RESEARCH PROJECT:

Hibbing Business Retention and Expansion Survey and Report

Report #2: Survey Findings

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EXECUTIVE SUMMARY

This report summarizes the results of a survey administered by the University of Minnesota, Duluth Center for Economic Development under contract with the Hibbing Chamber of Commerce. The purpose of the survey was to determine the strengths and weaknesses of Hibbing as a place to do business. The population surveyed included the entire membership of the Hibbing Chamber, excluding firms outside of the 55746 Zip Code area. There were 413 members surveyed within Hibbing. 176 responded, for a percentage response of 43%. (Note the description of sample and profile of respondents in Appendix C.) The standard error of the estimate for the proportion surveyed is 0.02. At a 95% level of confidence, the responses have a margin of error of ±2.8%.

The survey was composed of questions which considered the following issues:

1) characteristics of the responding firms
2) workforce information
3) city, county, state, federal and community support for Hibbing business
4) community advantages and disadvantages
5) anticipated changes
6) perceptions about Hibbing and visions for Hibbing.

Three observations will be evident to the reader after studying the findings:

1 **Education:** Satisfaction with local providers is high while there is at the same time some perceived difficulty recruiting and retaining skilled workers.

While a significant number of firms, particularly large firms said they were having difficulty recruiting and retaining workers, and while most firms said they recruited their workers from their local high schools and colleges, satisfaction with the education providers is very high. This is a seeming contradiction in perceptions.

If it is in fact true that firms are having trouble keeping skilled workers, (confirmed in the survey findings) and given the good reputation of local education and training providers (also confirmed in the survey findings), this finding presents a positive possibility for partnering, perhaps between firms and community colleges, for providing skilled workers. For the future prospects of Hibbing’s economy, providing more skilled workers is a pressing workforce issue.

2 **Technology:** Firms are planning to use more technology and someone in the area could be providing it.

Everybody wants it. Hibbing firms are very active in technology development and very interested in exploring new technology alternatives, including automating routine tasks, and using technology in product development. It would seem there is a future development opportunity for firms dedicated to assisting other firms in the technology
area.

Marketing: New products and new customers are anticipated but business services are at present being imported to the area.

Firms indicated that within the next two years they would be marketing new products as well as marketing existing products to new customers. One could suppose that these indicated marketing efforts will use in-house marketing schemes. Marketing was listed as an area in which they indicated they needed help or were interested in receiving help; and Report #1 in this series, Hibbing's Economic Base, demonstrated that Hibbing imports a significant number of business services, a category under which marketing would appear. Given the anticipated level of activity in marketing indicated by survey respondents, this might represent an opportunity for development in Hibbing.

Characteristics of firms: the survey finding show there is a strong character of local ownership in the Hibbing community. Survey data shows that two-thirds of the firms are locally owned, several serving as headquarters for firms located elsewhere. However, most of the firms located in Hibbing do not buy the majority of their needed supplies from the local community. The primary reason given for buying supplies elsewhere was lack of local availability. Other major reasons included non-competitive pricing and poor selection of intermediate products. Improvement in these areas could lead to new opportunities for local suppliers, or import substitution.

Workforce: survey data shows that the average age of a Hibbing worker is 38 (the same as the national average) and this worker is 20-25 years away from retirement. Survey data also shows that in every case the mean number of employees per firm is higher than the median--indicating the presence of some very large employers in the area. Another workforce question asked whether the firm was a union shop. The Hibbing region has a reputation for heavy union orientation, therefore it was interesting to note that 80% of the Hibbing firms are not unionized.

The profile of the Hibbing firms’ employees continues: most of the people who work in Hibbing firms live within a 25 mile radius of the community.

A third of the firms indicated they were having difficulty hiring skilled workers; and 20% of the firms responding to the survey were having difficulty retaining skilled workers. The shortfalls in workforce could loom large as a hindrance to future growth and expansion. Two major reasons were cited for these difficulties: relative pay levels and competition for workers. Of these two, pay levels was the largest at almost a 3 to 1 level.

On the issue of employee training, most of the firms responding said that they provided
in-house training for their workers; and most of these indicated that the on-the-job training is somewhat informal. Overall, Hibbing firms are generally very satisfied with their employees’ skills.

