

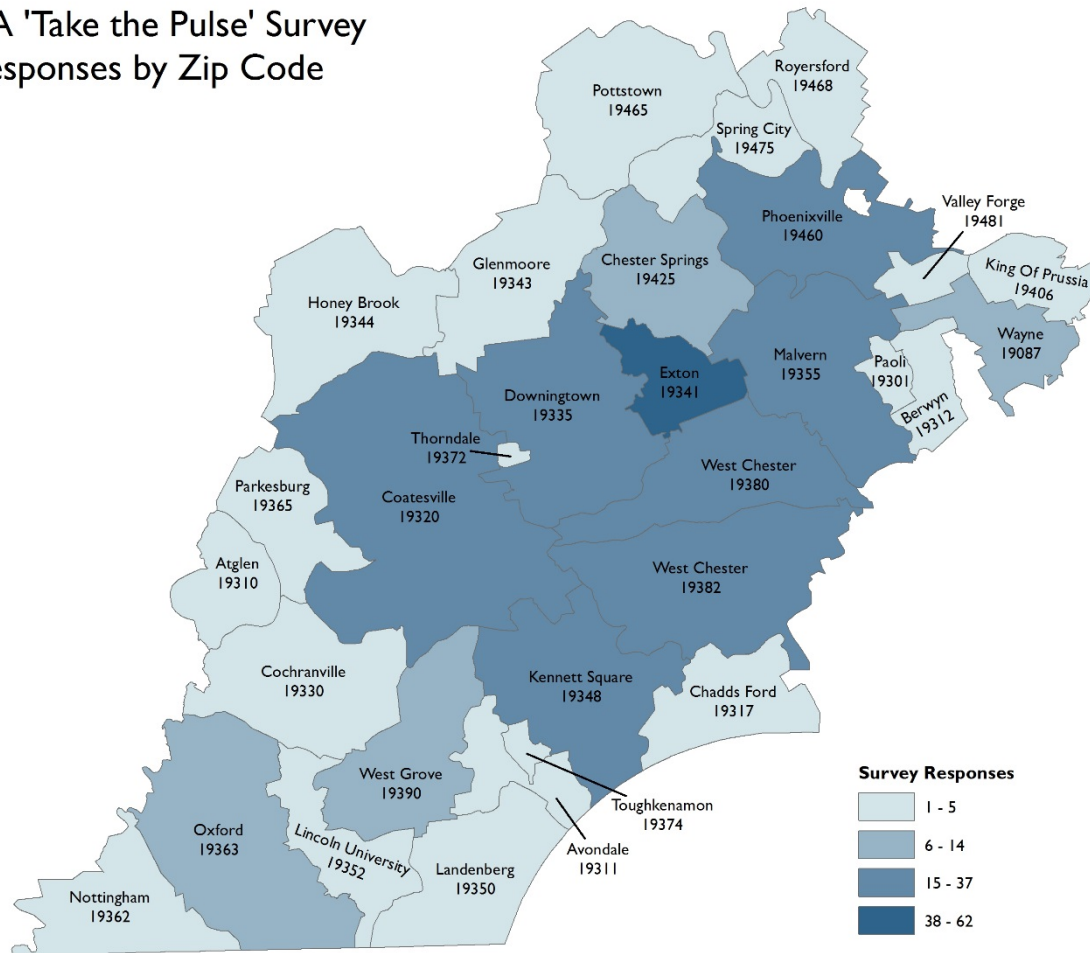
Background and methodology

- The Chester County Economic Development Council (CCEDC), The County of Chester under the leadership of the County Commissioners, in partnership with the county's ten chambers of commerce, conducted this important business research called "Take the Pulse", a key component of VISTA 2025
- VISTA 2025 is Chester County's ten-year economic development strategy designed to maintain the economic health of Chester County by striking a balance between progress and preservation.
- Chester County business decision makers were invited to participate in an online survey via email utilizing the CCEDC list of local businesses and chambers of commerce member lists. **A total of 330 respondents participated in the survey during March and April 2017.**
- **The results of the study are projectable to the population of Chester County business establishments, estimated to be 14,024*, with a +/- 5% - 6% confidence interval at the 95% confidence level.** This is within the industry-standard range of +/-5%.
- CCEDC consulted with key stakeholders to design and execute the research. Data analysis for this report was conducted by the Chester County Planning Commission and RMI Research & Consulting, working directly with the CCEDC.
- The objectives of the study are to assess the business climate in Chester County, providing valuable insight into the challenges and opportunities facing Chester County businesses today, including:
 - Assess the business community
 - Provide insight into the challenges facing local businesses
 - Identify opportunities for local and regional companies

