

2019

IU East Regional Business Confidence Index

And

East-Central Indiana Business Survey

Prepared by

Business and Economic Research Center

School of Business and Economics

Indiana University East

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**INDIANA UNIVERSITY
EAST**

BUSINESS AND ECONOMIC RESEARCH CENTER
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Acknowledgements

This was our fourth year into the compilation of the IU East Regional Business Confidence Index. In addition to the five East-Central Indiana counties, including Fayette, Henry, Randolph, Union, and Wayne surveyed in the previous years, the Business and Economic Research Center (BERC) of the School of Business and Economics at Indiana University East had extended the annual business outlook survey conducted in September-October 2019 to cover seven counties of the region by adding Franklin County and Rush County. The survey asked business owners/managers in the region to provide their opinions on various aspects of business performance and the economic environment for 2019, and their expectations on these aspects for 2020. A new question that explored the rise in individual costs of doing business for 2020 anticipated by the surveyed businesses was included. Survey results were then used to compute the business confidence index value for 2019. At the same time, some conclusions about how the region's business outlook had changed were drawn based upon those results.

In order to gather inputs for the compilation of the index value, the above-mentioned survey was delivered to the members and/or partners of the Fayette County Chamber of Commerce, the Franklin County Chamber of Commerce, the New Castle-Henry County Chamber of Commerce, the New Castle-Henry County Economic Development Corporation, the Randolph County Economic Development Corporation, the Rush County Chamber of Commerce, the Rush County Economic Development Corporation, the Union County Development Corporation, the Wayne County Area Chamber of Commerce, and the Economic Development Corporation of Wayne County. A copy of the survey instrument can be found in the appendix.

Special thanks go to Gertrud Whitaker, Executive Director of the Fayette County Chamber of Commerce; Dan Parker, Executive Director of the Economic Development Group of Connersville and Fayette County; Rhonda Brown, Executive Director of the Franklin County Chamber of Commerce; Shaun DuFault, Executive Director of the New Castle Henry County Chamber of Commerce; Corey Murphy, President/CEO of the New Castle-Henry County Economic Development Corporation; Kelli Wasson, Office Manager of the New Castle-Henry County Economic Development Corporation; Greg Beumer, Executive Director of the Randolph County Economic Development Corporation; Michelle McGunegill, Administrative Assistant of the Randolph County Economic Development Corporation; Sandy Fussner, Executive Director of the Rush County Chamber of Commerce; John S. McCane, Executive Director of the Rush County Economic and Community Development Corporation; Abigail Roszell, Workforce Development and Client Services Manager of the Rush County Economic and Community Development Corporation; Melissa Browning, Director of the Union County Development Corporation; Dawn Ripberger, Executive Assistant of the Union County Development Corporation; Melissa Vance, President/CEO of the Wayne County Area Chamber of Commerce; Ed DeLaPaz, Director of Marketing and Communication of the Wayne County Area Chamber of Commerce; and Valerie Shaffer, President of the Economic Development Corporation of Wayne County.

Without their support and dedication, the survey would not be possible and successful.

Respectfully,

Oi Lin (Irene) Cheung, Ph.D.
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Associate Professor of Finance
Discipline Coordinator, Economics and Finance
School of Business and Economics
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Preface

I am pleased to present IU East's 2019 Regional Business Confidence Index and the East-Central Indiana Business Survey report, prepared by the Business and Economic Research Center in IU East's School of Business and Economics. It is our hope that this survey will be useful to East-Central Indiana businesses, citizens, and policy makers.

Two changes have been made this year. For the first time, Dr. Oi Lin Cheung expanded the survey in 2019 to cover seven counties, by adding Franklin and Rush counties to the previously surveyed counties of Fayette, Henry, Randolph, Union, and Wayne. In the future, this will be used as the new base-year for the IU East Regional Business Confidence Index (IUERBCI). Additionally, a new question was added to this year's survey to explore the increase in the cost of doing business in 2020 anticipated by business owners/managers in the seven counties surveyed.

The component data on expectations held by knowledgeable business leaders are informative, and in the future the index will facilitate a simple and direct comparison to allow for a ready assessment of the region's progress compared with the 2019 baseline. Aggregated responses can be compared across many categories of actual performance and subjective expectations with a single number, the IUERBCI.

As customary, the survey was conducted annually in the fall of the reporting year (September-October 2019, which was before the outbreak of the COVID-19 global pandemic). The findings and outlook derived from the responses of the business operators included in this report do not reflect any impact of the pandemic on the seven-county region. We understand that, since the data was collected, many businesses' plans have been disrupted or changed due to the pandemic. We hope this report will still provide a baseline measurement of what area businesses had anticipated versus the actual challenging situation they are currently facing.

Sincerely,

Denise S. Smith, JD, MBA
Dean, School of Business and Economics
Indiana University East

Executive Summary

IU East Regional Business Confidence Index

The IU East Regional Business Confidence Index (IUERBCI), maintained by the IU East Business and Economic Research Center, continued to gauge the confidence of East-Central Indiana’s knowledgeable business leaders in the five counties – Fayette, Henry, Randolph, Union and Wayne. It particularly measured the degree of optimism that business owners and managers felt about the prospects for their enterprises in the region, and reflected the perception of these business executives on the state of the regional economy. The year of 2016 was designated as the base year of the index.

The composite IU East Regional Business Confidence Index and its sub-indexes, calculated from the responses to the 2019 East-Central Indiana Business Survey, stayed about the same values (+/- less than 1%) in 2019 as in the previous year. The composite index 2019 value was calculated as 105.18 points¹, down by 0.85% from the previous year value. While the Present Situation Index remained almost the same in value (-0.19%), the other sub-index—the Expectation Index—was up by about half a percent (0.58%). These suggest that the businesses in the above-mentioned five counties experienced about the same situation in 2019 as in 2018 and expected about the same in 2020 as in 2019. More details on the calculations of the indexes can be found on Pages 11 and 12.

As the survey had been expanded to cover seven counties by adding Franklin and Rush in 2019, a score (2,417) was also calculated for the seven counties (see Page 13). It will be used as the new base-year year score for the IUERBCI in the future.

2019 East-Central Indiana Business Survey

The 2019 East-Central Indiana Business Survey contained the original eight questions [Q5 to Q7 consist of the eleven constituent questions for the IUERBCI] that covered areas of business demography, business performance in 2019 and business expectations for 2020, as well as forecasts of business and economic conditions for 2020. Upon the request of the Economic Development Corporation of Wayne County, a new question on the increase in the cost of doing business in 2020 anticipated by the survey participants was added to the survey.

The survey instrument was delivered online using Qualtrics in September-October 2019. Email invitations were sent to 985 local business operators to seek their opinions and expectations on business and economic conditions in the East-Central Indiana region. In the four-week survey period, three reminder emails were sent to encourage responses. Overall, 132 valid responses were received, representing a response rate of 13%. The key findings of the survey are listed as below.

Business Demography

For the 132 owners and/or managers who participated in the survey, the largest number of them were found operating in the manufacturing sector (20%), followed by professional service (18%), retail trade (11%) and health care (9%).

Over 80% of the surveyed businesses were small businesses with less than 50 employees: 1 employee (15%), 2 to 4 employees (18%), 5 to 9 employees (21%), 10 to 19 employees (17%) and 20 to 49

¹ The values of the IU East Regional Business Confidence Index and its sub-indexes as well as all the statistics included in this report were computed using data collected before the outbreak of the COVID-19 global pandemic. And, summary of the survey responses and concluding remarks were also written accordingly.

employees (14%). Much lower percentage of the businesses had 50 employees or more, including 50 to 99 employees (2%), 100 to 249 employees (8%), 250 to 499 employees (2%) and 500+ employees (4%).

According to the 131 survey participants who reported the location of their firms, 39% of the firms were located in Wayne County. While 23% of firms were located in Henry County, there were 13% of them in Fayette County. The rest were in Franklin County (9%), Randolph County (8%), Rush County (5%) and Union County (3%).

Half of the surveyed businesses had been operating for more than 20 years. More than a quarter were already in operation for 11 to 20 years (27%). About another quarter had a life span of 10 years or shorter in the region: less than 2 years (5%), 2 to 5 years (13%) and 6 to 10 years (5%).

2019 Business Performance

Over 85% of the surveyed businesses were able to either increase their production/business activity (64%) in 2019 or maintain that at the same level as the previous year (22%). While more than half (51%) of surveyed businesses hired the same number of employees, another 41% did enlarge their employee pools. About half (51%) of the businesses maintained their capital investment at the same level as the year before, whereas over 40% increased either significantly (18%) or slightly (25%) their capital investment in 2019. Half of the survey participants found that their firm's cost of doing business had increased slightly by less than 5 percent. Only 13% of them claimed that their firms had experienced a significant increase in this cost. Close to half (49%) of the surveyed businesses were able to increase their profits whereas about one-third (32%) managed to maintain their profit level in 2019 as in 2018.

2020 Business Expectations

Comparing next year (2020) with this year (2019) on the same aspects, 89% of the survey participants expected their firms to increase or at least maintain the same level of production/business activity next year. While over half (57%) of the businesses would anticipate hiring the same number of employees, 38% of them would expect to add more employees in 2020. Only 5% had plans to cut their employment level for next year. A very similar distribution was anticipated in their capital investment as well. On the other hand, about 60% of the survey participants expected to see an increase in their firms' cost of doing business in 2020, while only 4% considered a lower cost of doing business likely for next year. As far as for the profitability of their firms, over 85% of the survey participants had hopes of either generating higher profit (52%) or maintaining the same level (34%) in 2020.

Payroll stood out as the cost that the most surveyed businesses (46%) in the region anticipated to increase in 2020. One fifth or more of the participants projected an increase in their costs related to insurance (26%), employee benefits (23%), utilities (20%) and marketing (23%). About one tenth of the participants estimated their company taxes (13%), the expenses on office, shop and/or factory supplies (17%), shipping cost (14%), inventory (15%) and machine/equipment repair & maintenance cost (14%) to increase. Expenses on travel (5%), loan (6%), professional consultation (6%) and real estate (6%) were expected to increase by the least number of the survey participants.

2020 Economic Forecast

While more than a quarter (28%) of the surveyed businesses believed that the business and economic conditions in 2020 would remain about the same as in 2019, more than half of them (54%) were optimistic and less than one-fifth (19%) were pessimistic about the conditions.

Concerns and Suggestions

Forty eight survey participants provided comments/suggestions. For the region as a whole, the availability of quality labor remained the major concern of the area business operators. Another concern was the high cost of health care that had made it difficult/impossible for businesses, especially the very small ones, to provide good employee benefits. This, in turn, added to their difficulty in recruiting qualified employees. The business operators would like to see more efforts made by government and economic development agencies and have leaders who could help advance the region. Their suggestions included restructuring the curriculum of the academic programs offered by the schools in the region so as to strengthen the training of students on basic life skills and various trades; bringing more new businesses into the region as well as encouraging demand for goods/services provided by local businesses, instead of businesses outside of the region; reducing social welfare such as free education, medical services and housing.

IU East Regional Business Confidence Index

Introduction

In order to capture the economic pulse of the East-Central Indiana region and assist business enterprises and policy makers in their decision-making using local/regional data in addition to national data and information from the media, the Business and Economic Research Center (BERC) of the School of Business and Economics at Indiana University East had constructed, in 2016, an annual index to gauge business confidence in the region – the IU East Regional Business Confidence Index (IUERBCI). The IUERBCI measures the degree of optimism that business owners and managers feel about the prospects of their businesses/companies in the region. It also reflects the perception of these business executives on the state of the regional economy. This regional business confidence index is calculated from the responses to eleven questions [which are converted to Q5 to Q7 in our annual business survey]. Those eleven questions cover actual enterprise performance in terms of production output or business activity, staffing, capital investment, the cost of doing business, and profitability for the current year, expectations of the same metrics for the following year, as well as respondents' economic outlook for the region for the following year.

Methodology

We combined and enhanced the methodologies of the *Business Confidence Index* developed by *Boardroom Business* (www.boardroombusiness.com.au) and the *Consumer Confidence Index* created by the Conference Board (https://www.conference-board.org/pdf_free/press/TechnicalPDF_4134_1298367128.pdf) to formulate our IUERBCI.

The eleven questions (listed as below) in our annual business survey are used as the foundation of the index.

- Compared to the same period last year, how has each of the following changed this year for your business/company? (Questions 1 to 5)
 - o Production/business activity
 - o Number of employees
 - o Capital investment
 - o Cost of doing business
 - o Profitability
- How do you anticipate each of the following will change for next year as compared with this year for your business/company? (Questions 6 to 10)
 - o Production/business activity
 - o Number of employees
 - o Capital investment
 - o Cost of doing business
 - o Profitability
- What is your projection of overall business and economic conditions for next year in your area? (Question 11)

Each question allows five qualitative response options arranged on a 5-point Likert scale, ranging from extremely favorable to extremely unfavorable, with some variations across the questions depending on context. As a result, the five response options for Questions 1 to 10 are corresponding forms of: **Increase Significantly, Increase Slightly, Remain About the Same, Decrease Slightly, and Decrease Significantly**. For Question 11, the five response options are: **Strongly Optimistic, Moderately Optimistic, About the Same, Moderately Pessimistic, and Strongly Pessimistic**.

Each response is assigned a number of points, for instance, *Increase Significantly / Strongly Optimistic* with 5 points through to *Decrease Significantly / Strongly Pessimistic* with 1 point. For Questions 4 and 9, since a higher cost of doing business has a negative impact on enterprise outcomes, a negative sign is attached to the assigned points for each response.

For each question except Questions 4 and 9, we calculate a gross score as below.

Response option	Assigned points	Percentage of responses (%)	Gross Score
<i>Has Increased Significantly / Will Increase Significantly / Strongly Optimistic</i>	5	20	$20 \times 5 = 100$
<i>Has Increased Slightly / Will Increase Slightly / Moderately Optimistic</i>	4	35	$35 \times 4 = 140$
<i>Has Remained About the Same / Will Remain About the same</i>	3	25	$25 \times 3 = 75$
<i>Has Decreased Slightly / Will Decrease Slightly / Moderately Pessimistic</i>	2	10	$10 \times 2 = 20$
<i>Has Decreased Significantly / Will Decrease Significantly / Strongly Pessimistic</i>	1	10	$10 \times 1 = 10$
Question total score		100	$100 + 140 + 75 + 20 + 10 = 345$

Similarly, for Questions 4 or 9, we calculate a gross score for them as below.

Response option	Assigned points	Percentage of responses (%)	Gross Score
<i>Has Increased Significantly / Will Increase Significantly</i>	-5	20	$20 \times (-5) = -100$
<i>Has Increased Slightly / Will Increase Slightly</i>	-4	35	$35 \times (-4) = -140$
<i>Has Remained About the Same / Will Remain About the Same</i>	-3	25	$25 \times (-3) = -75$
<i>Has Decreased Slightly / Will Decrease Slightly</i>	-2	10	$10 \times (-2) = -20$
<i>Has Decreased Significantly / Will Decrease Significantly</i>	-1	10	$10 \times (-1) = -10$
Question total score		100	$(-100) + (-140) + (-75) + (-20) + (-10) = -345$

Finally, the total scores for each question are summed to form a gross regional business confidence score for a given year.

With 2016 as the original base year, for which the index was defined as 100, the successive years' IUERBCI was calculated as below (until 2019):

$$\text{IUERBCI} = \frac{\textit{The Gross Score of the Regional Business Confidence of a Given Year}}{\textit{The Gross Score of the Regional Business Confidence of the Base Year}} \times 100$$

Once responses for more than one year had been obtained, the trend of the IUERBCI started to reveal any changes over time in the degree of optimism of local business owners and managers.

If the index increases from the previous year, business owners and managers are more confident and more optimistic about the region's economy, and vice versa. The overall index can also be broken down into two sub-indexes: a Present Situation Index (using responses of just Questions 1 to 5, which only address factual situations which have developed over the current year) and an Expectation Index (using responses of only Questions 6 to 10, which address forward-looking assessments for the coming year).

The index started with five counties (notably Fayette, Henry, Randolph, Union and Wayne) and 2016 as the base year. Although two more counties (Franklin and Rush) were added to the survey in 2019, the index value for 2019 was computed on the original five counties only. At the same time, a score for the overall index and each of the sub-indexes were calculated also on the seven counties for 2019 which will be used as the new base year in the future.

Gross Score for the Year of 2019²

In order to calculate the 2019 gross score of the IUERBCI and its sub-indexes, the IU East BERC conducted the 2019 East-Central Indiana Business Survey. The survey instrument can be found in the appendix. After replacing the response options with the corresponding point values and summing, we arrived at the following results. As the variables are Likert-type (ordinal but not interval even after conversion to point values), it is not appropriate to calculate the mean values. Thus, the medians, along with some other statistics are reported as below.

	Obs	Median	Mode	Min	Max		2019 Gross Score	2018 Gross Score	2017 Gross Score	2016 (Base Year) Gross Score
Actual 2019										
Production/business activity	111	4	5	1	5		391	389	369	350
Number of employees	111	3	3	1	5		349	338	325	324
Capital investment	110	3	3	2	5		357	358	370	341
Cost of doing business	110	-4	-4	-5	-2		-373	-361	-371	-381
Profitability	110	4	4	1	5		350	352	332	323
Score of the Present Situation Index							1,074	1,076	1,025	957
	Obs	Median	Mode	Min	Max		2019 Gross Score	2018 Gross Score	2017 Gross Score	2016 (Base Year) Gross Score
Expected 2020										
Production/business activity	111	4	4	1	5		371	378	377	373
Number of employees	110	3	3	1	5		341	322	334	328
Capital investment	109	3	3	1	5		337	348	339	343
Cost of doing business	108	-4	-4	-5	-1		-361	-370	-357	-367
Profitability	108	4	4	1	5		353	357	354	359
Score of the Expectation Index							1,041	1,035	1,047	1,036
	Obs	Median	Mode	Min	Max		2019 Gross Score	2018 Gross Score	2017 Gross Score	2016 (Base Year) Gross Score
Projection of the overall business and economic conditions for next year (2020)	108	4	4	1	5		343	368	358	344
Score of IU East Regional Business Confidence Index (IUERBCI)							2,458	2,479	2,430	2,337

Note: Scores were calculated based on the survey responses from the original five counties only: Fayette, Henry, Randolph, Union and Wayne.

² The values of the IU East Regional Business Confidence Index and its sub-indexes as well as all the statistics included in this report were computed using data collected before the outbreak of the COVID-19 global pandemic.

