



Buncombe County Business Friendliness Survey: Methodology and Analysis

Conducted in partnership with Asheville Chamber of Commerce & Western Carolina University's Center for Entrepreneurship and Innovation

I. Summary

The Asheville Chamber of Commerce partnered with Western Carolina University's Center for Entrepreneurship and Innovation to conduct a survey to find out how Buncombe County ranks in terms of business friendliness. The results of the survey will be used by the Asheville Chamber of Commerce to provide policymakers and researchers with valuable information on how businesses feel about their state and local governments. The aim is to learn what creates a healthy, vibrant local business environment by asking the owner-operators of small businesses themselves about these issues. The Chamber will present the survey at Asheville's Small Business Week in the spring.

Asheville Chamber of Commerce President Kit Cramer met with Dr. Ed Wright, Director of the Center for Entrepreneurship and Innovation, and researcher Kimberly Straney on November 11, 2014 to discuss the vision of the project. With the guidance from the Chamber's Director of Research Heidi Reiber, a distribution plan was formed to gather a representative sample of local small business owners. The survey modeled the one conducted annually by Thumbtack.com but focused solely on Buncombe County small business owners and how they felt about the local government. The results were compared to the data collected from the 2014 Thumbtack.com survey.

The 2014 Thumbtack.com survey graded 38 states and 82 metropolitan regions based on how business owners and operators felt about the city and states where they live. Asheville ranked as one of the lowest metro areas in North Carolina. Out of 13,000 total responses, only a handful of responses pertained to the Asheville area. Because of this incredibly small sample size, the Asheville Chamber of Commerce wanted to get a more representative distribution of the population.

II. Methodology

The survey's questions focused on the friendliness of the Buncombe County community and Asheville City government towards small businesses. Respondents provided

subjective rankings from very friendly to very unfriendly on topics including overall support of small businesses, health insurance, regulations, training programs, and online resources. Respondents also answered survey questions regarding the situation of their businesses, general economic conditions, as well as demographic information. A free-form question provided the opportunity for additional comments and concerns on conducting business in North Carolina.

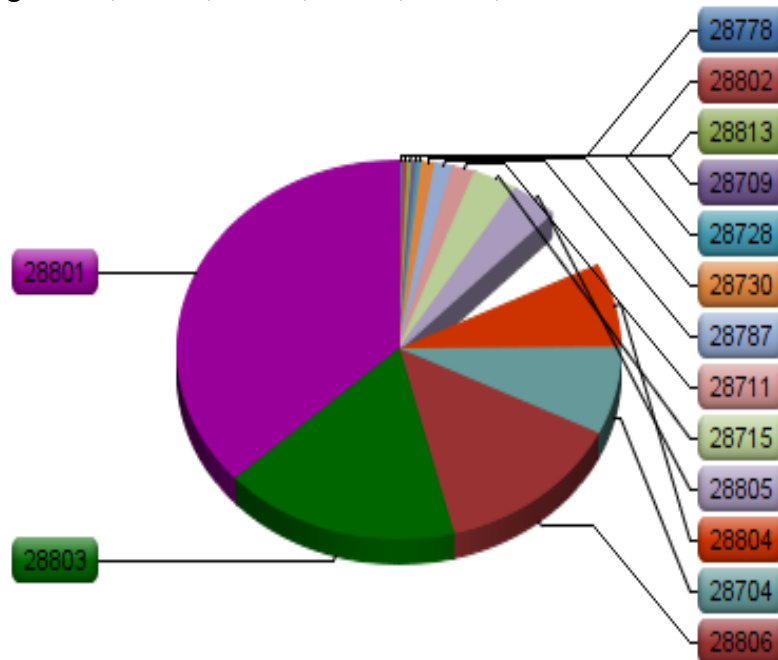
The survey was administered over a two-month period. The Chamber’s Director of Communications, Erin Leonard, included the survey link in several email newsletters sent out to nearly 2,000 members. Jill Sparks, Executive Director of AB-Tech’s Small Business Center, sent the survey link to all incubation program participants, various service providers in the area, and posted on their social media outlets. In total, 902 users accessed the survey web page and were exposed to the prompt. Out of 328 responses, 256 surveys were completed, yielding a 78 percent response rate.