Support: When asked about the supportiveness of the local community to the businesses’ needs, the result was that the vast majority gave a (curiously) neutral response—which is just a step above no response. However it is indicative of the mood of the Hibbing business community that only an average of ten percent rated the city, the county, the state, or the federal government as being supportive. Close to a quarter said that each level of government was not supportive. This is an area where further investigation may have the effect of either changing perceptions or coming up with programs and partnerships that will help the Hibbing business community compete in today’s marketplace.

When asked which categories of information that they would like see provided to them, the largest area was marketing strategies followed closely by financing programs and management seminars. This could be an opportunity for trainers and business consulting providers. Hibbing appears to have a fairly dynamic economy; according to the survey data, the majority of firms responded that they planned to add new products and services in the next 2 years; a quarter said they were going to redesign their product line; 20% are planning to actively market new customers for their products; almost 40% are going to change production technology and techniques (all within the next two years).

However there could be some problems on the horizon as well. 12% of the respondents indicated they were considering relocating; 75% of those indicated they would locate somewhere outside of Hibbing. When asked why, the largest categories of response were that there were too few local incentives, that they were being recruited by other communities, and tempted by better market opportunities.

Perceptions and Visions: Three themes seem to come out of the responses to the questions at the end of the survey:

1 The mechanism for Hibbing to pull together...: It was perceived that the city needs to concentrate on economic development. Although there was no general agreement as to how this should be done, a number of respondents indicated that a greater appreciation for the role played by existing, local firms would be a move in the right direction. Issues such as taxes, industrial prospecting, and attitude towards business were all included in these comments. Others felt that a coordinated and well thought out development plan for the city would be especially helpful.

2 Communication/visioning: Many respondents called for task forces, committees, or other forms of organization made up of diverse
members of the community where issues and problems could be discussed. Pulling together towards a common vision was mentioned by several of the respondents.

3 **Transportation:** Several mentioned transportation as a problem. Transportation referred to both the road system and the Hibbing airport. These are generally things that Hibbing cannot do for itself. Perhaps a regional look at transportation systems would be warranted for the economic development of not only Hibbing, but for the Iron Range in general.

4 **General community improvement:** New sources of money for housing, incentives to improve local stores and businesses, downtown development, and related comments are subsumed under this theme. Also, the need to work together as a community was mentioned in many different ways.

The request for **further comments or concerns**... brought out many of the same themes mentioned in the question immediately above. If we were to characterize the majority of responses in this regard, it would probably be an expressed desire for *newness.* Younger, forward thinking leadership was a common comment, the need to get more people involved was another comment along these lines. The need to pull together and support one another is a recurring theme in both open-ended questions which conclude the survey.
INTRODUCTION

The Questionnaire

This report summarizes the results of a survey administered by the University of Minnesota, Duluth Center for Economic Development under contract with the Hibbing Chamber of Commerce. The purpose of the survey was to determine the strengths and weaknesses of Hibbing as a place to do business. The population surveyed included the entire membership of the Hibbing Chamber, excluding firms outside of the 55746 Zip Code area. There were 413 members surveyed; 176 responded, for a percentage response of 43%. (Note the description of sample and profile of respondents in Appendix C.) The standard error of the estimate for the proportion surveyed is 0.02. At a 95% level of confidence, the responses have a margin of error of ±2.8%.

The surveys were administered in three different ways. As reported above, the entire membership of the Chamber residing in the Hibbing Zip Code area were surveyed. The largest firms were personally surveyed by members of the UMD research team. A random sample of the remaining firms were personally interviewed by students from the Hibbing Community College. The remainder were contacted through a mail survey. The survey instrument appears as Appendix A to this report.

This is a business retention and expansion survey. Firms were asked to indicate

P the nature of their businesses (manufacturing, retail, service, etc.)

P the characteristics of their business (locally owned, gross payroll, etc.)

P where they sell their products (locally, regionally, nationally, internationally)

P the geographical source of their competition (local, etc.)

P the geographical source of their inputs (local, etc.)

P as well as other questions identifying the characteristics of firms replying to the survey.

A second series of questions pertaining to local workforce availability and skill levels were asked. Workforce is emerging as a prime consideration in rating the efficiency of a location for industrial growth and development.