The gross scores were calculated based on the methodology described on Pages 8 and 9, with the proportion of responses to each option rounded to the nearest percentage. The Present Situation Index (the Expectation Index) for 2019 is a little bit lower (higher) than the same value for 2018. The statistical analysis³ suggests, at a 10% or lower significance level, that the survey participants' expected production/business activity, capital investment and cost of doing business of their firms in 2020 would be statistically different from those experienced in 2019.

Based on the above scores, the family of the IU East Regional Indexes for 2019 had been calculated as below.

Index	Calculation Method		Value
IU East Regional Business Confidence Index	$= \frac{2019 \text{ Gross Score for the Regional Business Confidence}}{2016 \text{ (Base Year) Gross Score for the Regional Business Confidence}} \times 100$	$= \frac{2,458}{2,337} \times 100$	105.18
IU East Regional Business - Present Situation Index	$= \frac{2019 \text{ Score for the Present Situation Index}}{2016 \text{ (Base Year) Score for the Present Situation Index}} \times 100$	$= \frac{1,074}{957} \times 100$	112.23
IU East Regional Business - Expectation Index	$= \frac{2019 \text{ Score for the Expectation Index}}{2016 \text{ (Base Year) Score for the Expectation Index}} \times 100$	$= \frac{1,041}{1,036} \times 100$	100.48

Note: Values were calculated based on the survey responses from the original five counties only: Fayette, Henry, Randolph, Union and Wayne.

	2016 (base year)	2017	2018	2019
IU East Regional Business Confidence Index Value	100	103.98	106.08	105.18
Annual Change	-	3.98%	2.02%	-0.85%
Present Situation Index Value	100	107.11	112.43	112.23
Annual Change	-	7.11%	4.97%	-0.19%
Expectation Index Value	100	101.06	99.9	100.48
Annual Change	-	1.06%	-1.15%	0.58%

Note: Values and percentage changes were calculated based on the survey responses from the original five counties only: Fayette, Henry, Randolph, Union and Wayne.

The composite IU East Regional Business Confidence Index and its sub-indexes stayed about the same values (+/- less than 1%) in 2019 as in the previous year. The composite index 2019 value was calculated as 105.18 points, down by 0.85% from the previous year value. While the Present Situation Index remained almost the same in value (-0.19%), the other sub-index—the Expectation Index—was up by about half a percent (0.58%). This suggests that the businesses in those five counties experienced about the same situation this year as in 2018 and expected about the same in 2020 as this year.

³ According to the Wilcoxon signed-rank test, there is no significant difference in the two aspects namely, **number of employees** (Prob > |z| = .6374) and **profitability** (Prob > |z| = .9106) between actual 2019 and expected 2020. One the other hand, the other three aspects : **production/business activity** (Prob > |z| = .0717), **capital investment** (Prob > |z| = .0257), **cost of doing business** (Prob > |z| = .0822), do indicate a significant difference between actual 2019 and expected 2020 at the 10% level or lower.

For 2019 to be used as the new base year in the future, the 7-county scores for the Present Situation Index, the Expectation Index and the Composite IU East Regional Business Confidence Index were also calculated.

	Obs	Median	Mode	Min	Max		2019 Gross Score
Actual 2019							
Production/business activity	131	4	5	1	5		383
Number of employees	131	3	3	1	5		346
Capital investment	130	3	3	1	5		355
Cost of doing business	130	-4	-4	-5	-2		-374
Profitability	130	3	4	1	5		338
<i>Score of the Present Situation Index</i>							1,048
	Obs	Median	Mode	Min	Max		2019 Gross Score
Expected 2020							
Production/business activity	131	4	4	1	5		366
Number of employees	130	3	3	1	5		338
Capital investment	129	3	3	1	5		333
Cost of doing business	128	-4	-4	-5	-1		-361
Profitability	128	4	4	1	5		352
<i>Score of the Expectation Index</i>							1,028
	Obs	Median	Mode	Min	Max		2019 Gross Score
Projection of the overall business and economic conditions for next year (2020)	127	4	4	1	5		341
<i>Score of IU East Regional Business Confidence Index (IUERBCI)</i>							2,417

Note: Scores were calculated based on responses to the survey expanded to seven counties: Fayette, Franklin, Henry, Randolph, Rush, Union and Wayne.

Responses to Individual Questions of the 2019 East-Central Indiana Business Survey⁴

1: Industry sector: (Please check the one that is the most representative.)

For the 132 owners and/or managers who participated in the survey, the largest number of them were found operating in the manufacturing sector (20%), followed by professional service (18%), retail trade (11%) and health care (9%).

Fayette County had the most participants from professional service (24%). Other industry sectors in which the remaining participants were operating include manufacturing (18%), agricultural (12%), financial service (12%), food services (12%) and health care (6%).

Over 40% of the participants from Franklin County were operating in retail trade (42%). The other participants were in professional service (25%), banking (8%), health care (8%), other services (8%) and real estate/rental/leasing (8%).

The largest percentage of participants from Henry County were in the sector of professional service (27%), followed by manufacturing (17%), real estate/rental/leasing (10%) and health care (10%). A much smaller percentage were in information technology (7%), retail trade (7%), agricultural (3%), financial service (3%), other services (3%), transportation (3%) and wholesale trade (3%) sectors.

Participants from Randolph County were operating in the sectors of manufacturing (30%), information technology (20%), food services (10%), health care (10%), real estate/rental/leasing (10%).

The 7 participants from Rush County included 2 from retail trade and 1 from each of the following sectors: food services, manufacturing, other services, professional service. The remaining 1 was in manufacturing and retail combine.

3 out of the 4 Union County participants were in the retail trade sector and the remaining 1 was from the real estate/rental/leasing sector.

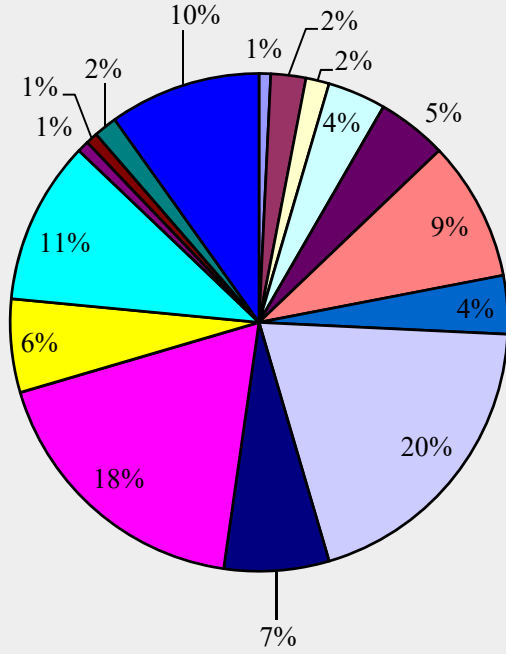
Manufacturing (28%), professional service (16%), health care (12%) and other services (12%) were the sectors in which most Wayne County participants were operating. Relatively fewer participants (4% each) were in financial service, food services, real estate/rental/leasing and retail trade. A 2% of the participants were from each of the sectors including accommodation, banking, information technology and wholesale.

⁴ All the statistics included in this report were computed using data collected before the outbreak of the COVID-19 global pandemic. And, summary of the survey responses and concluding remarks were also written accordingly.

Industry sector: (Please check the one that is the most representative.)		
Answer Options	Response Percent	Response Count
Accommodation	1%	1
Agricultural	2%	3
Banking	2%	2
Financial Service	4%	5
Food Services	5%	6
Health Care	9%	12
Information Technology	4%	5
Manufacturing	20%	26
Other Services	7%	9
Professional Service	18%	24
Real Estate/Rental/Leasing	6%	8
Retail Trade	11%	14
Transportation	1%	1
Warehousing	1%	1
Wholesale Trade	2%	2
Other (please specify):	10%	13
<i>answered question</i>		132
<i>skipped question</i>		0

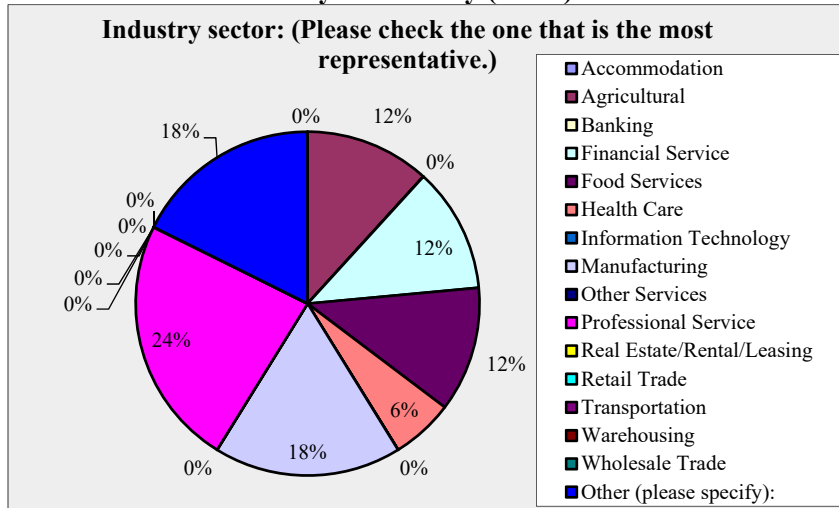
Other (please specify):	Count
Aggregate Producer	1
Biotech	1
Construction	3
Lawnmower sales and repair/ Coffee shop	1
Manufacturing and Retail	1
Newspaper	1
Rentals, corporate accommodations, holistic health practitioners, organic salon	1
Retirement Community Apts	1
Trucking and Excavation	1
utility	1
No specification	1
Total	13

Industry sector: (Please check the one that is the most representative.)

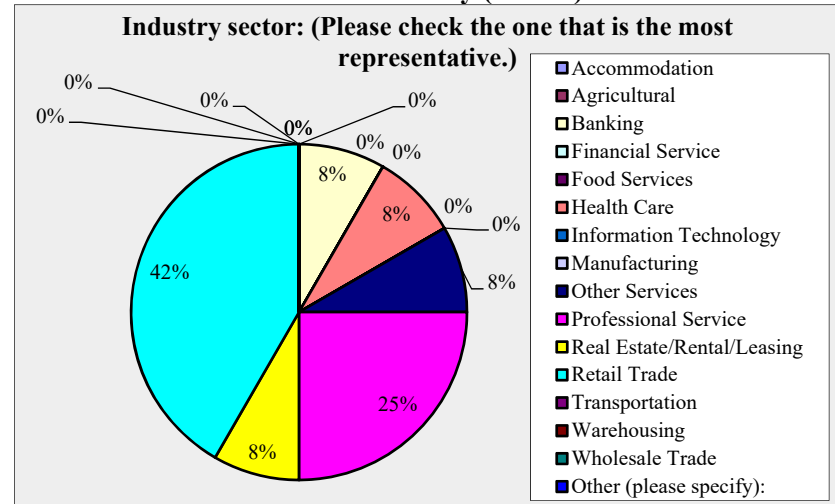


- Accommodation
- Agricultural
- Banking
- Financial Service
- Food Services
- Health Care
- Information Technology
- Manufacturing
- Other Services
- Professional Service
- Real Estate/Rental/Leasing
- Retail Trade
- Transportation
- Warehousing
- Wholesale Trade
- Other (please specify):

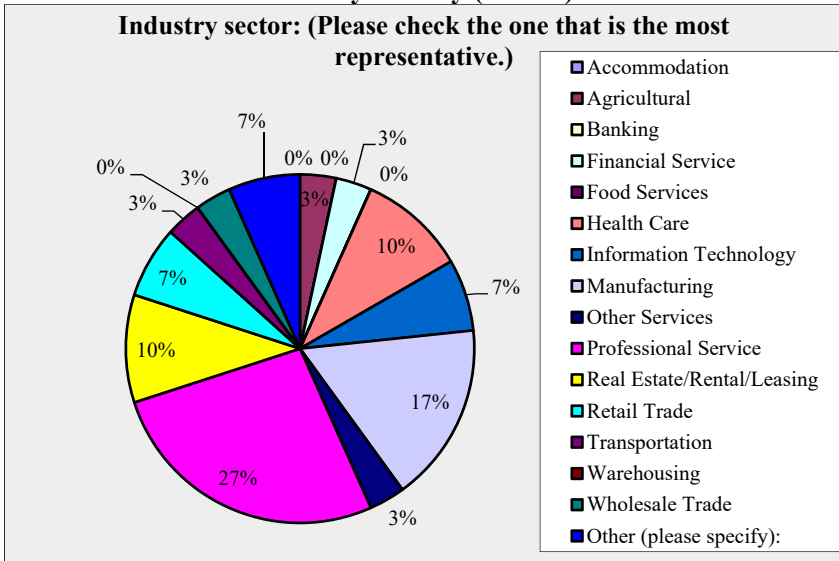
Fayette County (N=17)



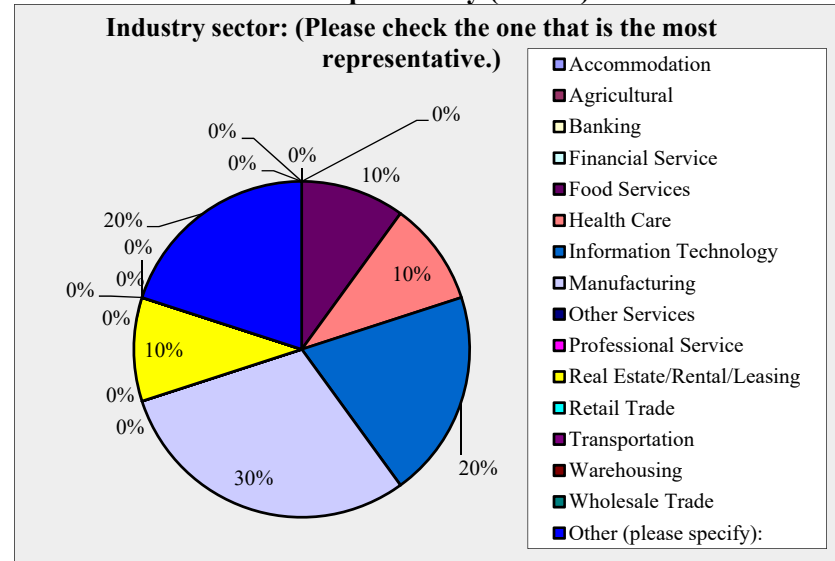
Franklin County (N = 12)



Henry County (N = 30)

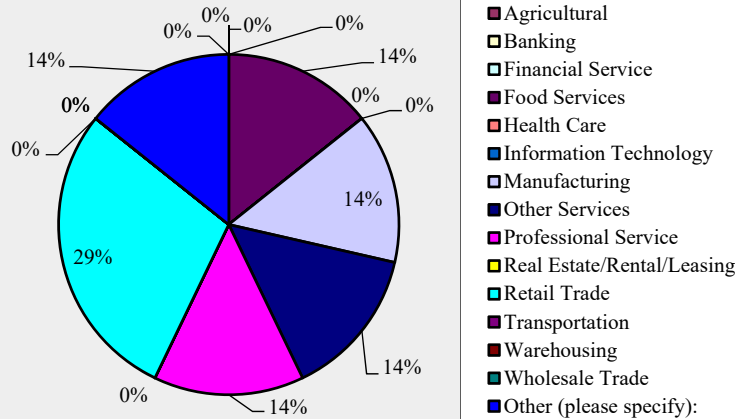


Randolph County (N = 10)



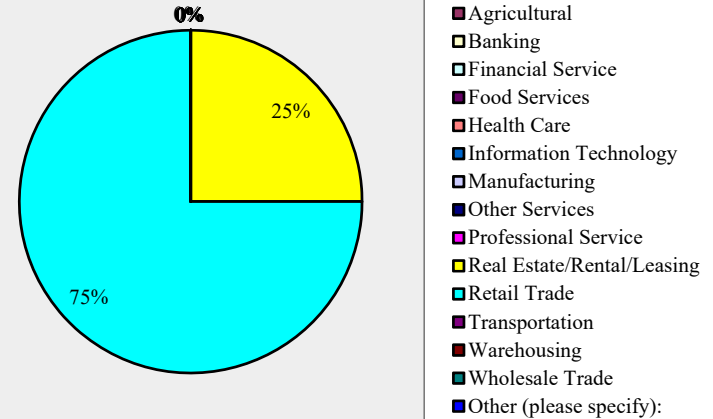
Rush County (N = 7)

Industry sector: (Please check the one that is the most representative.)



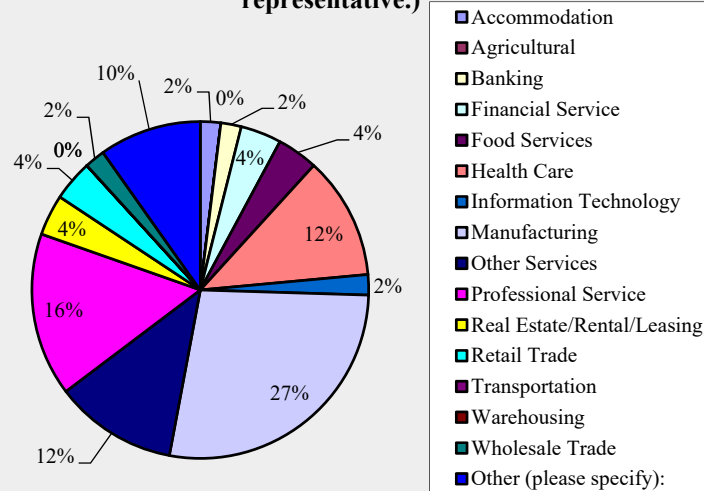
Union County (N = 4)

Industry sector: (Please check the one that is the most representative.)



Wayne County (N = 51)

Industry sector: (Please check the one that is the most representative.)



2: Number of employees:

Over 80% of the surveyed businesses were small businesses with less than 50 employees: 1 employee (15%), 2 to 4 employees (18%), 5 to 9 employees (21%), 10 to 19 employees (17%) and 20 to 49 employees (14%). Much lower percentage of the businesses had 50 employees or more, including 50 to 99 employees (2%), 100 to 249 employees (8%), 250 to 499 employees (2%) and 500+ employees (4%).

Only 1 surveyed business (6%) from Fayette County fell in the category of 100 to 249 employees. The rest of the businesses had less than 50 employees: to be precise, 1 employee (18%), 2 to 4 employees (12%), 5 to 9 employees (24%), 10 to 19 employees (12%) and 20 to 49 employees (30%).

