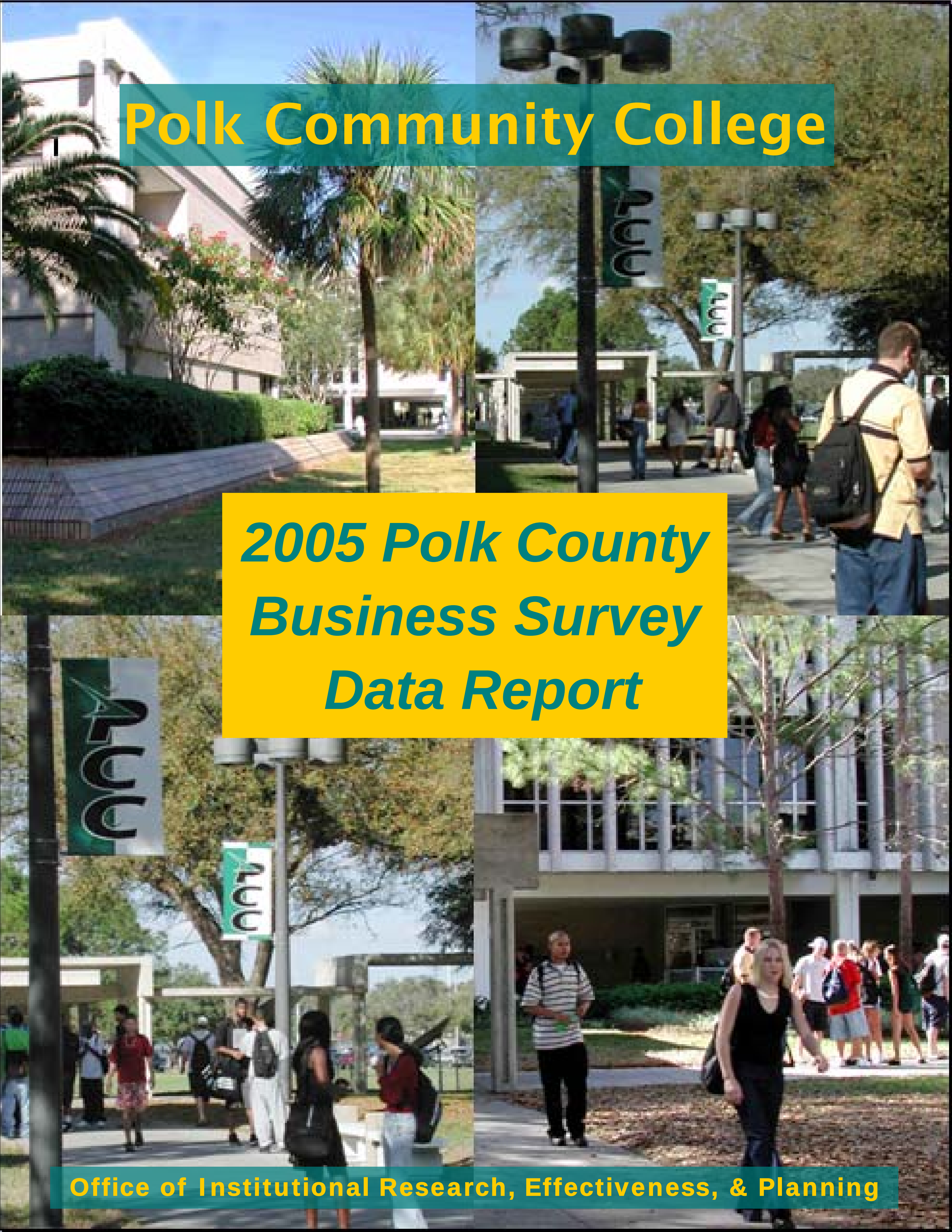
Polk Community College



2005 Polk County Business Survey Data Report

Office of Institutional Research, Effectiveness, & Planning

The 2005 Polk County Business Survey Report

During the months of November and December 2005, Polk Community College conducted the second comprehensive business survey across Polk County. The data in this report reflects about 200 responses received from a random selected group of over 3,000 Polk County businesses with more than 20 employees. Changes across employment items can be largely attributed to the fact that 24% of the sample employ 20-30 people (the 2004 cutoff was 30). The information is as much as possible presented in the order of the underlying survey and sorted into the following four sections:

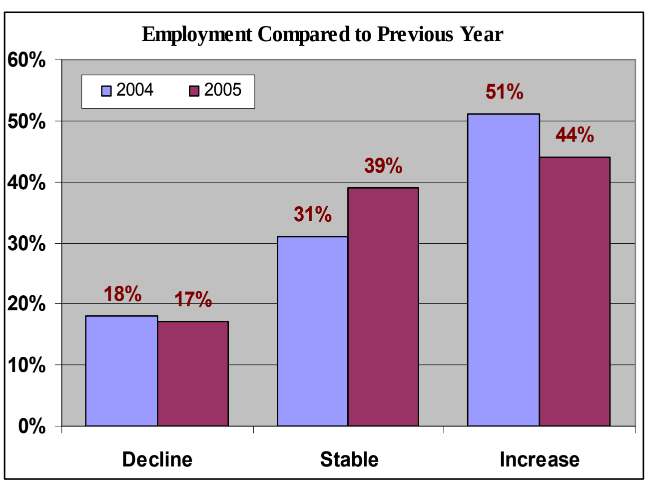
To avoid redundancies and let the charts tell the story (as much as possible), we only added text to emphasize existing information or to reveal detail not captured by the data graphs.

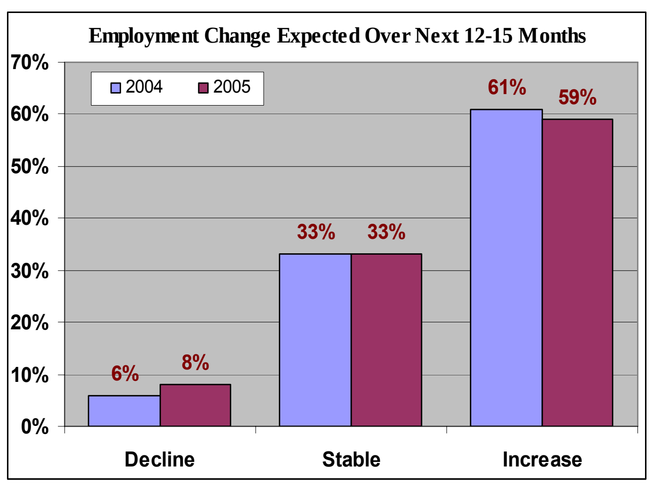
A. Perceived Workforce Issues

Current Full-Time & Part-Time Employment.

The total number of employees for businesses participating in the survey ranged from 20 to 3,000 in 2005. In 2004 only firms with more than 30 employees participated. As a result, the percentage of businesses without part-time employees was with 48% significantly higher than in 2004, where only 32% stated that they currently do not employ part-time staff. The average ratio of full-time over part-time employment was 13:1 in the 2005 sample, compared to 12:1 in 2004.

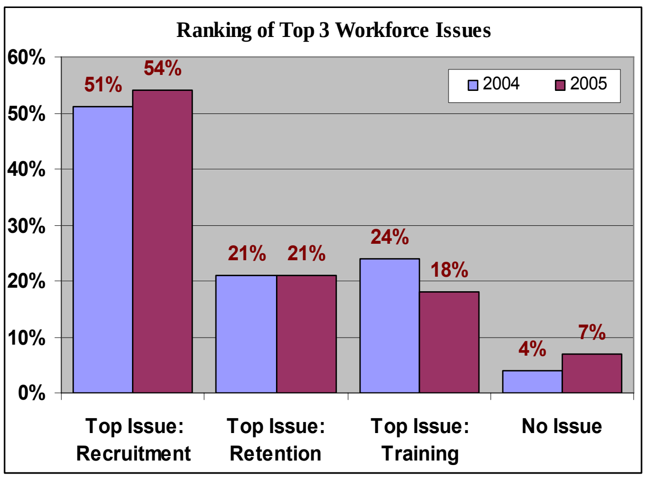
Employment Trends & Expectations.

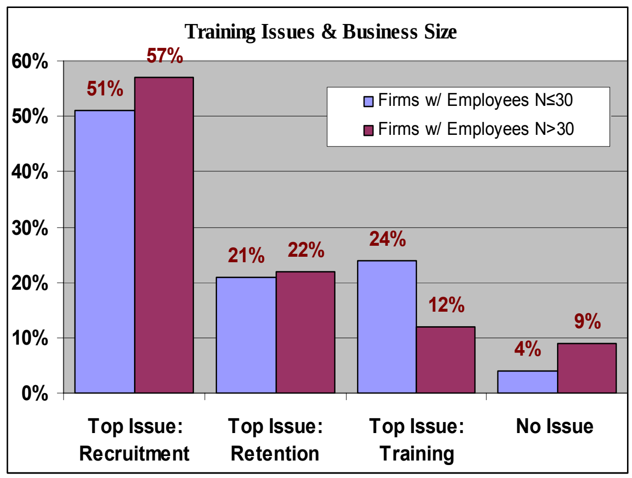




Top 3 Workforce Related Issues.

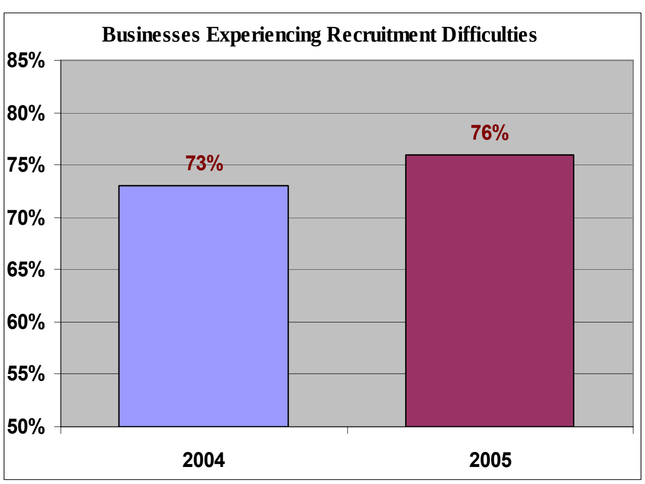
Recruitment remains the top workforce issue in Polk County, followed by Retention and Training/Development. While Training was in 2004 the second most important issue, it dropped in 2005 to the third spot, primarily a result of the larger proportion of medium to large-size businesses where training related issues are perceived as less urgent compared to Retention. Among the three items, Training is the only one showing a statistically significant difference between larger and smaller businesses. This is not unusual since smaller businesses are typically harder pressed to free up time and training dollars for necessary training efforts. Please note that the data summarized below has been standardized to add to 100%, since a lot of respondents did not follow the survey instructions and declared several items as their #1 issue. Without this adjustment, Recruitment is the top issue for almost 70% of businesses with more than 30 employees.