A previous study by the University of Minnesota Duluth, Center for Economic Development, 1995 Minnesota Manufacturers’ Workforce Study, indicated that workforce issues were of growing concern to Minnesota businesses. In that study, Northeast Minnesota was the one region in the state indicating that workforce availability was not a problem. However, subsequent interviews and discussions with Northeast Minnesota business owners and development agency officials indicate this
apparent labor surplus to be a short-run phenomenon. In other words, workforce seems to be an *emerging* issue in the Northeast Minnesota region. The Hibbing survey attempted to obtain some indication as to whether or not workforce availability and training were emerging problems in Hibbing as well.

A third set of questions asked about the level of support Hibbing businesses received from various government and development agencies. Also included in this section were questions relating to the availability of help for solving identified business problems.

A key series of questions were then asked concerning the advantages or disadvantages of Hibbing as a place to do business. Representative competitive factors included such things as:

- availability of credit
- local tax levels
- local attitude towards business
- utility rates and service.

Within this set of questions were a series asking the firm to indicate whether or not it was considering relocating outside of Hibbing, and if so, the reasons for this consideration. Several questions were asked in an attempt to find out whether or not the firm was considering expanding, and if so, if that expansion were likely to be within Hibbing.

Another set of questions dealing with the firm’s knowledge of and plans for incorporating technology into its operations were asked.

The final section asked two open-ended questions. The first asked the respondent to make suggestions for mechanisms by which the citizens, businesses, and governmental agencies in Hibbing could “pull together” in order to make Hibbing a better place to do business. The second open-ended question simply asked for additional comments, questions or concerns.

**The Plan of the Report**

This report is organized along the lines of the questionnaire. The following section deals with the characteristics of the firms responding to the survey. This is followed by reports on workforce, support for business at various levels, community advantages/disadvantages, and open-ended responses. The concluding section of the report presents a summary, conclusions, and recommendations derived from an analysis of the data. Appendix A contains the questionnaire, Appendix B presents a summary of the statistical computations as well as other relevant statistical information. Appendix C describes the data sample, who was invited to participate, the number of surveys distributed, the number of surveys returned, and the criteria for verifying the focus of the sample.
CHARACTERISTICS OF THE RESPONDING FIRMS

Responding firms were asked to identify themselves in terms of a number of variables. Firms were surveyed as to the nature of their ownership, their size, and where they do business (including where they purchase their supplies).

While firms were guaranteed confidentiality, these questions asked for information which often was felt to be highly sensitive. Large percentages of those receiving the survey chose not to respond to one or more of these questions. The percentages presented below are based only on the total number of firms answering each question. The following discussion summarizes the responses.

Mean and Median

Both the mean and the median will be reported for responses showing a significant difference between the two. The mean is the average number, i.e., all responses added together and divided by the number of responses. The median is the middle number, i.e., after the responses are arrayed from the largest to the smallest, the number in the middle is selected. If the mean is greater than the median, which is often the case for this survey, it means that the average is skewed by the inclusion of a small number of very larger numbers as a response. For example, if the size of the firm were being investigated, a few firms employing over a thousand individuals side by side with many firms employing fewer than ten individuals would make the average move towards the high end. Because there are a much larger number or smaller firms in the array from high to low, the middle number would likely be much smaller.

Which is better? Neither. They are simply two alternative forms of information. The mean, or average, tells us the average size of all firms. The median, or middle number, tells us the employment of the more typical firm. It is always good to include both when they are different in order to provide the maximum level of information.

# To what extent are the responding firms locally owned?

60% of those responding said that Hibbing represented their only location. An additional 12% said that the Hibbing firm was a headquarters for other firms located elsewhere. The remaining 28% indicated that the Hibbing establishment was a branch of a firm whose headquarters were located elsewhere.

# Less than half of the respondents told us the level of property taxes they paid in 1995. Of the 45% that did respond, the median level of property taxes paid in 1995 was $4,500. The mean was much larger, at $275 thousand. The margin of error for the mean of this statistic is quite large, running from 0 to approximately $771 thousand. The large difference
between the mean and median is due to
the extremely large standard deviation for
this variable. There are a small number
of firms with quite large property tax
obligations relative to other firms in the
region.

