

**Business Climate Survey – Southern Windsor
County Region – June, 2016**

**Springfield Regional Development Corporation
(for the East Central Vermont Economic
Development District)**

INTRODUCTION –

Forty-six area employers, representing 15 different sectors¹, participated in a recent business climate survey conducted by Springfield Regional Development Corporation (SRDC). This included in-depth interviews with several employers from the region.

The survey included questions related to current business operations, opportunities and challenges as well as potential resources and services that SRDC could offer to assist with continued viability and growth.

Many respondents acknowledged that national and global market forces could impact their ability to succeed, however, there were several opinions and suggestions to help improve the economic climate of Southern Windsor County.

SRDC would like to thank everyone that participated in this project!

¹ Respondents included those in Art/Creative, Automotive, Construction, Finance, Food Production/Distribution, Hospitality/Tourism, Information Technology, Insurance, Manufacturing, Medical, Non-Profit, Professional Services, Retail, Trades, and Transportation.

BACKGROUND OF SURVEY PARTICIPANTS –

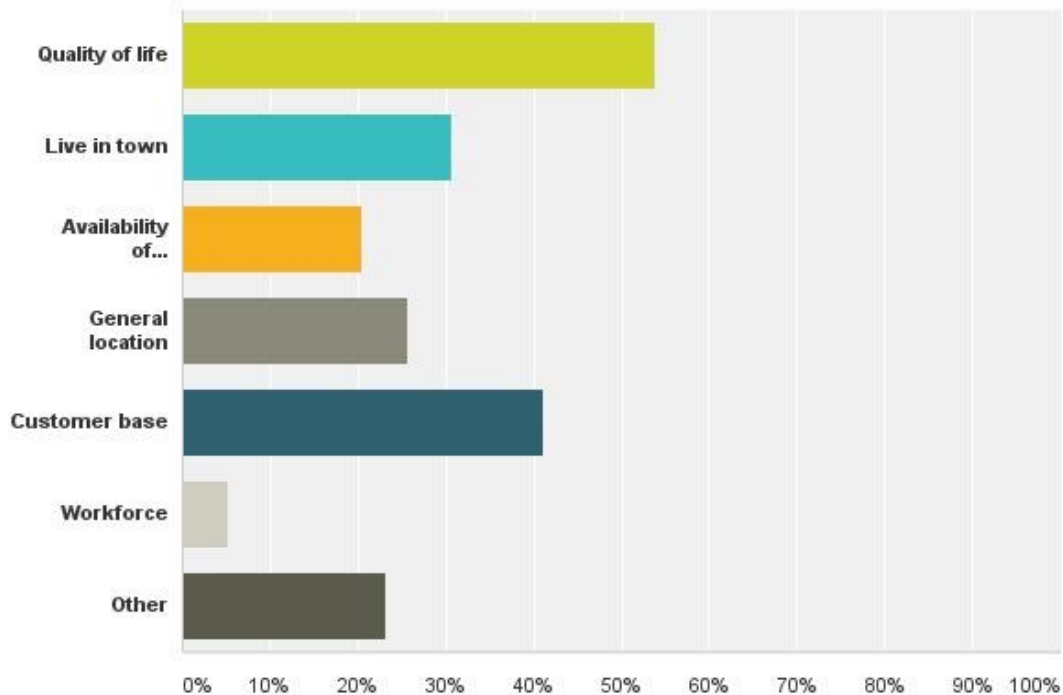
The vast majority of businesses that participated in this study have been in Southern Windsor County for many years. Only 13% of those surveyed have opened their business in this region within the past ten years.

There was an even split between companies that received the bulk of their revenue locally compared to other regions, or outside of Vermont. “From the region” included money that is spent by those that visit the area, such as tourists.