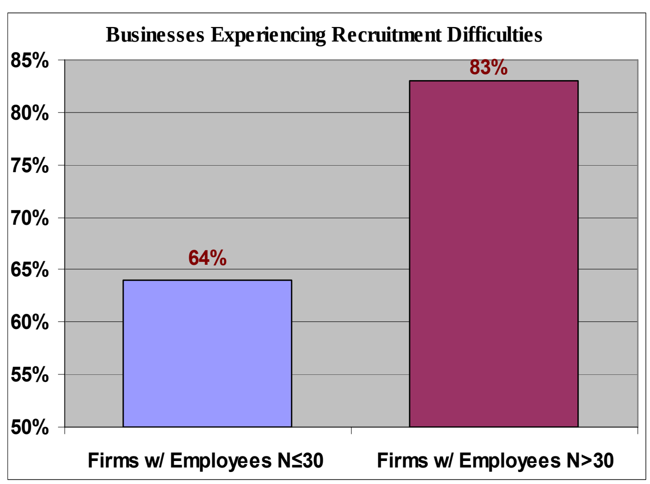




Recruitment Difficulties.

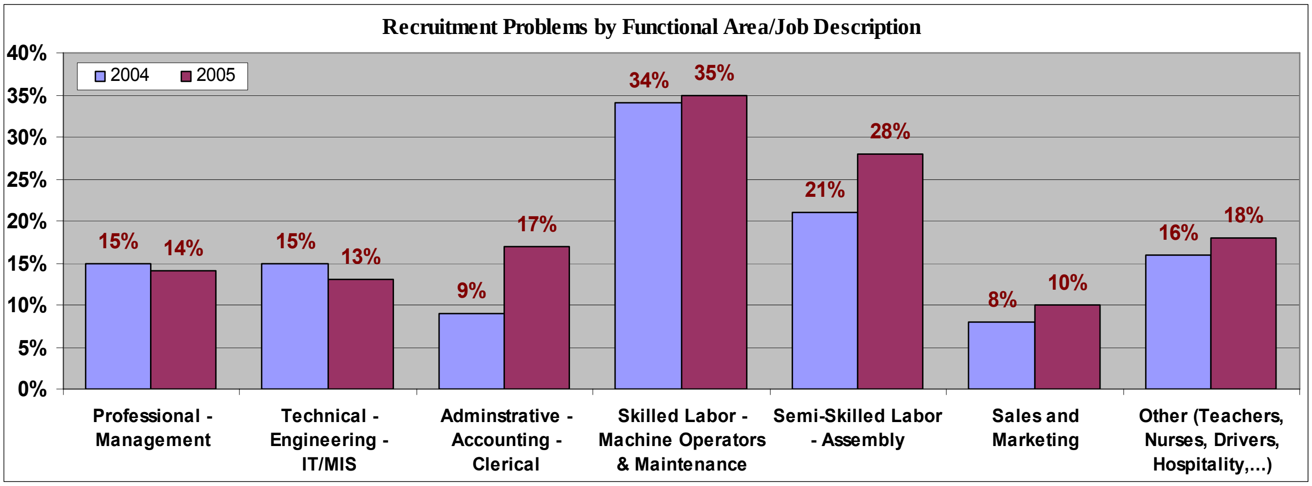
In addition to those declaring Recruitment their top workforce challenge, many more businesses continue to have significant difficulties recruiting employees in Polk County. With the tightening of the labor market, it doesn't come as a surprise to see that the number of firms reporting recruitment problems has gone up from 73% in 2004 to 76% in 2005. When we only compare businesses above the >30 employee cutoff used in 2004, this number moves above 83%.



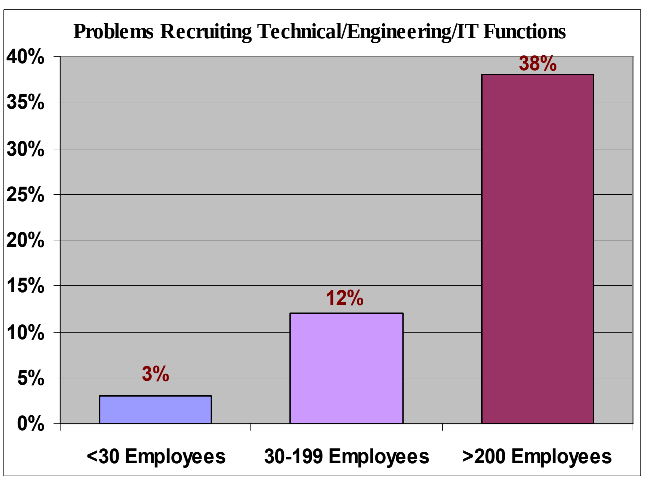


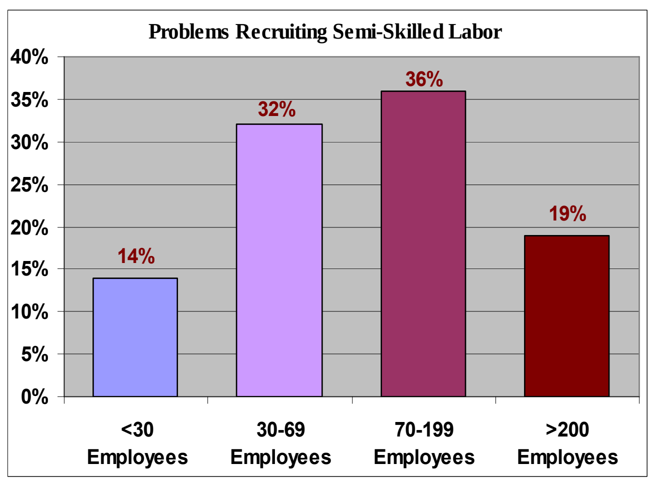
Recruitment Issues Functional Areas.

The chart below compares recruitment difficulties across functional areas. In the future we might be able to provide a breakdown by SIC, however, when trying to disaggregate current responses into SIC clusters, the number of businesses within each cluster remained too small to be meaningful.

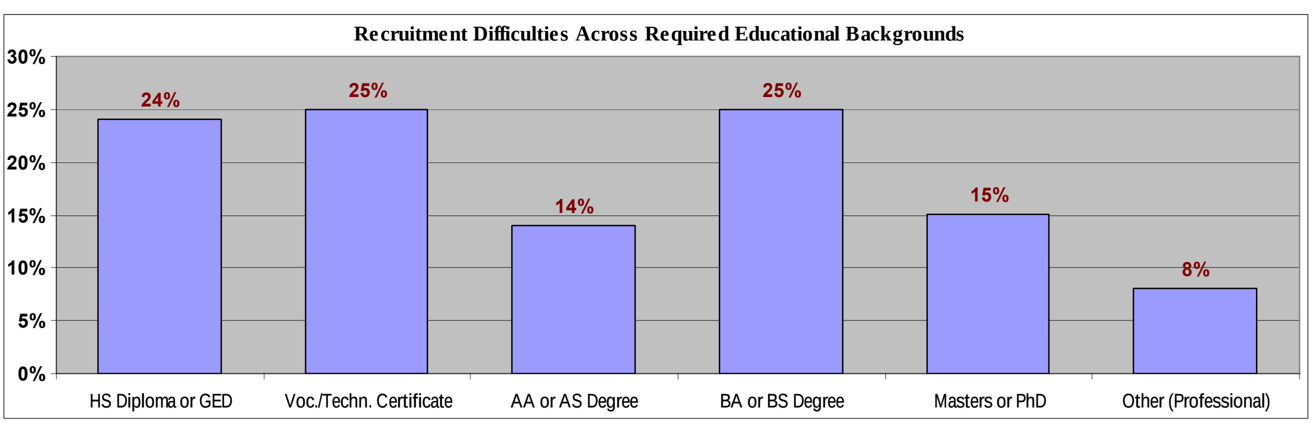


Please note that statistically significant variations — probably a result of fewer positions needed in those areas — exist in two functional domains: 1) Technical – Engineering - IT/MIS and 2) Semi-Skilled Labor/ Assembly. Business size related variations for those areas are captured in the two charts below.