Like Fayette County, only 1 surveyed business (8%) from Franklin County fell in the same category of 100 to 249 employees. The remaining businesses had less than 50 employees. The specific breakdown was: 1 employee (33%), 2 to 4 employees (25%), 5 to 9 employees (8%), 10 to 19 employees (17%) and 20 to 49 employees (8%).

Henry County had the most surveyed participants owning/managing a business of size between 20 to 49 employees (23%). A fifth of the surveyed businesses were in each of the sizes of 2 to 4 employees, 5 to 9 employees and 10 to 19 employees. While 2 of the businesses were hiring 1 employee only, 1 business was in each of the sizes of 100 to 249 employees, 250 to 499 employees and 500+ employees.

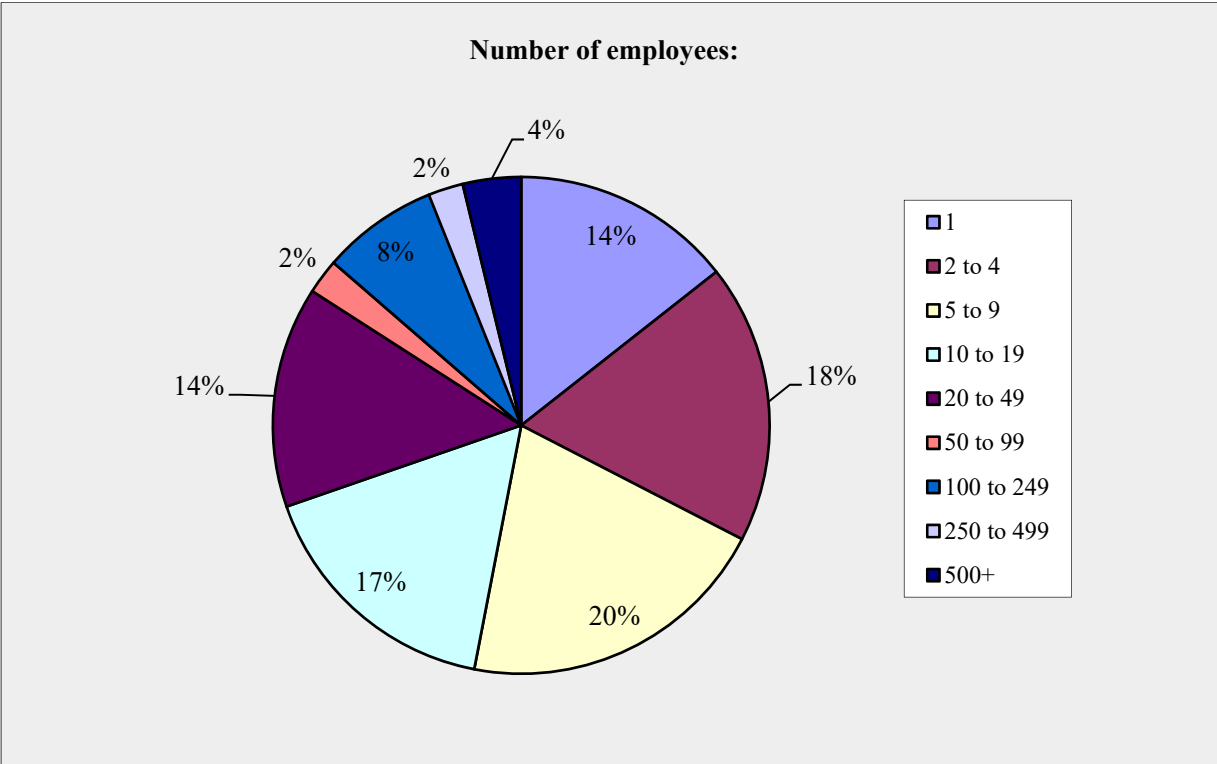
40% of the surveyed businesses from Randolph County were in the size of 5 to 9 employees whereas 20% had 2 to 4 employees. The remaining businesses were hiring 1 employee (10%), 10 to 19 employees (10%), 50 to 99 employees (10%) and 100 to 249 employees (10%).

Rush County's surveyed businesses included 29% with 2 to 4 employees and another 29% with 5 to 9 employees. There were also 14% of them with each of the following sizes: 1 employee, 20 to 49 employees and 500+ employees.

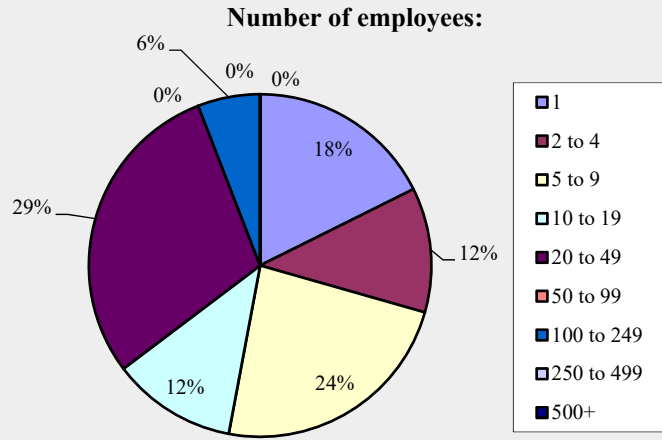
3 of the 4 surveyed businesses in Union County were hiring just 1 employee. The remaining one had a size of 2 to 4 employees.

More than one fifth (22%) of the surveyed businesses from Wayne County had a size of 10 to 19 employees. Another fifth were hiring 5 to 9 employees. About one tenth of them were with each of the sizes: 100 to 249 employees (12%), 1 employee (10%) and 20 to 49 employees (10%). 4% of the businesses were hiring 50 to 99 employees and another 4% had 250 to 499 employees. Only 6% of them were with 500+ employees.

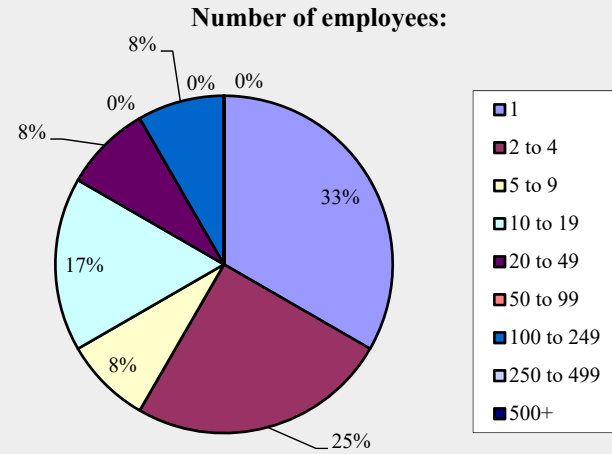
Number of employees:		
Answer Options	Response Percent	Response Count
1	14%	19
2 to 4	18%	24
5 to 9	20%	27
10 to 19	17%	22
20 to 49	14%	19
50 to 99	2%	3
100 to 249	8%	10
250 to 499	2%	3
500+	4%	5
<i>answered question</i>		132
<i>skipped question</i>		0



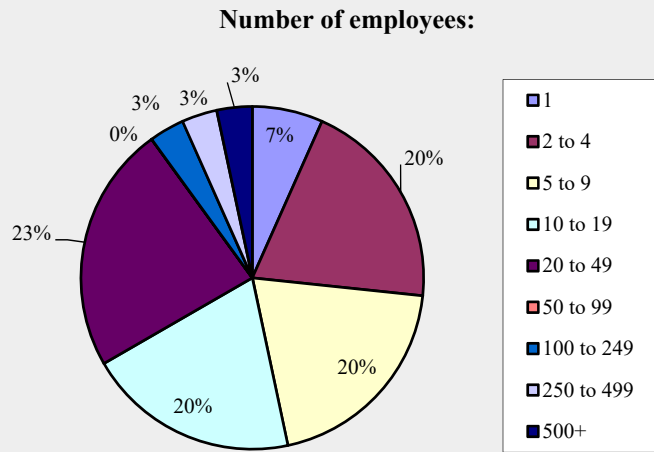
Fayette County (N=17)



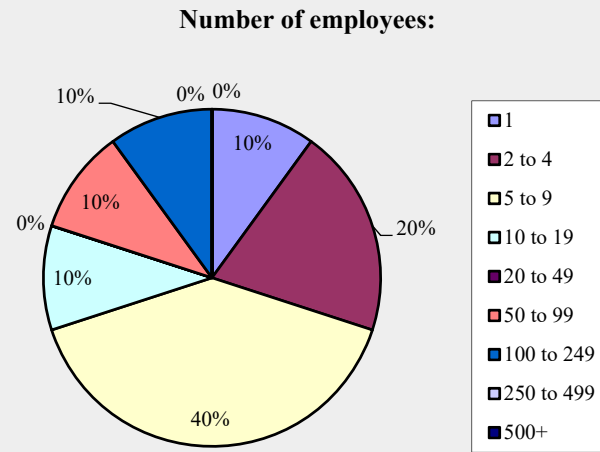
Franklin County (N = 12)



Henry County (N = 30)

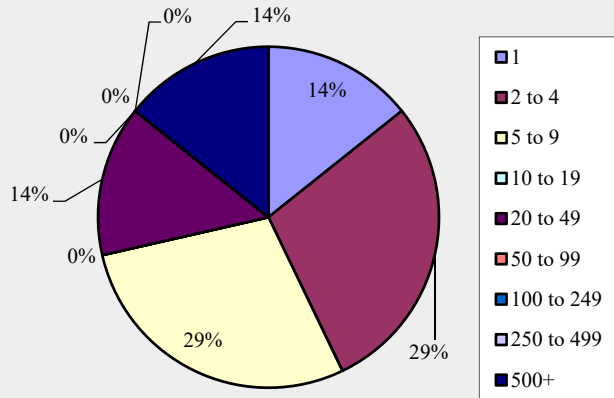


Randolph County (N = 10)



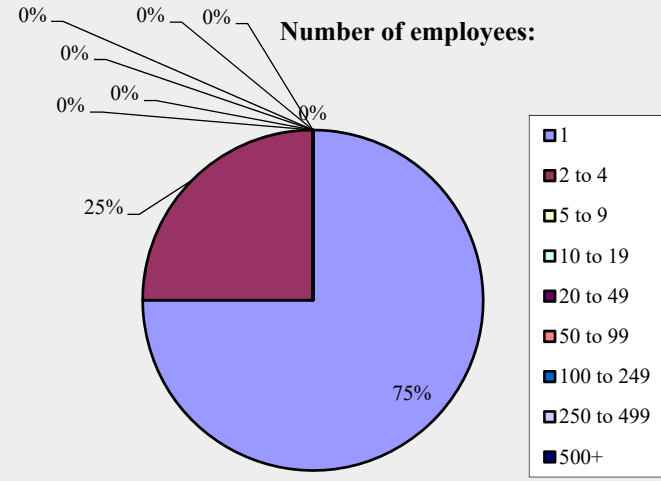
Rush County (N = 7)

Number of employees:



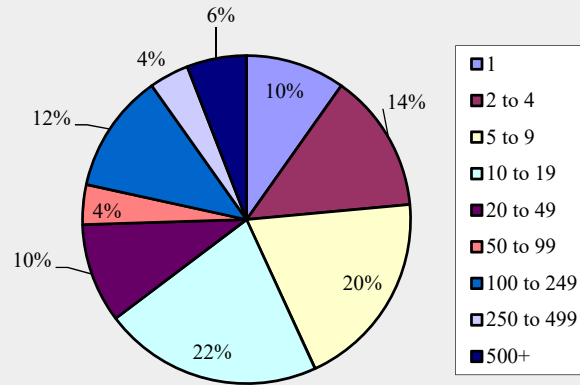
Union County (N = 4)

Number of employees:



Wayne County (N = 51)

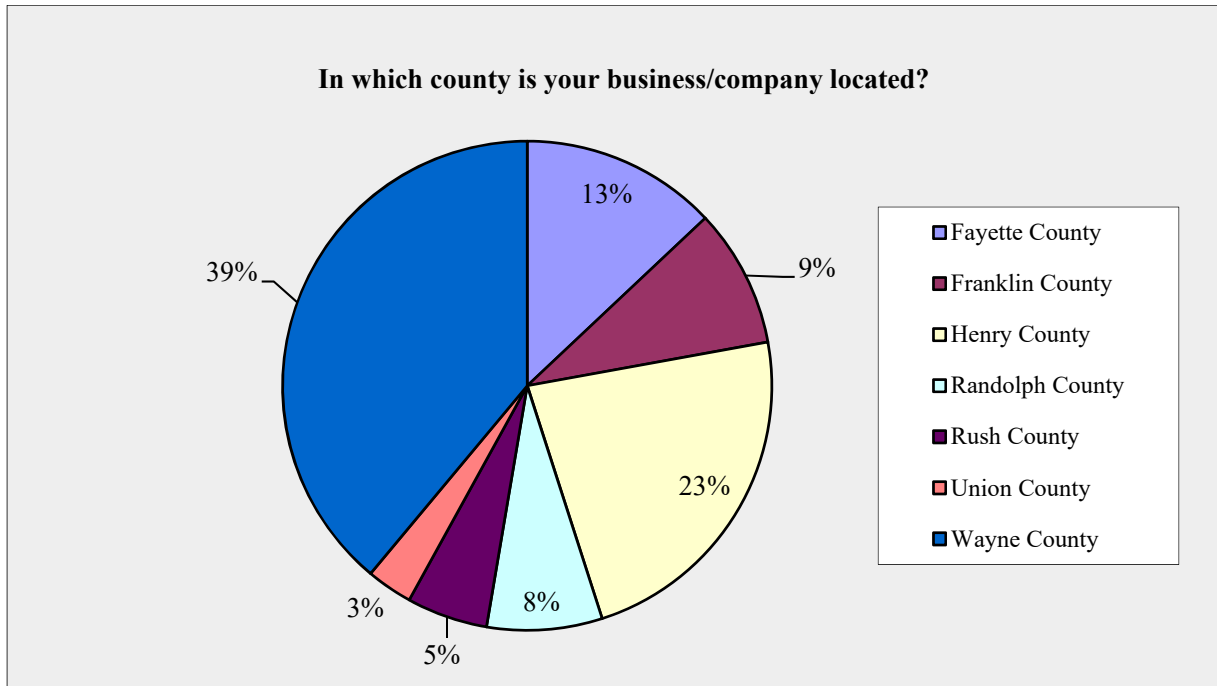
Number of employees:



3: In which county is your business/company located?

According to the 131 survey participants who reported the location of their firms, 39% of the firms were located in Wayne County. While 23% of firms were located in Henry County, there were 13% of them in Fayette County. The rest were in Franklin County (9%), Randolph County (8%), Rush County (5%) and Union County (3%).

In which county is your business/company located?		
Answer Options	Response Percent	Response Count
Fayette County	13%	17
Franklin County	9%	12
Henry County	23%	30
Randolph County	8%	10
Rush County	5%	7
Union County	3%	4
Wayne County	39%	51
<i>answered question</i>		131
<i>skipped question</i>		1



4: For how many years has the business/company operated in the county you identified in Question 3?

Half of the surveyed businesses had been operating for more than 20 years. More than a quarter were already in operation for 11 to 20 years (27%). About another quarter had a life span of 10 years or shorter in the region: less than 2 years (5%), 2 to 5 years (13%) and 6 to 10 years (5%).

The majority of the surveyed businesses from Fayette County had a long operating history of more than 10 years – 11 to 20 years (25%) and more than 20 years (63%). A small portion of them were new with a life of 5 years or lower – 6% in each of the life ranges of less than 2 years and 2 to 5 years.

All the surveyed Franklin County businesses had an operating history of 2 years or longer, with a big percentage of them in operation for 11 years or more: 11 to 20 years (25%) and more than 20 years (58%).

40% of the surveyed businesses in Henry County were in operation for more than 20 years whereas 30% had an operating history of 11 to 20 years.

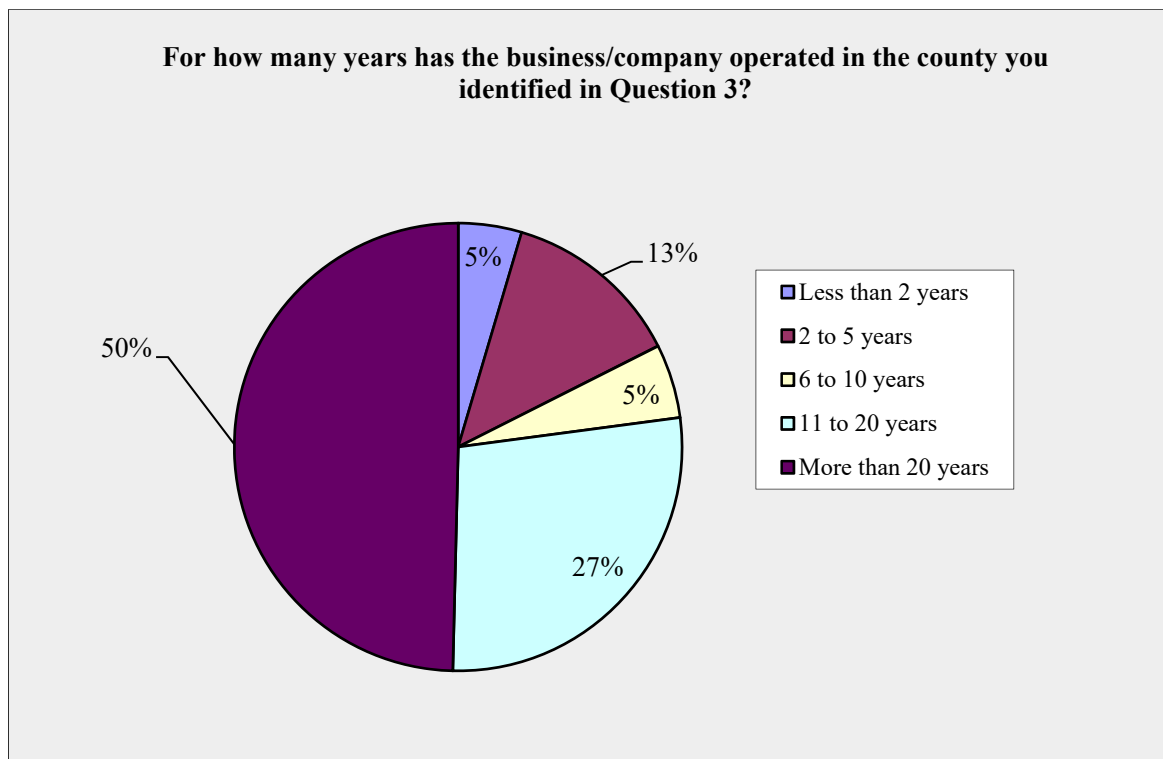
While half of the surveyed businesses in Randolph County had been operating for more than 20 years, 30% were with an operating history of 11 to 20 years. A 10% of them were in each of the life ranges of less than one year and 2 to 5 years.