# 60% of those surveyed were willing to
provide payroll information. From those
responses, the median gross payroll paid
by the responding firms in 1995 was
$184 thousand. Once again, the mean
gross payroll was much larger due to the
presence of one or two especially large
payrolls in the region. The mean payroll
was computed to be $1,350 million.

# The median value of 1995 contributions
to the community of Hibbing, as
reported by the respondents, was
$2,852. The mean was larger at $17
thousand, again due to a few very large
reported amounts. Less than half (47%)
of those eligible chose to respond to this
question.

# 71% of those responding to the survey
told us the size of their facility (in square
feet). The median size of the physical
facility for responding firms was 5.75
thousand square feet. A few with large
square footage caused the mean to be
much higher at slightly over 52 thousand
square feet.

# In keeping with the first report in this
series dealing with the export base of the
Hibbing economy, we asked the firms to
estimate the percentage of product or
service sold locally, to the rest of the
country, and outside of the U.S. 57% of
sales are sold to local firms or to local
residents, according to the respondents.
29% are sold outside of Hibbing but
within the U.S. 13% are sold to the rest
of the U.S. 1% are sold outside of the
country.

Report #1 in this project, describing
Hibbing’s economic base, reports that
49% of sales are exported out of the
Hibbing community versus 43% from our
survey.

# We also asked the firm to indicate the
gеographіс sourсе of іts competition.
54% said that their competition came
from within Hibbing. 30% said their
competition was located outside of
Hibbing, but in the United States. 13%
said their competition came from the rest
of U.S. 12% said their competition came
from outside of the United States. Notice
that the business and competition
percentages are essentially the same.

A very important source of future economic
expansion can be found in the possibility for
import substitution. When local suppliers
replace suppliers from outside the
community, two things happen:

(1) There is a direct effect from the new
business in the region (jobs, output,
income, etc.).

(2) The indirect effects increase.
In other words, because more interaction takes place within the local community, the values of the multiplier effects (or spin-off economic impact) from these interactions increases; all economic activity exerts a greater impact on the economy than before.

We asked the respondents to tell us the percentage of their inputs that come from

- within Hibbing
- from within 50 miles of Hibbing
- from Minnesota but from a greater distance than 50 miles
- from the rest of the United States,
- from foreign sources.

Following are summaries of the responses to each of these questions:

# What % of your input supplies, raw materials, or service do you purchase in Hibbing? 7% of the sample did not answer this question. Of the 93% that did, 48% said that they purchased 20% or less from the local community. Another 15% (for a total of 63%) said that they bought 40% or more locally. The mean response was 35%. The majority of firms purchase their supplies from outside the community.

Economic development professionals could see this as representing opportunities for future growth and expansion.

# What % of your input supplies, raw materials, or services do you purchase outside Hibbing but less than 50 miles away? The mean response was slightly over 7%. 82% of the respondents stated that they purchase 15% or less from this region.

# What % of your input supplies, raw materials, or services do you purchase within MN but greater than 50 miles away? The mean response to this question was 33%. 49% of the respondents said that they import 20% or less from Minnesota but greater than 50 miles away.

# What % of your input supplies, raw materials, or services do you purchase outside of MN, but within the U.S.? The mean response for this question was 23%. 50% said that they import 6% or less from outside Minnesota but in the U.S.

# What % of your input supplies, raw materials, or services do you purchase outside the U.S.? The mean response to this question was quite low, slightly greater than 1%. 95% of the respondents said they did not import anything from outside the U.S.

The greatest chance for import substitution would seem to come from supplies currently bought from Minnesota but outside the region, or from the rest of the United States. Foreign imports are too insignificant to offer any apparent advantages.
We asked follow-up questions concerning these import substitution possibilities. A number of questions as to why supplies were not purchased locally were asked. Presumably, improvements in some of these areas might invoke a local market. The questions asked and the responses follow:

# **What are the main reasons for not buying the inputs locally?**

**On time delivery.** The vast majority, 97%, did not indicate on time delivery as a reason. The remaining 3% indicated that this was a problem leading to input purchases outside of Hibbing.

**Quality of Materials.** The same percentage did not respond to this question as for the previous question. 3% indicated this to be a problem with obtaining supplies from Hibbing.