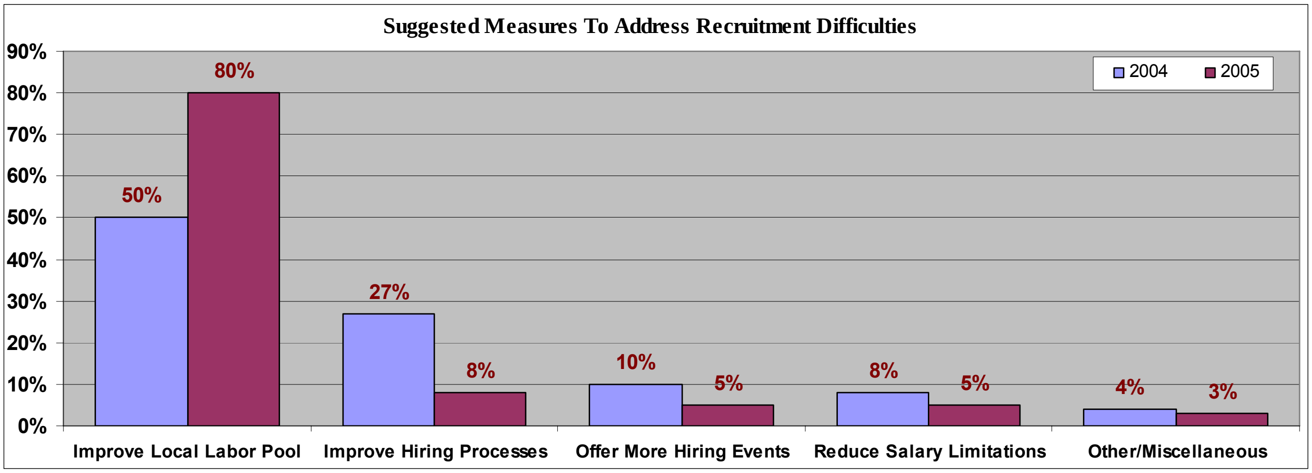


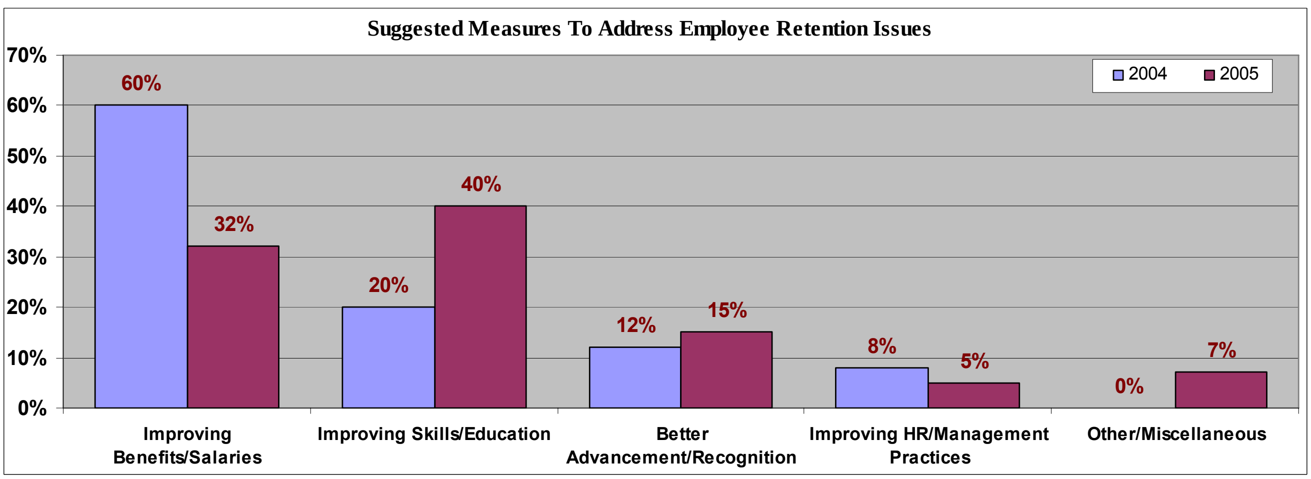
Participants were also asked if they had difficulties finding employees with certain educational backgrounds:

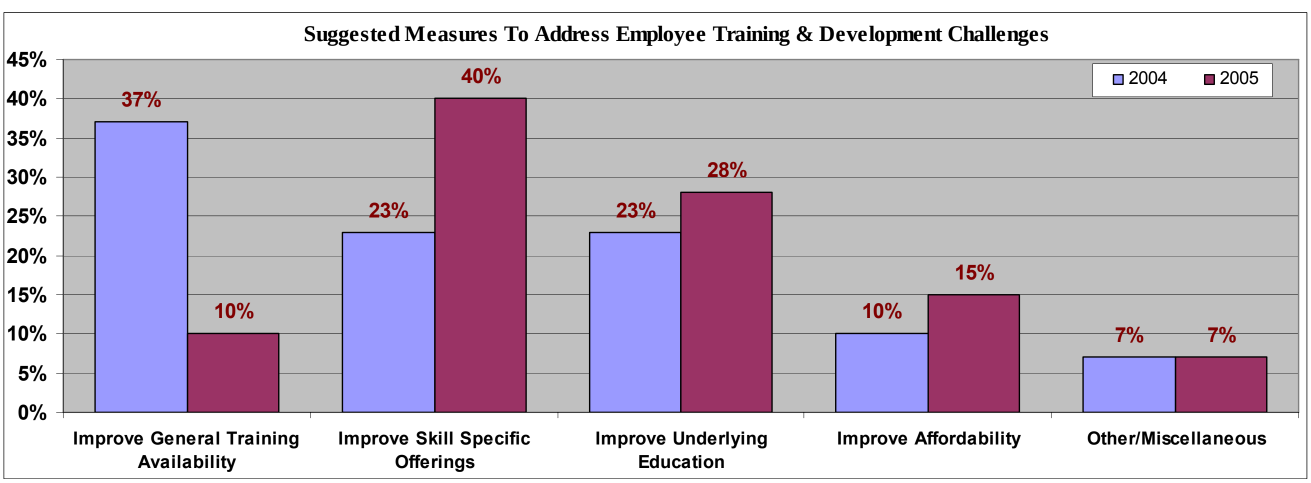


How To Address Recruitment, Retention, & Training Issues.

During the survey, participants were also asked to identify what improvements they perceive most useful to meet the various challenges posed by the difficulties in workforce recruitment, retention, and training. The 2004 survey used an open-ended format for these questions, but the response clusters were so clearly defined that it allowed us to use a more convenient multiple-choice format in 2005. Any differences based on business size have been largely marginal with one exception: Smaller firms see even a stronger need for improving the local labor pool in response to their recruitment challenges than larger businesses.

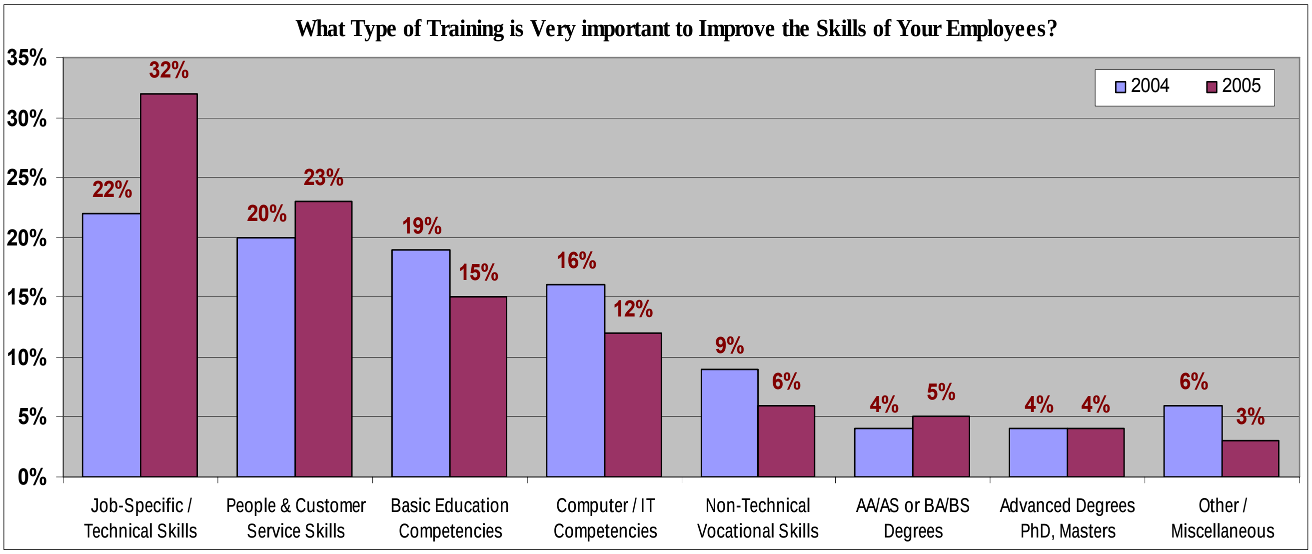






What Type Of Training Is Most Needed?

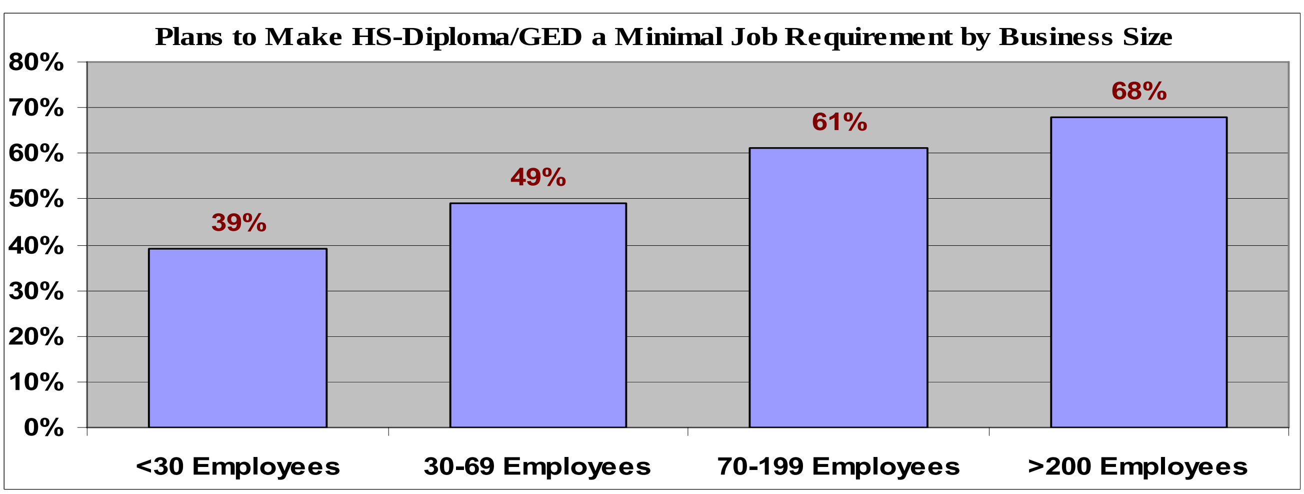
Overall, 94% of respondents – compared to 57% in 2004 – indicated specific training needs. The following needs clusters have been identified after statistically standardizing responses to add to 100%. Please note that the 2-year and 4-year postsecondary education segment was combined in 2004. Thus, and for graphic reporting purposes only, we split the 2004 result for this particular response into two equal portions of 4%.



What Portion Of Your Career Employees Has No High School Diploma or GED?