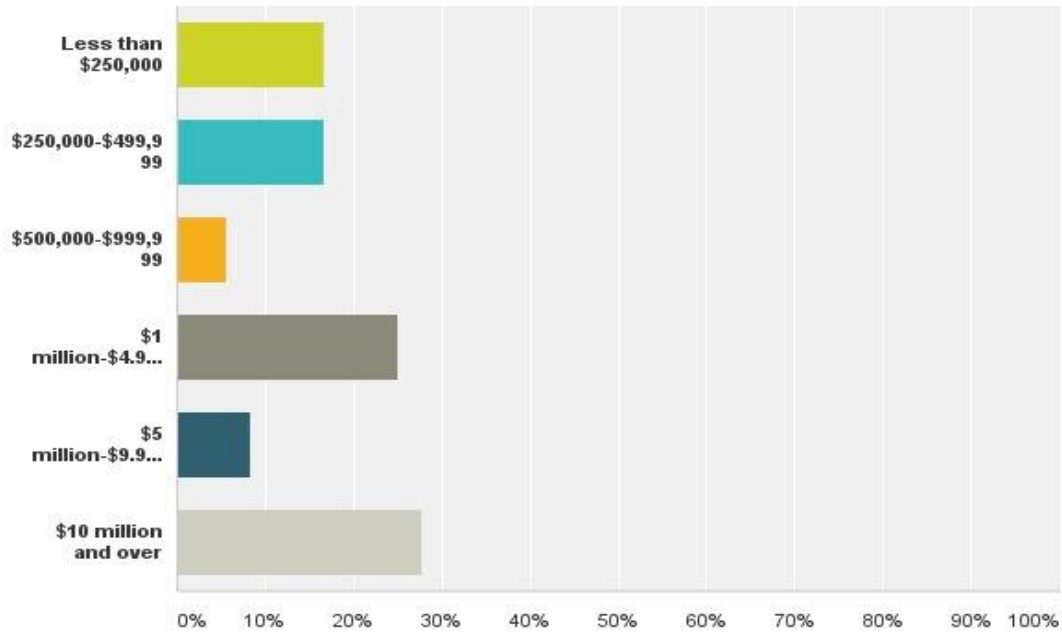
Most of those who indicated that the majority of their activity comes from outside of the state said that their revenues were primarily domestic, with just over 15% stating that international sales were a substantial part of their business.

The majority indicated that they are locally owned and that they anticipate steady operations within the region. 44% said that they hope to expand within the area in the next 3 – 5 years.

When asked why their business was in Southern Windsor County, the highest response was for Quality of Life.

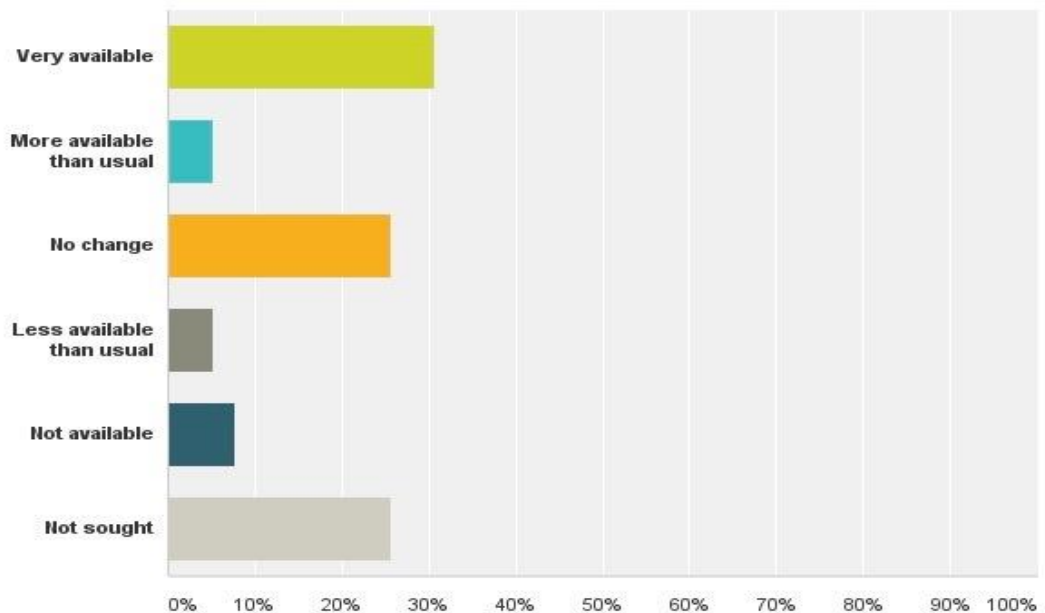


While the businesses that were involved in this survey represent a variety of sectors, most have gross revenues of more than \$1 million/year with over 36% of those having \$5 million or more in annual income.