Thumbtack Chief Economist, Jon Lieber, provided data collected from their 2014 survey for comparison. Asheville’s grades for various categories were compared to results for North Carolina cities including Charlotte, Durham, Raleigh, and Winston-Salem. Greenville, South Carolina was also compared due to its proximity to the Asheville area.

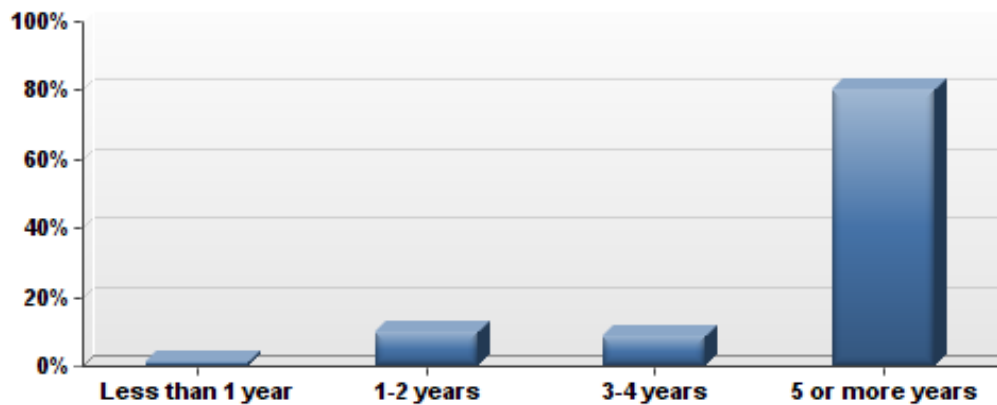
III. Summary of Findings

A full data analysis of all questions can be found in section IV.

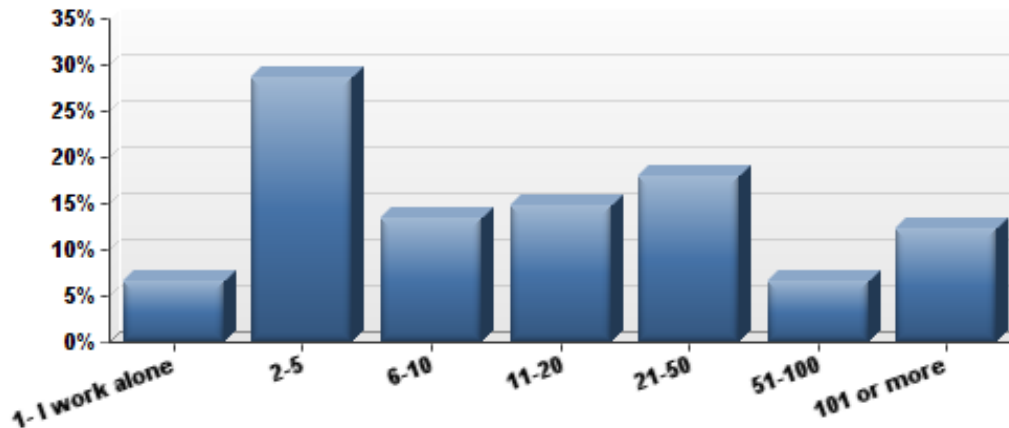
Nearly 85 percent of respondents operate a business within an Asheville zip code, including 28801, 28802, 28803, 28804, 28805, 28806 and 28813.