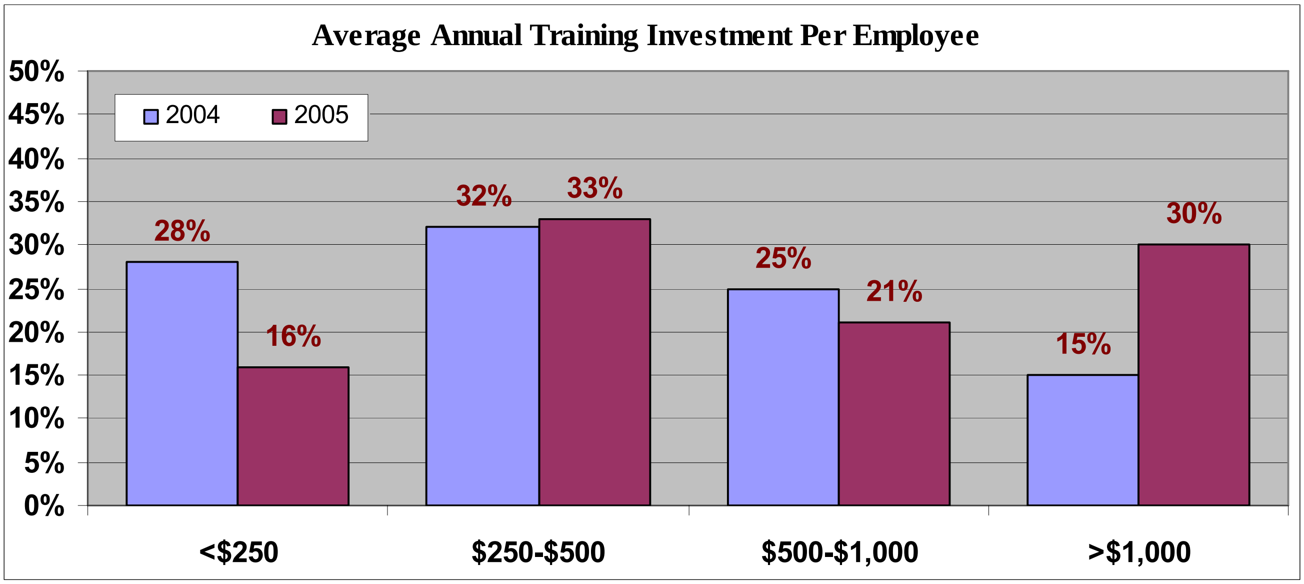
Since this question was asked for the first time in 2005, no longitudinal data is available. Not unexpectedly, on average only 14.4% of career employees have a HS diploma or GED. Among participating businesses, 43.2% stated that none of their career employees (to their knowledge) has graduated from high school or any equivalent program. 89.9% of firms believe that less than half of their career staff has a HS diploma or GED. Only 2.5% indicated that all of their career employees have a high school (or equivalent) diploma.

We've also asked participants if they currently hire career employees without HS diploma or GED. 49% of businesses responded with Yes, and almost all of them (47%) indicated that they do not plan to make it a job requirement in the near future. This pattern is even more true for smaller businesses (<30 employees) where only a 39% want to make it a job requirement vs. 68% of firms with 200 or more employees (see chart below).

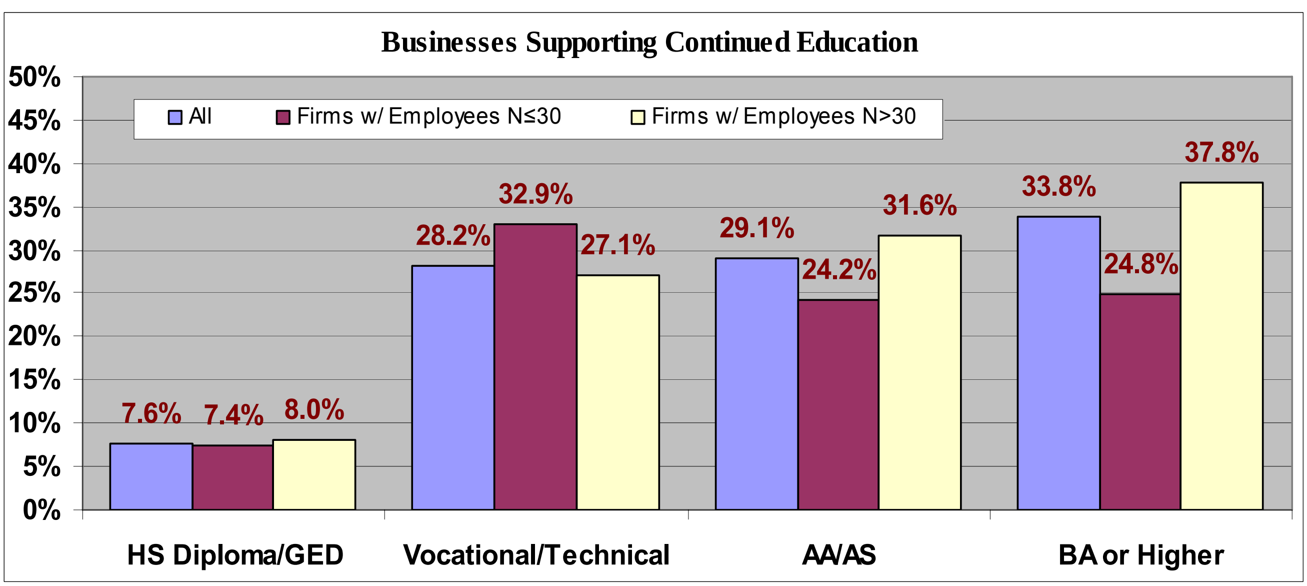


Employer-Sponsored Skill Development

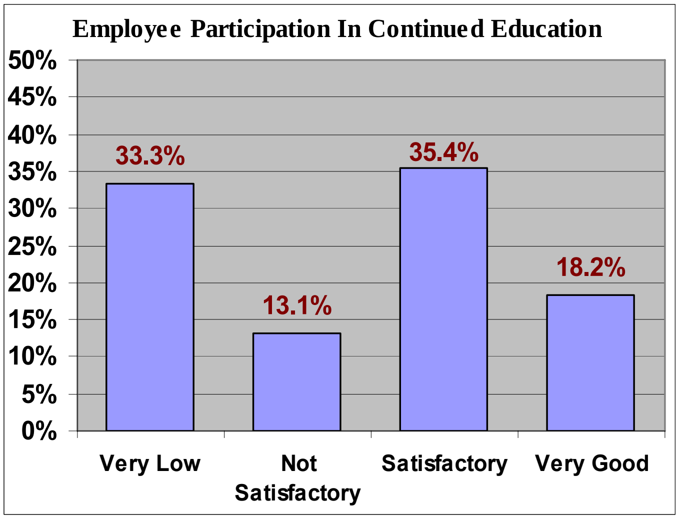
In continuation of our 2004 survey, participating businesses were asked how much they invest annually per employee in skill development. In addition (and new in the 2005 survey) we've also asked if they offer incentives for employees participating in continued education, and how they rate the overall participation of their employees in employer sponsored coursework. Overall, self-reported training investment has slightly increased. Surprisingly, business size didn't matter as much as one would have expected. While larger businesses reported a somewhat higher per employee training investment, the difference remained statistically insignificant due to the large variation within each business segment.

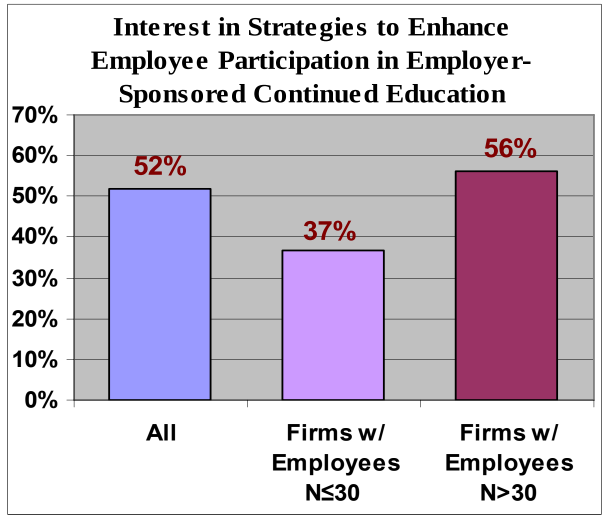


The chart below indicates what particular options local businesses are supporting when it comes to providing employees with incentives to participate in continued education. The support for vocational, 2-year, and 4-year degrees is on average about equal (slightly above or below 30% of businesses indicating incentives), but clear differences exist between smaller and larger firms. While a larger proportion of smaller firms invest in vocational or technical training, a higher percentage of larger firms support their employees in the pursuit of 2- or 4-year degrees. The larger support of BA of higher degrees probably reflects the need to fill managerial positions from within the organization.



Unfortunately, the overall participation of employees in employer sponsored continued education is not as satisfactory as many would hope for (see left chart). Only a little more than half of participating businesses (53.6%) rate employee participation as being satisfactory or very good; 46.4% think it is very low to not satisfactory. Differences by business size are very marginal with respect to this rating; however, they are significant in response to the question if the firm would be interested in strategies about how to enroll more employees (see right chart). While 56% of larger businesses are interested in new strategies, only 37% of smaller firms are. Businesses with 200 or more employees expressed the highest interest (89.5%) in strategies to engage more employees in continued education.

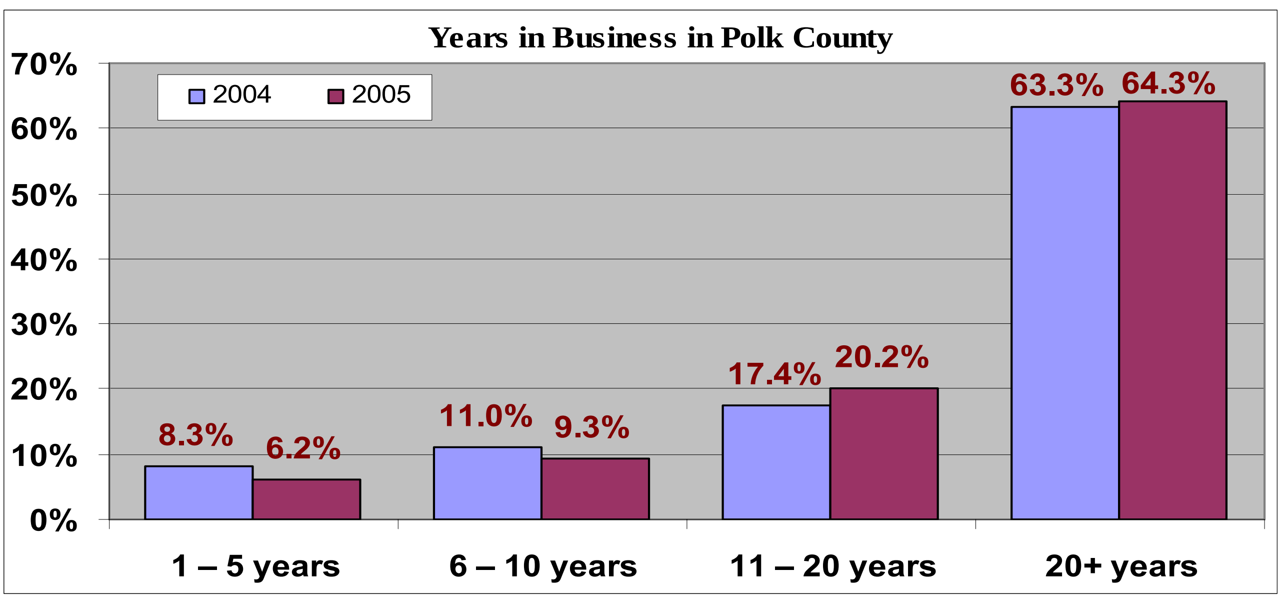




B. Overall Market Conditions

Background Information.

