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# Yellow Springs Business Retention & Expansion Survey



CENTER FOR URBAN  
& PUBLIC AFFAIRS

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## PARTICIPATING BUSINESSES

|                                                    |                                    |                                                          |
|----------------------------------------------------|------------------------------------|----------------------------------------------------------|
| A C Service Co.                                    | <b>Gregor Construction</b>         | Tom's Market                                             |
| Anderson Farm Market                               | Ha Ha Pizza                        | Tree Of Life Spinal Care                                 |
| Anne Erickson                                      | <b>Hosket Veterinary Svc</b>       | Unfinished Creations                                     |
| Antioch College                                    | Huntington Instruments             | US Bank                                                  |
| Antioch University<br>McGregor                     | Import House                       | <b>Vernay Laboratories, Inc</b>                          |
| Arthur Morgan Institute for<br>Community Solutions | Julietta's Trunk                   | Village Automotive                                       |
| Bentino's of Yellow Springs                        | Keith A Watson, Inc                | Village BP                                               |
| Bing Design<br>Communications, Inc                 | Kismet                             | <b>Village Cyclery</b>                                   |
| Blanket Netcom                                     | Legendary Roofing Co.              | Village Greenery                                         |
| Bonadies Glasstudio                                | Little Miami Flower Co.            | Village Herb Shoppe                                      |
| Brother Bear's Café                                | Main Squeeze                       | Wes Banco Bank                                           |
| Buntons Greenleaf Gardens                          | Miami Valley Pottery               | Williams Eatery &<br>Gathering Place                     |
| <b>Bushworks, Inc</b>                              | <b>Michael Jones Ceramics</b>      | Winds Cafe                                               |
| Community Children's<br>Center                     | Morgan Family Foundation           | <b>Would You Could You in a<br/>Frame</b>                |
| Community Physicians                               | MVECA                              | WYSO                                                     |
| Creative Explorations (Now<br>- Women's Retreat)   | No Common Scents                   | <b>Yellow Springs Community<br/>Federal Credit Union</b> |
| Current Cuisine                                    | Non-Stop Liberal Arts<br>Institute | Yellow Springs Community<br>Foundation                   |
| Curves                                             | <b>Ohio Silver</b>                 | Yellow Springs Country B&B                               |
| <b>Dark Star Books &amp; Comics</b>                | Orkin Pest Control                 | Yellow Springs Dental                                    |
| Deck & Fence Revivers                              | <b>Pangaea Trading Co.</b>         | Yellow Springs Exempted<br>Schools                       |
| Design Sleep                                       | Peach's Grill                      | Yellow Springs Florists                                  |
| Dino's Cappuccinos                                 | <b>Peifer Orchards</b>             | Yellow Springs Home<br>Assistance                        |
| Dolbeer's Cleaners                                 | Poortinga Chiropractic             | Yellow Springs Home, Inc                                 |
| Duckwall, Mark G DC                                | Posterior Chain                    | <b>Yellow Springs News</b>                               |
| E Health Data Solutions                            | <b>Rita Caz Jewelry Studio</b>     | <b>Yellow Springs Pottery</b>                            |
| <b>Earth Rose</b>                                  | Sam & Eddie's Open Books           | Yellow Springs<br>Psychological                          |
| Electronic Edge                                    | Sapphire Computers, Inc            | Yellow Springs Senior<br>Citizens                        |
| Emporium                                           | Soundspace, Inc                    | Yellow Springs Travel, Inc                               |
| Forest Village Foods                               | Speedway                           | Yoga Springs Studio                                      |
| Fred Bartenstein &<br>Associates                   | Springs Healing Hands LLC          | <b>Young's Jersey Dairy</b>                              |
| <b>Gailz Tattooz</b>                               | Springs Motel                      | YSI, Inc                                                 |
| Getaways for Women                                 | Subway Sandwiches &<br>Salads      |                                                          |
| Glen Helen Ecology<br>Institute                    | Sunrise Cafe                       |                                                          |
|                                                    | Super-Fly Comics & Games           |                                                          |
|                                                    | (Super)Town Drugs                  |                                                          |
|                                                    | Tecumseh Land Trust                |                                                          |
|                                                    | Tibet Bazaar                       |                                                          |
|                                                    | Tie-Dyed Gift Shop                 |                                                          |

TABLE OF CONTENTS

**Participating Businesses** ..... i

**Table of Contents** ..... ii

*Introduction*..... 3

**Yellow Springs Study Area** ..... 4

**Businesses** ..... 5

*Employees* ..... 11

**Local Business Environment**..... 13

**Recommendations** ..... 17

**Appendix A: Frequency Tables** ..... 19

**Appendix B: Open-ended Responses** ..... 51

**Appendix C: Survey Instrument**..... 103

This report is available to the community. Copies can be found on file in the library and an electronic version can also be obtained from the *Community Information Project* website (<http://www.exploreyellowsprings.com>) or the *Community Service for Yellow Springs* website (<http://www.45387.org>).

## INTRODUCTION

In 2009, Community Resources contracted with the Center for Urban & Public Affairs (CUPA) to conduct the second Retention and Expansion Study of Business in and around the Village of Yellow Springs. The 2009 Yellow Springs Business Retention and Expansion Survey follows a previous study conducted in 1998. Seventeen of the respondents who took the survey in 1998 also participated in the survey in 2009.

The purpose of the study was to assess business' attitudes or perceptions about the current and future business environment in the Village of Yellow Springs, the availability of business assistance in the community, strengths and weaknesses of the study area as a place to conduct business, and business' perceptions of local barriers to expansion. It is important to note that this study is not an analysis or assessment of the economic health and stability of the business environment or the effects of recent business closures in the study area.

Survey design and the initial distribution list of companies to be surveyed was a collaborative effort of CUPA, Community Resources, the Village of Yellow Springs, the Yellow Springs Chamber of Commerce, and community members. The Yellow Springs Business Retention and Expansion Survey was designed to obtain a range of information from all business owners and/or managers about what they think are the strengths and weaknesses of doing business in the Yellow Springs area and what they viewed as impediments to businesses to succeed.