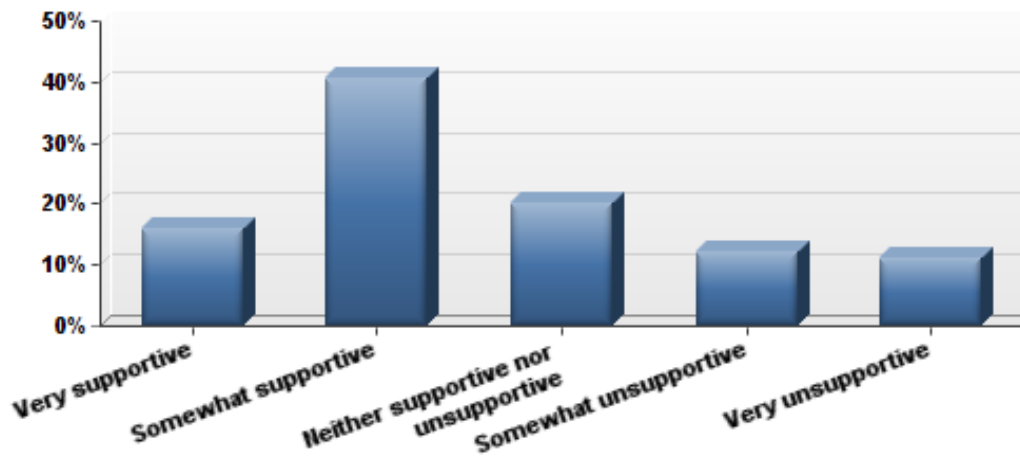
80 percent of respondents say their business has been operating for five or more years.



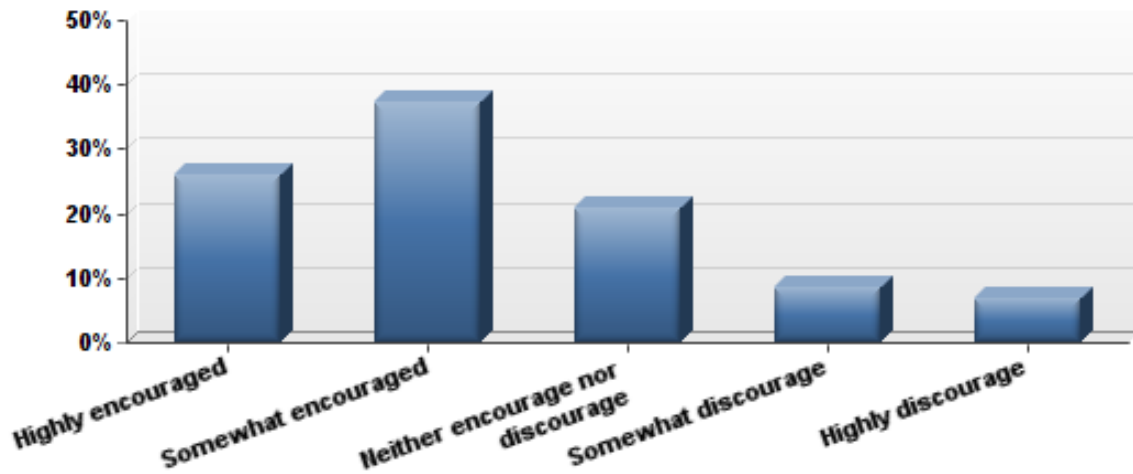
Nearly 30 percent of respondents work at a business that employs between two and five people. Companies that employ 21-50 people had the second highest number of responses at 18 percent.



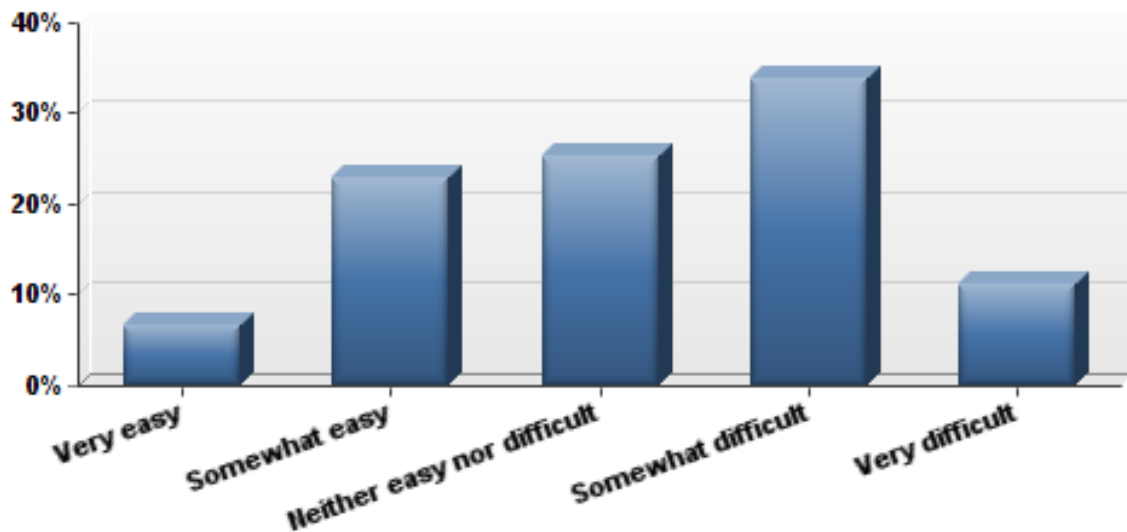
When asked how would you rate your county government's support of small business owners, 41 percent said somewhat supportive.