Rush County had the largest portion (57%) of the surveyed businesses with an operating history of more than 20 years. About a third were in operation for 2 to 5 years.

3 of the 4 surveyed Union County businesses had been operating in the county for 2 to 5 years whereas the remaining 1 had an operating history of 11 to 20 years.

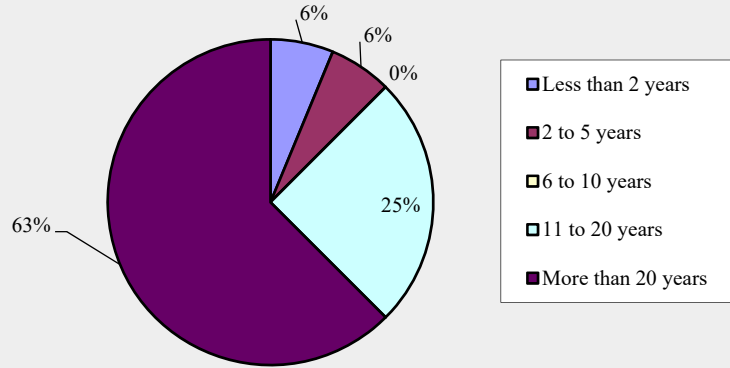
Most of the surveyed Wayne County businesses had a relatively long operating history – 11 to 20 years (29%) and more than 20 years (53%). Less than one fifth were younger ones having a life of 10 years or less – less than 2 years (4%), 2 to 5 years (8%) and 6 to 10 years (6%).

For how many years has the business/company operated in the county you identified in Question 3?		
Answer Options	Response Percent	Response Count
Less than 2 years	5%	6
2 to 5 years	13%	17
6 to 10 years	5%	7
11 to 20 years	27%	36
More than 20 years	50%	65
<i>answered question</i>		131
<i>skipped question</i>		1



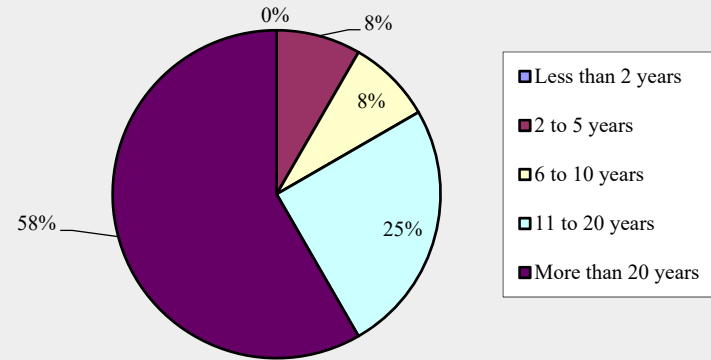
Fayette County (N=16)

For how many years has the business/company operated in the county you identified in Question 3?



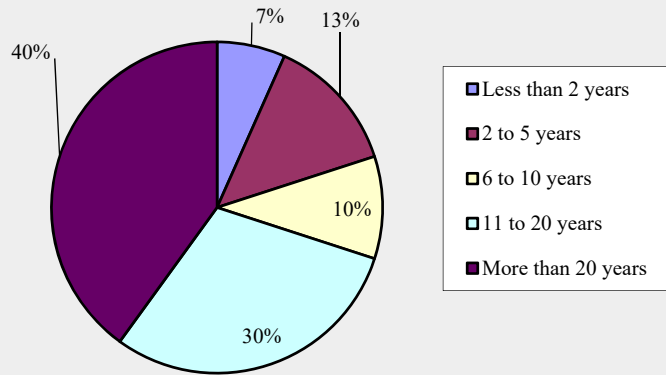
Franklin County (N = 12)

For how many years has the business/company operated in the county you identified in Question 3?



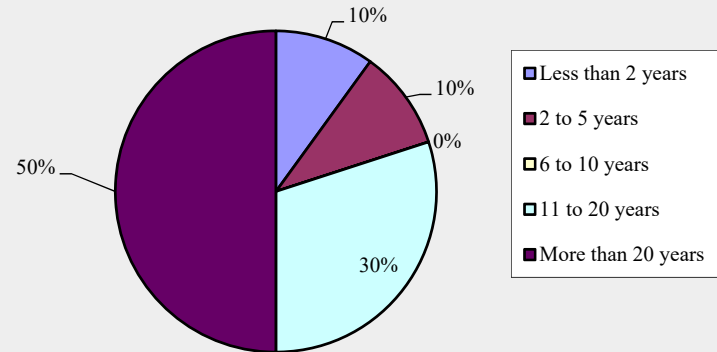
Henry County (N = 30)

For how many years has the business/company operated in the county you identified in Question 3?



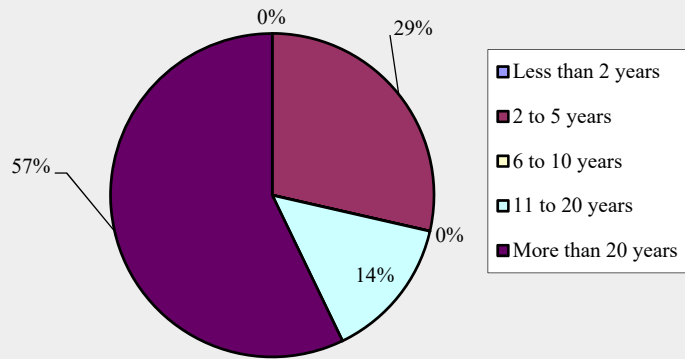
Randolph County (N = 10)

For how many years has the business/company operated in the county you identified in Question 3?



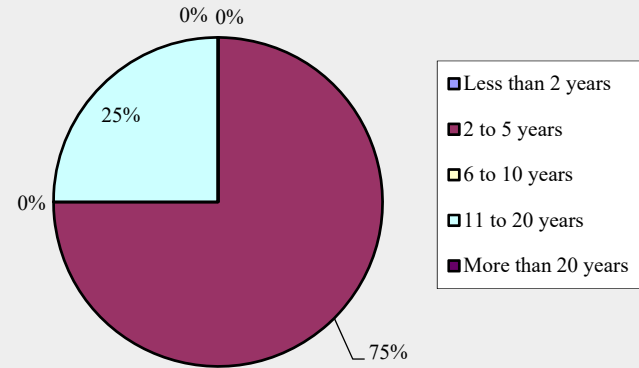
Rush County (N = 7)

For how many years has the business/company operated in the county you identified in Question 3?



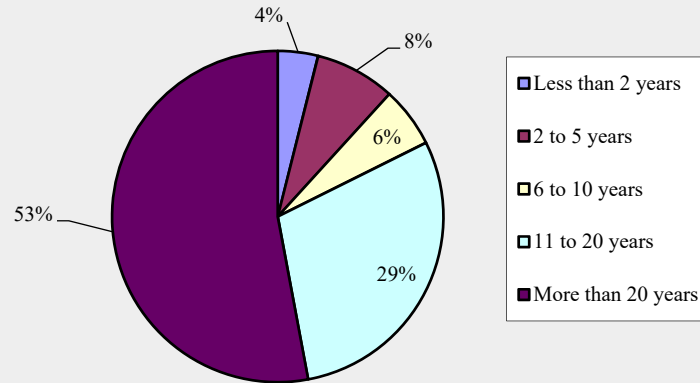
Union County (N = 4)

For how many years has the business/company operated in the county you identified in Question 3?



Wayne County (N = 51)

For how many years has the business/company operated in the county you identified in Question 3?



5: Compare to the same period last year, how has each of the following of your business/company changed this year?

Over 85% of the surveyed businesses were able to either increase their production/business activity (64%) in 2019 or maintain that at the same level as the previous year (22%). While more than half (51%) of surveyed businesses hired the same number of employees, another 41% did enlarge their employee pools. About half (51%) of the businesses maintained their capital investment at the same level as the year before, whereas over 40% increased either significantly (18%) or slightly (25%) their capital investment in 2019. Half of the survey participants found that their firm's cost of doing business had increased slightly by less than 5 percent. Only 13% of them claimed that their firms had experienced a significant increase in this cost. Close to half (49%) of the surveyed businesses were able to increase their profits whereas about one-third (32%) managed to maintain their profit level in 2019 as in 2018.

More than half (53%) of the surveyed Fayette businesses had increased their production/business activity in 2019 – significantly (29%) or slightly (23%) while 29% of them were able to maintain that at about the same level as the previous year. Half of the businesses hired the same number of employees and 31% had enlarged their employee pools. Only 6% of those businesses had reduced their capital investment. The same percentage (6%) of the businesses had experienced a decline in their cost of doing business. Equal percentage of the businesses had increased their profit slightly (31%) and with their profit remained about the same (31%). At the same time, while about one fifth (19%) of them had a significant increase in their profitability, only about another one fifth (19%) of them had seen a slight decline in their profitability.

While half of the surveyed Franklin businesses had maintained their production/business activity in 2019 as in the previous year, more than 30% of the businesses had that increased. Only 17% of them had recorded a significant decline in their production/business activity. No surveyed business had cut their employment. Instead, one third had expanded it slightly. The same distribution as in production/business activity was observed with regard to capital investment. Over 80% of the businesses reflected that they had experienced a slight increase in their cost of doing business. The rest of them had managed to keep their cost the same as the previous year. One third of the businesses maintained their profitability. One quarter each had increased their profitability slightly and decreased that slightly.

No surveyed Henry business had cut production/business activity in 2019. Whereas over half (59%) of the businesses had a record of significant increase, more than one third (38%) had a slight increase. Only 7% of the businesses reduced their employment slightly. The rest of them had either hired more employees (50%) or kept the same number (43%). While half of the businesses had increased their capital expenditure, the other half had maintained that at the level the same as the previous year. Close to 60% of the surveyed firms had suffered from an increase in the cost of doing business, the rest of them managed to stabilize the cost. Just 3% of the businesses had a slight decline in their profitability. Close to 80% of them had increased their profitability whereas one fifth had maintained their profitability about the same as the previous year.

In 2019, most of surveyed Randolph businesses had either maintained (30%) their production/business activity or increased that [significantly (40%) or slightly (20%)]. Only 10% of them had reduced that significantly. 40% of the businesses added more employees while only 20% had cut their employment level. All the businesses had at least maintained (60%) their capital investment or increased either significantly (10%) or slightly (30%). No business reported that their cost of doing business had

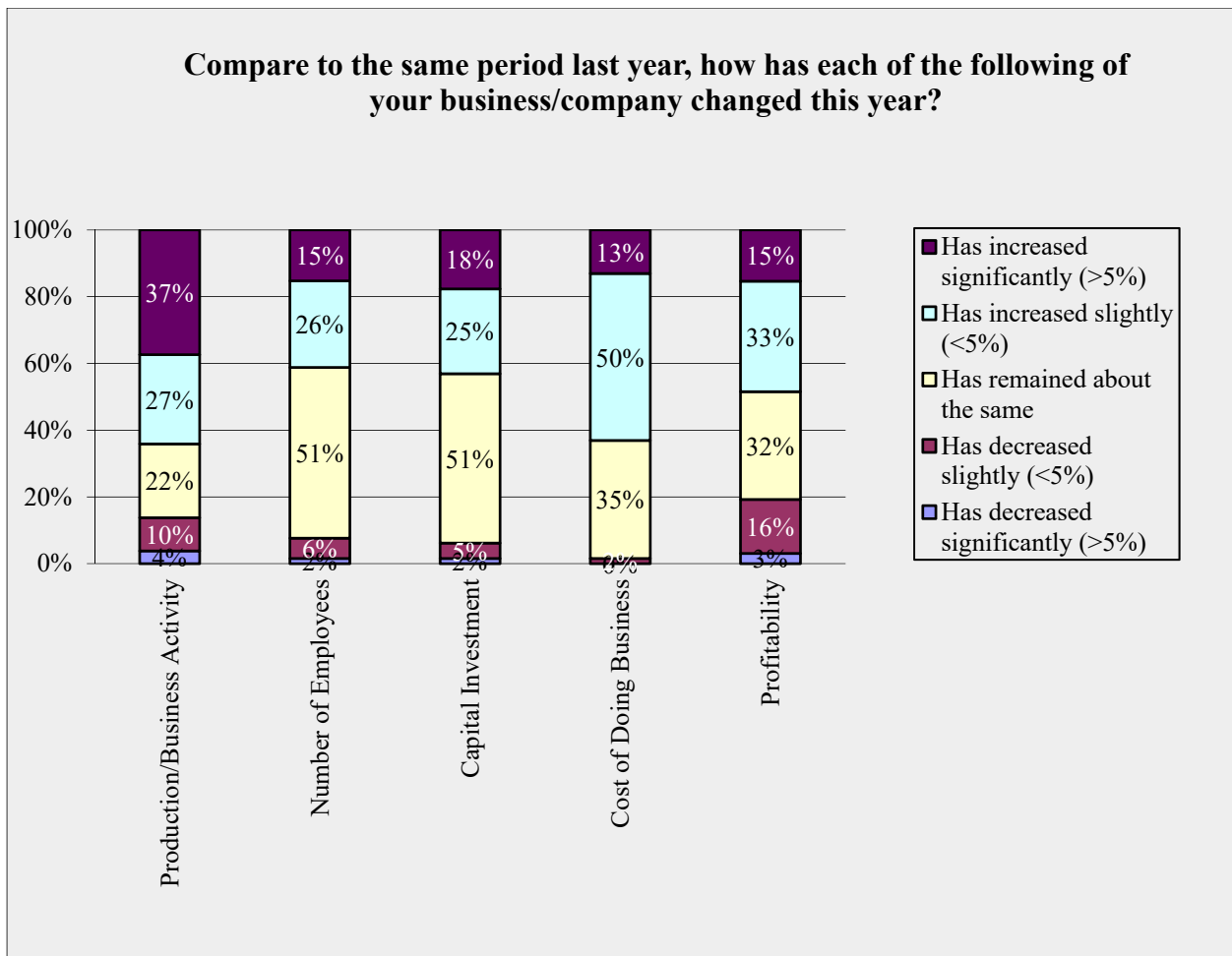
decreased. At the same time, 60% of them had either their cost of doing business increased significantly (10%) or slightly (50%). While 20% of the businesses had experienced a decline in their profitability, 80% of them had managed either to maintain (50%) their profitability or increase that slightly (30%).

A large portion (over 85%) of the surveyed Rush businesses had raised their production/business activity in 2019. Only 14% of them had suffered from a significant decrease. More than half (57%) of the businesses had maintained their employment level. Whereas 28% of the businesses had added more employees, half (14%) of this percentage of them had cut slightly their employment level. No business had reduced their capital investment significantly. 43% of them had increased their capital investment either significantly (29%) or slightly (14%). Another 43% had maintained that at the same level as the previous year. The same as Randolph County, no surveyed Rush business reported a decline in their cost of doing business. 71% of them had seen a rise in their cost of doing business while 29% had managed to maintain it. 14% of the businesses were able to maintain their profitability. 28% of them had suffered a decline in their profitability either significantly (14%) or slightly (14%). Twice as many as the surveyed businesses had increased their profitability either significantly (29%) or slightly (29%).

With regard to production/business activity in 2019, among the 4 surveyed Union businesses, 2 reported that they had an increase, 1 reported that it had maintained that about the same as the previous year and 1 had suffered a slight decrease. All 4 of them had maintained their employment level. While 2 of them had maintained their capital investment, the other 2 had increased that slightly. 3 of the businesses reported an increase in their cost of doing business and 1 had managed to maintain that at the same level as the previous year. 2 of them had seen a rise in their profitability, 1 had maintained that and 1 had ended up with a slight decrease.

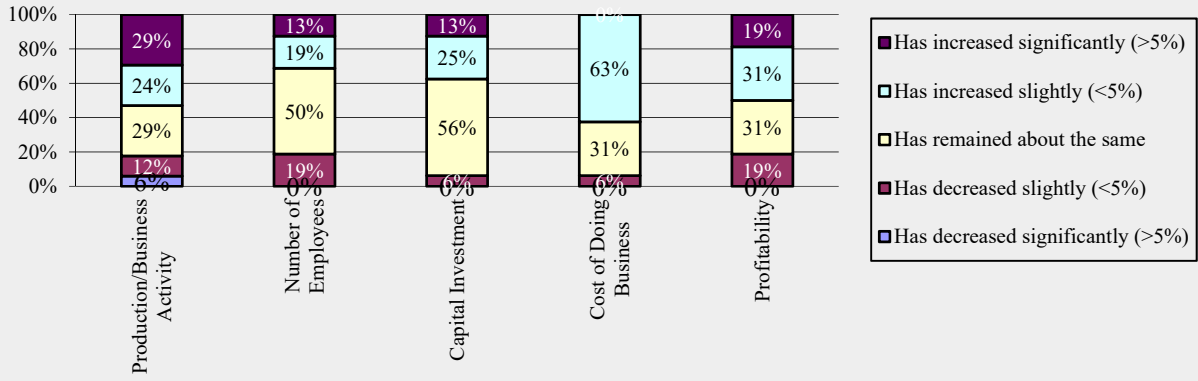
Over half (55%) of the surveyed Wayne businesses had increased their production/business activity in 2019. More than a quarter (26%) had maintained that at the previous year level while a fifth (20%) had seen a decline in it. Only 4% of the businesses had cut their employment level. About half of them had maintained their employment sizes. The rest had either increased that significantly (12%) or slightly (33%). 48% of the surveyed businesses had maintained their capital investment. A little less (44%) of the businesses had increased their capital investment either significantly (16%) or slightly (28%). 20% of the businesses had their cost of doing business increased significantly and 41% had the cost increased slightly. More than one third (37%) of them had maintained their cost at the same level as the previous year. The majority of the businesses had either maintained (35%) or increased their profitability significantly (16%) or slightly (35%). About one-tenth of them had reported a decline in their profitability: slight (10%) or significant (4%).