Profile of participating businesses

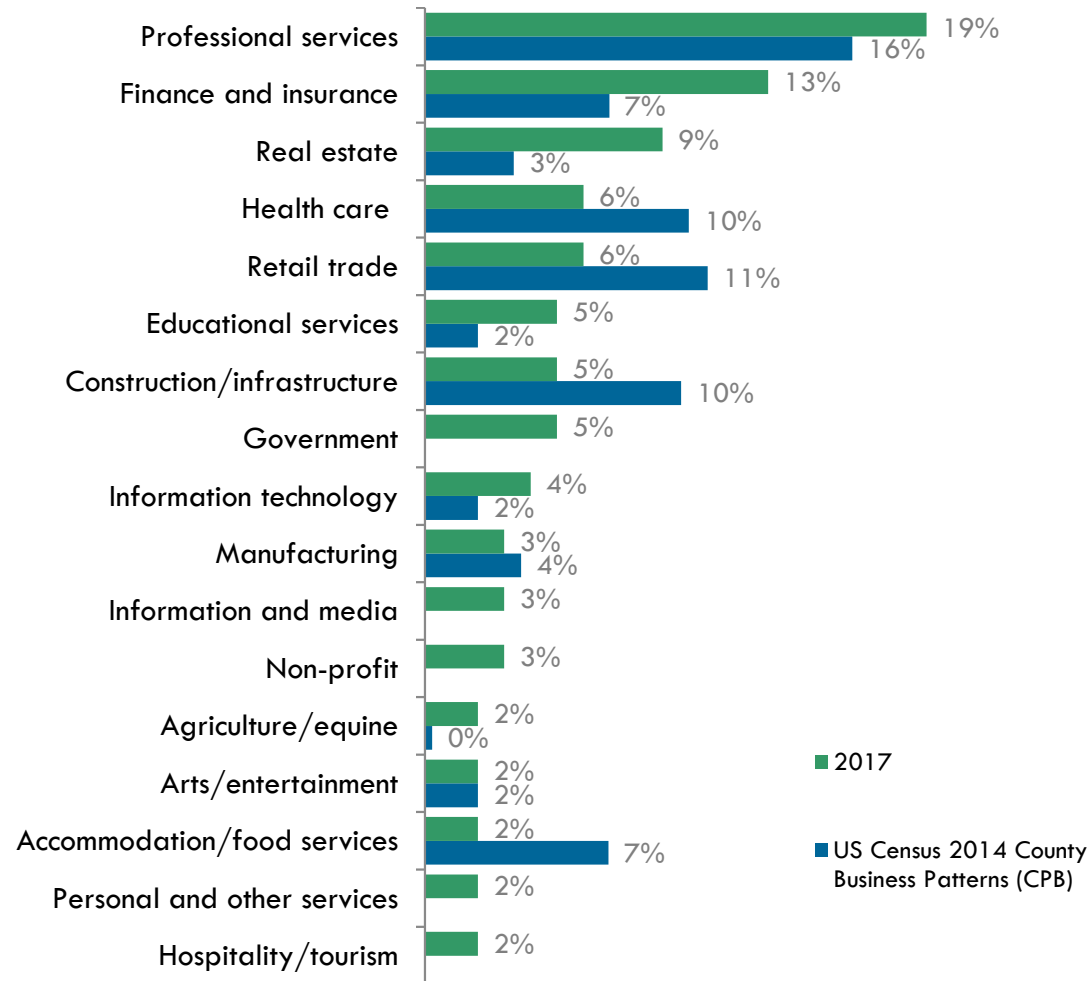
Responses by zip code

VISTA 'Take the Pulse' Survey
Responses by Zip Code



Profile of participating businesses

Primary industry



Findings:

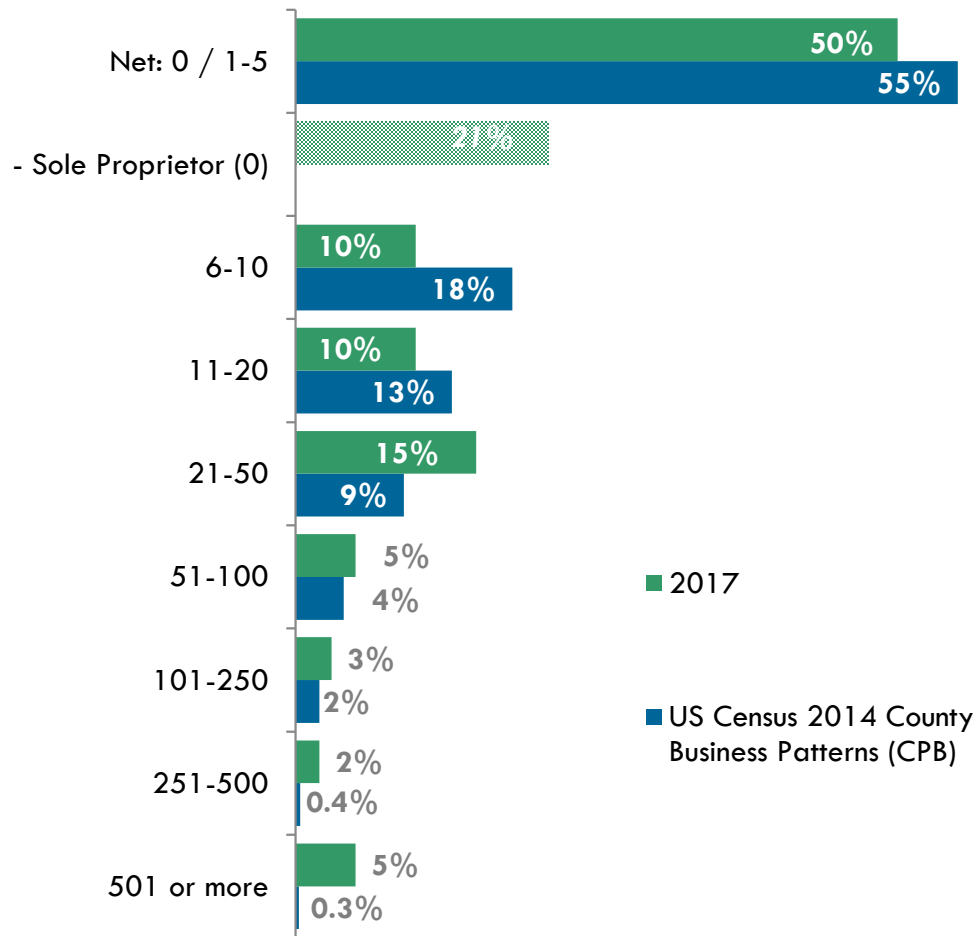
- The most prevalent industries represented by respondents include “professional, scientific and technical services” (19%) and “finance and insurance” (13%).
- Other key industries represented in the sample include “real estate” (9%), “health care” (6%) and “retail trade” (6%).

* Survey categories <=1% not shown

Q4. Which of the following best describes your primary industry sector?