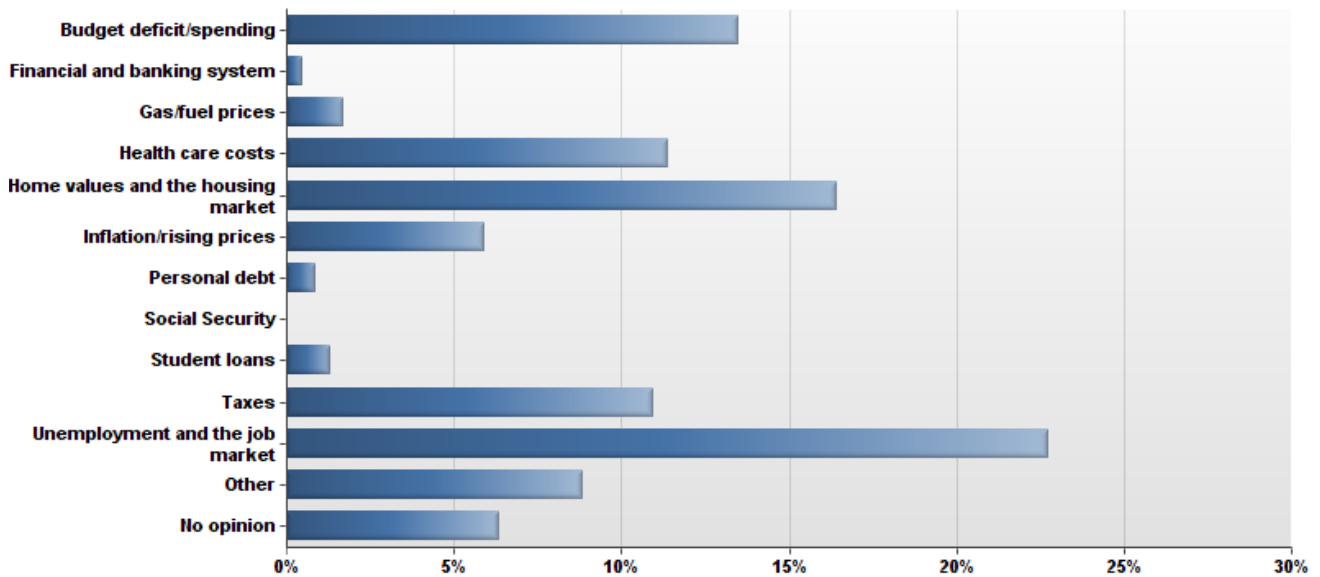
When asked if you would discourage or encourage someone from starting a new business where you live, over half responded that they would highly encourage or somewhat encourage someone to start a new business in Buncombe County.



However, when asked if it is difficult or easy to start a new business in Buncombe County, 45 percent said it is somewhat difficult or very difficult.



Thinking specifically about the economy, respondents answered that the top three issues that should be the priority of the community's government are unemployment, the housing market, and budget deficit/spending.



In order to compare the results to the Thumbtack.com business friendliness survey, each question's response was assigned a numerical score. The mean score for each question was then converted into a letter grade using the values listed in the following table.

Mean Score	Letter Grade
1.0 – 1.3	A +
1.4 – 1.6	A
1.7 – 1.9	A –
2.0 – 2.3	B +
2.4 – 2.6	B
2.7 – 2.9	B –
3.0 – 3.3	C +
3.4 – 3.6	C
3.7 – 3.9	C –
4.0 – 4.3	D +
4.4 – 4.6	D
4.6 – 4.9	D –
5.0	F

The scoring process is equivalent to the grading scale used by Thumbtack.com. The following is an overview of the main categories gathered for Asheville compared to other North Carolina and South Carolina cities, which were collected by Thumbtack.com.