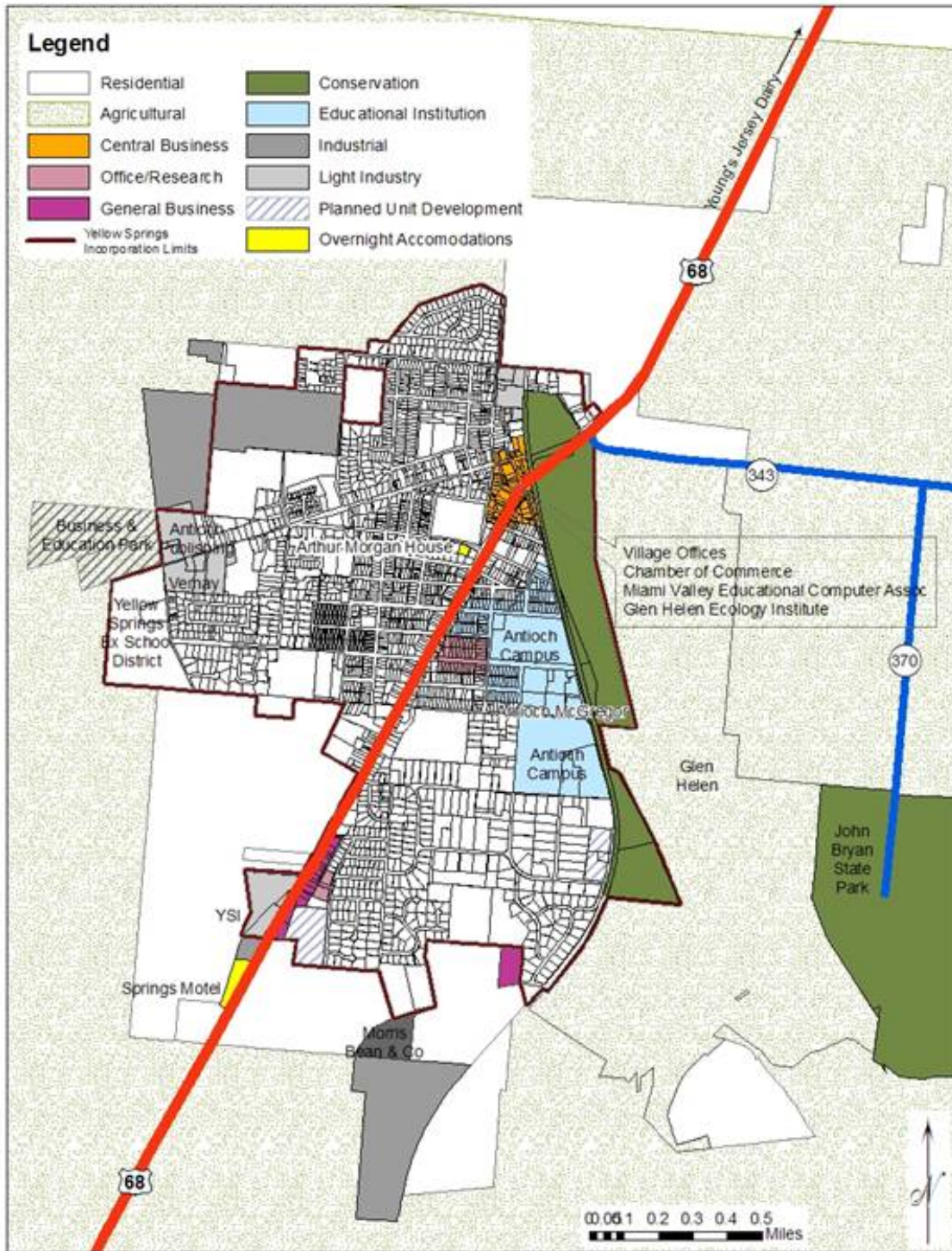
The initial list was developed from business listings pulled from subscription sources (i.e. Harris InfoSource and telephone businesses listing databases). Sole proprietorships and recent business additions that were not reflected in the subscription services were added and business closings were removed. The final database resulted in 142 business entities and CUPA attempted to contact and set up interviews with each of the companies on the final list. One-hundred and two companies responded to the survey—72% of the businesses participated in the survey.

This report outlines the results of the business retention and expansion survey recently conducted in and around the Village of Yellow Springs in Greene County, Ohio. The survey instrument was designed to gather information from Village businesses about business characteristics, business sector needs and perceptions, strengths and weaknesses, and other information that may be useful to Yellow Springs businesses, the local chamber of commerce, local government, and any other entity seeking to strengthen an already viable business sector.

Overall, Yellow Springs is viewed as a favorable place to conduct business, and for the majority of firms, this view has not changed since 1998. The majority of firms are still locally owned and operated and report level or increased customer traffic and profitability. Nearly

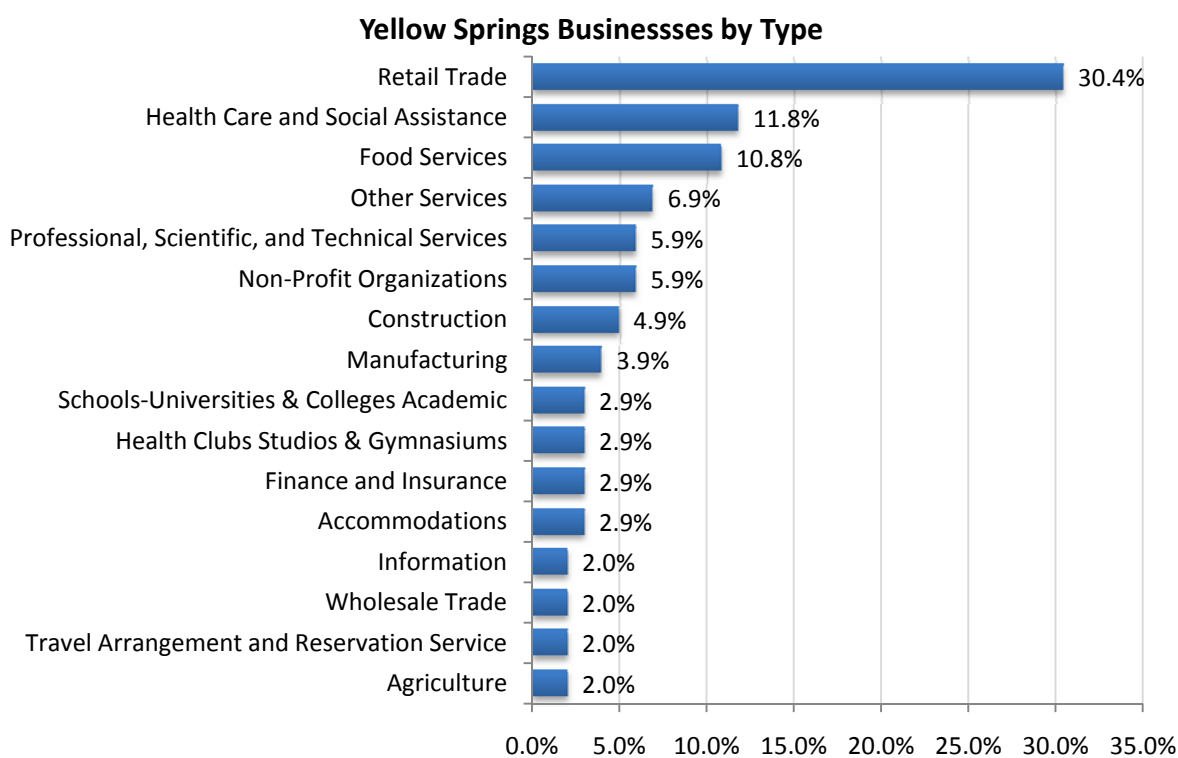
95% of businesses intend to continue operating in Yellow Springs and one quarter of firms intend to expand or renovate their current locations.