BUSINESS INFRASTRUCTURE –

Over 60% of those that responded felt that the availability of credit for their business had either improved or hadn't changed in recent years.



“The banks and VEDA are fine, but it’s challenging to find investors”

When the companies that participated in the survey were asked about whether they were satisfied with the local business climate, responses were split:

SATISFIED - 44.7%
NOT SATISFIED - 36.8%
NO OPINION - 18.4%

“Local business owners are all positive, practical, wonderful”

“Still appears to be unfriendly towards new possibilities”

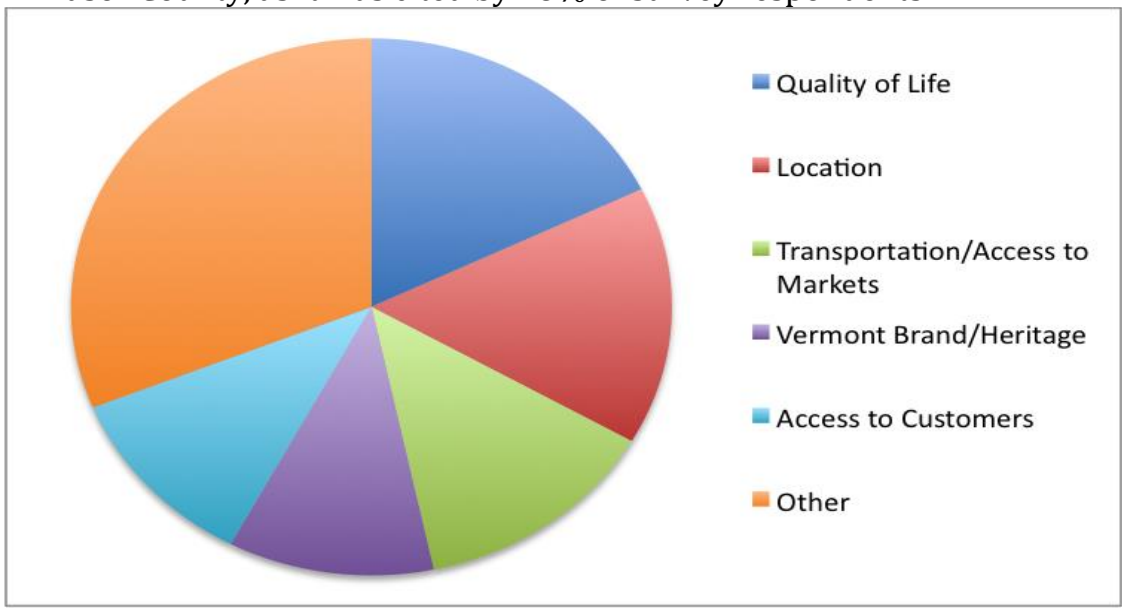
There was widespread satisfaction with the state of technology within the region. 80% of respondents said that they viewed what’s available for connectivity to be a positive asset for the region. Those that expressed concerns cited the erratic cellular coverage in many towns.

“Lightning fast Internet is a great asset to have”.

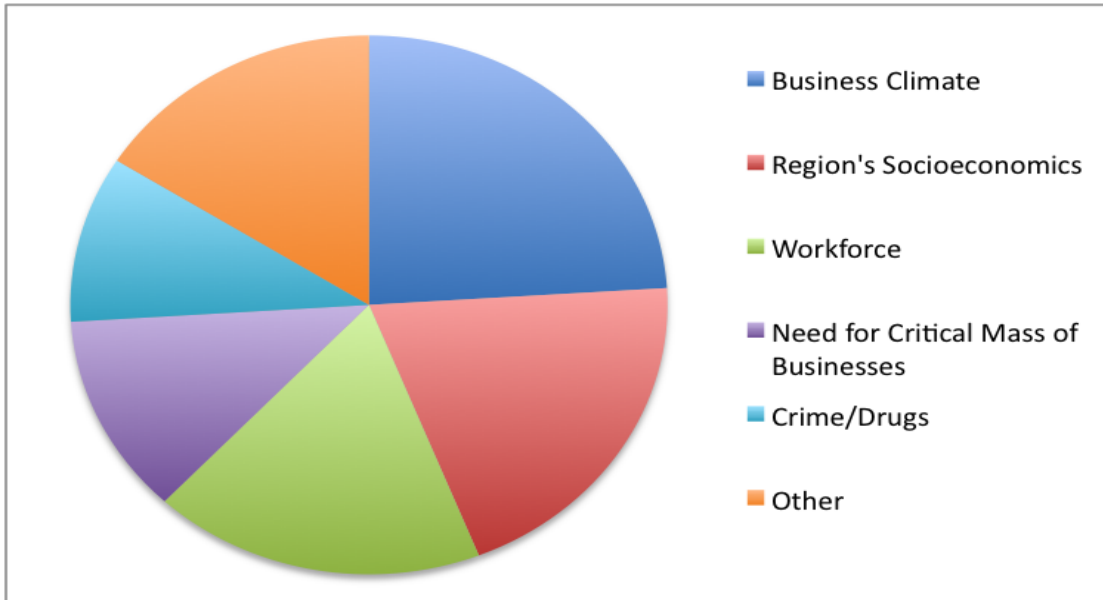
There was not a clear consensus about possible additional business support services for companies in the region. Several expressed their satisfaction with what is currently being provided by SRDC and other entities. There were suggestions about expanding marketing support and professional services as well as exploring additional incentives for growth and facilitating efforts to improve the social infrastructure of the region.