	Overall Friendliness	Ease of Starting Business	Ease of Hiring	Health & Safety Regulations	Employment, Labor & Hiring Regulations	Tax Code & Tax Related Regulations	Training & Networking
Asheville	B	C+	B–	C+	C+	C+	A
Charlotte	A	A–	B	A	A	A–	B–
Durham	B+	B	A+	C	B	B–	A+
Raleigh	A–	A–	C–	C+	B	C+	B+
Winston-Salem	B+	C	D+	A+	A+	A+	A+
Greenville, SC	B	C+	F	A	A+	A	D

IV. Full Data Analysis

1. In which area of Buncombe County do you primarily operate your business?

Answer	Total Responses	Statistic	Zip Code
28715	10	Most Common	28801 (39.1%)
28801	113	Total Responses	289
28804	22		
28806	42		
28778	1		
28704	23		
28803	52		
28730	3		
28805	10		
28787	4		
28711	5		
	17		
28728	1		
28802	1		
28813	1		
28709	1		
Total	306		

2. Which of the following best describes your business?"90% of my sales are made to customers..."

Answer	Response	%
within 10 miles of company's primary location.	47	16%
within 25 miles of company's primary location.	65	22%
within 50 miles of company's primary location.	49	16%
within 100 miles of company's primary location.	63	21%
more than 100 miles from company's primary location.	78	26%
Total	302	100%

3. In general, how would you rate the North Carolina government's support of small business owners?

#	Answer		Response	%
1	Very supportive		20	6%
2	Somewhat supportive		119	39%
3	Neither supportive nor unsupportive		82	27%
4	Somewhat unsupportive		59	19%
5	Very unsupportive		28	9%
	Total		308	100%






Statistic	Value
Min Value	1
Max Value	5
Mean	2.86
Variance	1.18
Standard Deviation	1.09
Total Responses	308

4. In general, how would you rate your community (county, city, or town) government's support of small business owners?

#	Answer		Response	%
1	Very supportive		66	22%
2	Somewhat supportive		116	38%
3	Neither supportive nor unsupportive		44	15%
4	Somewhat unsupportive		44	15%
5	Very unsupportive		32	11%
	Total		302	100%

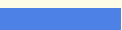




Statistic	Value
Min Value	1
Max Value	5
Mean	2.54
Variance	1.62
Standard Deviation	1.27
Total Responses	302

5. In general, how would you rate your county government's support of small business owners?

#	Answer		Response	%
1	Very supportive		37	16%
2	Somewhat supportive		94	41%
3	Neither supportive nor unsupportive		47	20%
4	Somewhat unsupportive		28	12%
5	Very unsupportive		26	11%
	Total		232	100%

Statistic	Value
Min Value	1
Max Value	5
Mean	2.62
Variance	1.47
Standard Deviation	1.21
Total Responses	232

6. Would you discourage or encourage someone from starting a new business where you live?

#	Answer		Response	%
1	Highly encouraged		79	26%
2	Somewhat encouraged		114	38%
3	Neither encourage nor discourage		64	21%
4	Somewhat discourage		26	9%
5	Highly discourage		21	7%
	Total		304	100%

Statistic	Value
Min Value	1
Max Value	5
Mean	2.33
Variance	1.33
Standard Deviation	1.15
Total Responses	304

7. How difficult or easy is it to start a business where you live?

#	Answer		Response	%
1	Very easy		20	7%
2	Somewhat easy		69	23%
3	Neither easy nor difficult		76	25%
4	Somewhat difficult		102	34%
5	Very difficult		34	11%
	Total		301	100%

Statistic	Value
Min Value	1
Max Value	5
Mean	3.20
Variance	1.25
Standard Deviation	1.12
Total Responses	301

8. How difficult or easy is it to obtain and keep health insurance at your business?

#	Answer		Response	%
1	Very easy		31	11%
2	Somewhat easy		45	15%
3	Neither easy nor difficult		78	26%
4	Somewhat difficult		81	27%
5	Very difficult		60	20%
	Total		295	100%