**YELLOW SPRINGS STUDY AREA**



## BUSINESSES

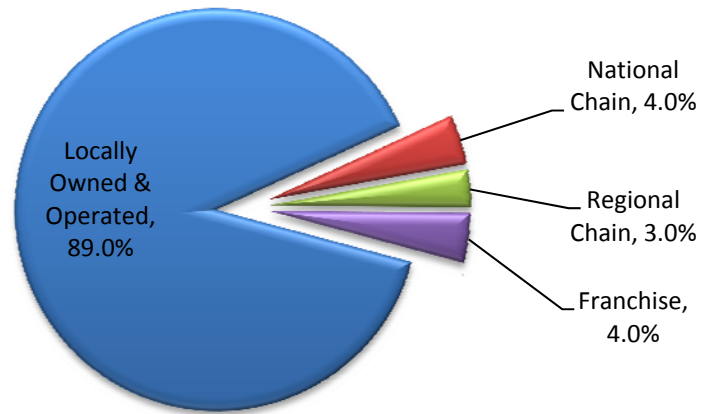
Of the 102 businesses surveyed, 10.8% (11) of the companies were goods producing firms (agriculture, construction, and manufacturing) and the vast majority of firms 89.2% (91) were retail and service establishments. The majority of the businesses in the service industries (30.4%) were retail establishments. Health care is the second largest industry in Yellow Springs followed closely by food services establishments (11.8% and 10.8%, respectively). For a complete breakdown by industry type, refer to the chart below.



Business hours vary from 6:00 am to 2:00am in the Yellow Springs area. The majority of businesses report their hours of operation between 7:00 am and 7:00 pm most days with the majority firms opening between 7:00 am and 10:30 am and closing between 5:00 pm and 7:00 pm. Firms were asked if they would be in favor of adopting standard retail hours in Yellow Springs and 57.3% of businesses that responded were not in favor of adopting standard retail hours in Yellow Springs.

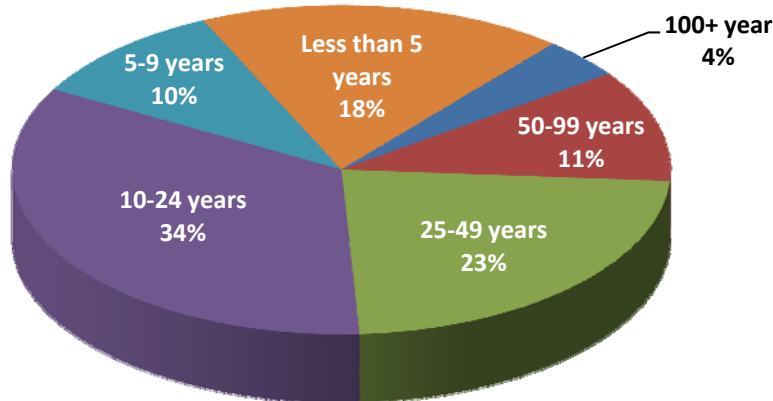
In 1998, the study found that 95.6% of the companies were locally owned and operated while 4.7% were regional or national chains. In 2009, researchers found that 7.0% percent of the companies report being either regional or national chain establishments (up 2.3% from 1998), while 4% companies were franchised locations. Nearly ninety percent (89.0%) of businesses surveyed are locally owned and operated companies (down 6.6% from 95.6% in 1998) and 21.7% of firms report that all their employees live in Yellow Springs, while 28.2% report that over half of their workforce lives within the study area.

Nature of the Establishment, 2009

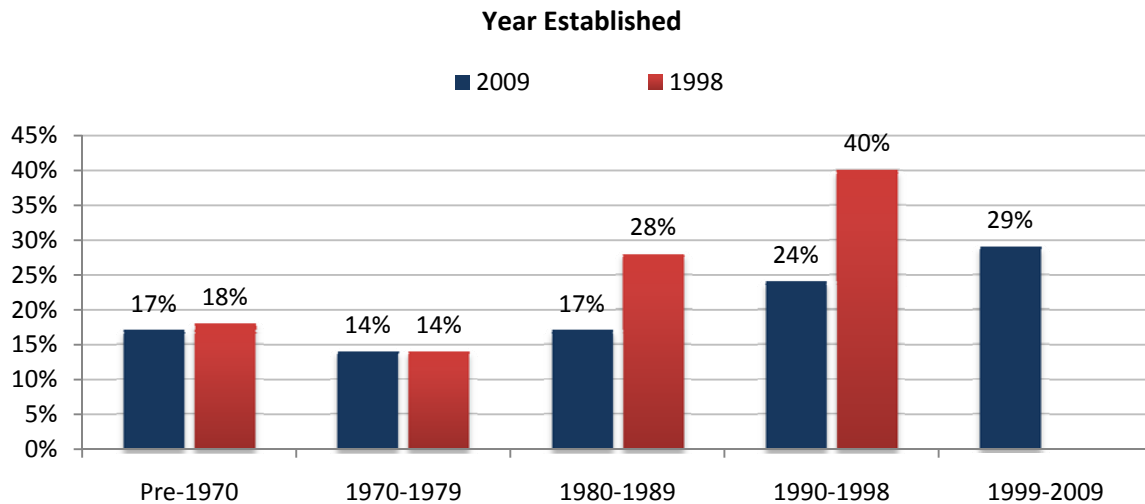


Nearly three-quarters (72.0%) of the firms in Yellow Springs have been in operation for at least ten years. The average age of a business establishment in Yellow Springs is approximately 25 years of age, and 38% of the businesses surveyed have been in business 25 years or more. Twenty-eight percent of establishments report that their business is fewer than 10 years of age. This differs from 1998, when 40.0% of the firms surveyed reported that they were less than 10 years of age.