**Price is not competitive.** 73% did not indicate this as a reason for not buying inputs locally. This was a problem for 27% of those surveyed. This is the first of the possible reasons that is large enough to be of particular concern. Report #1 in this series, *Hibbing's Economic Base*, pointed out that supply prices are crucial in making a region competitive in the global market place. The character of this response indicates that local input prices are a problem and could be holding back Hibbing’s development and growth potential.

**Transportation cost.** Two respondents mentioned this as a problem. 99% of the total number responding to the questionnaire did not indicate this to be a reason.

**Availability of items.** 30% did not respond to this question. The remaining 70% indicated this to be a reason. This is another area worthy of further research and consideration.

**Customer service.** 91% did not indicate customer
service to be a problem. 15 respondents, 9%, did indicate this to be a reason for not buying locally.

# What are the main reasons for not buying the inputs locally? Poor selection. 87% of those responding to the questionnaire did not view this as being a problem. The remaining 13% did feel that selection was a reason for not buying locally. This might be one of the easier items to correct if suppliers are located in Hibbing. Changing a line or increasing choice may lead to import substitution.

# What are the main reasons for not buying the inputs locally? Other. 82% did not indicate additional reasons, 18% did. Other reasons listed when this choice was made include:

- corporate purchasing policy
- billing issues; buying from distributor
- no supplier in Hibbing
- not manufactured in Hibbing
- purchased from manufacturer
- company has its own supplier.

WORKFORCE INFORMATION

We asked a number of questions aimed at gaining information about workforce issues. The first questions asked the responding firm to provide basic information, such as:

- the average age of its employees
- how many employees work at the establishment
- past history of numbers of employees
- and other general indicators of size and growth.

A second set of questions asked the respondent to indicate any problems the firm might be having in attracting and retaining an adequate workforce.

As mentioned in the introduction to this report, workforce issues are coming to the forefront as an attraction factor for businesses. Workforce issues also serve as a possible industrial repellent factor should an adequately skilled workforce be unavailable. As such, this represents an important retention/growth section of the survey instrument. We begin by summarizing general information:

# The average age of employee in Hibbing is 38 years of age. As is happening throughout the country, the Baby Boom generation is moving through the workforce. The result is a continuously rising average age of employee. On the other hand, an average age of employee which is under 40 years indicates that the average
employee has another 20 to 25 years before retirement. Of course, this retirement issue differs from firm to firm.

# Approximately 50% of the respondents employ 7 or fewer individuals. This is the median number of employees for Hibbing firms. The average (36) is much higher due to the presence of large employers in the sample. In other words, the median indicates a large number of smaller firms in the sample while the mean indicates the presence of at least a few very large employers.

The survey asked two questions that would provide some indication of growth in the company over the next two years. There was a slight increase in the median number of full time employees between 1994 and 1995. The median number of part time employees remained the same between those two years. The mean numbers of part and full time employees between the two years increased slightly. This probably means that both large and small firms increased in employment slightly.

# The median number of full time employees in 1994 was 5 individuals. The mean was 26 individuals.

# The median number of full time employees in 1995 was 6 individuals with the mean of 27.

# The median number of part time employees in 1994 was 3. The mean number of part time employees in 1995 was 3. The mean number of part time employees in 1995 was 3. The mean number of part time employees in 1995 was 3.

# When asked if the firm was a union shop, 80% of those responding indicated that they were not unionized.

The survey then asked where the employees were located, indicating willingness to commute should jobs be available. The vast majority live either in Hibbing or within a 25 mile (one-way) commute. The following numerical results were tabulated from these series of questions:

# Over half of those responding indicated that 75% or fewer of their employees lived within the city limits of Hibbing. This represents the median number of employees living in Hibbing. The value of the mean was slightly less at 70%.

# When asked how many employees live outside of Hibbing but within a 25 mile commuting zone, the mean response was 23%; the median response was 15%.

# When asked what percentage commute from over 25 miles (one way), the median response was 0% and the mean was 7%.
Very important questions dealing with concerns regarding workforce issues follow. A significant number of firms indicated they were having difficulty hiring skilled workers. As noted earlier, this is somewhat contrary to a previous study indicating that there was a surplus of workers in Northeast Minnesota. A summary of concerns in hiring an adequate workforce of skilled workers follows:

# When asked if the firm had difficulty hiring skilled workers over the past two years, over a third (37%) responded in the affirmative. The previous state-wide study identified about a third of industries across the state saying they were having difficulties in this area. This was true for every region in the state with the exception of Northeast Minnesota, which reported a labor surplus.