Compare to the same period last year, how has each of the following of your business/company changed this year?						
Answer Options	Has increased significantly (>5%)	Has increased slightly (<5%)	Has remained about the same	Has decreased slightly (<5%)	Has decreased significantly (>5%)	Response Count
Production/Business Activity	49	35	29	13	5	131
Number of Employees	20	34	67	8	2	131
Capital Investment	23	33	66	6	2	130
Cost of Doing Business	17	65	46	2	0	130
Profitability	20	43	42	21	4	130
<i>answered question</i>						131
<i>skipped question</i>						1



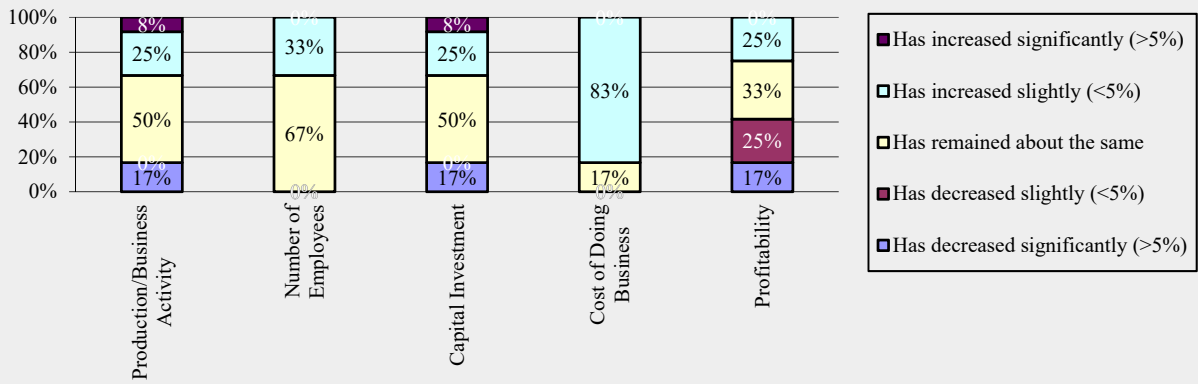
Fayette County (N=17)

Compare to the same period last year, how has each of the following of your business/company changed this year?



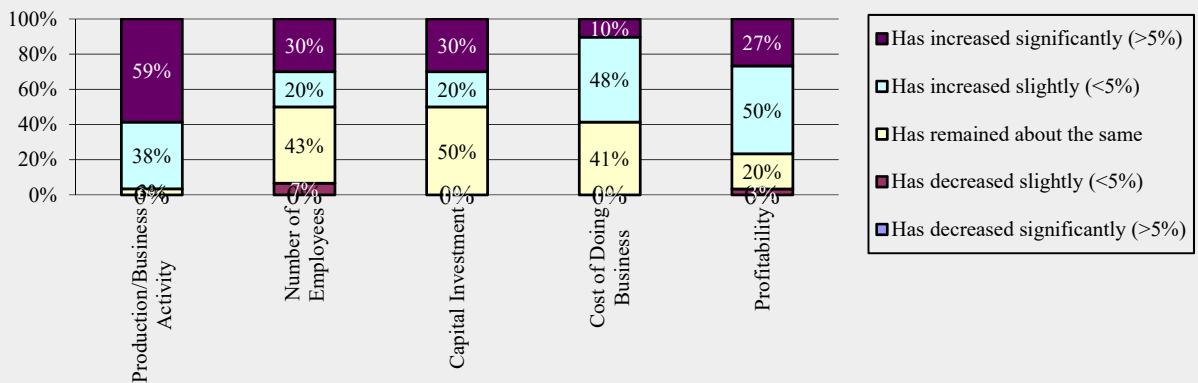
Franklin County (N = 12)

Compare to the same period last year, how has each of the following of your business/company changed this year?

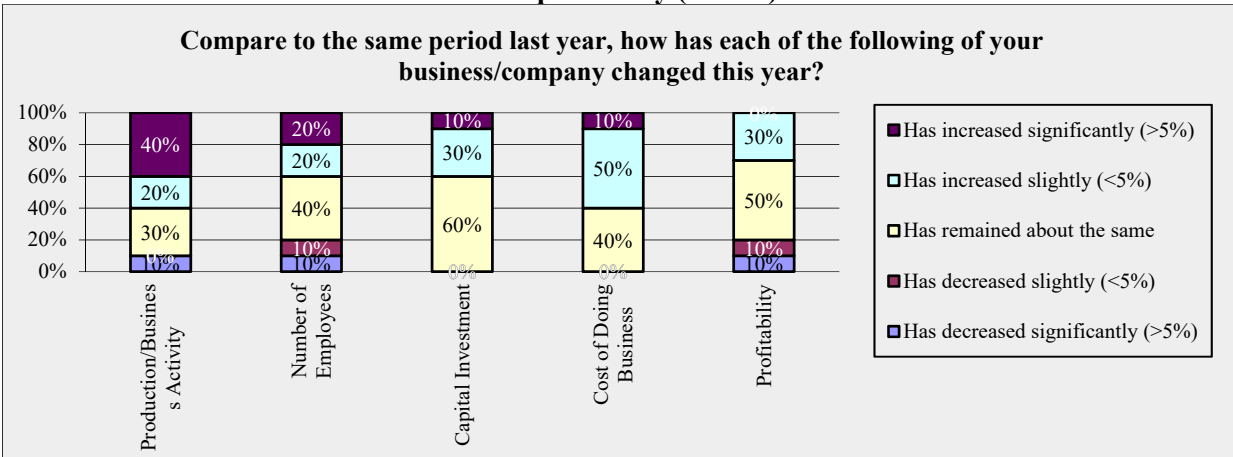


Henry County (N = 30)

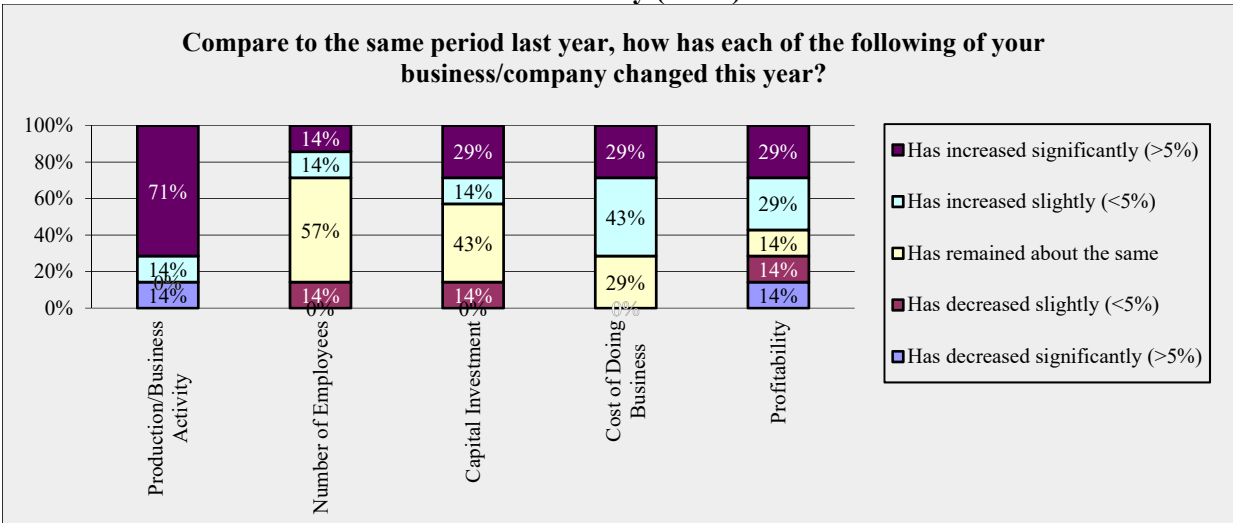
Compare to the same period last year, how has each of the following of your business/company changed this year?



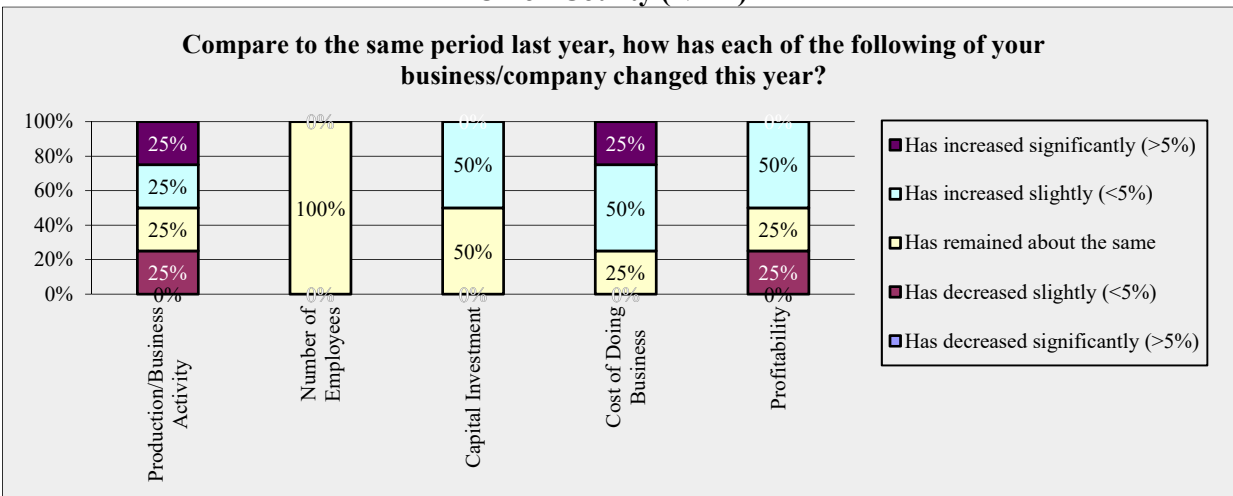
Randolph County (N = 10)



Rush County (N = 7)

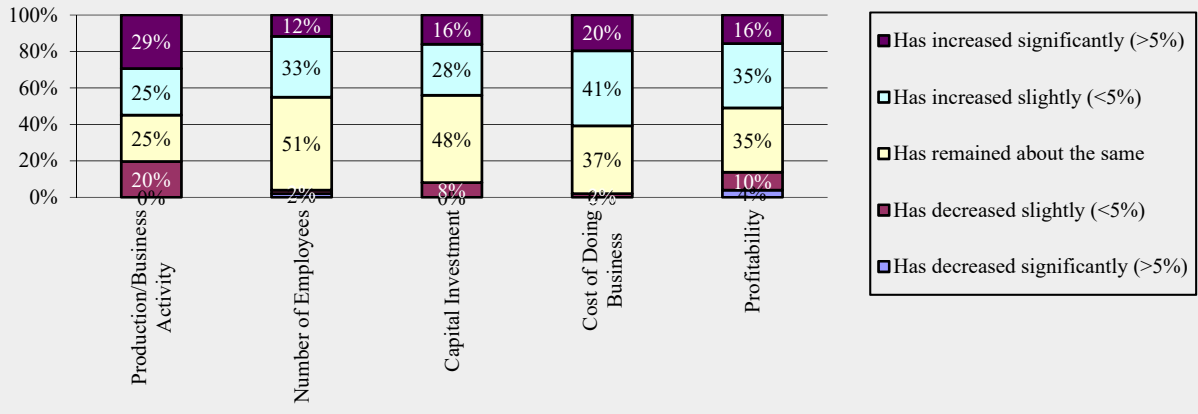


Union County (N = 4)



Wayne County (N = 51)

Compare to the same period last year, how has each of the following of your business/company changed this year?



6: How do you anticipate each of the following of your business/company will change for next year as compared with this year?

Comparing next year (2020) with this year (2019) on the same aspects, 89% of the survey participants expected their firms to increase or at least maintain the same level of production/business activity next year. While over half (57%) of the businesses would anticipate hiring the same number of employees, 38% of them would expect to add more employees in 2020. Only 5% had plans to cut their employment level for next year. A very similar distribution was anticipated in their capital investment as well. On the other hand, about 60% of the survey participants expected to see an increase in their firms' cost of doing business in 2020, while only 4% considered a lower cost of doing business likely for next year. As far as for the profitability of their firms, over 85% of the survey participants had hopes of either generating higher profit (52%) or maintaining the same level (34%) in 2020.

41% of the surveyed Fayette businesses expected their production/business activity would increase in 2020. The same percentage of them anticipated that they would maintain that at least at about the same level as in 2019. Less than one fifth (18%) of them looked forward to a slight decline. Only 6% of the businesses planned to cut their employment slightly. While about one third (31%) of them prepared to expand their employment slightly, about two thirds (63%) were planning to keep the same number of employees. Over two third (69%) of the survey participants believed that their businesses would maintain their capital investment in 2020 the same as in 2019. A equal percentage (13%) of them estimated that their firms' capital investment would increase slightly or decrease slightly whereas 6% of the businesses would increase that significantly. Only 6% of the businesses expected that they would see a slight decline in their cost of doing business. The rest of them predicted that they would increase [significantly (6%) or slightly (56%)] or keep the cost for 2020 at the same level as in 2019 (31%). Half of the businesses expected that they would be able to maintain their profitability. A quarter of them anticipated to have a slight rise while 6% expected a significant rise. On the downside, 13% would see a slight decline and 6% would see a significant decline.

Over half (58%) of the surveyed Franklin businesses expected to increase their production/business activity in 2020. A quarter would see a reduction in that. The rest predicted that would stay at about the same level as this year (2019). Three quarters of the businesses had an anticipation of maintaining their employment level. 17% of them would look forward to expanding their employment slightly while 8% estimated that they would hire significantly more employees. The majority of the businesses believed that they would either maintain (58%) their capital investment level or increase it significantly (8%)/slightly (17%). 42% of them predicted that their cost of doing business would increase slightly. The same percentage believed that they would be able to maintain it in 2020 at the same level as the year before. 8% claimed that this cost would rise significantly whereas another 8% had confidence that the cost would be slightly lower. Three quarters of the businesses believed that they would be able to either maintain (42%) or increase (33% significantly and slightly combine) their profitability. 8% of the businesses held the view that their profitability would decline significantly whereas 17% deemed to predict a slight decline.

No surveyed Henry business expected to cut production/business activity in 2020. 45% of them expected that they would increase that significantly whereas 38% planned for a slight increase. Only 3% of the businesses had plan to reduce their employment slightly. The rest anticipated that they would either hire more employees (55%) or keep the same number of employees (41%). While close to half (48%) of the businesses looked forward to increasing their capital investment, the same percentage of businesses expected to maintain that at the same level as 2019. Over 60% of the businesses estimated that they would have an increase in their cost of doing business in 2020 – significant (3%) and slight (59%). The

remaining 38% of the businesses expected that the cost for them would stay at about the same level as 2019. About half (48%) of the businesses predicted that they would be able to raise their profitability slightly in 2020 and a fifth of the businesses looked forward to a significant increase. Only 3% of them expected a slight decline in profitability. The rest of them expected to see their profitability in 2020 remain about the same level as in 2019.

Most of the surveyed Randolph businesses expected either to maintain (30%) their production/business activity or increase that [significantly (40%) or slightly (20%)] in 2020. Only 10% of them predicted that they would decrease that slightly. 40% of the businesses anticipated to add more employees in 2020 while the rest expected to maintain the same level of employment as the year before. All businesses believed that they would at least maintain (40%) their capital investment or increase that either significantly (20%) or slightly (40%). Half of the businesses expected a slight rise in the cost of doing business and only 10% expected a significant decline. The remaining 40% looked forward to maintaining it at the same level as 2019. All the businesses estimated that they would either be able to maintain their profitability (30%) or increase it either significantly (20%) or slightly (50%).

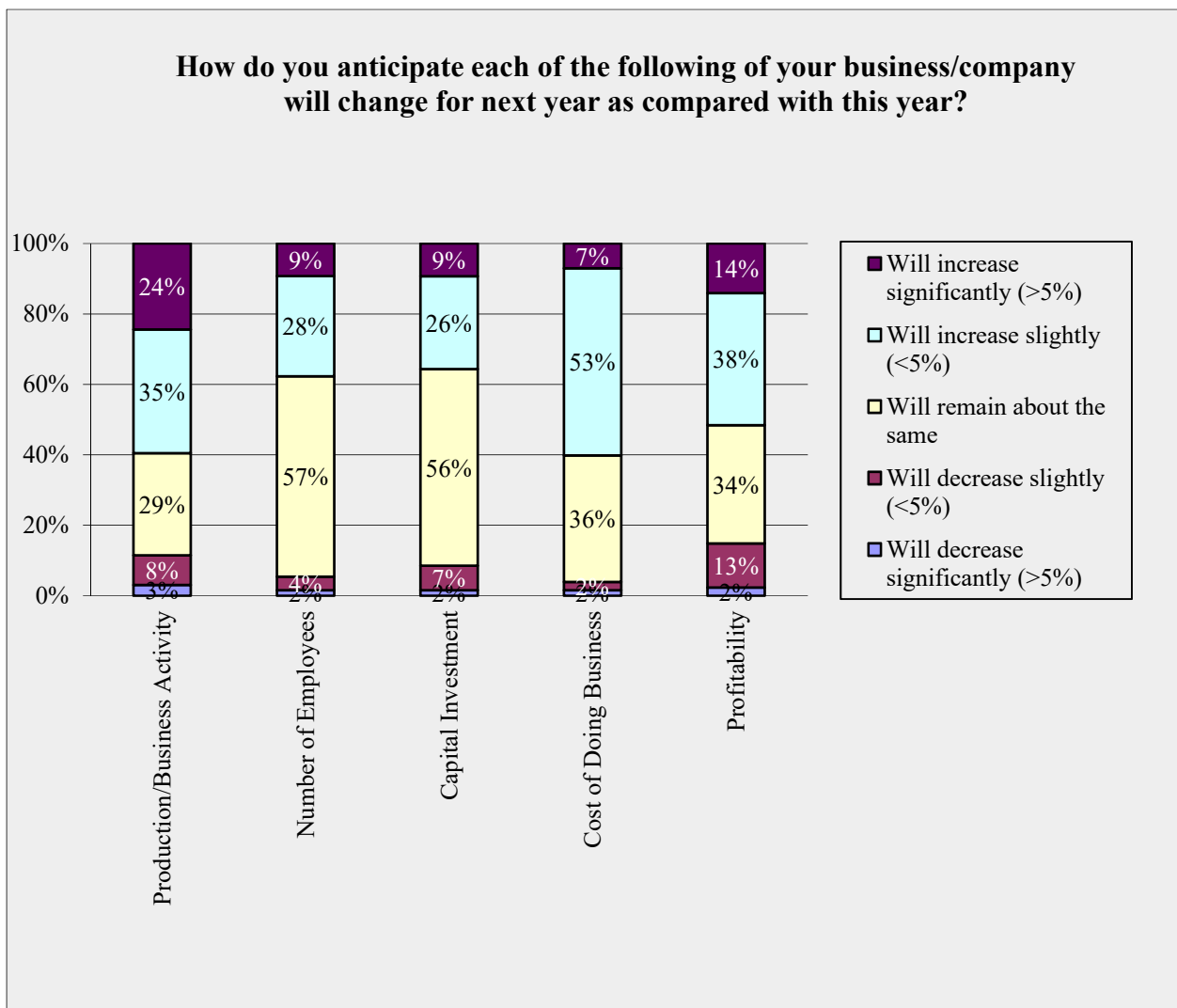
Over 85% of the surveyed Rush businesses anticipated to maintain (14%) their production/business activity in 2020 at the same level as in 2019 or to increase that significantly (14%) or slightly (57%). Only 14% of them anticipated a slight decrease. The same distribution was observed in the businesses' employment level. No business anticipated a significant surge or reduction in their capital investment. While 29% of them anticipated to maintain that in 2020 at the same level as the year before, the rest of them planned for a slight increase (57%) or slight decrease (14%). The majority (86%) of the surveyed businesses expected to have a slight increase in their cost of doing business. The rest of them (14%) predicted that their cost in 2020 would remain about the same as in 2019. Over half of the businesses anticipated to have a rise in their profitability either significant (14%) or slight (43%). While 14% of them thought they would be able to maintain it at the same level as 2019, 29% estimated that they would see a slight decline.