Profile of participating businesses

Full-time employees

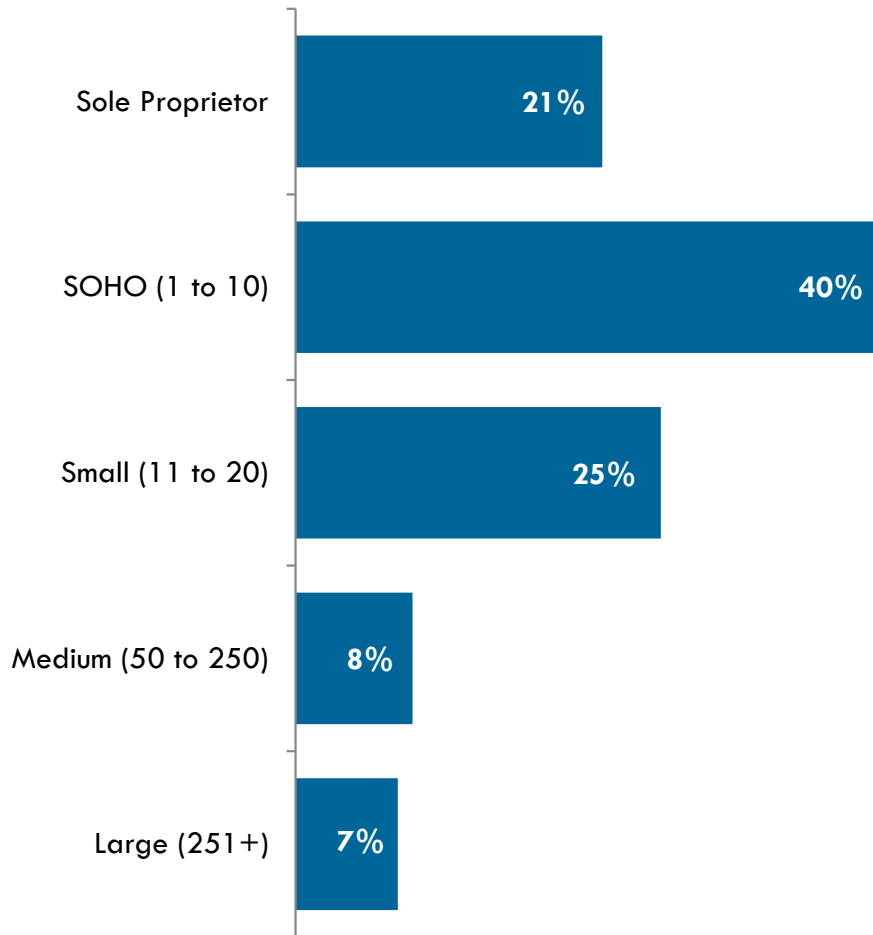


Findings:

- The majority of survey participants are small business owners.
 - Half of participants (50%) are sole proprietors (21%) or employ 1 to 5 employees.
- In general, the Take the Pulse sample mirrors the population of business establishments reported by the US Census County Business Patterns (CPB) study, with slight underrepresentation of small to medium sized businesses (6-10, 10-20), and overrepresentation of very large establishments (251-500, 501+).

Profile of participating businesses

Full-time employees by category



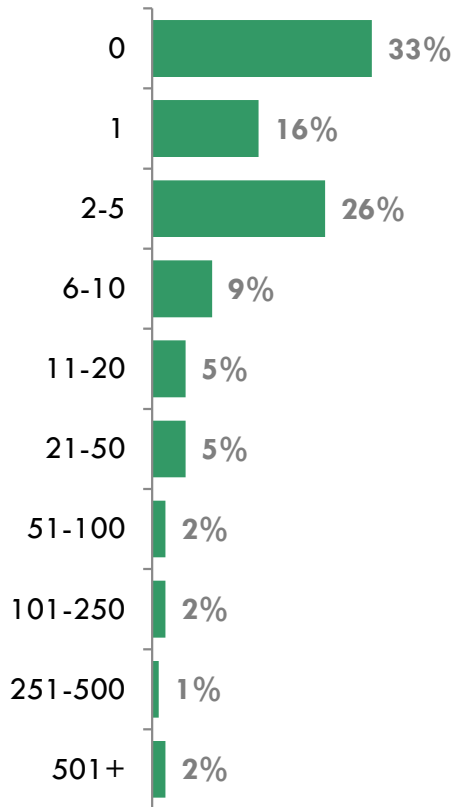
Findings:

- The plurality of respondents fall into the “Small office/home office (SOHO)” business size category, reporting between 1 and 10 employees (40%).
- Twenty-one percent of respondents are “sole proprietors” (21%) and one quarter are “small” businesses with between 11 and 20 employees (25%).
- “Medium” and “Large” businesses are represented in the sample by about one in ten respondents, each (8% and 7% respectively).