STRENGTHS/WEAKNESSES OF REGION -

“Quality of Life” again jumped out as the primary strength of Southern Windsor County, as it was cited by 18% of survey respondents.

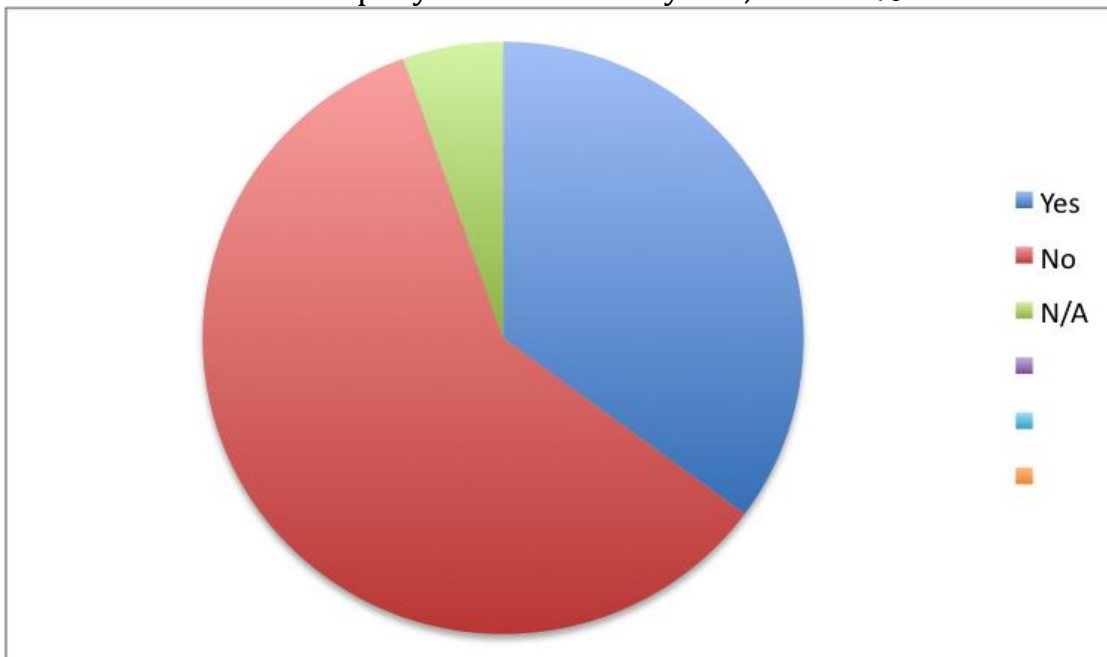


When it came to discussing the region's weaknesses, 24% expressed concerns with the business climate in Vermont, including taxes and permitting. 20% cited concerns with the demographics and socioeconomic state of the area, including challenges with attracting employees to relocate.



"They will not live near Springfield!"

The concerns about business climate extend to many responses about the Vermont Legislature and whether recent legislation is helpful to business growth. When asked whether they anticipated any possible state legislative changes that would benefit their company in the next five years, over 59% said no.