With regard to production/business activity, among the 4 surveyed Union businesses, 2 anticipated that they would increase it in 2020. The rest looked forward to maintaining it at the same level as 2019. All 4 of them believed that they would maintain their employment level the same as 2019. 3 of them planned to maintain their capital investment while the remaining 1 planned to have a slight increase. 2 of them thought they would be able to maintain their cost of doing business and the other 2 estimated that their such cost would increase slightly. As far as profitability concerned, 2 forecasted that they would have a rise in it while the other two predicted that their profitability would be maintained.

The majority of the surveyed Wayne businesses anticipated that they would either maintain (35%) or increase their production/business activity significantly (16%) or slightly (35%) in 2020. About one-tenth of them believed that they would decrease their production/business activity either slightly (10%) or significantly (4%). Only 6% of the businesses anticipated that they would cut their employment level. Over 60% of them would maintain their employment size in 2020. The rest would either increase that significantly (14%) or slightly (18%). 62% of the businesses anticipated that they would maintain their capital investment. More than a quarter of the businesses estimated that they would increase their capital investment either significantly (6%) or slightly (22%). 12% of the businesses were with an anticipation of a significant increase in their cost of doing business and 49% expected the cost would increase slightly. More than one third (35%) of them had confidence that they would be able to maintain their cost at the same level as in 2019. As for profitability, about one third of the businesses looked forward to

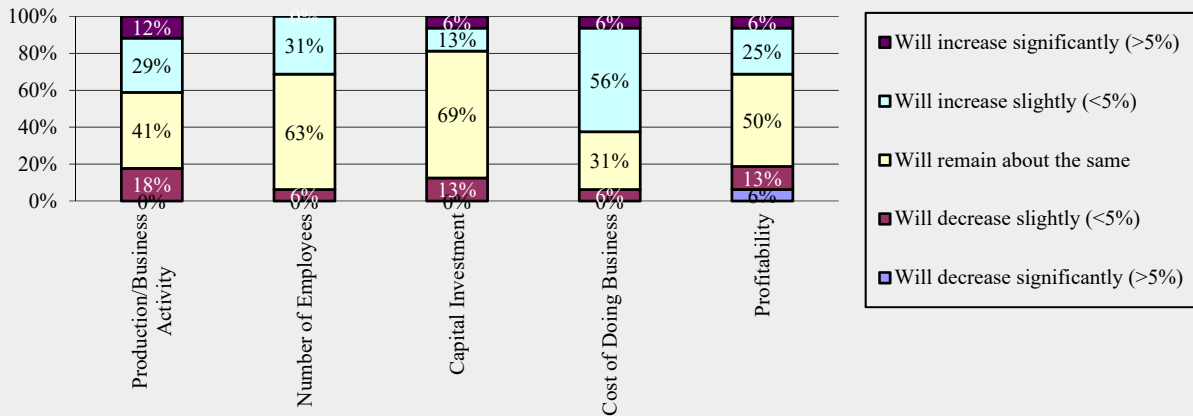
maintaining the same level as the previous year while close to half of them saw that they would increase it either significantly (14%) or slightly (34%).

How do you anticipate each of the following of your business/company will change for next year as compared with this year?						
Answer Options	Will increase significantly (>5%)	Will increase slightly (<5%)	Will remain about the same	Will decrease slightly (<5%)	Will decrease significantly (>5%)	Response Count
Production/Business Activity	32	46	38	11	4	131
Number of Employees	12	37	74	5	2	130
Capital Investment	12	34	72	9	2	129
Cost of Doing Business	9	68	46	3	2	128
Profitability	18	48	43	16	3	128
<i>answered question</i>						131
<i>skipped question</i>						1



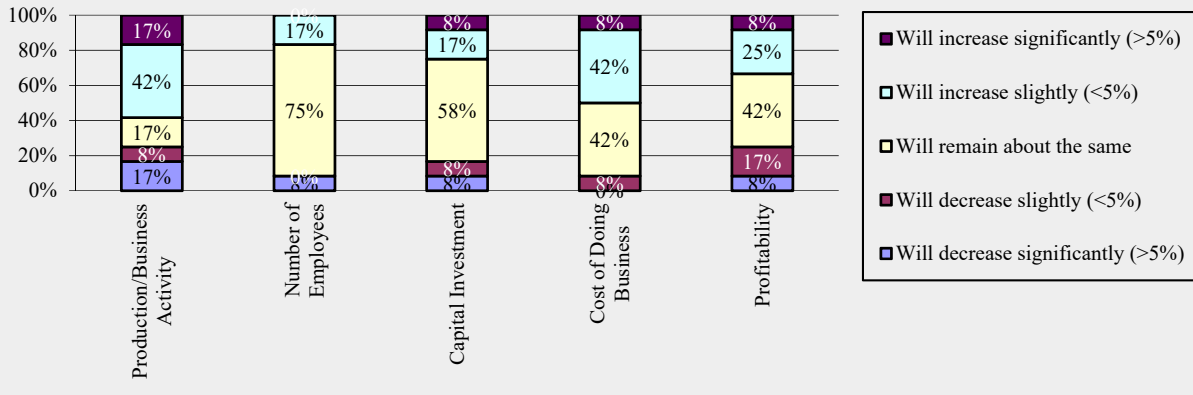
Fayette County (N=17)

How do you anticipate each of the following of your business/company will change for next year as compared with this year?



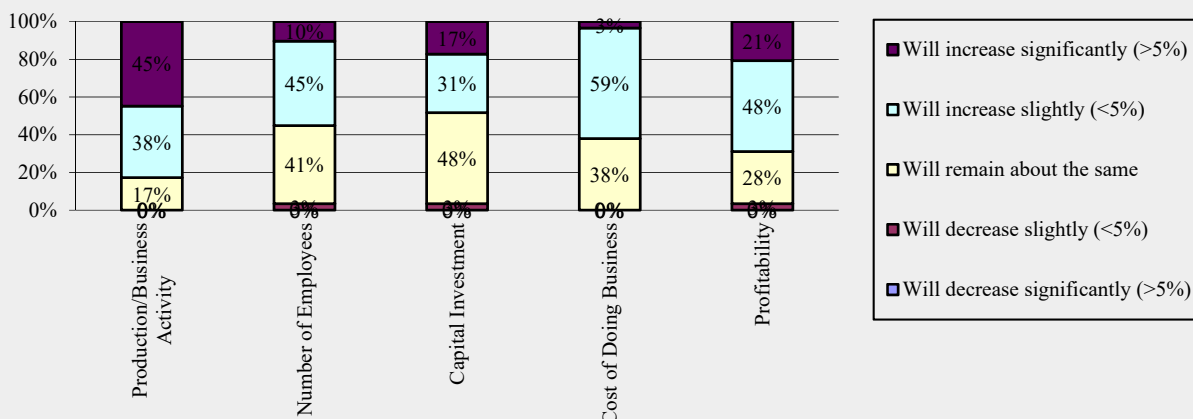
Franklin County (N = 12)

How do you anticipate each of the following of your business/company will change for next year as compared with this year?

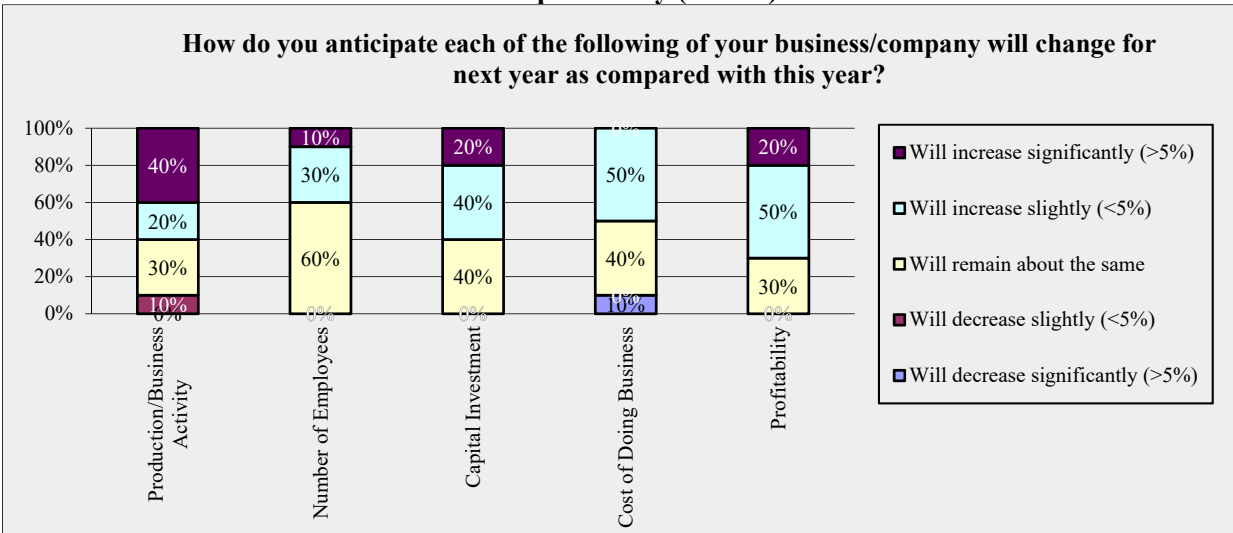


Henry County (N = 30)

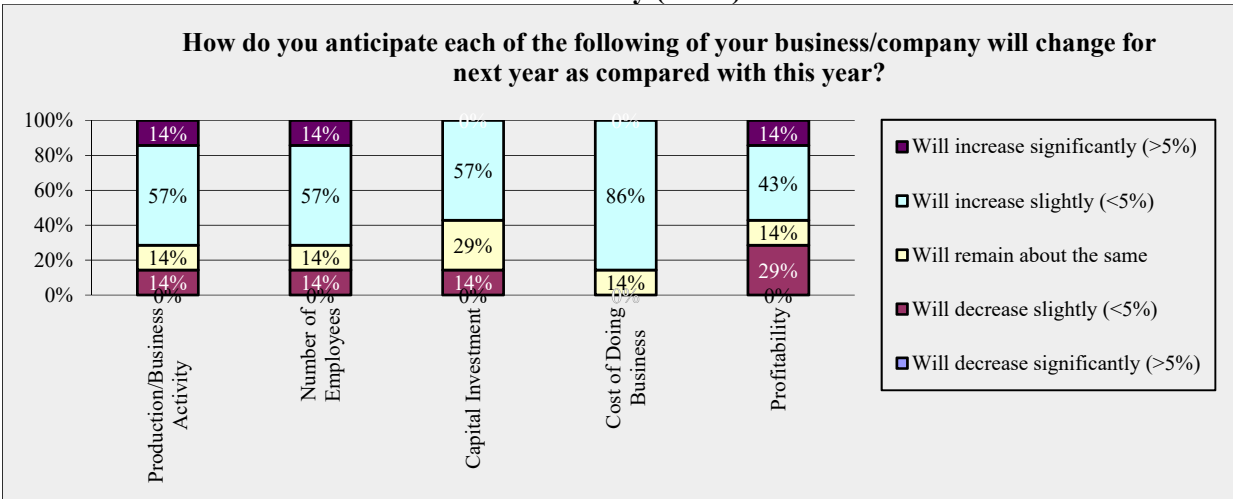
How do you anticipate each of the following of your business/company will change for next year as compared with this year?



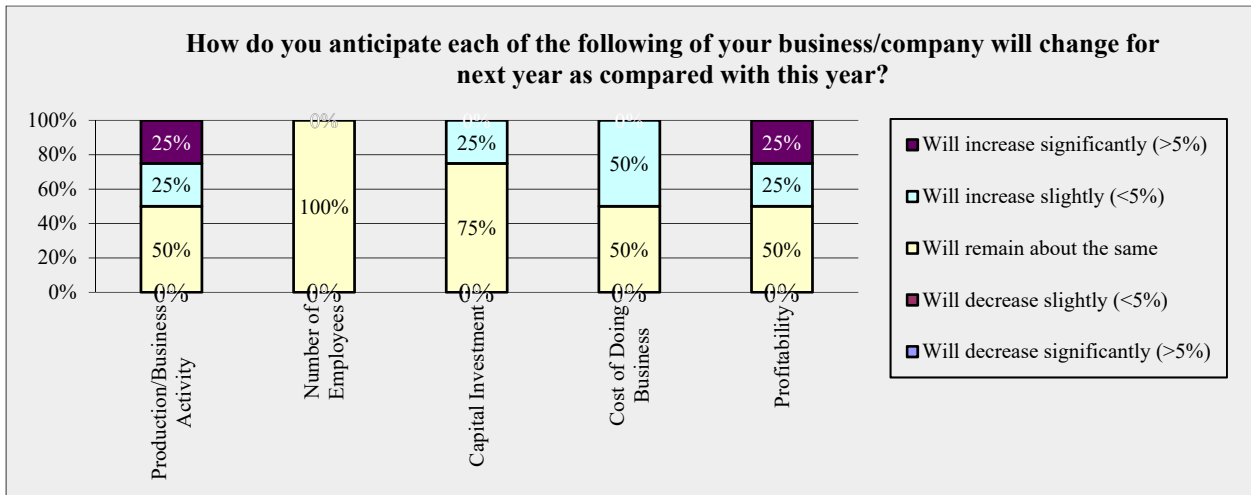
Randolph County (N = 10)



Rush County (N = 7)

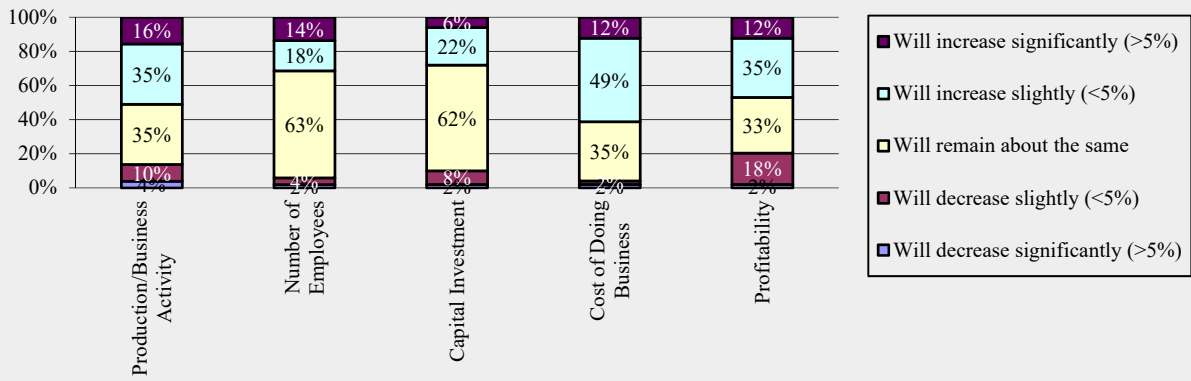


Union County (N = 4)



Wayne County (N = 51)

How do you anticipate each of the following of your business/company will change for next year as compared with this year?



7: How do you project the overall business and economic conditions in 2020 in your area?

While more than a quarter (28%) of the surveyed businesses believed that the business and economic conditions in 2020 would remain about the same as in 2019, more than half of them (54%) were optimistic and less than one-fifth (19%) were pessimistic about the conditions.

About half (47%) of the participants from Fayette County considered the conditions in 2020 about the same as in 2019. While 35% of them were optimistic, only 18% were moderately pessimistic about the conditions.

The same percentage of participants from Franklin County were moderately optimistic about the conditions (33%) and thought they would be about the same (33%) in 2020 as in 2019. The same was found in the percentage of participants who felt strongly optimistic (8%) and strongly pessimistic (8%) about the conditions. The rest (17%) were moderately pessimistic.

More than 70% of the participants from Henry County were optimistic about the conditions while only 10% of them were moderately pessimistic. The remaining 14% believed that the conditions in 2020 would be about the same as in 2019.

70% of the survey participants from Randolph were optimistic about the conditions whereas 10% were moderately pessimistic. And, 20% of them estimated that the conditions would remain about the same in 2020 as in 2019.

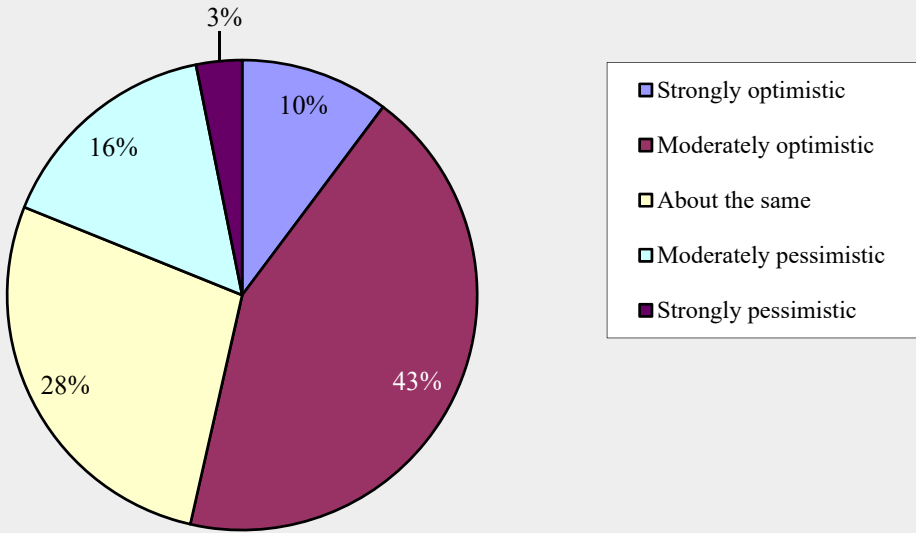
Of the 6 Rush County participants who had provided the answer to this question, 5 were optimistic about the conditions. The remaining 1 estimated that the conditions in 2020 would be about the same as in 2019.

