60		2		196	
Question # 14	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Marketing	63	63%	3	27%	11	52%	15	35%	12	75%	17	68%	7	50%	30	50%	1	50%	96	49%
Training	46	46%	5	45%	13	62%	26	60%	10	63%	11	44%	5	36%	30	50%	0	0%	96	49%
Maze	56	56%	8	73%	13	62%	22	51%	9	56%	12	48%	10	71%	34	57%	1	50%	99	51%
Catalyst	26	26%	4	36%	8	38%	8	19%	1	6%	7	28%	3	21%	13	22%	1	50%	44	22%
Provide Ed	39	39%	4	36%	11	52%	20	47%	8	50%	6	24%	4	29%	29	48%	0	0%	76	39%
Promote Tourism	45	45%	4	36%	8	38%	5	12%	7	44%	8	32%	4	29%	23	38%	0	0%	68	35%
Promote Quality Life	70	70%	9	82%	16	76%	24	56%	10	63%	14	56%	10	71%	41	68%	1	50%	116	59%
Ec Dev	23	23%	4	36%	9	43%	7	16%	2	13%	3	12%	3	21%	12	20%	1	50%	36	18%
Loan Assistance	58	58%	7	64%	13	62%	24	56%	7	44%	11	44%	6	43%	34	57%	1	50%	82	42%
Secure Trans	28	28%	4	36%	5	24%	14	33%	5	31%	9	36%	3	21%	19	32%	0	0%	74	38%
Other	4	4%	1	9%	0	0%	2	5%	0	0%	5	20%	0	0%	2	3%	1	50%	2	1%
Question # 8	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Substance Abuse	5	5%	3	27%	2	10%	5	12%	4	25%	1	4%	0	0%	4	7%	1	50%	6	3%
Deterioration	37	37%	1	9%	1	5%	7	16%	1	6%	11	44%	4	29%	21	35%	0	0%	61	31%
Financing	13	13%	1	9%	1	5%	5	12%	0	0%	1	4%	2	14%	6	10%	0	0%	30	15%
Gov't Reg	29	29%	7	64%	9	43%	12	28%	6	38%	7	28%	5	36%	12	20%	2	100%	41	21%
Lack of Trans	6	6%	2	18%	3	14%	1	2%	1	6%	1	4%	1	7%	7	12%	0	0%	25	13%
Lack of Skilled	41	41%	3	27%	11	52%	23	53%	12	75%	9	36%	3	21%	21	35%	1	50%	62	32%
Marketing Prob.	13	13%	0	0%	1	5%	4	9%	0	0%	2	8%	2	14%	2	3%	0	0%	19	10%
Crime	26	26%	2	18%	1	5%	2	5%	3	19%	1	4%	0	0%	4	7%	1	50%	31	16%
Other	14	14%	2	18%	1	5%	3	7%	1	6%	4	16%	1	7%	4	7%	1	50%	27	14%

seemed to think was important. Vocational education also got considerable mention. The need to provide transportation to outlying places in the County such as Laurel Lake was mentioned often. Reducing paperwork and streamlining the regulatory process was mentioned. Offering some coordination between levels of government in the regulatory and development process was cited as an issue. Finally, there were a number of ideas on marketing including a suggestion to focus on high end industries, provide tourism literature about the county in hotel and motel rooms, and inform local businesses/residents of some of the assets and programs that the County has to offer.

Question #16 explored training and education specifically. The overwhelming number of responses focused on two areas -- technical education and basic skills training. There were a number of suggestions for additional investments in vocational training including building trades, welding, sheet metal fabrication, mechanics, aviation technology, carpentry, electrical, and driver training for CDL certification. Basic skills training including language skills, parenting, and basic math and reading comprised the most frequently cited issues. Other responses focused on computer and technical training, school counts programs, suggestions for OJT or paid internships, hospitality and culinary training, and dental and nursing programs. Many of these curriculae are available now at either the County College, the Technical Education Center, or the County WIA program.

Question #17 asked about partnerships between business and government that might improve economic opportunity in Cumberland County. There were a number of suggestions. Most of the ideas focused on four areas -- networking, regulation, incentives, and internships. Ideas such as "think tanks" on subjects that would generate ideas for the economic development board, more seminars for business, more regional meetings of chambers of commerce and other development organizations, newsletters, and surveys were all mentioned as networking suggestions. Businesses are interested in expanding incentive programs from EZ and UEZs. Tax incentive programs to enhance business retention were suggested. Reducing regulation and red tape and finding ways to streamline the business to government relationship were mentioned prominently in the responses. The suggestion of a business ombudsman was mentioned as a catalyst to enhance this relationship. Other suggestions involved co-op advertising, getting retirees more organized and involved in small business assistance, and allowing business owners to live overtop of their stores, (eg. amending zoning regulations to accomodate this.)