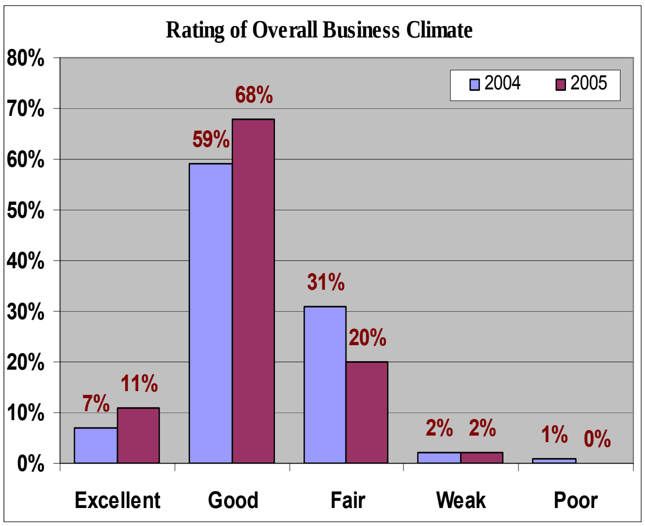
The vast majority of participants do business in Polk County for 20 years or more; this involves over 70% of larger businesses, but only 33% of firms with 30 employees or less. The majority of the latter group (43%) is locally in business for 11-20 years.

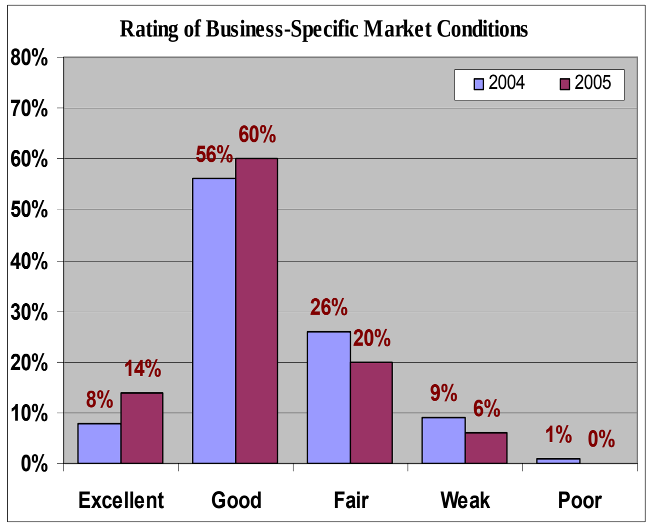


We've also asked participants about their involvement with Polk Vision (www.polkvision.com) and identified a slight increase in businesses (22% compared to 15% in 2004) stating their participation. Disaggregating the data by business size, we find that over 90% of smaller businesses indicate no involvement, while the same is true for only about 57% of firms with 200 or more employees.

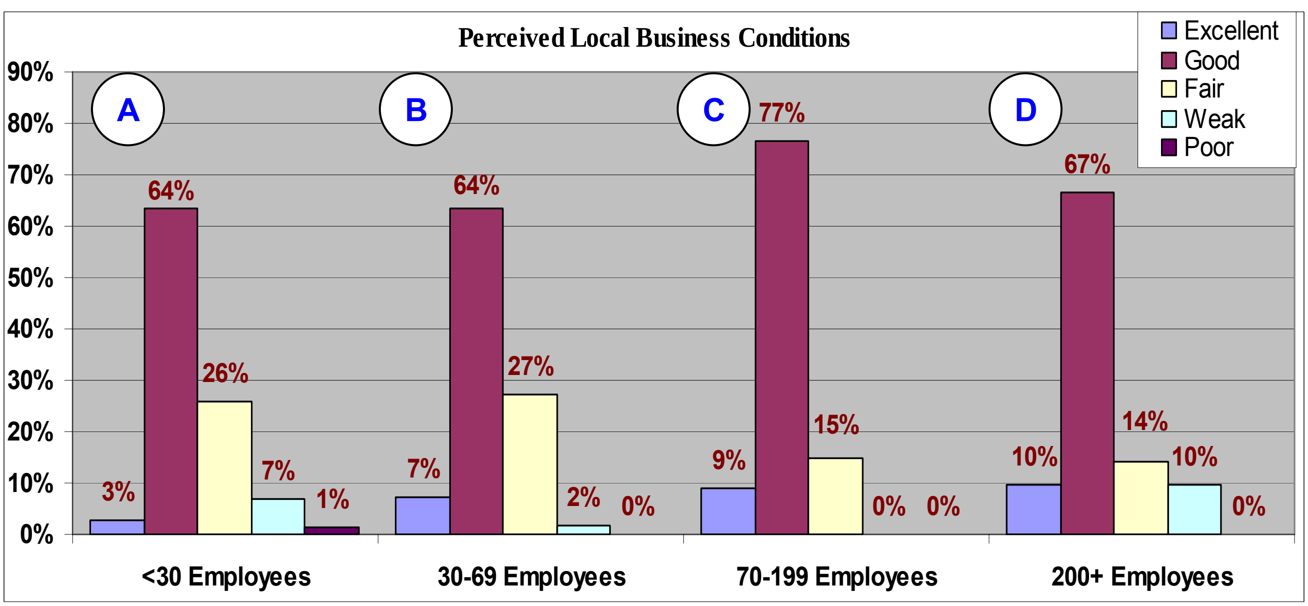
General Business Climate.

Compared to 2004, overall market conditions have slightly improved in 2005. Only 15% believed that their industry is in downturn (compared to 18% in 2004) and perceptions of overall business climate and business-specific market conditions show a clear upward shift (see graphs below).

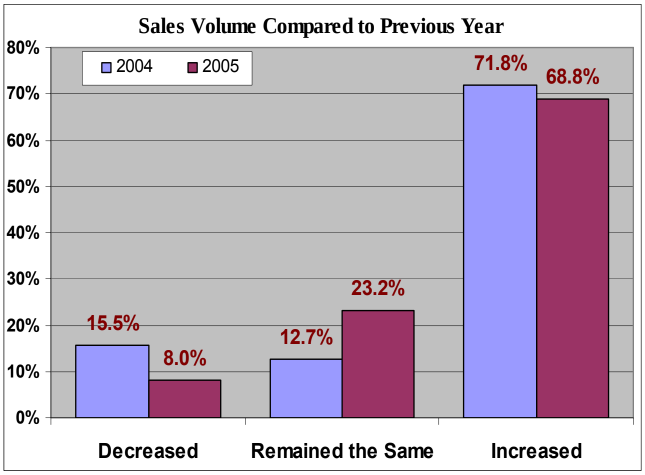


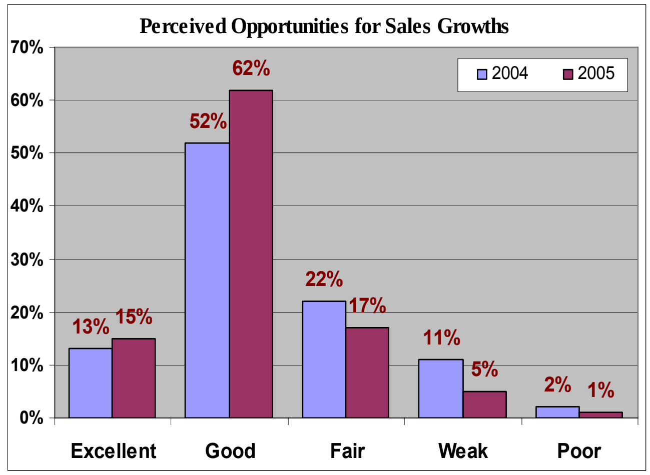


While we found only marginal differences by business size for the items above, the chart below shows that the perception of local business conditions is very similar among businesses segments A and B (<70 Employees), somewhat more positive for segment C (70-199 Employees), and somewhat less positive for segment D (200+ Employees).



Positive perceptions of the business climate are naturally fueled by stable or increasing revenues. Decreasing sales have been reported by only 8% of participants, compared to 15.5% in the previous year. In addition, opportunities for revenue growths appear stronger than in 2004.





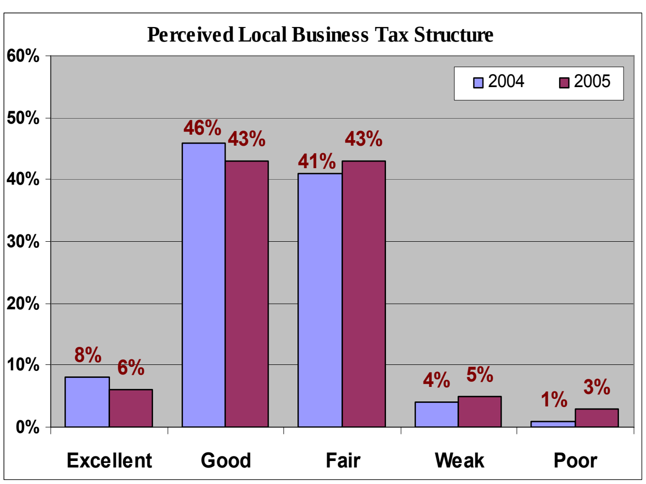
Three additional questions showed relatively stable response patterns compared to the year before without indicating any statistically significant change or business-size related variations.