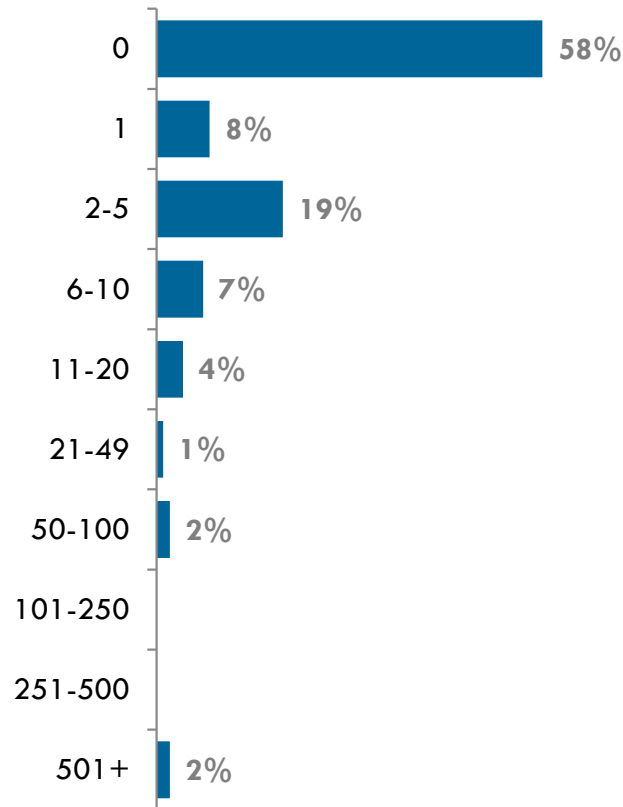
Profile of participating businesses

Part-time and contract workers

Part-time employees



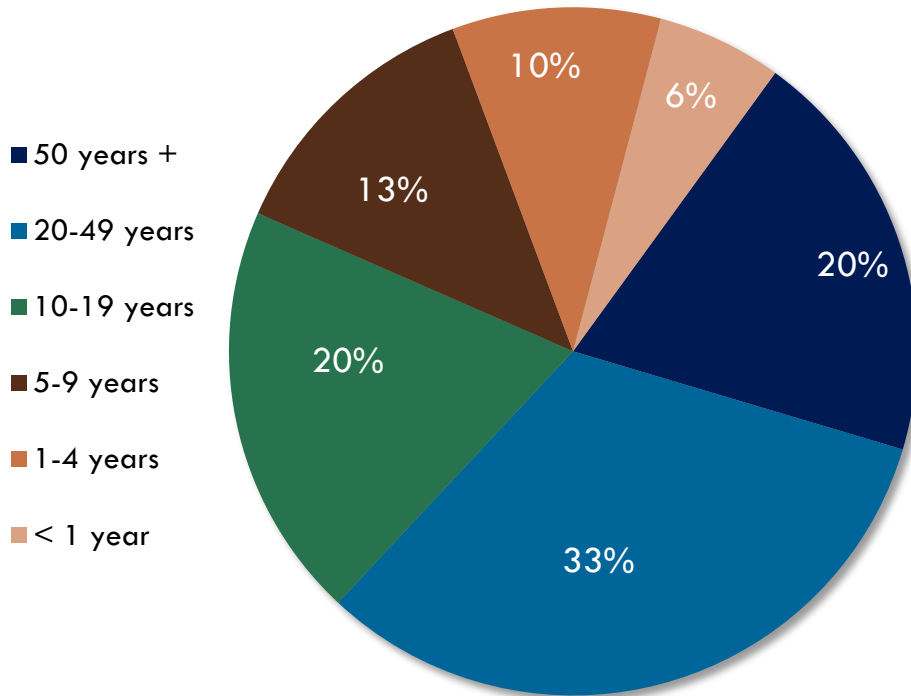
Contract Workers



Findings:

- Chester County business who employ part-time and/or contract workers are most likely to employ between 2 and 5 such workers.
- According to Forbes, "...[T]he number of freelance workers is growing quickly, with the number of U.S. freelancers hitting 55 million this year, up from 53 million in 2014 and 53.7 million last year.
- Freelancers now make up 35% of U.S. workers and collectively earned \$1 trillion in the past year, according to the "Freelancing in America: 2016" survey released... by the Freelancers Union, based in New York City, and the giant freelancing platform Upwork, headquartered in Silicon Valley."¹

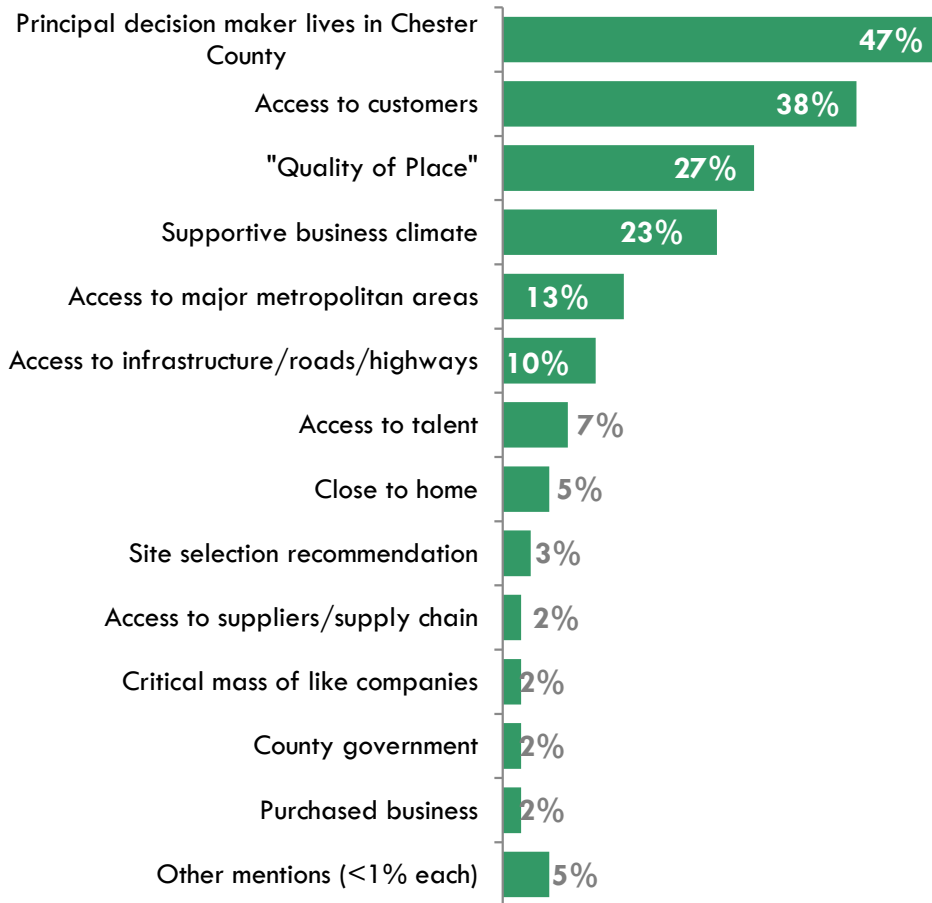
Duration of time in Chester County



Findings:

- Over half of respondents (53%) report their company has operated in Chester County for 20 years or more.
- Two in ten (20%) have been based in Chester County between 10 and 20 years.
- Twenty-nine percent of participants (29%) are recent additions to the Chester County business community, starting operations here within the past 9 years.

Why locate in Chester County?

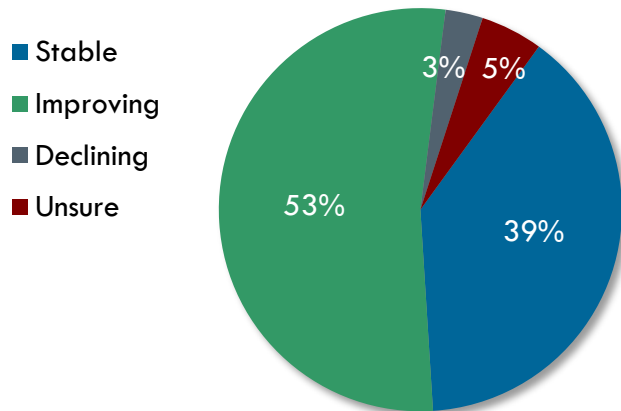


Findings:

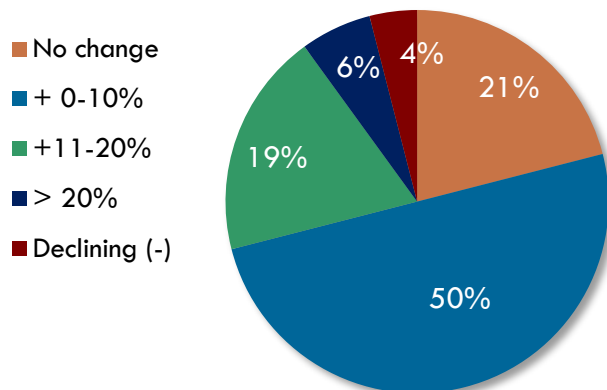
- The primary reason nearly half of all businesses are located in Chester County is because the “principal decision maker lives in Chester County” (47%). Data closely mirrors 2016 findings.
- Nearly four in ten local business owners are located in Chester County for “access to customers” (36%).
- “Quality of Place” (27%) and the “supportive business climate” (23%) are key reasons to choose Chester County for over 2 in 10 businesses.