Years of Operation







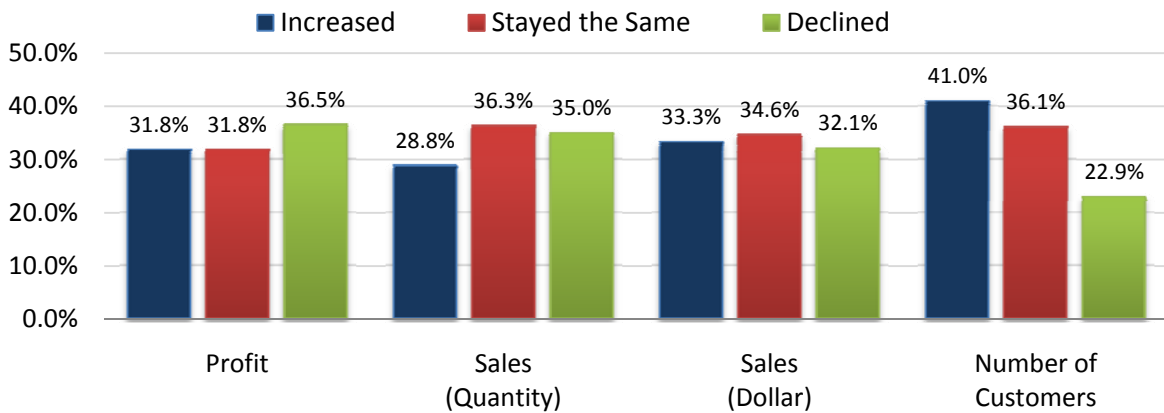
The majority of businesses (69.6%) surveyed began their business at the current location in Yellow Springs. One-in-four businesses (28.4%) have made the decision to relocate. Just fewer than three percent (2.9%) of the respondents indicated that they relocated from a location outside the study area, while 25.5% of the businesses originated and remained in the study area. The most frequently cited reason for relocating the business was to acquire more space or secure a better location. Additionally, 23.8% of the respondents indicate that they intend to renovate or expand their operations in the Village of Yellow Springs within the next two to three years. As witnessed in 1998, nearly 95% of companies indicate that they have no plans to relocate to another jurisdiction in 2009, or close or sell their business in the next two to three years. Those businesses considering closing or selling their business cite a lack of business or a loss of profits, while several firms say that they would sell or close if they retired.

Nearly sixty percent of businesses believe that their company's primary market is local. However, 50.0% of businesses surveyed also believed that their primary market was regional while 11.8% of the business owners believe that their primary market is national base and 5.9% international.

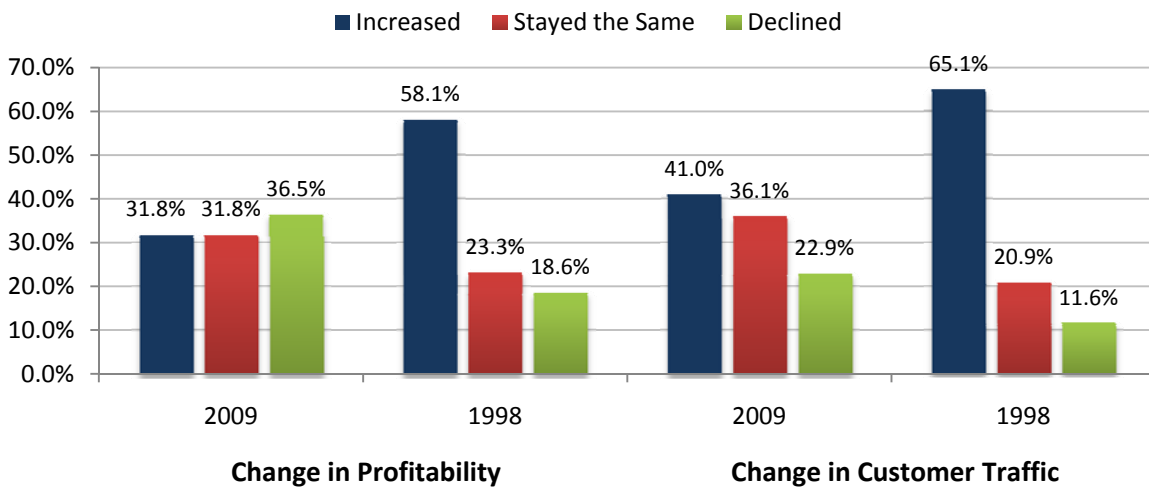
When asked where the majority of their customers lived, nearly half of the companies surveyed (48.0%) believe that their customers live within the Miami Valley Region—a four county region consisting of Greene, Clark, Montgomery, and Miami Counties, while 26.5% believe their customers live outside the region. In addition, 22.5% of the firms surveyed report that their customers live within a single county of the region, Greene County, which is also home to the Village of Yellow Springs. Finally, 43.1% of the businesses surveyed also believe that the majority of their customers live in the Village of Yellow Springs.

Forty-one percent (41.0%) of companies responding reported increased customer traffic over the last two years (down 25.7% from 1998), while 36.1% reported no noticeable difference in the number of customers seen. However, this increase in patronage is not reflected in overall profitability—only 31.8% of the companies responding indicated that profitability has increased over the past two years—a difference of 38.9% from 1998. Furthermore, sales volume in both dollar amount and quantity of services/goods sold is not reflective of the increase in patronage either—while 41% of companies reported increase customer traffic 33.3% of companies reported an increase in sales and 28.8% reported an increase in the quantity of goods sold. For a complete breakdown of customer patronage and sales over the previous two-year period, refer to the chart below.

**Business Climate over the Past Two Years**



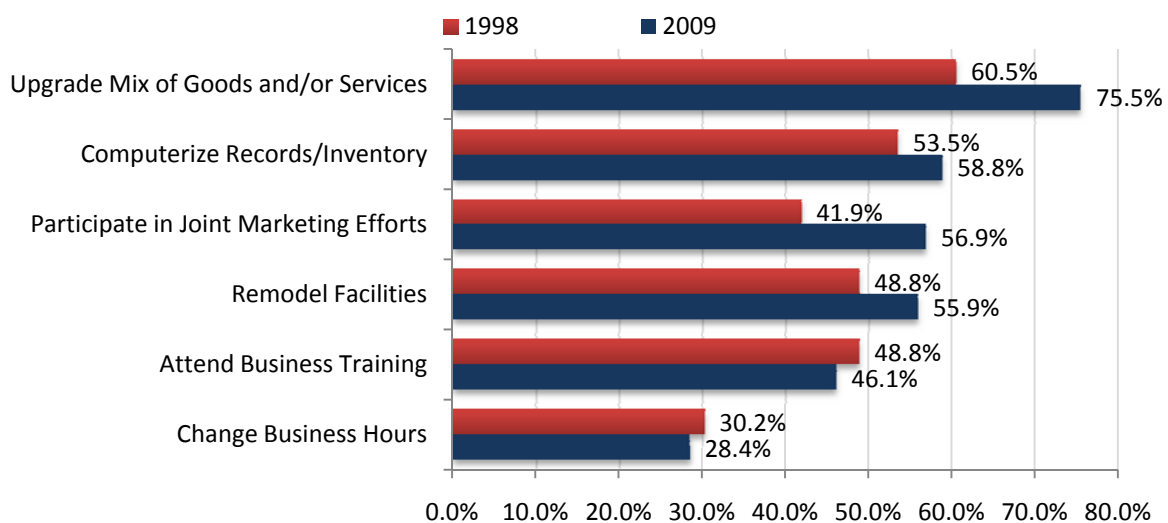
**Change in Profitability and Customer Traffic**