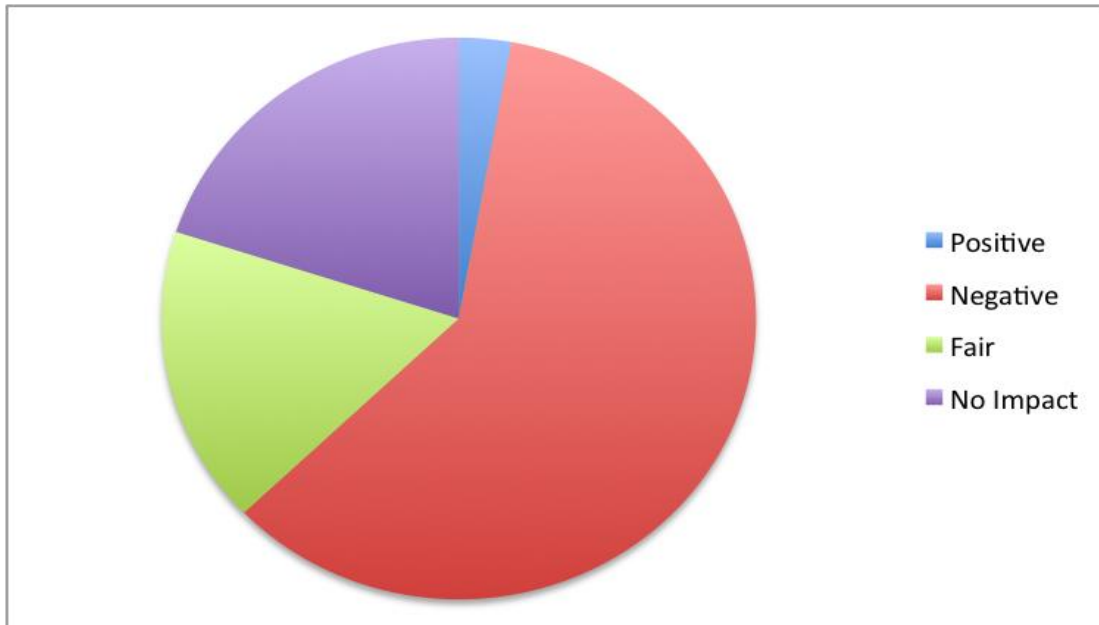
Roughly the same number responded in the affirmative to a question about whether they anticipate any potential legislation that could negatively impact their business in the near future.

“Vermont would rather be morally right than economically smart.”

WORKFORCE –

An overriding theme through many of the survey questions was a concern about the existing and future workforce.

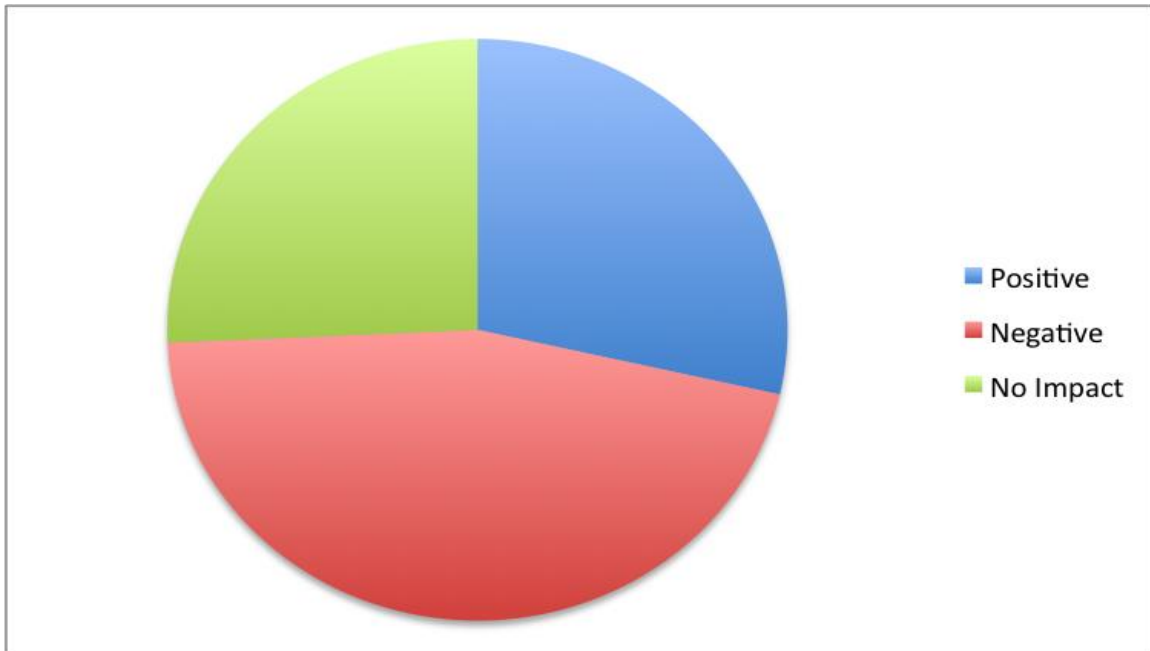
60% of respondents felt that there was not a sufficient supply of employees for their businesses.