View of current business climate

Business climate impressions



Projected revenue growth



Findings:

- Over nine in ten business owners (92%) believe the business climate in Chester County is “stable” (39%) or “improving” (53%).
 - Business owners in 2017 are significantly more optimistic for growth in Chester County (53% “improving”) compared to one year ago (46% “improving” in 2016 TTP).**
- Few (5%) believe the local business climate is in a state of decline.
- Three-quarters of respondents (75%) are optimistic for growth in their own companies, anticipating growth in revenues up to 10% (50%), between 11% - 20% (19%) and even greater than 20% (6%).
- Twenty-one percent of business owners (21%) expect to maintain the status quo in the next 12 months, reporting “no change” in their business’ revenue growth.

Q15 Please provide your company’s projected revenue growth/decline of the next 12 months, if any?.

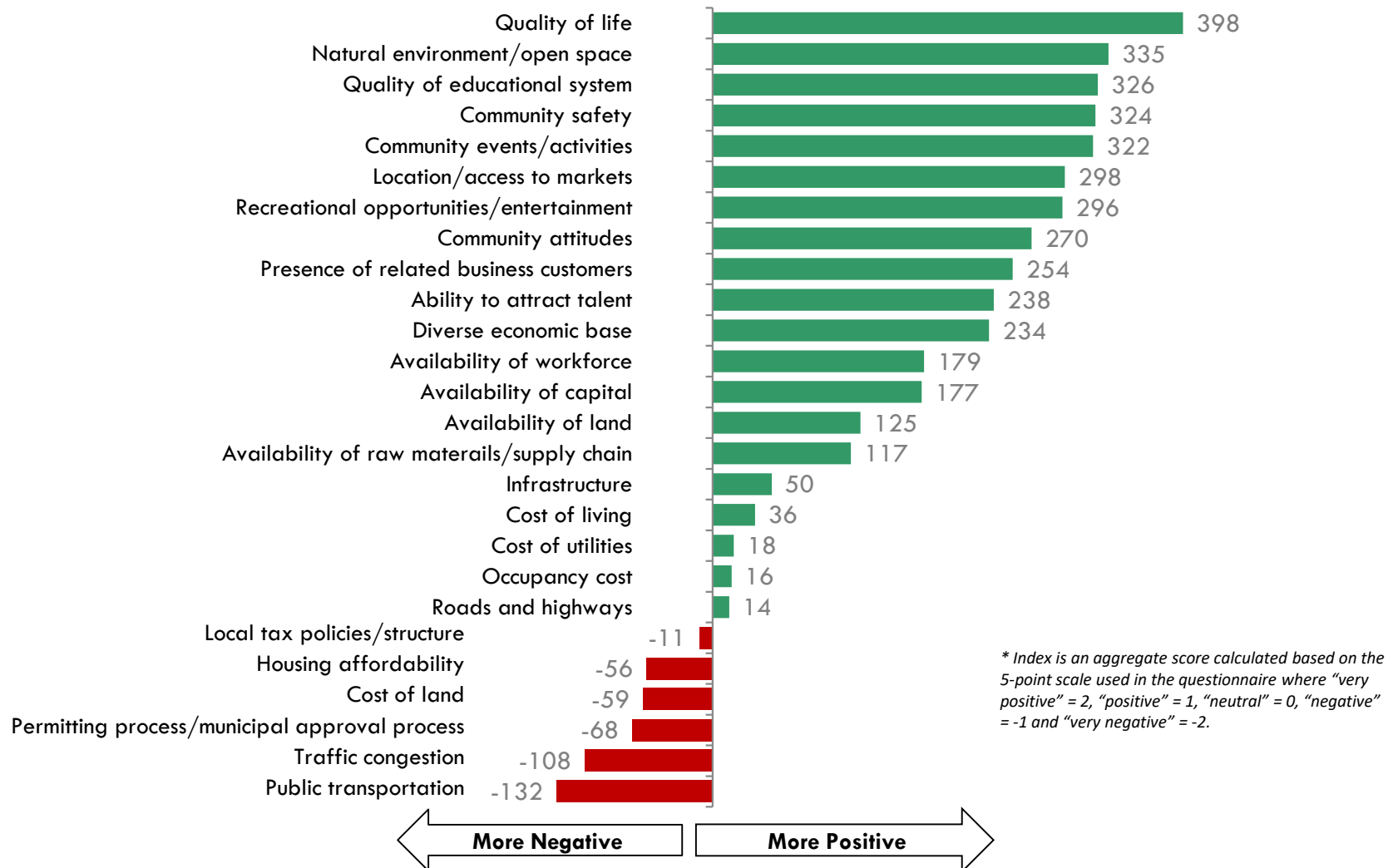
Q13. What is your impression of the business climate in Chester County today?

Characteristics of Chester County

- The “quality of life” offered by Chester County has the most positive effect on Chester County as a place to do business compared to all other characteristics measured. (Page 14)
 - Business leaders also feel the “natural environment/open space,” “quality educational system,” “community safety” and “community events and activities” are all leading characteristics of Chester County.
- Areas where respondents feel improvements are warranted include “public transportation” and “traffic congestion” and to a lesser extent “permitting process/municipal approval process,” “cost of land” and “housing affordability.”
- NOTE: The “Index” of ratings is not comparable year-to-year as it is based on the number of respondents and sample sizes varied between 2016 and 2017. We can, however, compare the proportion of positive/negative ratings in the data year-to-year to identify any shifts of opinion.
- Compared to 2016 findings, respondents in 2017 have a significantly more positive view of several characteristics of Chester County, including: (Page 15)
 - Natural environment / open space (90% net positive ratings in 2017, up from 76% in 2016)
 - Location /access to markets (86% from 78%)
 - Presence of related business clusters (77% from 58%)
- Areas where impressions of Chester County declined significantly compared to 2016 include:
 - Availability of workforce (63% net positive ratings in 2017, down from 72% in 2016)
 - Infrastructure (39% from 58%)
 - Roads/highways (37% from 62%)
 - Permitting process/municipal approval process (19% from 26%)
 - Traffic congestion (15% from 27%)
 - Public transportation (17% from 26%)