When companies were asked if they had undertaken activities to improve the business environment in the past two years or planned to do so in the next two years, 41.1% of firms reporting say that there has been no change in their advertising budget over the last two years, with the rest of the firms nearly divided over having an increased advertising budget (28.9%) versus having a decreased advertising budget (30%). However, 56.9% of firms report they have participated in joint marketing efforts or intend to participate in joint marketing efforts in the next two years. Interestingly, 16.9% more firms in 2009 reported an interest in shared advertising services than in 1998.

In an attempt to improve their business environment, 75.5% of companies reported that they either upgraded their goods and services over the previous two-year period or plan to in the next two-year period. Similarly, over half of the businesses also report that they either have or plan to remodel their facilities or computerize their records and/or inventory (55.9% and 58.8% respectively). Only 28.4% of companies have or will change their business hours.

#### Activities Undertaken to Improve the Business Environment

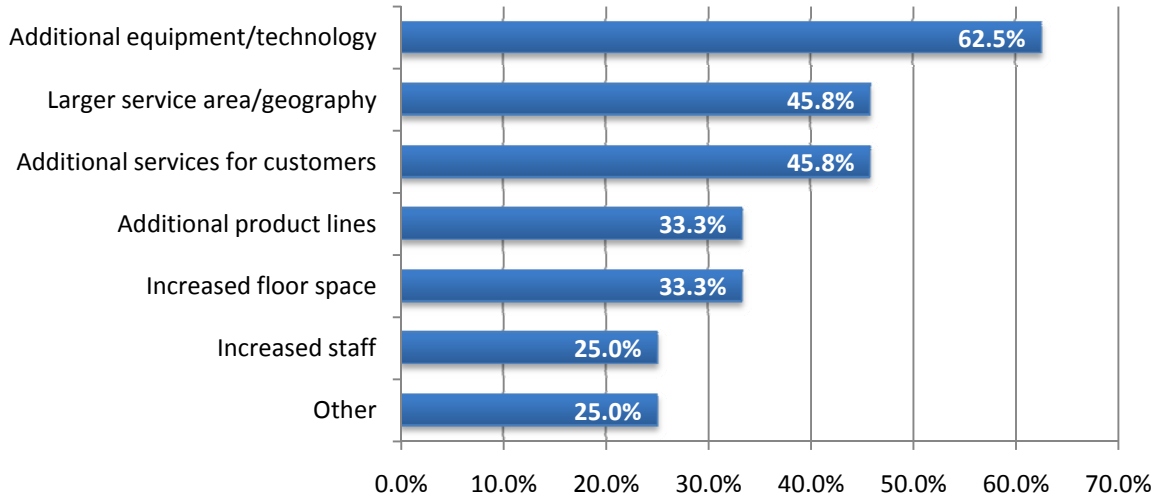


In 1998, the most common activity undertaken was also to upgrade the mix of goods and services. Nineteen companies reported that they had done so in the past two years, four were planning to in the next two years, and thirteen companies had in the past and planned to continue to do so in the future.

Businesses were asked if they planned to renovate or expand their operations over the next two to three years. 23.8% of the businesses indicated that they did (down 3.7% from the responses in 1998) and 19.6% were uncertain. When those companies planning to expand were asked what the nature of this expansion might be, the majority, 62.5%, believe that they would invest in additional equipment or technology. Additionally, 45.8%

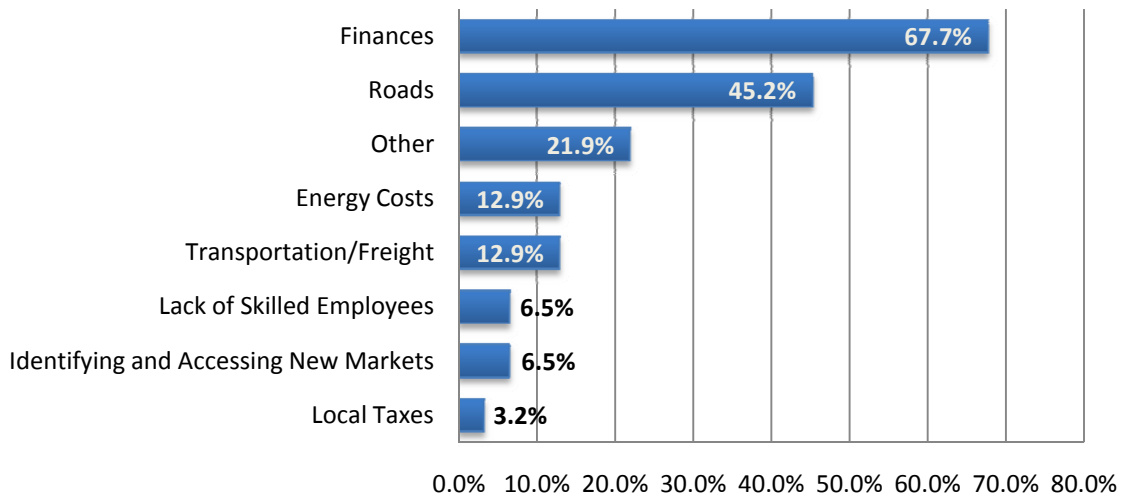
companies also believe that they will expand the service geography and/or the services offered to their customers. For a detailed look at the responses, refer to the chart below.

**If you are expanding, what is the nature of this expansion?**



Companies were also asked if they had any barriers to renovation or expansion. Nearly forty percent (39.8%) indicated that they did. Of those who responded that they had barriers to expansion or renovation, the most frequently cited barrier to expansion was finances. The second most frequently cited barrier was roads. The third most frequently cited barrier was energy closely followed by transportation/freight (12.9% and 12.9%, respectively). For a complete breakdown by barrier, refer to the chart below.