2 of the 4 Union County participants were optimistic about the business and economic conditions while the other 2 thought the conditions be about the same in 2020 as in 2019.

Over 40% of the participants from Wayne County were optimistic about the business and economic conditions in 2020. About one third of them were pessimistic and about another one third believed that the conditions in 2020 would be about the same as in 2019.

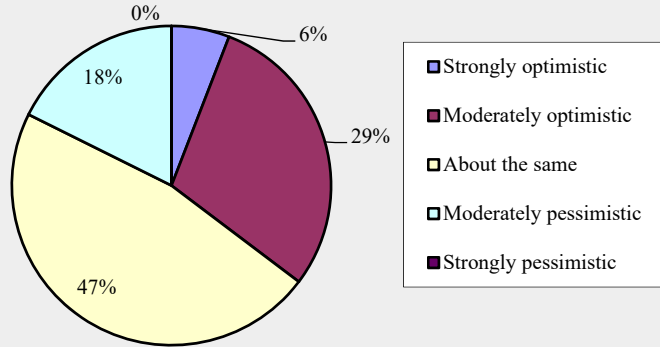
How do you project the overall business and economic conditions in 2020 in your area?		
Answer Options	Response Percent	Response Count
Strongly optimistic	10%	13
Moderately optimistic	43%	55
About the same	28%	35
Moderately pessimistic	16%	20
Strongly pessimistic	3%	4
<i>answered question</i>		127
<i>skipped question</i>		5

How do you project the overall business and economic conditions in 2020 in your area?



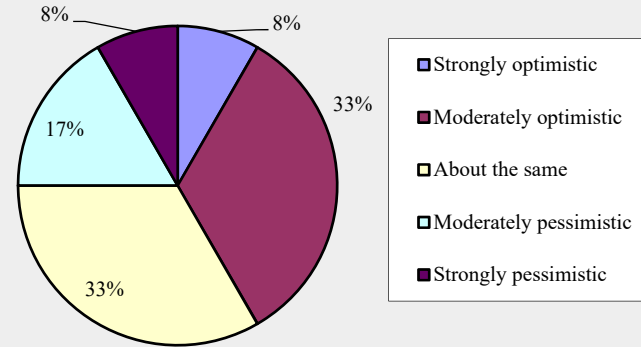
Fayette County (N=17)

How do you project the overall business and economic conditions in 2020 in your area?



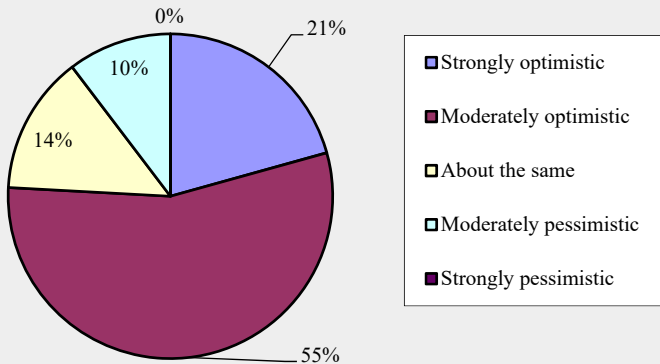
Franklin County (N = 12)

How do you project the overall business and economic conditions in 2020 in your area?



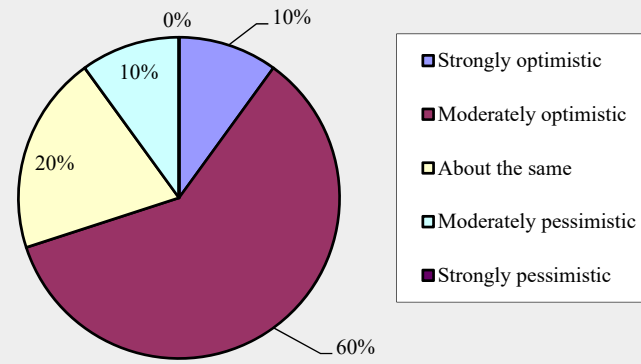
Henry County (N = 29)

How do you project the overall business and economic conditions in 2020 in your area?



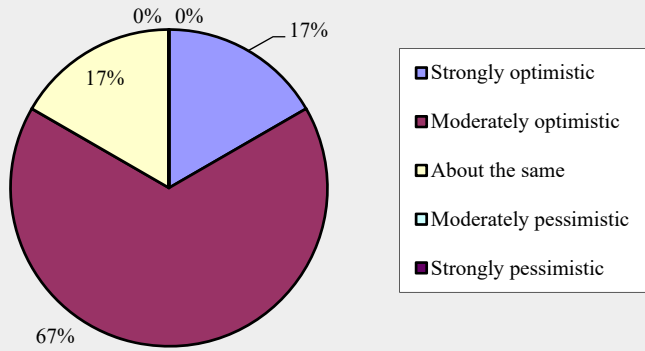
Randolph County (N = 10)

How do you project the overall business and economic conditions in 2020 in your area?



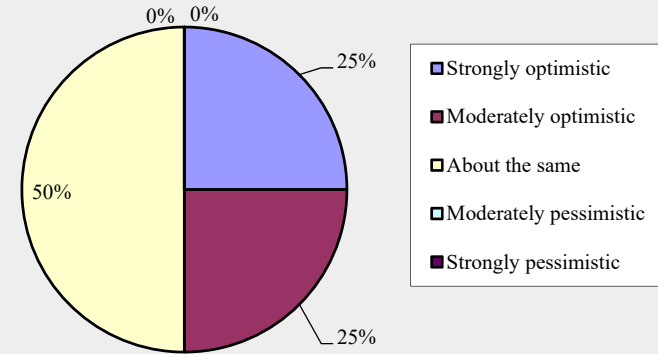
Rush County (N = 6)

How do you project the overall business and economic conditions in 2020 in your area?



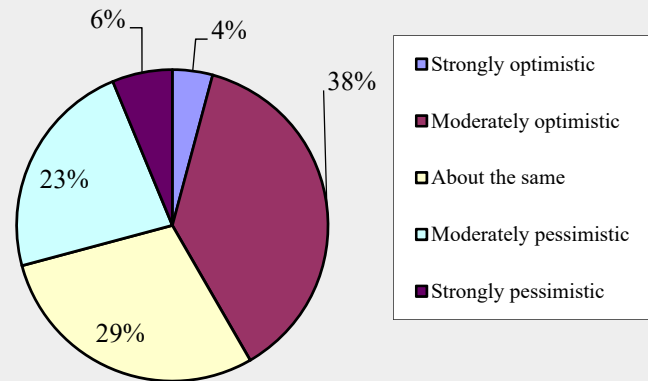
Union County (N = 4)

How do you project the overall business and economic conditions in 2020 in your area?



Wayne County (N = 48)

How do you project the overall business and economic conditions in 2020 in your area?



8: If you indicated in Q6 that you anticipate the cost of doing business to increase, please indicate below where you expect the increases to affect your business: (Please check all that apply.)

Upon the request of the Economic Development Corporation of Wayne County, this new question was added to the survey.

Payroll stood out as the cost that the most surveyed businesses (46%) in the region anticipated to increase in 2020. One fifth or more of the participants projected an increase in their costs related to insurance (26%), employee benefits (23%), utilities (20%) and marketing (23%). About one tenth of the participants estimated their company taxes (13%), the expenses on office, shop and/or factory supplies (17%), shipping cost (14%), inventory (15%) and machine/equipment repair & maintenance cost (14%) to increase. Expenses on travel (5%), loan (6%), professional consultation (6%) and real estate (6%) were expected to increase by the least number of the survey participants.

Payroll (41%), marketing costs (35%), machine/equipment replacement costs (24%) and taxes (24%) were anticipated to increase in 2020 by the most surveyed businesses from Fayette County. On the other hand, website maintenance costs, professional consultation fees and interest expenses were expected to increase in 2020 by the least number of participants (all 6%).

Half (50%) of the survey participants from Franklin County anticipated their insurance costs to increase. About a third (33%) of them expected their marketing costs to increase while a quarter (25%) expected their costs on website maintenance, office, shop and/or factory supplies, payroll and employee benefits as well as interest expenses to increase.

Payroll (50%) was expected to increase in 2020 by the most participants from Henry County, followed by insurance costs (33%), marketing expenses (27%) and utility costs (23%). The costs that the least participants anticipated to increase include travel and interest expenses (both 3%) as well as expenses on professional consultation, office, shop and/or factory supplies and shipping (all 7%).

Three-tenths of the survey participants from Randolph County anticipated their inventory costs to increase in 2020. One fifth of them looked forward to an increase in their costs on machine/equipment replacement, shipping, office, shop and/or factory supplies, utilities, payroll and insurance as well as taxes.

More than half (71%) of the participants from Rush County anticipated payroll to increase in 2020. Over four tenths (43%) of the participants expected a rise in insurance costs.

Only 4 participants were from Union County. Both inventory costs and office, shop and/or factory supply expenses were expected to increase by 2 participants while those of real estate, machine/equipment repair & replacement, website maintenance, marketing, shipping, and travel by one participant.

Over half (57%) of the survey participants from Wayne County considered that, in 2020, payroll of their businesses would increase and more than a third (37%) thought their costs of employee benefits would increase. About a quarter (24%) of them anticipated an increase in their utility costs. Machine/equipment repair & maintenance costs, office, shop and/or factory supplies expenses, insurance costs were expected to increase by one-fifth of the participants.

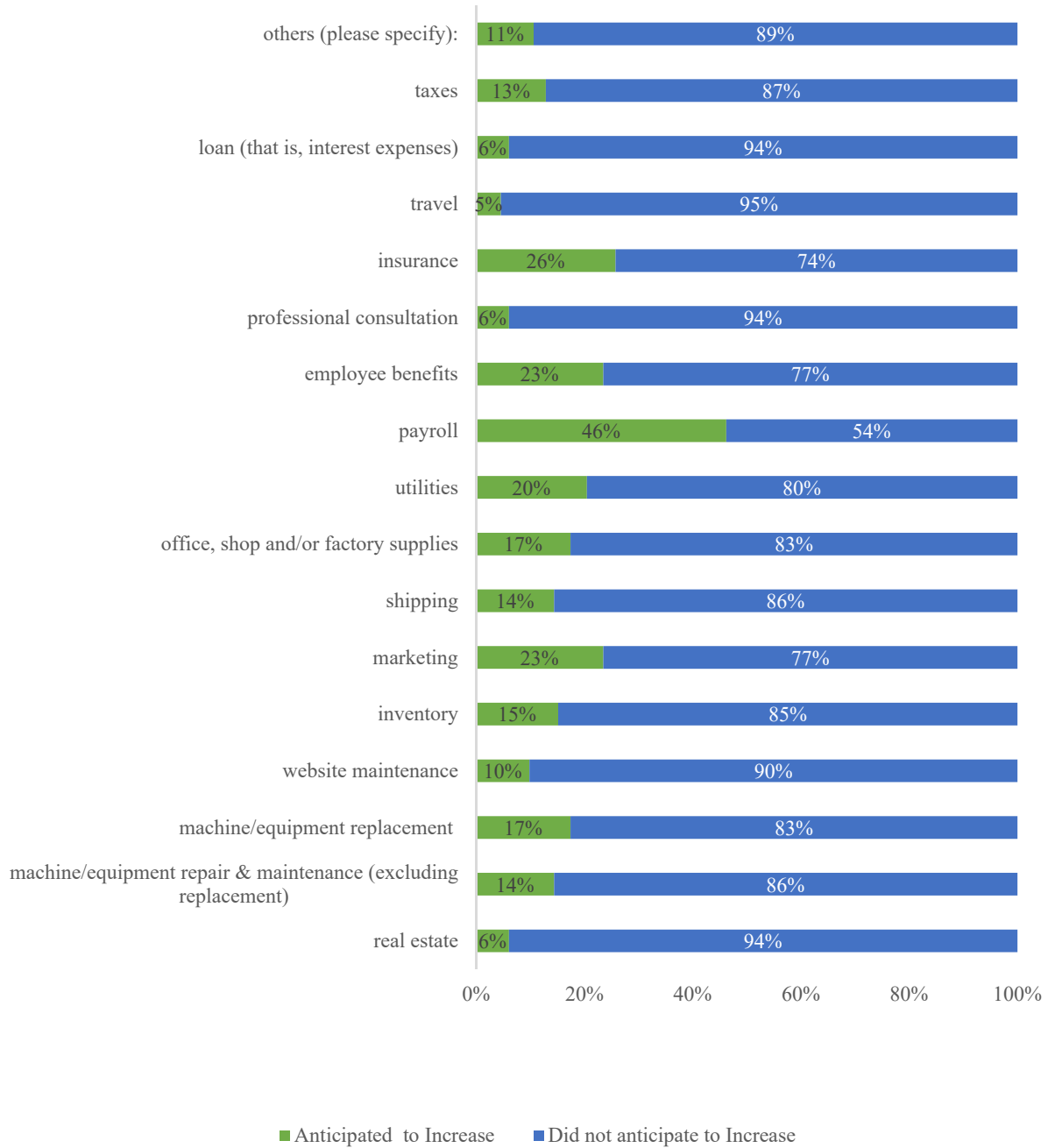
If you indicated in Q6 that you anticipate the cost of doing business to increase, please indicate below where you expect the increases to affect your business: (Please check all that apply.)

Answer Options	Anticipated to Increase	Did not anticipate to Increase^a	Response Count
real estate	8	124	132
machine/equipment repair & maintenance (excluding replacement)	19	113	132
machine/equipment replacement	23	109	132
website maintenance	13	119	132
inventory	20	112	132
marketing	31	101	132
shipping	19	113	132
office, shop and/or factory supplies	23	109	132
utilities	27	105	132
payroll	61	71	132
employee benefits	31	101	132
professional consultation	8	124	132
insurance	34	98	132
travel	6	126	132
loan (that is, interest expenses)	8	124	132
taxes	17	115	132
others (please specify):	14	118	132

Note a. Estimated by the number of participants who did not pick the cost area in their responses to the question and/or provided no response to the question.

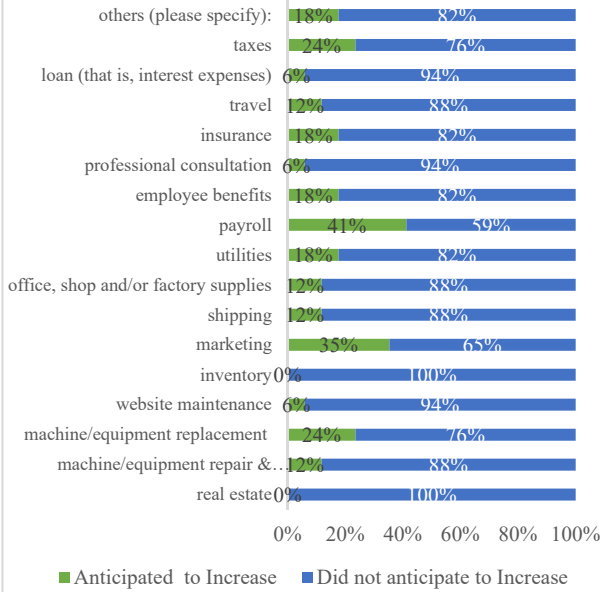
Other cost areas include regulatory, food and fuel expenses and costs of tools and services, products and software tools, raw materials, renovations, vehicle repair/replace/addition, overtime wage/salary and expenses on recruitment activity as well as contract fulfilling costs.

If you indicated in Q6 that you anticipate the cost of doing business to increase, please indicate below where you expect the increases to affect your business: (Please check all that apply.)



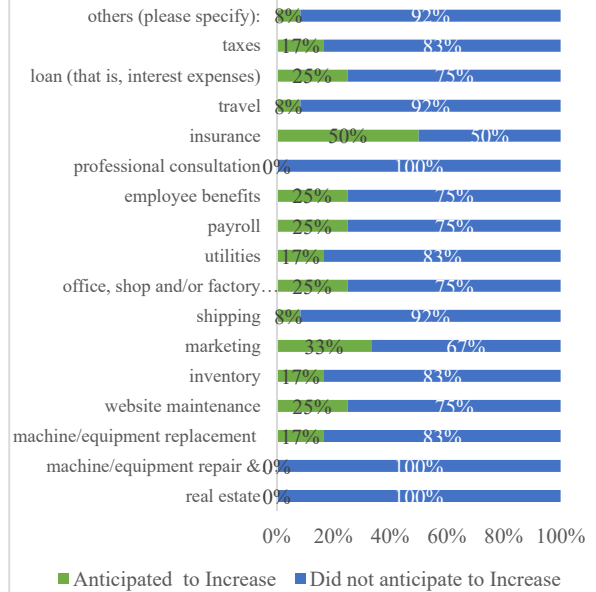
Fayette County (N=17)

If you indicated in Q6 that you anticipate the cost of doing business to increase, please indicate below where you expect the increases to affect your business: (Please check all that apply.)



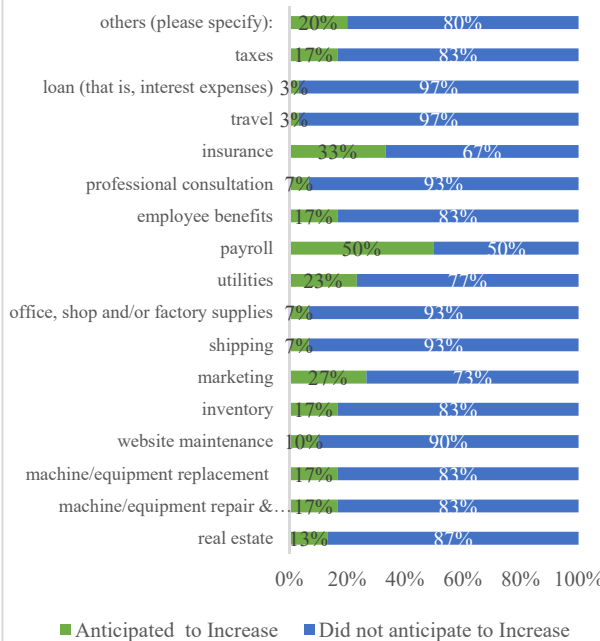
Franklin County (N = 12)

If you indicated in Q6 that you anticipate the cost of doing business to increase, please indicate below where you expect the increases to affect your business: (Please check all that apply.)