Characteristics of Chester County

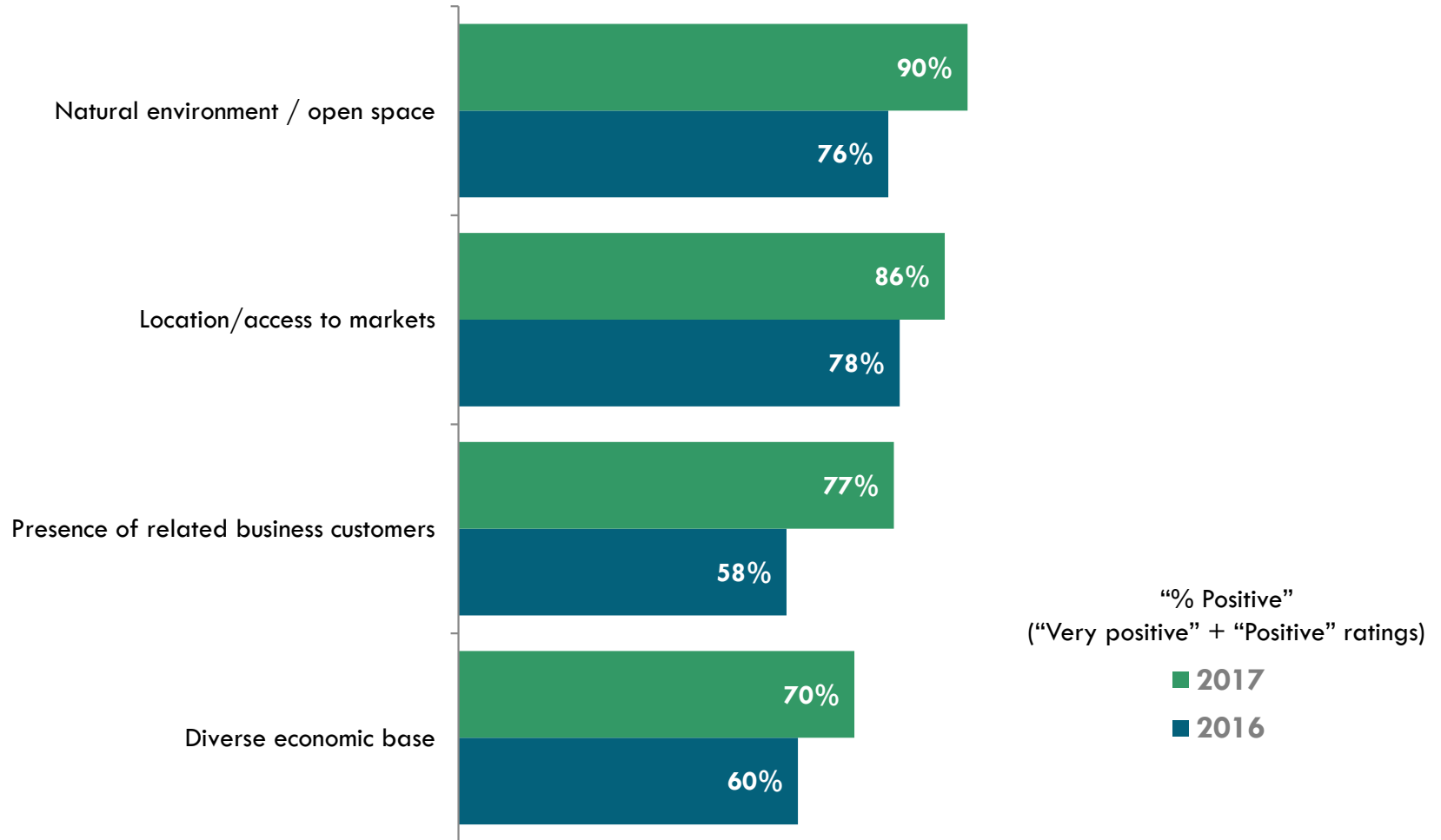
Index of positive/negative ratings



Q9. Please rate the following characteristics in terms of their effect on Chester County as a place to conduct business.