**What are the major constraints on your expansion?**

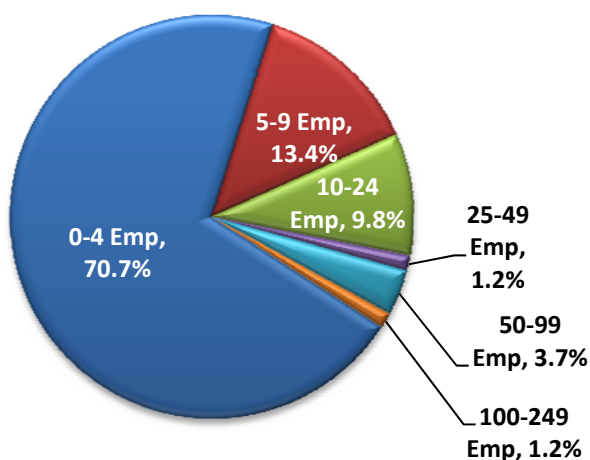


In 2009, 94.9% of all companies reporting have absolutely no plans to relocate to another jurisdiction. The other 5.1% of organizations plan to relocate in the next two to three years—up 1.2% from 1998. Two companies cite planning to relocate to another jurisdiction due to costs, while others are looking for a larger market. The final company plans to relocate if Yellow Springs starts to decline.

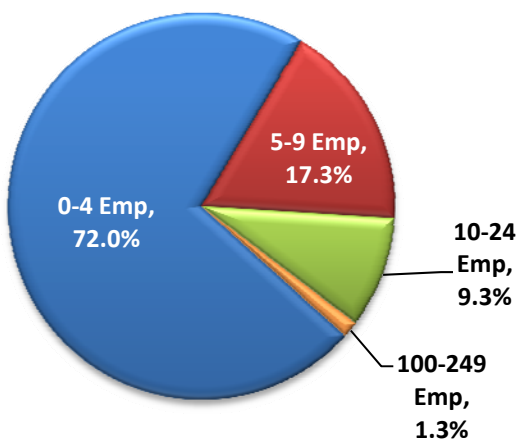
**EMPLOYEES**

In 1998, the majority of companies were described as small companies—with five or fewer employees. The same is true at the time of this report. The majority of businesses (70.7%) in the Yellow Springs study area employ fewer than five employees. Similarly, 72.0% of businesses employ 0-4 part-time employees and, when necessary, the majority of employers utilizing seasonal help employ fewer than five workers. Just over 13% of full-time employers employ 5-9 people, 9.8% employ 10-24 people, and the remaining 6.1% employ 25 employees or more.

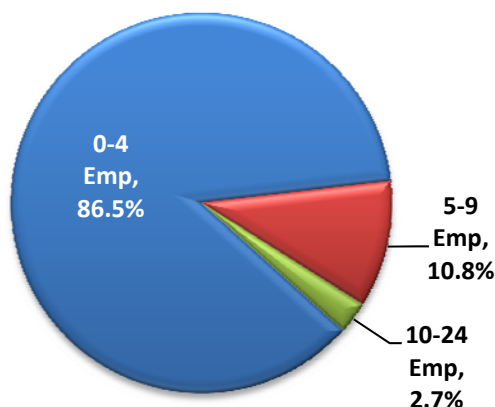
**Full-time Employees**



**Part-time Employees, 2009**



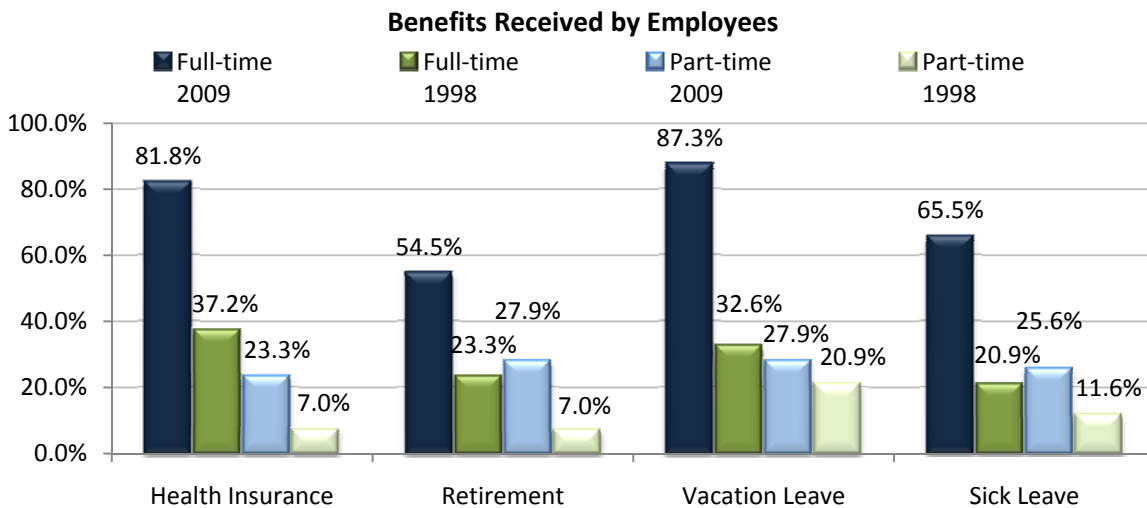
**Seasonal Employees, 2009**



Over half (58.3%) of companies report that employment has remained stable over the past two years and 69.4% of firms expect employment levels to remain constant over the next two years. One-quarter of the businesses report that employment has increased since 2007 and one in four also believe that employment levels will increase over the next two years. However, 5.4% of all firms report vacancies in their place of business, while 94.6% of organizations have no vacancies.

According to the 1998 Business Retention and Expansion Report, one of every three employers paid their full-time employees between \$6.01 and \$10.00 per hour. On the other end of the pay scale, eight (Six of these were manufacturing firms.) other companies report employee average wages per hour between \$14.01 and \$16.00. In 2009, 12.7% of employers reported wages under \$10—half that reported in 1998 and 12.7% also reported wages greater than \$10 but under \$14, while 15.7% reported wages in excess of \$14.

Over eighty percent (81.8%-up from 35.6% in 1998) of companies offer full-time employees health benefits and 54.5% offer retirement (22.2% in 1998). Nearly ninety percent (87.3%) of firms give their full-time employees vacation days and 65.5% also offer sick leave. Over 70% of reporting companies offer no health benefits, retirement, vacation, or sick leave to part-time employees.