Statistic	Value
Min Value	1
Max Value	5
Mean	3.32
Variance	1.56
Standard Deviation	1.25
Total Responses	295

9. How difficult or easy is it to hire a new employee at your business?

#	Answer		Response	%
1	Very easy		30	10%
2	Somewhat easy		91	31%
3	Neither easy nor difficult		64	21%
4	Somewhat difficult		85	29%
5	Very difficult		28	9%
	Total		298	100%

Statistic	Value
Min Value	1
Max Value	5
Mean	2.97
Variance	1.37
Standard Deviation	1.17
Total Responses	298

10. Regulations, Taxes, and Government Support

#	Question	Very friendly	Somewhat friendly	Neither friendly nor unfriendly	Somewhat unfriendly	Very unfriendly	Does not apply to my business	Total Responses	Mean
1	Health and safety regulations	24	56	77	41	19	40	257	3.37
2	Employment, labor and hiring regulations	20	65	104	31	9	28	257	3.11
3	Tax code and tax-related regulations	8	60	88	51	37	12	256	3.33
4	Licensing forms, requirements and fees	12	62	68	62	41	12	257	3.37
5	Environmental regulations	14	51	89	41	21	41	257	3.49
6	Zoning or land use regulations	15	42	73	47	34	44	255	3.69

Statistic	Health and safety regulations	Employment, labor and hiring regulations	Tax code and tax-related regulations	Licensing forms, requirements and fees	Environmental regulations	Zoning or land use regulations
Min Value	1	1	1	1	1	1
Max Value	6	6	6	6	6	6
Mean	3.37	3.11	3.33	3.37	3.49	3.69
Variance	2.32	1.80	1.45	1.60	2.10	2.21
Standard Deviation	1.52	1.34	1.21	1.26	1.45	1.49
Total Responses	257	257	256	257	257	255

11. Does your profession require that you have a license, certification, or permit to do your job?

#	Answer	Response	%
1	Yes	168	65%
2	No	92	35%
	Total	260	100%

Statistic	Value
Min Value	1
Max Value	2
Mean	1.35
Variance	0.23
Standard Deviation	0.48
Total Responses	260

12. How difficult or easy is it to understand and file your business's taxes?

#	Answer		Response	%
1	Very easy		28	11%
2	Somewhat easy		59	23%
3	Neither easy nor difficult		83	32%
4	Somewhat difficult		64	25%
5	Very difficult		26	10%
	Total		260	100%

Statistic	Value
Min Value	1
Max Value	5
Mean	3.00
Variance	1.31
Standard Deviation	1.14
Total Responses	260

13. Do you think you pay your fair share of taxes?

#	Answer		Response	%
1	I pay an unfairly high level of taxes		114	44%
2	I pay the right share of taxes		140	54%
3	I pay an unfairly low level of taxes		5	2%
	Total		259	100%

Statistic	Value
Min Value	1
Max Value	3
Mean	1.58
Variance	0.28
Standard Deviation	0.53
Total Responses	259

14. Does your community offer helpful training or networking programs for small business owners?

#	Answer		Response	%
1	Yes		169	65%
2	No		33	13%
3	Don't know		58	22%
	Total		260	100%

Statistic	Value
Min Value	1
Max Value	3
Mean	1.57
Variance	0.69
Standard Deviation	0.83
Total Responses	260

15. Have you used a state or local government website to comply with regulations on your business (examples: starting your business, filing taxes, getting a license or permit, etc.)?

#	Answer	Response	%
1	Yes	193	75%
2	No	65	25%
	Total	258	100%






Statistic	Value
Min Value	1
Max Value	2
Mean	1.25
Variance	0.19
Standard Deviation	0.43
Total Responses	258

16. How unprepared or prepared do you feel like your business is for the implementation of the Patient Protection and Affordable Care Act ("Obamacare")?