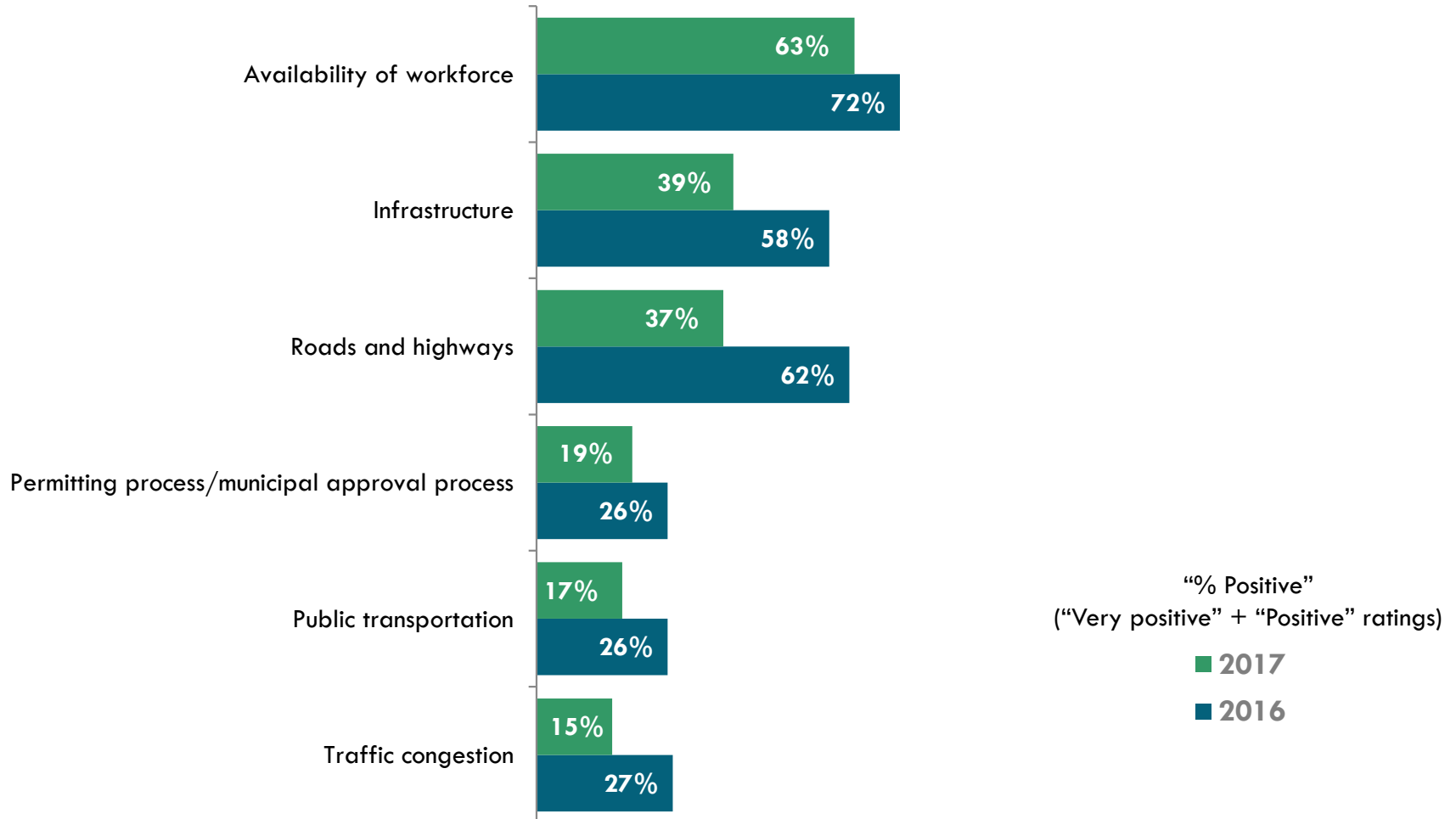
Characteristics of Chester County

Significant improvements in “Positive” ratings: 2016 vs. 2017

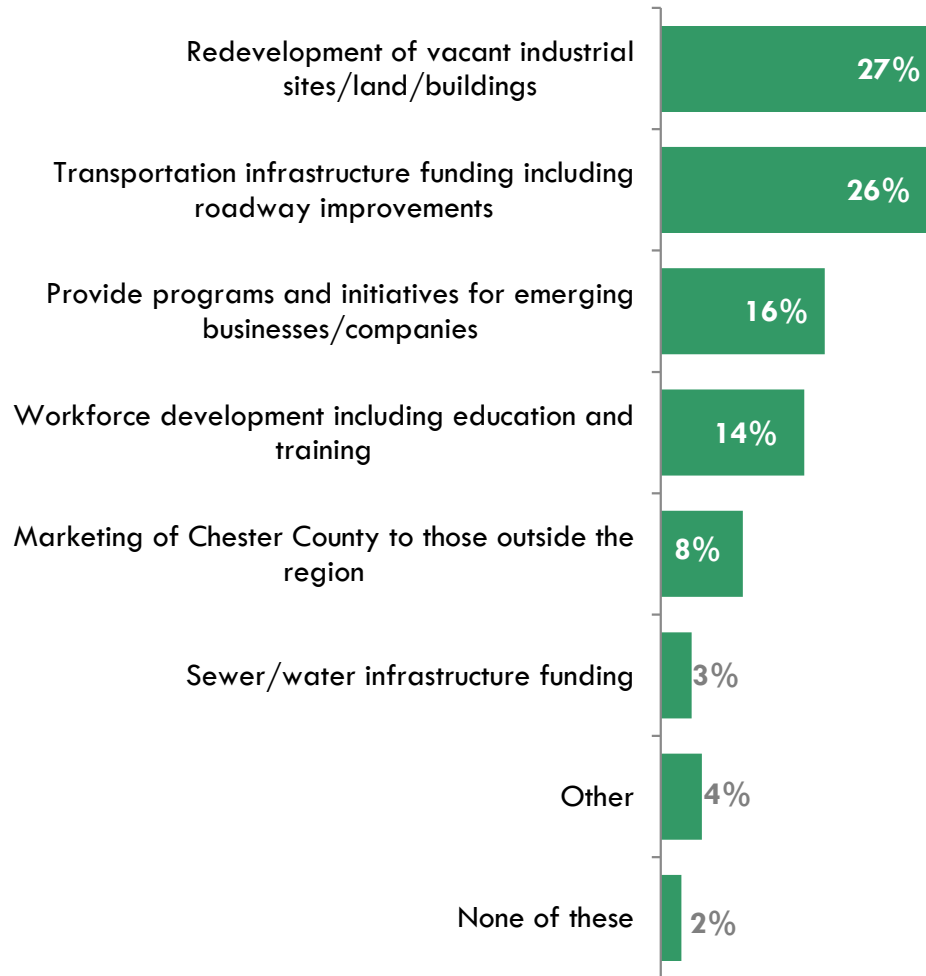


Characteristics of Chester County

Significant declines in “Positive” ratings: 2016 vs. 2017



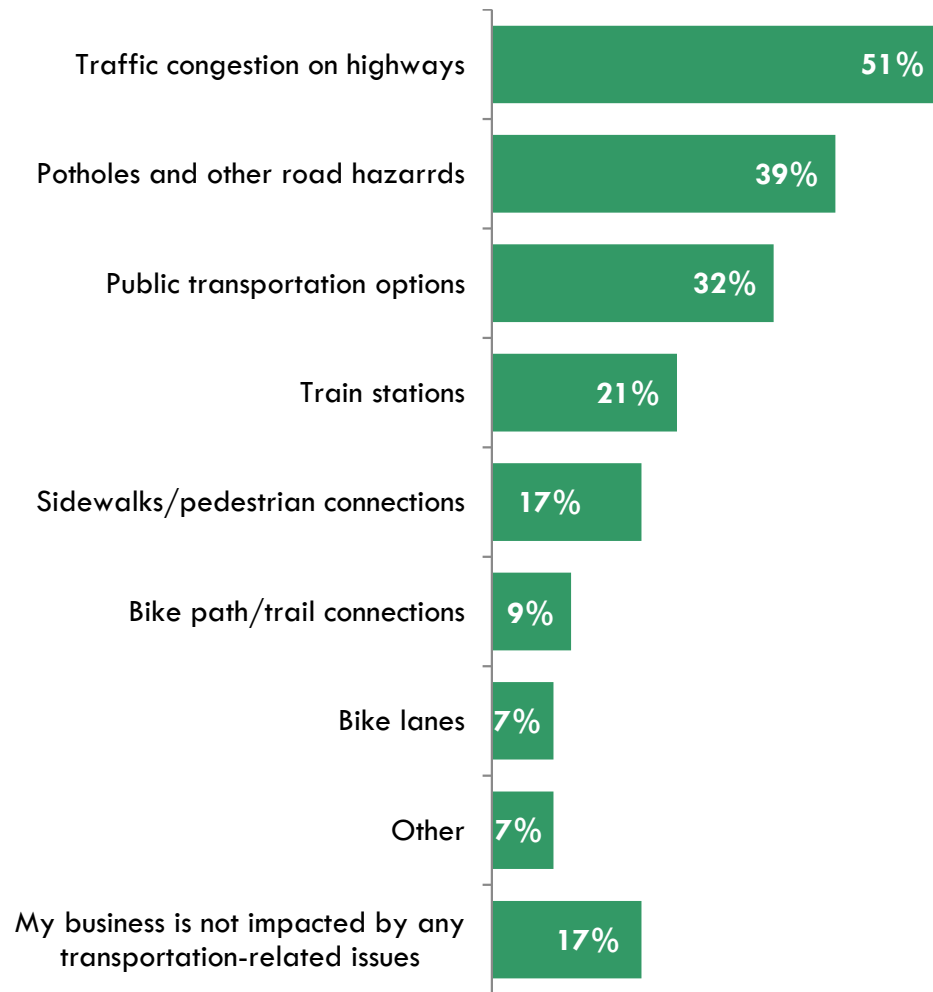
Highest priority investment in Chester County