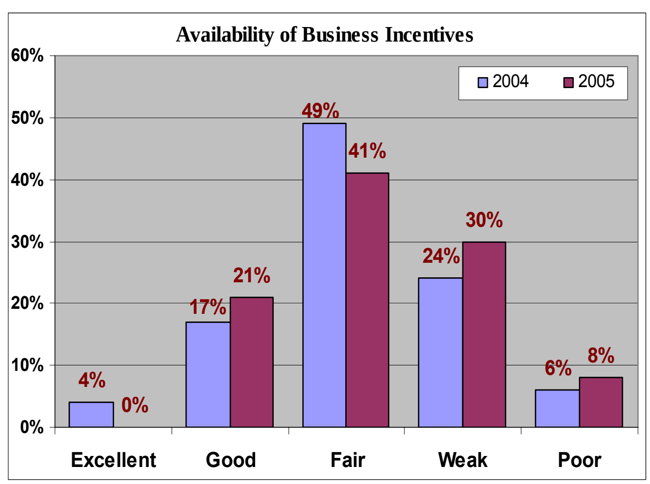
Summary Table: Section B, Survey Questions 6, 7, and 8	NO		YES	
	2004	2005	2004	2005
Do you use the Internet to market your products?	32%	35%	68%	65%
Do you plan to add products/services over the next year?	37%	32%	63%	68%
Do you have sufficient space to expand at your current site?	21%	32%	79%	68%

C. Local Business Context

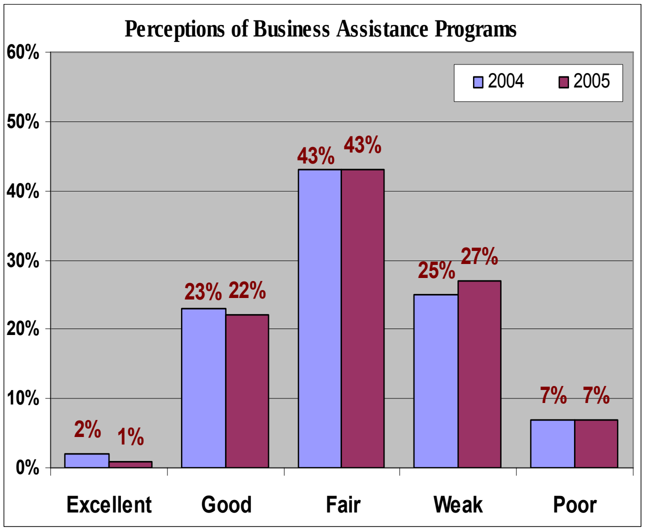
Business Incentives & Assistance.

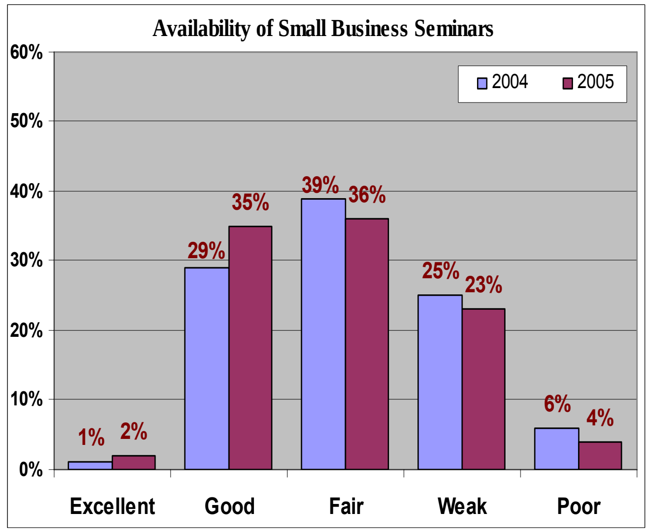
Ratings for business incentives and local business tax structure show a small decline. While there are no significant differences by business size, smaller businesses view both items slightly more positive.





With respect to business assistance programs, ratings were virtually unchanged, while the availability of small business seminars has been slightly more positive than in 2004. Naturally, ratings for both items become more positive the smaller the business gets and the higher ratings for the availability of small business seminars can be solely attributed to the larger proportion of smaller business participating in 2005.

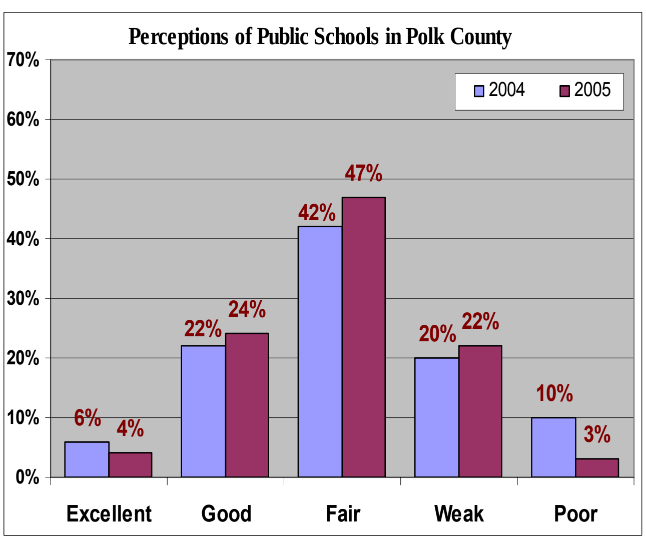


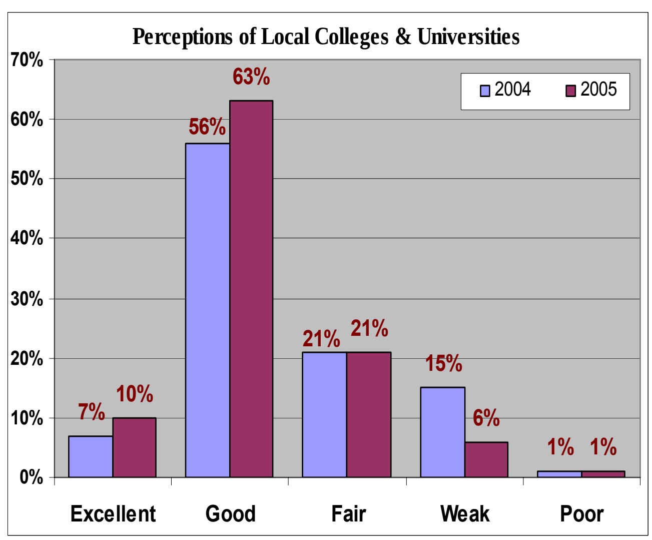


Workforce & Education.

Even if the general perception of educational quality and output provided by Polk County's public schools has improved marginally, an average rating of *Fair* cannot be considered satisfactory. Particularly important is the fact that the county's larger employers – businesses with 200 or more employees – have a somewhat more negative perception of local school system performance (*Fair* to *Weak*) than smaller businesses. This poses a significant problem for the appeal of Polk County as a desirable target of any relocation activity or expansion plans involving larger enterprises.

Perceptions of local colleges and universities are significantly more positive and also more consistent across business segments. The average rating is clearly closer to *Good* than it has been in 2004. However, a stronger push toward excellence is desirable for all postsecondary institutions to enhance the county's economic outlook and fulfill on the premises of Polk Vision.

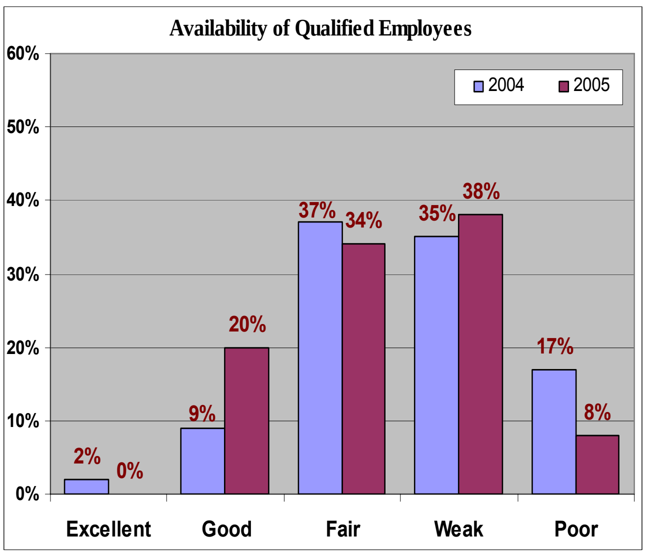


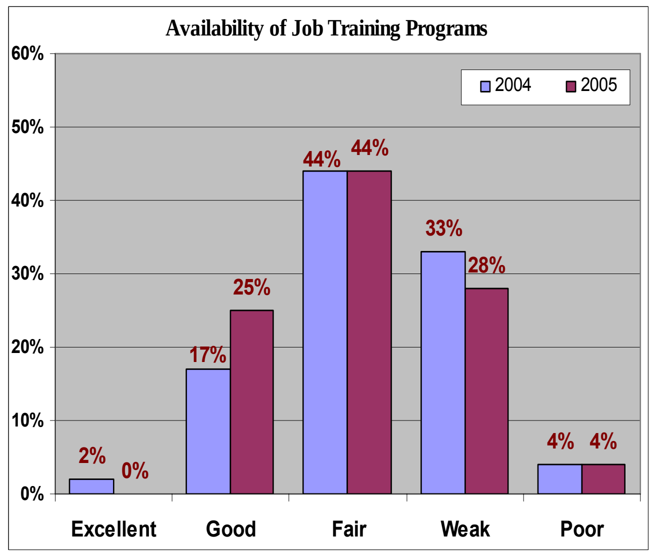


Compared to 2004, there have been only marginal improvements regarding the perceived availability of qualified employees and the availability of job training programs. Across both areas, the smallest businesses encounter significantly stronger challenges than those with 200+ employees. This is likely an effect of resource constraints and the typically “deeper pockets” of larger enterprises.

Naturally, there is a strong correlation between high school performance, recruitment problems, and local workforce qualifications and all ongoing county-wide economic development initiatives we know of, have started to discuss longitudinal improvement measures.