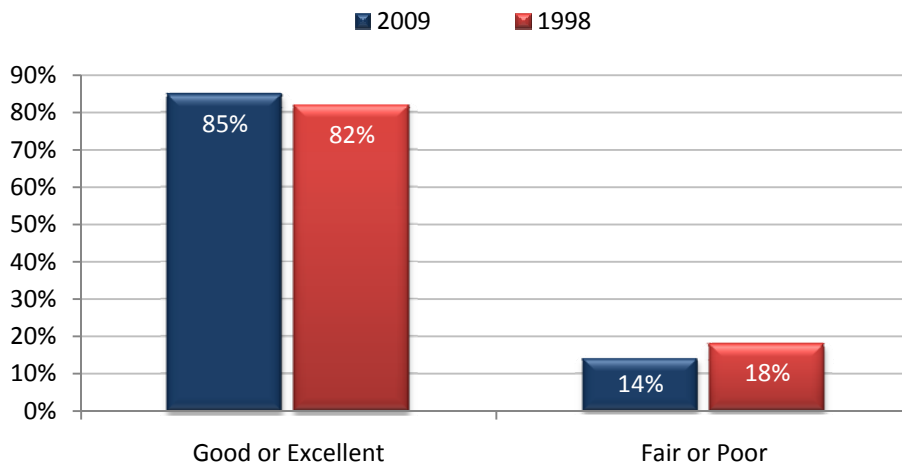


Employers were asked to consider if their current workforce meets their skill requirements. The majority (97.8%) of businesses feel that their current workers' skills meet their needs very well (65.6%) or fairly well (32.2%). Only 2.2% of firms have employees whose skills fail to meet their current needs and 8.1% of organizations believe that it is very hard to retain qualified workers. In addition, 29.7% of employers find it hard to find qualified applicants to fill job postings, but 13.3% report that they have problems with recruiting qualified skilled employees.

## LOCAL BUSINESS ENVIRONMENT

Respondents were asked to tell interviewers about their overall opinion of Yellow Springs as a place to conduct business. Eighty-five percent of respondents were pleased with Yellow Springs as a place to conduct business—up 29% from 1998. In fact, one of every three respondents (36.4%) noted that Yellow Springs is an excellent place to conduct business. Similarly, over ninety percent (91.9%) of respondents were satisfied with the current location of their business. In addition, businesses cited Yellow Springs community characteristics like the location of the Village, the personality of the town, and the walkability of the community as the greatest strengths of the area for conducting business. The three most frequently cited weaknesses of Yellow Springs as a place to conduct business are the costs of doing business in the Village, the small local atmosphere and the small local and limited supportive economy, and parking.

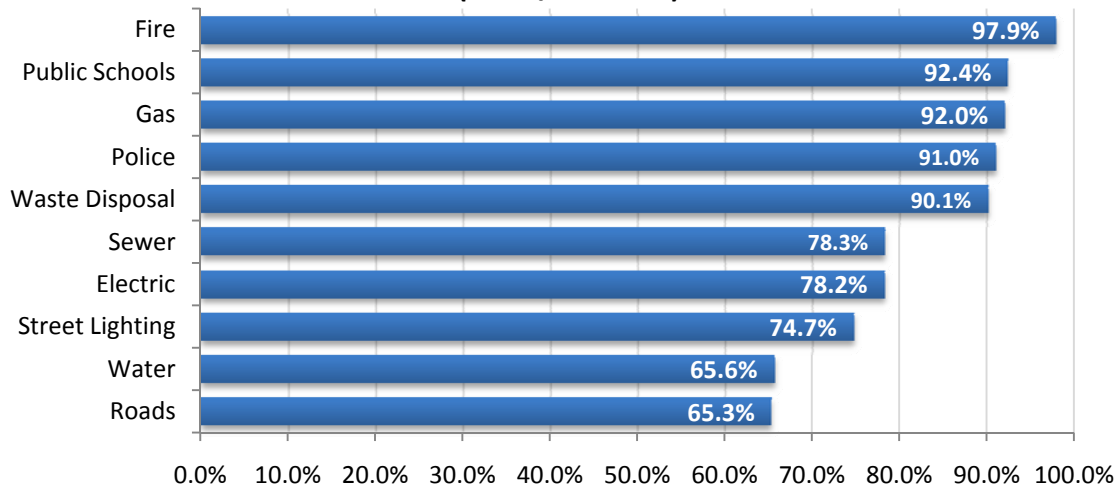
Yellow Springs as a Place to Conduct Business



Businesses were asked who their major suppliers were. There was no consistent theme among the responding businesses. In addition, businesses were asked if the suppliers were not local if there were local companies that offer similar services. Out of the 70 respondents, 97.1% implied that there are no local companies that offer similar services.

Businesses were provided with 10 public services provided in the business district and were asked to rate the quality their public services. Overall, the majority of businesses felt that their public services were good to excellent. Fire was the highest rated public service—97.9% of respondents agreeing the service was good to excellent. Over 90% of firms also rated four other public services as excellent or good, the public school system, gas, police, and waste disposal. Approximately three of every four businesses felt the sewer, electric, and street lighting, as well as two of every three establishments felt that water and roads were good to excellent in the Yellow Springs area.

**How would you rate the quality of public services/infrastructure?  
(Good/excellent)**



When asked to rate access to supportive infrastructure, the majority of businesses also felt that access to the highway/freeway system, airport facilities, and other markets were good to excellent—91.1%, 83.1%, and 82.5% respectively. Only 42.6% of respondents felt that access to transport services was good to excellent, but when examined for manufacturers, the most likely facilities to require transportation services to move their products to other markets, three out of four felt that access was good to excellent. Two of every three retail establishments felt that transportation services were fair to poor in the Yellow Springs region.

Just over 65% of respondents felt that the cost of telecommunication services in Yellow Springs was good or excellent and 87.2% of businesses felt that the current telecommunications services available in the Yellow Springs area meets the needs of their business. However, of the 12.8% of respondents who said that telecommunication services were not adequately meeting their needs, a lack of competition for the local service provider was cited the most frequently. The majority of respondents felt that another provider should be allowed or encouraged to enter the Yellow Springs market area.

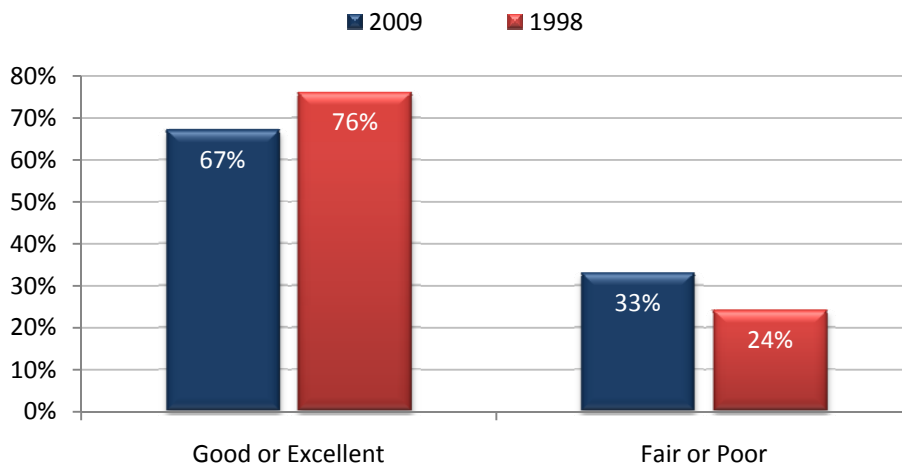


Frequent outages and spotty service was the second most cited reason for dissatisfaction with telecommunications in the area.