#	Answer	Response	%
1	Very prepared	50	22%
2	Somewhat prepared	64	28%
3	Neither prepared not unprepared	70	30%
4	Somewhat unprepared	24	10%
5	Very unprepared	23	10%
	Total	231	100%





Statistic	Value
Min Value	1
Max Value	5
Mean	2.59
Variance	1.49
Standard Deviation	1.22
Total Responses	231

18. Over the past 12 months, did your company's revenues:

#	Answer		Response	%
1	Increase a lot		53	21%
2	Increase a little		124	50%
3	Stay the same		36	14%
4	Decrease a little		30	12%
5	Decrease a lot		7	3%
	Total		250	100%




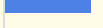

Statistic	Value
Min Value	1
Max Value	5
Mean	2.26
Variance	1.03
Standard Deviation	1.01
Total Responses	250

19. How do you expect the number of employees at your company to change in the next 12 months?

#	Answer		Response	%
1	Increase a lot		14	6%
2	Increase a little		115	46%
3	Stay the same		105	42%
4	Decrease a little		14	6%
5	Decrease a lot		0	0%
	Total		248	100%

Statistic	Value
Min Value	1
Max Value	4
Mean	2.48
Variance	0.48
Standard Deviation	0.69
Total Responses	248

20. How would you rate the situation of the national economy over the past 12 months?

#	Answer		Response	%
1	Very good		27	11%
2	Somewhat good		120	49%
3	Neither good nor bad		45	18%
4	Somewhat bad		51	21%
5	Very bad		4	2%
	Total		247	100%

Statistic	Value
Min Value	1
Max Value	5
Mean	2.53
Variance	0.98
Standard Deviation	0.99
Total Responses	247

21. How would you rate the situation of your state economy in comparison to the national economy?

#	Answer	Response	%
1	Substantially better	9	4%
2	A little better	89	36%
3	The same	90	36%
4	A little worse	55	22%
5	Substantially worse	6	2%
	Total	249	100%














Statistic	Value
Min Value	1
Max Value	5
Mean	2.84
Variance	0.80
Standard Deviation	0.89
Total Responses	249

21. Thinking specifically about the economy, what issue should be the top priority of your community's government?

#	Answer	Response	%
1	Budget deficit/spending	32	13%
2	Financial and banking system	1	0%
3	Gas/fuel prices	4	2%
4	Health care costs	27	11%
5	Home values and the housing market	39	16%
6	Inflation/rising prices	14	6%
7	Personal debt	2	1%
8	Social Security	0	0%
9	Student loans	3	1%
10	Taxes	26	11%
11	Unemployment and the job market	54	23%
12	Other	21	9%
13	No opinion	15	6%
	Total	238	100%





Statistic	Value
Min Value	1
Max Value	13
Mean	7.46
Variance	15.95
Standard Deviation	3.99
Total Responses	238

23. Thinking specifically about the economy, what issue should be the top priority of the federal government?

#	Answer		Response	%
1	Federal budget deficit		70	30%
2	Financial and banking system		14	6%
3	Gas/fuel prices		3	1%
4	Health care costs		44	19%
5	Home values and the housing market		1	0%
6	Inflation/rising prices		7	3%
7	Personal debt		4	2%
8	Social Security		7	3%
9	Student loans		8	3%
10	Taxes		23	10%
11	Unemployment and the job market		37	16%
12	Other		12	5%
13	No opinion		7	3%
	Total		237	100%


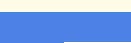





Statistic	Value
Min Value	1
Max Value	13
Mean	5.73
Variance	18.36
Standard Deviation	4.28
Total Responses	237

24. How long has your business been operating?

#	Answer		Response	%
1	Less than 1 year		3	1%
2	1-2 years		24	10%
3	3-4 years		21	9%
4	5 or more years		197	80%
	Total		245	100%






Statistic	Value
Min Value	1
Max Value	4
Mean	3.68
Variance	0.49
Standard Deviation	0.70
Total Responses	245

25. How many people does your business employ?

#	Answer		Response	%
1	1- I work alone		16	7%
2	2-5		70	29%
3	6-10		33	13%
4	11-20		36	15%
5	21-50		44	18%
6	51-100		16	7%
7	101 or more		30	12%
	Total		245	100%


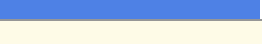
Statistic	Value
Min Value	1
Max Value	7
Mean	3.78
Variance	3.37
Standard Deviation	1.84
Total Responses	245