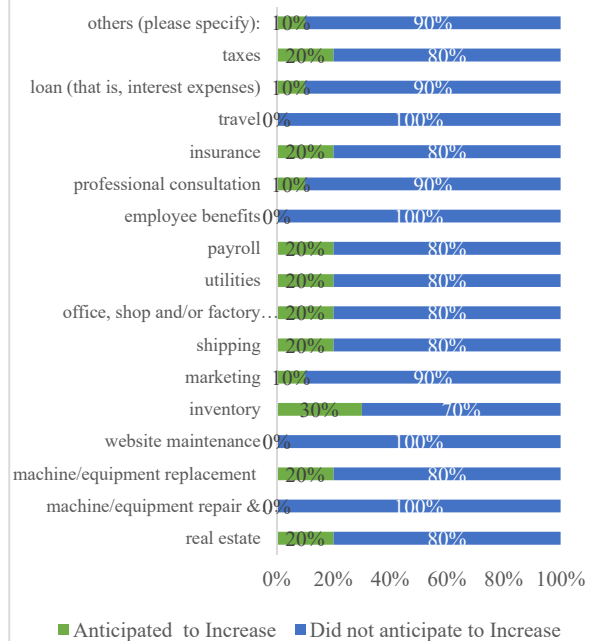
Henry County (N = 30)

If you indicated in Q6 that you anticipate the cost of doing business to increase, please indicate below where you expect the increases to affect your business: (Please check all that apply.)

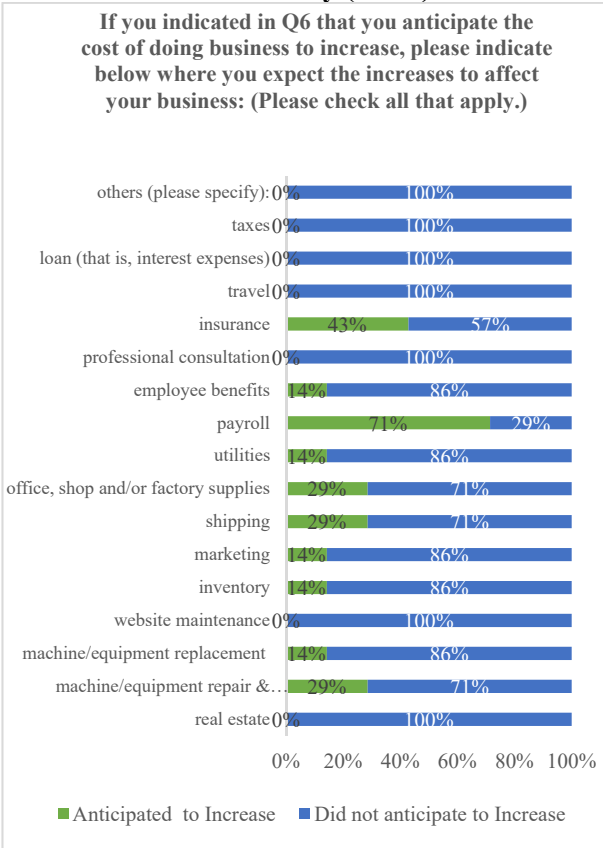


Randolph County (N = 10)

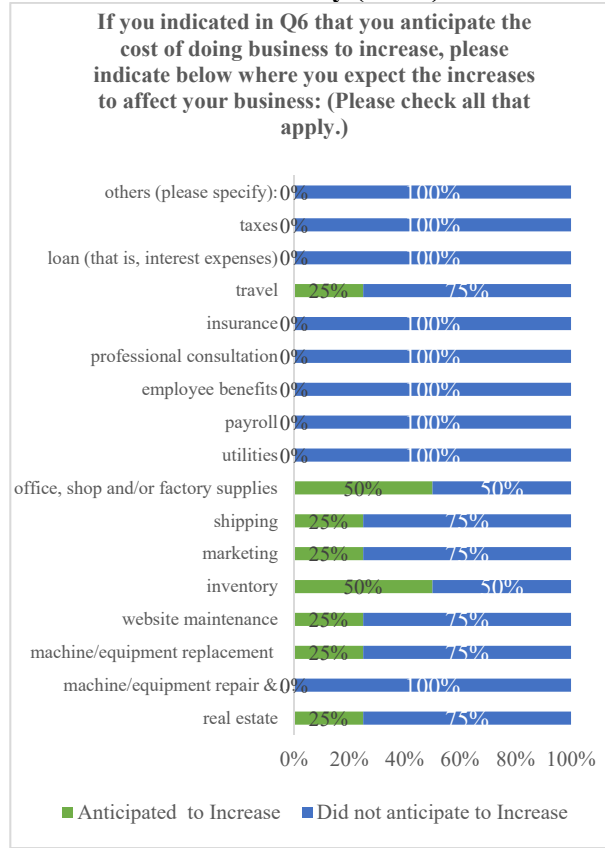
If you indicated in Q6 that you anticipate the cost of doing business to increase, please indicate below where you expect the increases to affect your business: (Please check all that apply.)



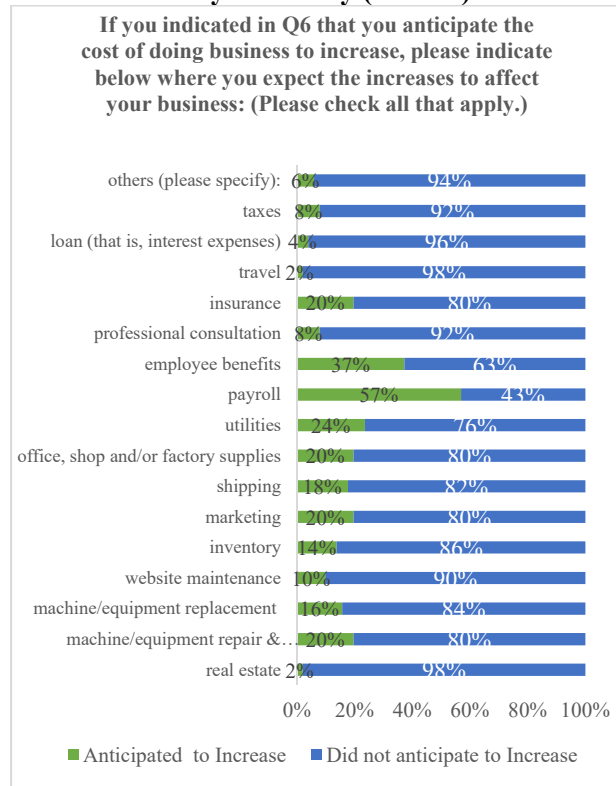
Rush County (N = 7)



Union County (N = 4)



Wayne County (N = 51)



9: Do you have any concerns about and/or suggestions for the local businesses and economy in your area?(please specify)

The overview and summary by county included below were written entirely based on the responses to the survey. No effort had been made to validate the information provided.

Forty eight survey participants provided comments/suggestions. For the region as a whole, the availability of quality labor remained the major concern of the area business operators. Another concern was the high cost of health care that had made it difficult/impossible for businesses, especially the very small ones, to provide good employee benefits. This, in turn, added to their difficulty in recruiting qualified employees. The business operators would like to see more efforts made by government and economic development agencies and have leaders who could help advance the region. Their suggestions included restructuring the curriculum of the academic programs offered by the schools in the region so as to strengthen the training of students on basic life skills and various trades; bringing more new businesses into the region as well as encouraging demand for goods/services provided by local businesses, instead of businesses outside of the region; reducing social welfare such as free education, medical services and housing.

Fayette County

According to the survey participants, there was a decrease in skilled laborers and a lack of new businesses in the county. They needed more businesses to open in their town and more activities in the downtown area. They were also in need of trained and trainable workforce. Their small business size had continued to make it hard for them to obtain health care at reasonable costs. They had kept struggling to provide good benefits to their employees at affordable prices. The ongoing industry consolidation in the county hurt the small businesses, farmers and their local economy. Their suggestions included [to the firms] keeping their businesses local and advertising in their community so that they could reach the people who supported their businesses as well as [to the county] reducing the amount for free items such as school, medical services and housing.

Franklin County

The remarks made by the survey participants had highlighted a concern from them that their county was a depressed area in southeastern Indiana. They had the perception that their town board in Brookville was anti-business and did not currently do anything to help the local businesses. For instance, the board had put in parking meters and raised the fine to \$10 for parking violation in their small town. Such parking condition had been discouraging customers from outside their county to return. A protest that it was wrong to have town board that worked against small businesses who were already suffering from quite a lot of hardships was also found in the responses of the participants.

Henry County

A major concern from the survey participants was that finding qualified employees in the county was always a struggle. It was oftentimes that, when they were interviewing job applicants, those applicants were not able to answer even the basic questions about their industries while expecting a starting hourly wage in the mid- to high-teens. The businesses there were in need of people who were willing and able to work in trade industries. They would welcome the opportunities to provide input to the vocational programs of the local schools. They were hoping, by doing so, to better tailor the offering of those programs as they pertained to their local industries. Although the businesses were growing locally, another concern the survey participants had was on the national election and how it would affect them. Other concerns included poor road conditions in the county and housing shortage for middle income buyers. They felt a need of streamlining the government processes for housing development. At the same

time, they believed that small businesses in the region needed more assistance from local government officials, chamber of commerce, and EDC and thought that local government and state government needed to eliminate personal property tax. Their suggestions to businesses in the county were: to avoid renewable energy and tax abatements, but to promote manufacturing on the other hand; to pay and treat employees fairly to ensure their commitment to their jobs. They also suggested that the county (residents, businesses and government combine) used local businesses first.

Randolph County

The survey participants would like to have easier access to benefits, so that they could compete with big companies for employees. For instance, it was very hard to provide health insurance to employees by a small company. The participants had difficulty in finding available/willing employees. Finding quality workers was the biggest challenge they had. They were afraid that improvements to their properties would raise their tax payment. They wanted to deter the beautification of the county and the bringing-in of investors to the county. They felt government should provide incentives to the local businesses. At the same time, they also felt taxes should hold no increases for 65+ senior citizens. In their economic development efforts, local government had to take into consideration the street, mural, historical information walks, entertainers & unique food arts of the county.

Rush County

Rush County participants thought the county needed better zoning regulations for business and property owners to develop their properties.

Union County

Trade war, farmer stability, stagnant wage growth had been considered to affect business performance in the county. Businesses were in urgent need of leaders to help them out with their current difficult situation. Small business owners tended to remain small scale and/or take up work from other businesses with adequate insurance provision.

Wayne County

In accordance with the survey participants, the declining population and increasing poverty in Wayne County were contributing to a significant [negative] impact on, including but were not limited to, the local business community, school system, tax base as well as workforce and quality of life in the community, in turn, making it less attractive for new people to shop, work and live in the county. There had also been a loss of middle class in the county. There was concern that businesses in the county were slowly dying and causing Richmond, as well as other local areas, to feel like a ghost town for business. While the economy had not been seen gaining much ground, tariffs and rise in shipping costs also ate into the profit margin of the businesses. There were worries about downtown Richmond being still not thrived and about the mall being taken a long time for repairs after the tornado. Business owners were not educating themselves about economic factors but rather relying on poor advice and/or information. Over-regulation by unelected government employees was also observed.

It was a major challenge to find good employees. Workers were unwilling to work 40 hours per week and job-hopping had added to the lack of available dedicated workforce. At the same time, public schools were not focusing on basic skills, with the result that many students could not even read a ruler.

The trades sector [vocational school programs] had to be advocated in early childhood through high school. The ideology that “college is the only way to succeed and the stigma it creates” needed to be

addressed. Besides, the schools had to at least teach students some essential basic life skills (“lefty loosey and righty tighty”) and less calculus and sports. The county had also to develop steps to find more ways to engage the current local college students in the community.

For the people who currently worked in Wayne County, a large portion of them did not live in the county. The county had to identify all of the reasons for this. The survey participants also wanted to have less INDOT work in the area and Cambridge City water and sewer charges to be corrected.

Concluding Remarks

In an economy with expected slower growth ahead in the region, enterprises and individuals might want to think more before making significant financial commitments. At the same time, government might want to work on appropriate incentives to stimulate growth if they had not done so yet⁵.

According to the surveyed business operators in the region, there is an urgent need to develop a quality and reliable workforce, attract new businesses to operate, and attract more people to live in and visit the region in order to vitalize it.

Significant efforts had been made in addressing the above needs. For example, Fayette County, Henry County, Randolph County, Rush County and Wayne County had joined with five other counties to form the East Central Indiana Regional Partnership to move the future of businesses together since 2005. It was hopeful that the partnership’s current Regional Lifestyle Marketing Strategy and the yet to launch “Forge Your Path⁶” program would help in attracting and retaining talented people to live and work in the counties while drawing in visitors at the same time. The five counties were also certified as Work Ready Communities⁷ in 2015 or after. They had also been actively maintaining such status. In addition, Randolph County and Wayne County had also created the partnership “Hoosier Opportunity⁸” with Jay County in 2017 and continued to connect employers with perspective employees not just from the counties but also across the world.

It might take some time for economic efforts and their impacts to be fully reflected in the growth of a region. It would certainly be helpful in recognizing them if local businesses and residents could be informed and/or involved (if possible) at the very early stage.

⁵ On top of the state incentives, the local incentives in the form of tax deduction, tax credit, tax abatement, loan fund, support fund, assistance, grant, incentive program and/or customized packages are available to businesses that want to locate or grow in the region. Information can be found on the individual EDC/EDG websites at <http://www.edgeconnersville.com/incentives-taxes-government/> for *Fayette County*, at <http://www.franklincounty.in.gov/countyoffices/economic-development/state-and-local-incentives/> for *Franklin County*, at <https://growinhenry.com/business-resources/incentives/> for *Henry County*, at <http://www.rushcedc.org/incentives/> for *Rush County*, at <https://ucdc.us/local-business-tax-credits/> for *Union County*, and at <https://whywaynecounty.com/site-selection/incentives/wayne-county-incentives-tools/> for *Wayne County*.

⁶ More information on the marketing strategy and the “Forge Your Path” program can be obtained from Mindy Kenworthy, President/CEO of the **East Central Indiana Regional Partnership** (<https://ecirp.org/about/our-staff/>).

⁷ See **ACT Work Ready Communities** (<https://www.workreadycommunities.org/IN>).

⁸ See **Hoosier Opportunity** (<https://hoosieropportunity.com/page/?id=1>).

Appendix: 2019 East-Central Indiana Business Survey

Please respond to each question based on the business you own or the company you work for.

(Note: Please be reminded that, while taking the survey, you will be under no obligation to answer any question that makes you feel uncomfortable. In addition, if you feel uncomfortable completing the survey at any time, you are free to discontinue with it by simply closing this browser window.)

1. Industry sector: (Please check the one that is the most representative.)

- | | | |
|--|--|--|
| <input type="checkbox"/> Agricultural | <input type="checkbox"/> Manufacturing | <input type="checkbox"/> Retail Trade |
| <input type="checkbox"/> Health Care | <input type="checkbox"/> Accommodation | <input type="checkbox"/> Food Services |
| <input type="checkbox"/> Banking | <input type="checkbox"/> Financial Service | <input type="checkbox"/> Warehousing |
| <input type="checkbox"/> Professional Service | <input type="checkbox"/> Other Services | <input type="checkbox"/> Transportation |
| <input type="checkbox"/> Information Technology | | <input type="checkbox"/> Wholesale Trade |
| <input type="checkbox"/> Real Estate/Rental/Leasing | | |
| <input type="checkbox"/> Other (please specify): _____ | | |

2. Number of employees:

- | | | |
|-------------------------------------|-------------------------------------|-----------------------------------|
| <input type="checkbox"/> 1 | <input type="checkbox"/> 2 to 4 | <input type="checkbox"/> 5 to 9 |
| <input type="checkbox"/> 10 to 19 | <input type="checkbox"/> 20 to 49 | <input type="checkbox"/> 50 to 99 |
| <input type="checkbox"/> 100 to 249 | <input type="checkbox"/> 250 to 499 | <input type="checkbox"/> 500+ |

3. In which county is your business/company located?

- | | | |
|--|--|---------------------------------------|
| <input type="checkbox"/> Fayette County | <input type="checkbox"/> Franklin County | <input type="checkbox"/> Henry County |
| <input type="checkbox"/> Randolph County | <input type="checkbox"/> Rush County | <input type="checkbox"/> Union County |
| <input type="checkbox"/> Wayne County | | |

4. For how many years has your business/company operated in the county you identified in Question 3?

- | | | |
|--|---|--|
| <input type="checkbox"/> Less than 2 years | <input type="checkbox"/> 2 to 5 years | <input type="checkbox"/> 6 to 10 years |
| <input type="checkbox"/> 11 to 20 years | <input type="checkbox"/> More than 20 years | |

5. Compare to the same period last year, how has each of the following of your business/company changed this year?

	Has				
	increased significantly (>5%)	increased slightly (<5%)	remained about the same	decreased slightly (<5%)	decreased significantly (>5%)
Production/Business Activity					
Number of Employees					
Capital Investment					
Cost of Doing Business					
Profitability					

6. How do you anticipate each of the following of your business/company will change for next year as compared with this year?

	Will				
	increase significantly (>5%)	increase slightly (<5%)	remain about the same	decrease slightly (<5%)	decrease significantly (>5%)
Production/Business Activity					
Number of Employees					
Capital Investment					
Cost of Doing Business					
Profitability					

7. How do you project the overall business and economic conditions in 2020 in your area?

- Strongly optimistic
 Moderately optimistic
 About the same
 Moderately pessimistic
 Strongly pessimistic

8. If you indicated in Q6 that you anticipate the cost of doing business to increase, please indicate below where you expect the increases to affect your business: (Please check all that apply.)

- real estate
 machine/equipment repair & maintenance (excluding replacement)
 machine/equipment replacement
 website maintenance

- inventory
- marketing
- shipping
- office, shop and/or factory supplies
- utilities
- payroll
- employee benefits
- professional consultation
- insurance
- travel
- loan (that is, interest expenses)
- taxes
- others (please specify):

9. Do you have any concerns about and/or suggestions for the local businesses and economy in your area? (please specify)

Thank you for your participation in this survey!