In 1998, companies were presented with a list of sixteen factors that affect the business environment, and they were asked to rank the top needed improvements. Using a weighted calculation, the most desired improvement was to address the parking situation (meaning the need for more spaces or for spaces to be more conveniently located). A second tier of concerns relates to the improvement of the exterior appearance of the Village and a reduction of traffic congestion.

In 2009, nearly ninety percent (87.0%) of respondents rate the amenities in the downtown business district as good or excellent—up 11% from 1998. Just as it was in 1998, two of every three respondents (63.1%) believe that there is no need to expand the area of the Central Business District in Yellow Springs. Little has changed since 1998. The two most frequently cited necessary improvements to the business district were an improvement of the parking situation, including more spaces and/or spaces that are more conveniently located within the Village, and additional types and numbers of businesses resulting in a greater business mix. In fact, firms were asked if they believed there was sufficient parking in the downtown area and 70.4% of businesses responded that there is not enough parking. In 1998, 72.0% of respondents felt that there was insufficient parking in the downtown business district. In addition, businesses also felt that an increased number of lodging spaces and/or facilities is needed in Yellow Springs. Finally, just as indicated in 1998, firms also felt that improvements to the exterior appearance of the business district were a necessary improvement.

**Amenities in the Downtown Area**



In both surveys, businesses were asked to rate available business development organizations. In 1998, researchers found that the majority of companies were not familiar with three of these organizations. Specifically, 76.0% of companies were not familiar with the services of the Small Business Development Center (SBDC). In addition, most companies were not familiar with the Greene County Department of Development (60.0%). Businesses were most familiar with the services offered by the Village and the Chamber of Commerce. However, one-quarter of the respondents found them not to be very helpful.

In 2009, seven out of ten (73%) firms responded that they have never approached a local, state, or federal organization to discuss their business needs or expansion plans. Sixty percent of firms who reached out to the Yellow Springs Chamber of Commerce found the organization to be helpful. Similarly, 35.2% of the firms that sought assistance from the Greene County Department of Development and 29.2% of the firms approaching the Village of Yellow Springs found these organizations helpful, while only 14.2% of the establishments who approached a small business development center found their assistance to be helpful.

Businesses were also asked what these four organizations could do to improve the overall business climate in Yellow Springs. Businesses suggested that the Village could improve the downtown amenities and business district infrastructure like adding more parking spaces, upgrading the lighting, adding landscaping and benches, repairing the roads, and cleaning up the business district. Other suggestions included changing the zoning and providing tax abatements to attract new businesses. The most frequently cited suggestion for improvement in regards to the services that the Chamber of Commerce provides was to concentrate on the advertising efforts of its members by producing more publications of Yellow Springs, making more of an effort to promote local businesses, promote the Village more to areas outside the Village of Yellow Springs, and recruit businesses for group advertising. Furthermore, one third of the businesses responding to what the Greene County Department of Development could do for their business were not familiar with the organization or the services it could offer them. Finally, the majority of the businesses responding to what the small business development centers might be able to do for them also were unfamiliar with the small business development centers or their services.

## RECOMMENDATIONS

Survey results indicate that the respondents were pleased with Yellow Springs as a place to conduct business. Business owners/managers seem satisfied with the overall community but recognize that improvements can be made to the business climate. It appears that there is support among survey respondents for the creation of business collaboratives to address the concerns about business retention and expansion in the Yellow Springs study area discussed in this report.

- The Village and Chamber should develop a follow-up process to identify those firms with barriers to expansion. This may include a series of business focus groups or roundtables.
- The Village and the Chamber should continue to assess the business community's perception of strengths, weakness, barriers, attractions, and available services in a Retention and Expansion Survey deployed every five to ten years.

Despite the recent downturn in the economy, businesses in the Yellow Springs study area maintain a healthy outlook about the environment. A number of firms expressed desires/plans to renovate or expand and many businesses mentioned barriers to these plans. In addition, businesses reported a lack of awareness when discussing the services offered by the Village, Chamber of Commerce, and the Greene County Department of Development.

- Each of these organizations should create educational literature for small retail establishments, to distribute to the businesses, designed to introduce the organization and define the services available to local business owners.
- The Village and the Chamber should also develop activities designed to address the barriers to renovation and expansion identified by businesses.

Just as it was in 1998, parking continues to be a problem in 2009. Firms cite a shortage of spaces and convenience when speaking of the current parking situation and a lack of satisfaction with the appearance of the central business district.

- The Village and the Chamber of Commerce should work collaboratively to address the parking issues as expressed by the study area businesses.
- One possible solution is to draw business district clientele to areas where lot parking is available by clearly marking all available lots and infrequently used parking areas with easy to follow signage directing traffic to these areas.
- Furthermore, business owners in both surveys identified the need for central business district clean-up and exterior maintenance/renovation to improve the appearance of the district. The Village should design a program to help businesses

clean up and enhance their properties, possibly enforcing minimum property maintenance codes.

Survey results indicate that many businesses are open to the possibility of participating in collaborative advertising.

- The Village and/or the Chamber of Commerce should attempt to educate businesses about and connect additional members from the business community with the *Yellow Springs Together* cooperative marketing plan.

As discussed in the introduction, the purpose of the study was to assess ***attitudes or perceptions*** about the business environment in and around the Village of Yellow Springs. It was not an analysis or assessment of the economic health and stability of the business environment or the effects of recent business closures in the study area. It is important to understand the state of the local economy.

- Local economic development officials should conduct an economic impact study to learn how these changes have and will affect their community. Closures affect more than just the workers. Businesses pump money into the local economy. An economic impact study is an attempt to illustrate how these changes may affect the local economy. It also provides the necessary data to plan for these changes.
- The Village or Chamber of Commerce should conduct exit interviews or surveys with the businesses who decided to relocate to other areas to inform economic development officials of the barriers to expansion or retention driving their decision to leave.
- The Village should also continue to sponsor the cost of living study every ten years. The intent is to form a better understanding of costs for food, clothing, housing, transportation, and a number of other categories in the community and how the Village compares to others in the region—because the cost of living affects where people choose to live.