Question #18 focused on what business people perceived as the single most important economic development issue facing Cumberland County today. This question offered another opportunity to provide some specificity to priorities identified in previous responses. Overwhelmingly, most responses focused on some aspect of economic diversification. Examples of responses included suggestions that high tech and high end industries be encouraged to locate in the County. Suggestions for diversification of the employment base to include more small businesses, more manufacturing, entertainment and recreation. In addition, there were concerns about unemployment and welfare, transportation and highways, the condition of downtowns, and taxes.

The following two questions were demographic in nature and focused on where businesses are located and conducted. Tables 10 and 11 outline these results. As can be seen from these tables, the responses represent a good geographic and market cross-section of the County's business and industry.

Table 10
Location of Business

61	Bridgeton	1	Greenwich	2	Shiloh
6	Commercial	16	Hopewell	5	Stow Creek
18	Deerfield	5	Lawrence	197	Vineland
6	Downe	7	Maurice River	24	Upper Deerfield
7	Fairfield	82	Millville		

Table 11
Market for Business

- 277 Most Business is done here in Cumberland County
- 9 Business is done primarily in New Jersey
- 31 The Firm does business throughout the northeastern United States
- 54 The Firm does business in various locations in the United States
- 22 The firm does business internationally

Questions #21 and #22 focus on the condition of the County economy. The first question asked whether in the impression of the respondent the county economy has changed in the past five years. Table 12 indicates the percentage of respondents by industrial sector that indicated the economy remained constant or improved over the time period. The sectors reporting most favorably on the condition of the economy have historically been two of the County's largest employers -- manufacturing and construction.

Table 12
Impression of County Economy Last Five Years

Response	Percentage Indicating Stability or Improvement
Agriculture	63.6
Construction	75.0
Manufacturing	79.5
Wholesale Trade	66.7
Finance, Insurance, Real Estate	78.0
Transportation	57.0
Business Services	65.0
Retail Trade	59.0*
Mineral	----

**These figures and, particularly the less favorable figures from the retail sector may have been influenced by the fact that the survey was conducted in the months immediately following September 11th, reflecting the sudden and dramatic impact on retail sales felt nationwide.*

The final question that was given preliminary tabulation is question #22, "*In the coming five years, do you envision your firm:*"

- 186 In the same location with the same number of employees
- 160 Expanded at the same location
- 59 In a new location within the County
- 37 In a location outside of Cumberland County.

The responses to this question point to a favorable overall trend in business retention and expansion. The overwhelming majority of firms are seeking to remain stable or expand their workforces here in the County. What firms might move will likely be offset by growth and development of the firms that remain. In addition, there will be new firms that open or relocate to the County that will complement those expanding in the area.

Summary and General Direction

The findings of this survey will be used in several important ways. First, they will help to frame the agenda for a spring business summit that will explore the range of issues raised and begin to set priorities. Second, they will be the basis for revising and updating the 2001-02 Economic Development Strategy for Action which will formulate economic development policy for the coming two years. Finally, they will provide basic guidance to County agencies and organizations dealing with economic development programs. From the responses received, there are a number of policy issues that will be center stage in the coming months as these issues are further examined and developed. They include the following.

Neighborhood and Downtown Revitalization. One of the most prominent concerns of business, this is generally considered a "municipal" issue. County officials will need to decide whether there are ways to partner with local governments, neighborhood organizations, educational institutions, and other organizations to target this need without duplicating municipal services or efforts.

Regulatory Streamlining. A theme that seemed to be more prominent in 2001 than in the 1995 survey. The Economic Development Board should seriously explore ways to address this issue in the revised Strategy for Action.

Workforce Development. This remains a top priority of the business community.

Quality of Life. As noted in the responses to question #10, page 5, there are a number of areas where characteristics associated with quality of life can be improved. Which if any of these areas can be enhanced by County government should be the focus of the Board's attention.

Marketing and Business Development. The interest of the business community in this issue confirms the actions taken by the Board to make this a key County priority. The Board should explore ways to enhance existing marketing and business development efforts.

Business and Industrial Incentives. Ways to enhance and coordinate business and industrial development incentives, including incentives for business retention will need to be addressed.

Over the next two months, the Economic Development Board will continue to reach out to the business community for confirmation and prioritization of these key issues. Once there is consensus on the key issues, staff will work closely with the Board leadership to identify specific tasks and projects to help implement the goals and objectives of the revised Strategy for Action. Discussion and adoption of the revised Strategy is anticipated at the April 2002 meeting of the Board.