# The previous study was done four years ago. Hibbing’s response to this question, unfortunately, might indicate that Northeast Minnesota is joining the rest of the state in experiencing difficulties hiring workers with needed skills. The ability to attract such workers is likely to be the most important economic development issue for the next decade or more.

# A related question asked respondents to indicate whether or not they have had difficulty retaining skilled workers over the past two years. 20% of those responding answered in the affirmative, 79% said no, and 1% said they did not know.

We followed up the question about retaining skilled workers with a series of questions asking those that were having difficulty retaining skilled workers why they thought they were having such difficulties. One of the major causes listed was competition with other firms. This competition was highlighted once again in questions that followed, indicating that firms in fact did recruit workers from other regional firms.

A second major reason was the responding firm’s reported level of pay. The reasonable desire to obtain and retain skilled workers at the lowest possible level of pay in order to remain competitive can and does lead to retention problems. Hibbing firms having difficulties in this area are well aware of that fact. The following points summarize their responses in this regard:

# 8% said they were having difficulties retaining workers because of a large number of retirements either occurring or contemplated. (Remember that the average age of employee from our sample was 38 years of age.) This average means there are a significant number of employees (about half) are older than 38. Large numbers of contemplated retirements can mean recruiting problems in the future.

# Interestingly enough, 64% of those that were having difficulty retaining skilled workers admitted that relative pay levels were the cause. Economic theory would
tell us that shortages can be overcome when prices rise by enough to encourage additional supply or discourage consumption. Low pay levels during times of high employment are often causes of labor shortages.

# 25% of those saying they were having difficulties in retaining workers blamed competition for their difficulties. This is similar to the pay issue. Only now, firms are saying that other firms, actively recruiting skilled workers, cause a tight labor market and the loss of skilled workers to particular firms.

# There has been much discussion in Minnesota concerning the lack of affordable housing as a cause for labor shortages, especially in rural regions. This does not seem to be a problem in Hibbing, at least not from the firm’s point of view. Only 3% of those saying they were having difficulty retaining workers indicated that housing shortages were a cause.

# It is a well known fact that there are more two-wage-earning families today than ever before. The employability of the spouse can be a problem, especially for attracting and retaining high skilled workers. The inability to find suitable employment for a skilled worker’s spouse was seen to be a problem for 8% of those firms indicating they were having difficulties in retaining skilled workers.

# Sometimes changes in company policies or practices can lead to significant losses of skilled workers. Change is always stressful, and major changes can cause those most employable (skilled workers) to leave. This was indicated as a problem by 6% of those firms saying they were having trouble with retention.

The possibility for cross tabulations is quite large given the length of the questionnaire used in this analysis. The current budget for the project does not permit extensive experimentation along these lines. However, one cross tabulation is provided at this point because of its high relevance to the workforce/skills issues raised in this section.

We tabulated the size of the establishment with the question, Has your firm had difficulty in retaining skilled workers over the past two years?

In looking at the results, it is apparent that the larger firms have greater difficulty retaining workers than do medium and small sized firms. When applying the appropriate statistical tests to these data, we find that the cells are significantly different from one another, and that the larger firms are definitely finding it more difficulty to retain skilled workers. This result is both counter intuitive and in conflict with findings from the earlier, state-wide workforce study. Most evidence points to medium sized firms finding it more difficult to obtain and retain skilled workers. Hibbing shows itself to be
Workers upgrading their skills is a two-edged sword. On the positive side, when a firm’s workers take it upon themselves to become better educated and trained, they bring new and stronger skills to the firm which can, in turn, lead to increased productivity and resulting increased profits. On the other hand, a higher skilled individual has more opportunities in the marketplace and may decide to take advantage of these new opportunities by moving on. A relatively large 40% of the firms having difficulty in retaining skilled workers indicated that such upgrading was a significant factor in losing workers.

Two additional questions were asked suggesting issues which no firm surveyed could list as problems, and/or which had such a low response as to be insignificant; these two questions will not be summarized here.