This is consistent with what employers indicated during interviews. One business shared their frustration about an opening that has been vacant for over a year. Several said they are filling key positions with staff that commutes from outside of the region. 24% of companies surveyed indicated they have given up trying to hire locally for some specific positions, mostly technical and upper management jobs. One area employer said:

“We have our managers coming from over an hour away”

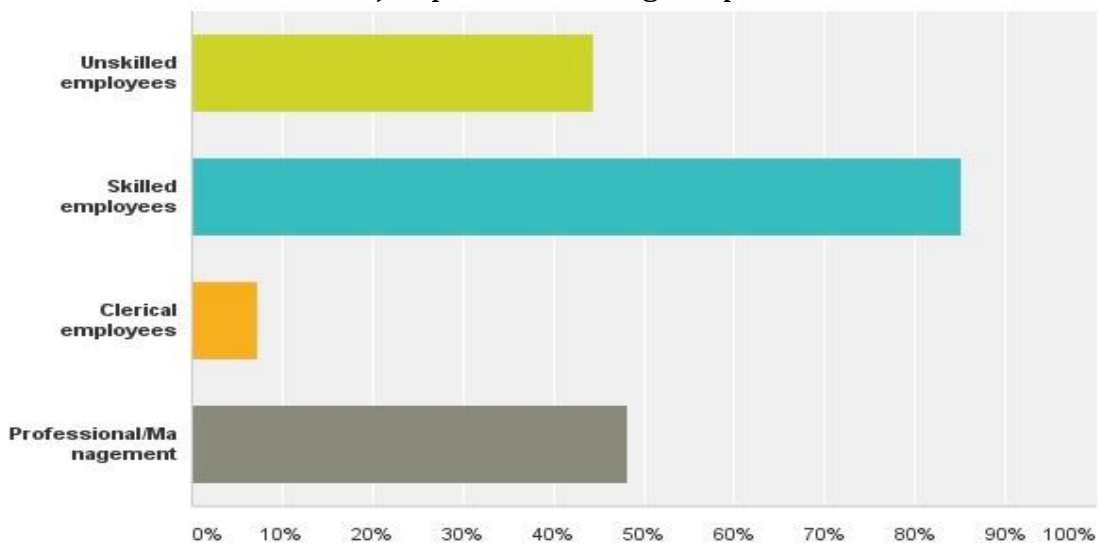
Many area employers (46%) expressed their frustration with the quality of the available workforce.



Some of the companies that were interviewed shared their frustrations with the behavioral challenges of some in the workforce. One business reported that 50% of those that applied for a position failed a mandatory drug screening. Many businesses shared other experiences with substance use/abuse and how it has impacted their ability to hire and retain employees.

“We had to changeover about a third of our employees because of behavioral issues this past year”

But all levels of the job pool are feeling the pinch.



SUMMARY -

The companies that participated in the SRDC Business Climate Survey are generally expecting stability and some growth, but have lingering concerns about the available and future workforce in the region. The Quality of Life in this area is still a primary draw and helps to retain these employers. However, there is anxiety about the socioeconomic state of the region, beyond the workforce, and how that impacts the ability to retain and attract key employees.

There is also a lack of trust in the state legislature and the government's ability to support legislation that will help sustain and encourage future economic growth.

Once again, many thanks to everyone who took the time to complete the survey and especially to the companies who took the time for an in-depth, confidential, interview.