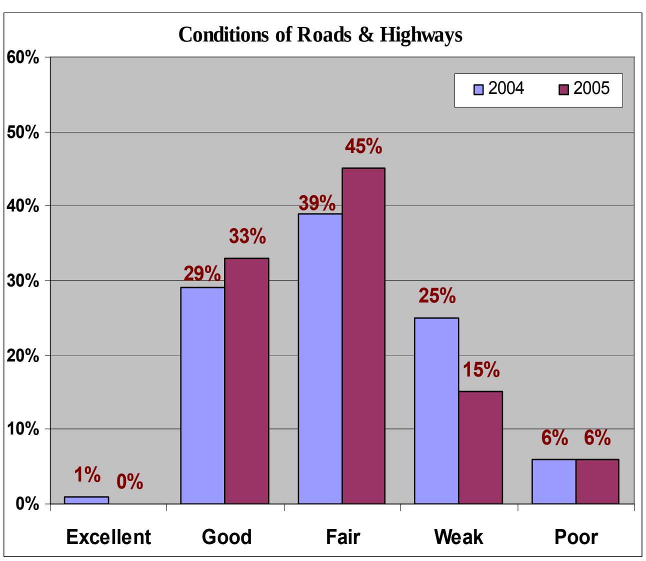
With respect to job training, current ratings reflect very likely not only the availability of programs but also lacking knowledge of existing offerings. We expect this particular rating to improve further in the near future, since there are many collaborative efforts underway to improve communication and collaboration among key stakeholders in this area.

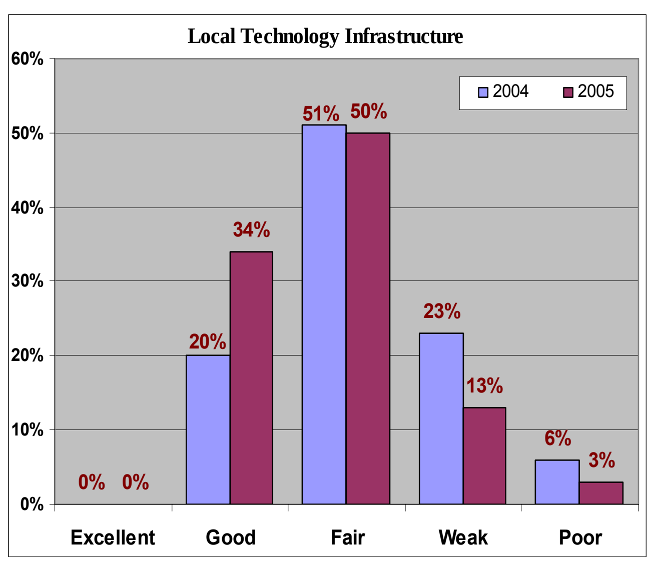




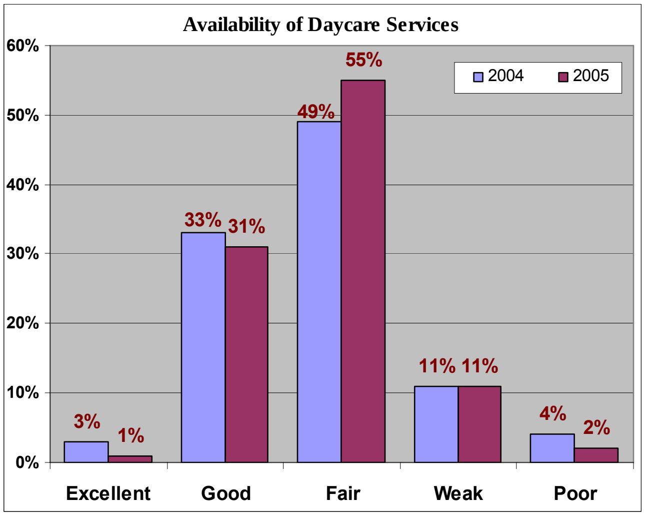
Local Market Ecology & Infrastructure.

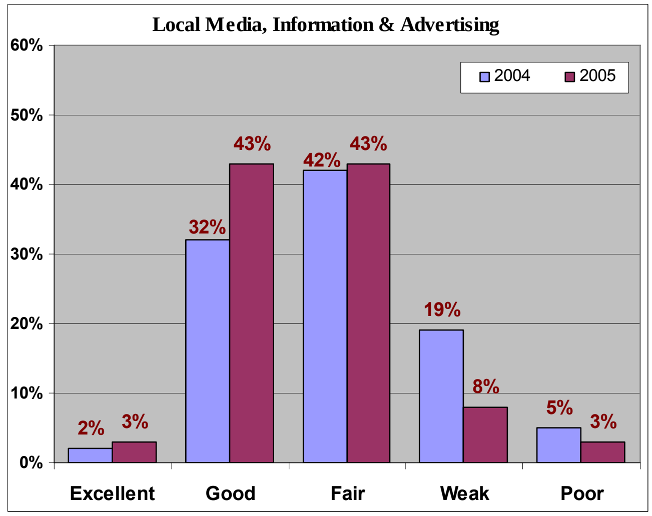
Small advances can be noticed across all items dealing with infrastructure components, business support services, and other aspects of the local market ecology. While there is still plenty of room for improvement, existing trends (if validated by the 2006 survey) are pointing in the right direction.



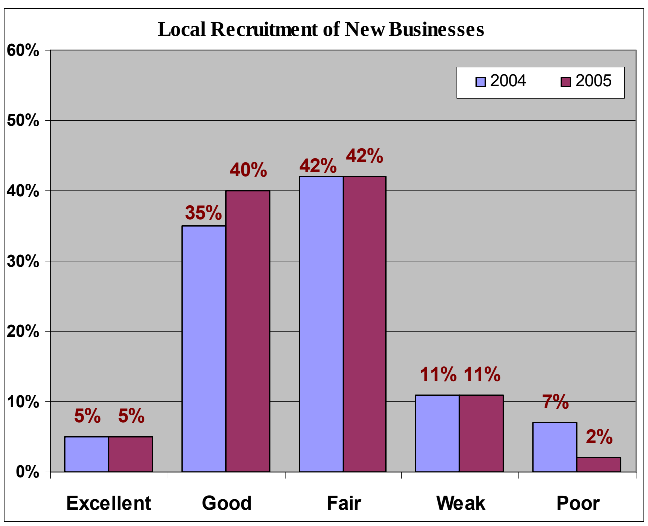


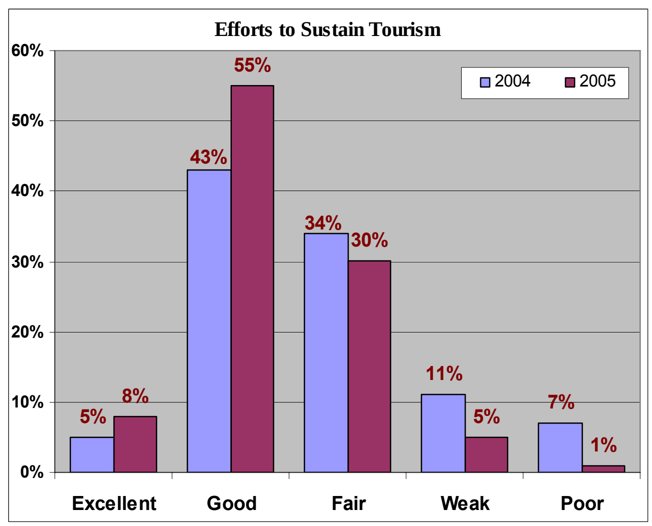
Response patterns for the next two items have been pretty similar across business segments, with one exception: very small firms rate local media, information, and advertising services significantly lower than larger businesses do. It is unclear at this point, if those ratings are correlated with the type, quality, range, reach, associated cost, or the availability of products and services provided.





While the recruitment of new businesses into Polk County has made marginal progress, we find a somewhat stronger improvement concerning the perception of efforts to sustain tourism in a fashion that balances the needs of the community and the various stakeholder interests.





The last item of this section has been added to the survey in 2005 and will serve as a baseline for one of the Polk Vision benchmarks. But even without directly comparable data, the response pattern indicates that diversity and equity cannot be considered a strength of the local business context.

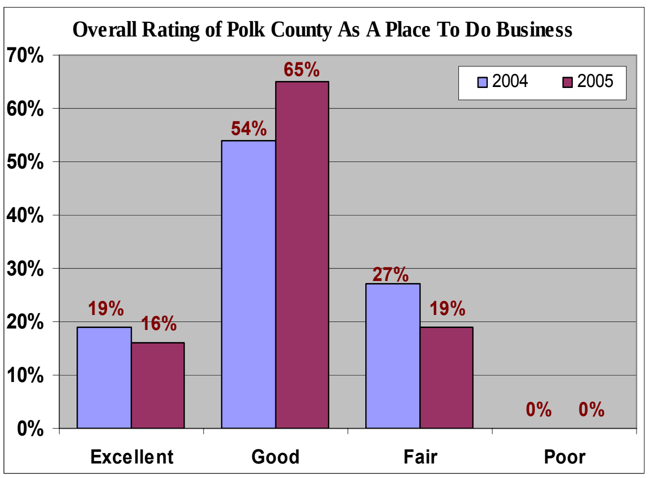
How would you rate business efforts to promote diversity and equity?	Excellent	Good	Fair	Weak	Poor
	3%	34%	54%	7%	3%

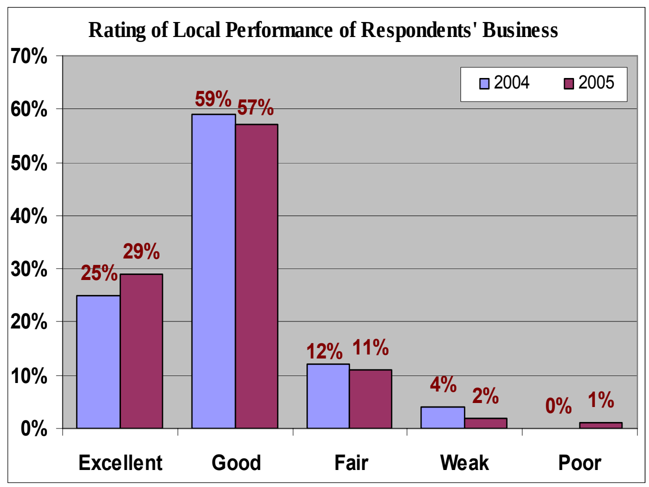
D. Local Economic Climate

Doing Business in Polk County.