Findings:

- About three in ten business leaders feel “redevelopment of vacant industrial sites” (27%) and/or “transportation infrastructure funding” (26%) should be the highest priority investment for economic development in Chester County.
- Secondary areas of importance to business leaders include “programs and initiatives for emerging businesses/companies” (16%) and “workforce development” (14%).
- Areas of comparatively less importance to business leaders include “marketing of Chester County to those outside the region” (8%) and/or “sewer/water infrastructure funding” (3%).

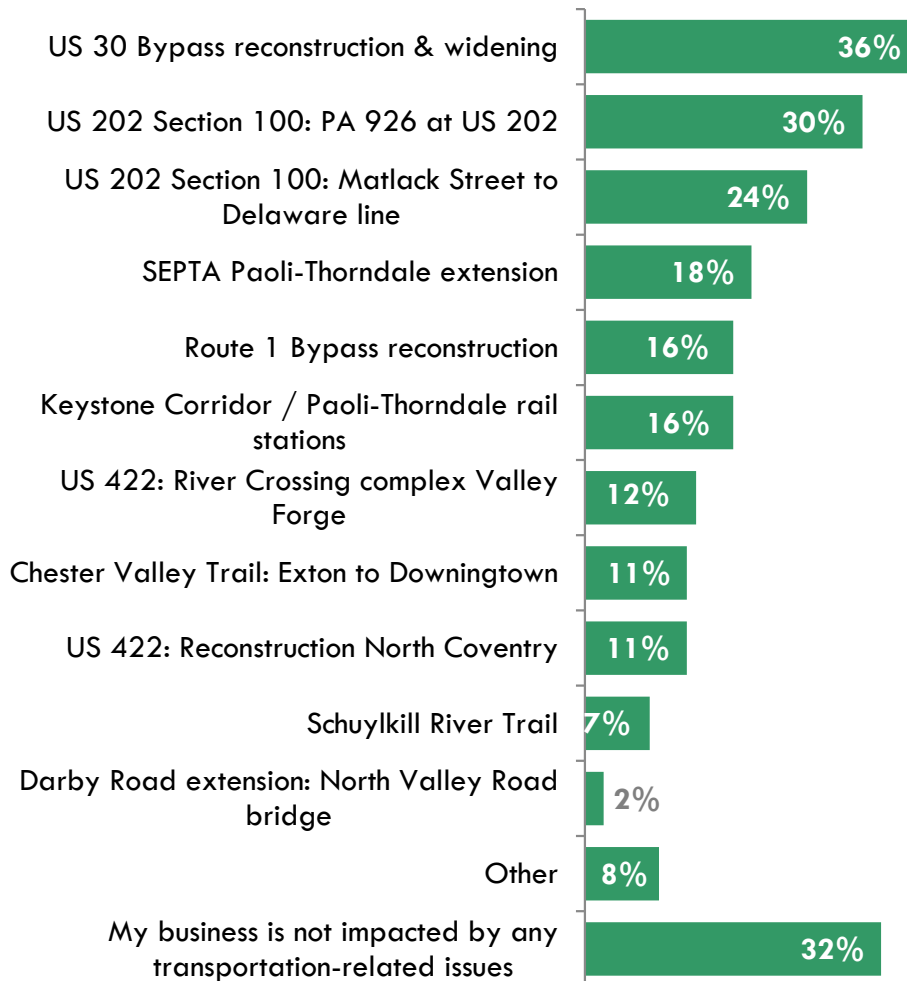
Impact of transportation issues



Findings:

- Chester County businesses currently feel the impact of “traffic congestion on highways” (51%) more than any other transportation-related issue.
- Secondary issues impacting businesses include “potholes and other road hazards” (39%) and “public transportation options” (32%).
- Nearly two in ten respondents (17%) report their business is not impacted by any of the transportation-related issues explored.

Impact of transportation projects



Findings:

- Thirty-two percent of respondents (32%) report their businesses are not impacted by any transportation-related issues.
- The top three transportation projects currently impacting Chester County businesses include:
 - US 30 Bypass reconstruction & widening (36%)
 - US 202 Section 100: PA 926 at US 202 (30%)
 - US 202 Section 100: Matlack Street to Delaware line (24%)

Q17. Chester County currently has many on-going transportation-related projects, some of which are shown below.
Which of the projects listed, if any, currently impacts your business?

Workforce related challenges

- The majority of business owners believe each the workforce related challenges presented in the 2017 survey are merely “minor” issues or “not an issue at all.”
- However, a small minority do struggle with workforce related challenges, lead by the belief that it is “difficult to find qualitative candidates for job openings” -- 25% report this is a “significant issue” for their business.
- Other workforce related challenges mentioned as a “significant issue” by about 1 in 10 respondents include:
 - Lack of affordable housing impacts attraction/retention of employees (15%)
 - Limited access to transportation impacts attraction/retention of employees (13%)
 - Recent college graduates lack necessary skills (11%)

Workforce related challenges