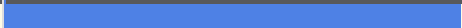

26. What type of company is your business?



#	Answer		Response	%
1	Unincorporated or sole proprietorship		13	6%
2	Limited liability company (LLC)		78	35%
3	Partnership (LP, LLP, GP)		9	4%
4	S-Corporation		81	36%
5	C-Corporation		44	20%
	Total		225	100%






Statistic	Value
Min Value	1
Max Value	5
Mean	3.29
Variance	1.64
Standard Deviation	1.28
Total Responses	225

27. Have you ever been an entrepreneur prior to your current company?







#	Answer		Response	%
1	Yes		110	45%
2	No		132	55%
	Total		242	100%

28. Is this business your primary employment, or is it a side job?				
#	Answer		Response	%
1	Primary employment		235	96%
2	Side job, hobby, or secondary income		10	4%
	Total		245	100%




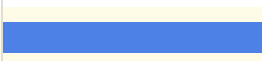


29. What is your gender?				
#	Answer		Response	%
1	Female		88	36%
2	Male		155	64%
	Total		243	100%

30. What is your age?				
#	Answer		Response	%
1	Under 25		1	0%
2	25-34		25	10%
3	35-44		59	24%
4	45-54		31	13%
5	44-64		103	42%
6	65 or above		26	11%
	Total		245	100%

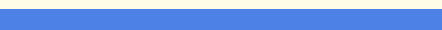



Statistic	Value
Min Value	1
Max Value	6
Mean	4.18
Variance	1.51
Standard Deviation	1.23
Total Responses	245

31. What is your political preference?				
#	Answer		Response	%
1	Strong conservative		26	11%
2	Lean conservative		49	20%
3	Independent		60	25%
4	Lean liberal/progressive		61	25%
5	Strong liberal/progressive		29	12%
6	Other		15	6%
	Total		240	100%

Statistic	Value
Min Value	1
Max Value	6
Mean	3.26
Variance	1.88
Standard Deviation	1.37
Total Responses	240

32. What is the highest level of education you have reached?				
#	Answer		Response	%
1	No high school		0	0%
2	High school		13	5%
3	Community college		12	5%
4	Technical College		11	5%
5	Undergraduate degree		134	55%
6	Masters degree		64	26%
7	Doctoral degree		10	4%
	Total		244	100%

Statistic	Value
Min Value	2
Max Value	7
Mean	5.04
Variance	1.15
Standard Deviation	1.07
Total Responses	244

33. What is your race or origin?				
#	Answer		Response	%
1	White (Caucasian)		230	95%
2	Hispanic, Latino or Spanish		4	2%
3	Black or African American		0	0%
4	Asian		6	2%
5	Other		3	1%
	Total		243	100%

Statistic	Value
Min Value	1
Max Value	5
Mean	1.14
Variance	0.42
Standard Deviation	0.65
Total Responses	243

V. Conclusion

The survey helped to provide insights into how Buncombe County business owners and operators feel about their community. The sampling is more representative of the population compared to Thumbtack.com's 2014 survey, which collected a vastly smaller sample size.

Asheville ranked higher in several categories, compared to Thumbtack.com's findings, including overall friendliness, ease of starting a business, health and safety regulations,

tax regulations, and training and networking. Asheville scored lower in the areas of hiring and employment regulations.

	Overall Friendliness	Ease of Starting Business	Ease of Hiring	Health & Safety Regulations	Employment, Labor & Hiring Regulations	Tax Code & Tax Related Regulations	Training & Networking
Asheville	B	C+	B–	C+	C+	C+	A
Thumbtack Survey- Asheville	C+	D+	B	D	B	D+	D+

Overall, Buncombe County business owners say Asheville ranks higher than the state average of C+ for overall friendliness. Training and networking is a bright spot for Asheville, earning a grade A.

VI. Recommendations For Future Research

Thumbtack.com will release the results of its 2015 survey in June. Comparing the data collected in the Buncombe County survey to Thumbtack.com's 2015 findings may give a more accurate comparison since they were both administered during the same time period.

VII. Closing

It was a pleasure conducting this research on behalf of the Asheville Chamber of Commerce. Please contact researcher Kimberly Straney or Director Dr. Ed Wright of the Center for Entrepreneurship and Innovation with any follow-up questions or further analysis.