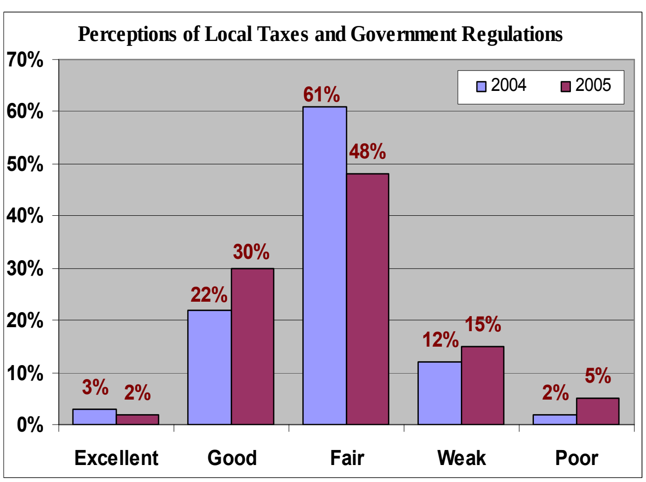
Toward the end of the survey participants were asked to summarize their perceptions about key aspects of the local economic climate. Some of the questions have been partially addressed before (with a slightly different angle) others drilled a little further into detail perceptions. Overall, the vast majority of businesses find Polk County a *Good* to *Excellent* place to do business (81% in 2005, compared 73% in 2004). However, only 76% of small businesses (as the largest segment of the local economy) share this perception compared to 90% of firms with 200+ employees. The data showed a clear correlation: the larger the company, the more positive Polk County appears as a place for doing business. This leads to the question (to be included in the 2006 survey) to what extent smaller firms feel they lose market share to the large national chains that are expanding their business locally.

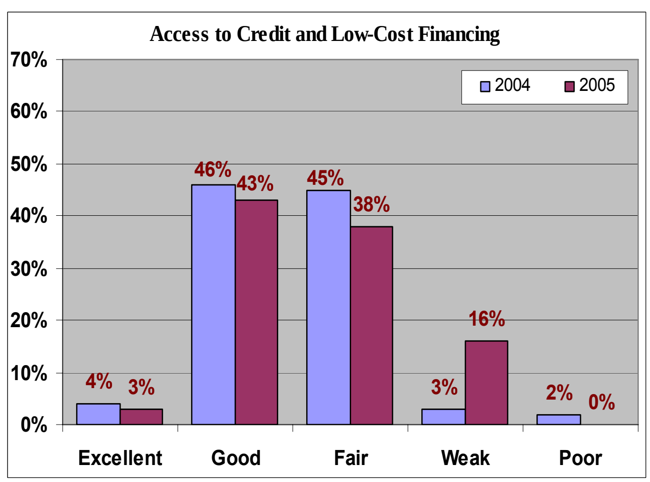
When evaluating their own local business performance against expectations, respondents indicated no tangible differences by business size or in comparison to 2004. 86% (vs. 84% in 2004) consider their business performance *Good* to *Excellent*, only 3% (vs. 4% in 2004) rated it *Weak* or *Poor*.



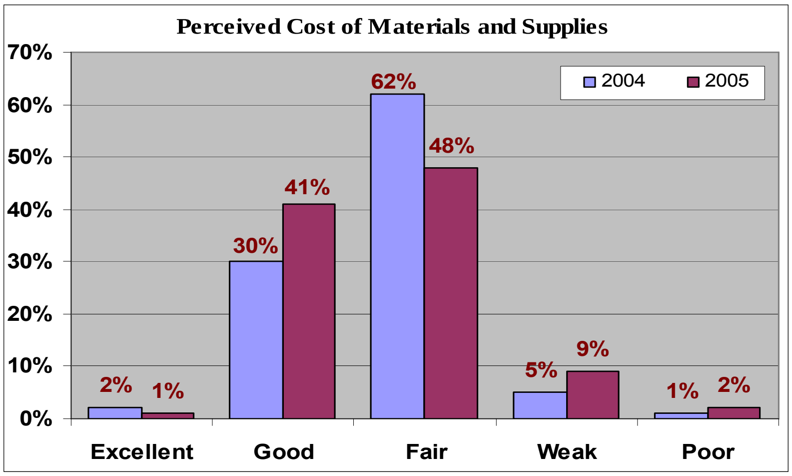


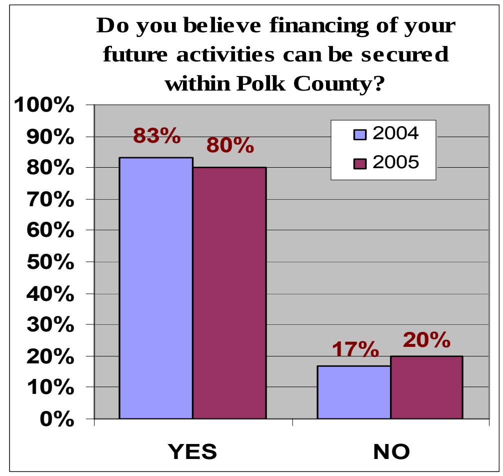
Local taxes and government regulations are perceived as a mixed bag. While the rating average remained pretty similar to 2004, we find that about half of the 13% that don't rate this item as *Fair* any longer has moved to the positive side (*Excellent/Good*) while about an equal amount is seeing things slightly more negative (*Weak/Poor*). In addition, access to credit and low-cost financing is rated significantly weaker than the year before, probably in response to a tighter money market.





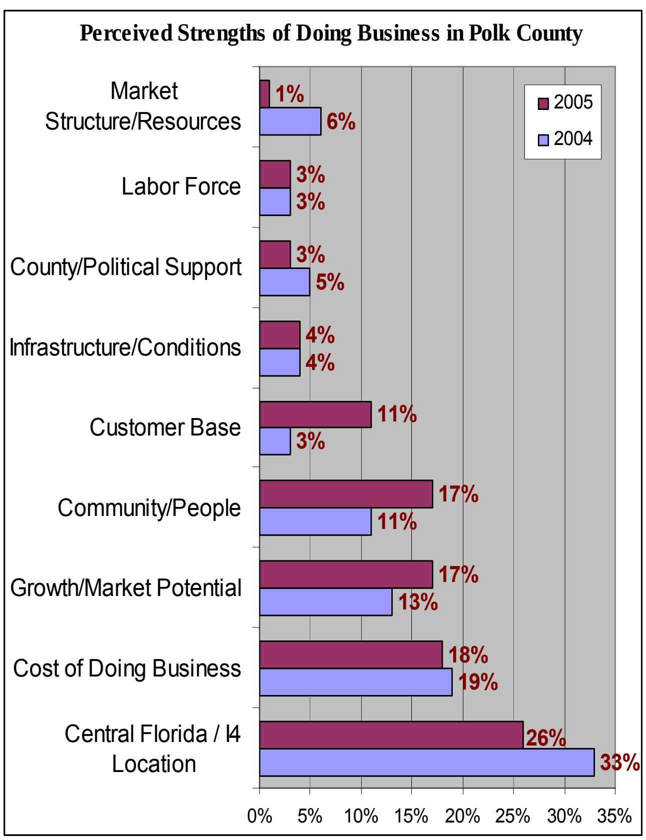
The previous assumption is emphasized by the fact that 3% fewer participants believe financing of future business activities can be secured within Polk County. With respect to cost of materials and supplies we find the downside (*Weak/Poor*) has increased by 5%, while the upside (*Excellent/Good*) has increased by 10% and no business-size related variance was encountered. Unfortunately the sample size did not allow us to identify any variations by SIC.

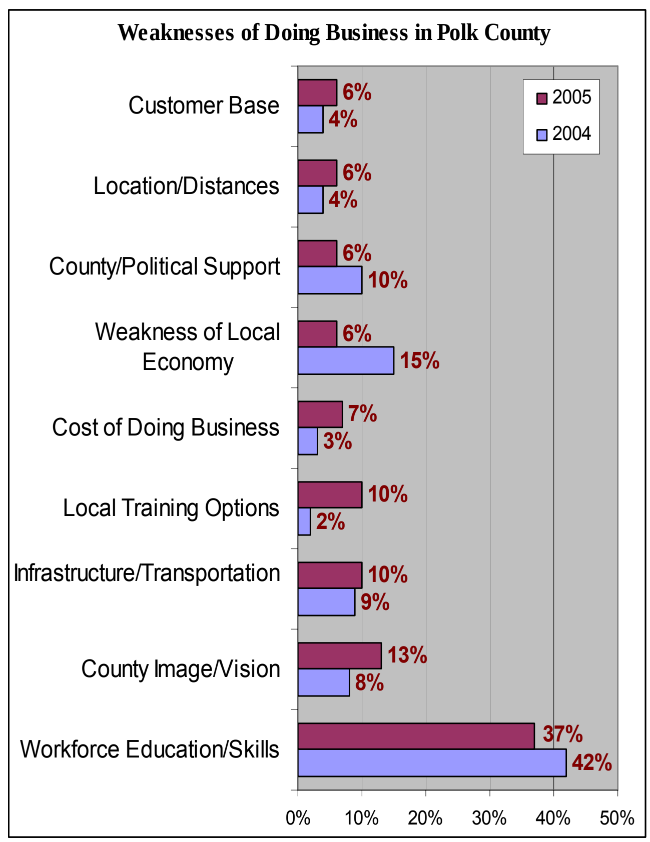




Polk County's Strengths & Weaknesses.

The ratings below are rather self-explanatory and show mixed patterns of consistency and change. While the rankings of top strengths remain fairly stable, perceptions of local weaknesses show more fluctuation with *Workforce Education/Skills* remaining the #1 business challenge.





Looking Ahead.

We hope this report will be able to assist local businesses, chambers of commerce, political decision-makers, and other stakeholders in their continued efforts to improve economic development in Polk County. At PCC it helps us to better understand the complex aspects influencing the local economy and it therefore facilitates our dialogue with the many local constituencies we are working with throughout the year to expand our offerings.

The 2006 Polk County Business Survey will be most likely administered during the first three weeks of October. We are currently evaluating our options to publish the questionnaire on the Internet and we'll keep you posted about our progress. Please feel free to send any survey related questions or recommendations via e-mail to the Office for Institutional Research, Effectiveness, & Planning at PCC (see further below). We will also e-mail electronic copies of this report in PDF format based upon request.

Finally, we would like to express our thanks to the enthusiastic participants of the many Polk Vision groups and support alliances that provided input and feedback in the process of further developing this survey. We are looking forward to working with you to develop this tool into a successful benchmarking instrument for the years to come.

Special thanks go to the CFDC, especially to Jim DeGennaro for his great support; to Polk Vision, especially to Colleen Burton for facilitating so many meetings; to the Continuing Education Support Alliance, especially to Joe Rice for his leadership; to our friends at USF Lakeland for their input, and to all the owners and employees of the participating businesses for taking the time to complete the questionnaire.

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