We then asked where the firm found its skilled workers, i.e., from where do they recruit their workers with skills. The two largest categories of response were, “from other firms” and “from the technical colleges.” The relationship of Hibbing firms to the technical colleges appears to be both special and strong.

The following summarize responses to these series of questions. All begin with the question, From what source does your firm primarily recruit its skilled workers?

- High Schools? 14% of the responding firms said they recruited their skilled workers from high schools.
- Technical Colleges? 35% said they recruited from the technical colleges.
- Universities? 13% said they recruited from universities.
- Other firms? 28% said they recruited from other firms. Apparently the concern about competition for skilled workers discussed earlier was warranted. There is active competition between firms in Hibbing for skilled workers.
- Other sources? 46% said they recruited from sources other than those listed in the questionnaire. A summary of what these “other” categories were is as follows: newspaper, customers, internal, walk-ins, union hall, word of mouth, employment office, and temp agencies.

We then asked a series of questions concerning the sources of training for a company’s workers. We also wondered to what extent firms supported, provided, or rewarded workers when workers upgraded their skills. The general response was, yes, Hibbing firms appear to be concerned with the skill levels of their employees and firms deal with this concern by attempting to provide training for their workers. The form of training varies greatly,
from informal on-the-job training used by most firms to tuition reimbursement for formal training used by a smaller group of firms. We will list the responses by question in the summary to follow:

# Does your firm presently provide its skilled workers with any form of training? A resounding 86% of those responding said that they do provide some form of training. This is most interesting in that a much smaller percentage of firms provide such training nationally.

# Has there been an increase in investment for employee training in the last two years? 61% of those responding indicated that there has been such an increase.

# Does most of the training for skilled workers provided by your firm currently consist of informal “on-the-job” training? 83% of the total sample indicated that they did provide training in this way.

# Does most of the training for skilled workers provided by your firm currently consist of retaining existing workers? 72% of those receiving this questionnaire left this question blank. The remaining 28% indicated that this was their emphasis.

# Does most of the training for skilled workers provided by your firm currently consist of tuition reimbursement? 26% of the firms surveyed indicated that they do have a tuition reimbursement policy.

# Does most of the training for skilled workers provided by your firm currently consist of special agreements with schools? Only 10% of those receiving the survey indicated that they worked with schools for special training needs.

# Does most of the training for skilled workers provided by your firm currently consist of other methods? 22% of those surveyed indicated that they used methods other than those enumerated in the questionnaire. Comments as to what these “other” categories are include the following:

P training at manufacturing facilities
P continuing education
P seminars
P corporate training
P courses by suppliers
P workshops
P formal in-house training at our headquarters
P corporate videos.

The next series of workforce questions asked the respondent to indicate their level of satisfaction with the skill levels of their workers. 8% of the firms did not respond to this question. Of those remaining, the Hibbing firms reported that they were generally satisfied with their workers’ skills, no matter how those skills were defined.
Following is a summary of these responses:

# Hibbing firms are generally satisfied with their employees' basic skills (reading, ability to take directions, basic math, etc.). 93% of those responding were either very satisfied (61%) or neutral (32%) with respect to basic skills. That leaves only 7% that said they were dissatisfied.

# Once again, Hibbing firms are generally satisfied with their employees' technical skills. Those responding said that they were either very satisfied (63%) or at least neutral (31%) when it came to technical skills.

# The number of firms reporting that they were very satisfied with interpersonal skills (47%) was somewhat lower than for the first two skill classifications summarized above. An additional 46% of those responding to this question said they were neutral in terms of their opinion on this matter. 8% said they were dissatisfied.

# The results were similar when asked about their workers' communication skills. 44% said they were very satisfied, 46% said they were neutral, and 10% said they were dissatisfied.

# Hibbing firms were generally satisfied with their workers' work ethic. This is an area that Northeast Minnesota has bragged about for years--that our workers exhibit a greater than normal ethic for work. 62% of the firms that responded said this was certainly true for Hibbing with a “very satisfied” rating. An additional 29% said they were neutral with respect to this issue. 9% said they were dissatisfied.

# There was less satisfaction when asked if the respondents were satisfied with their workers’ performances in terms of tardiness and timeliness. 57% of those responding said they were very satisfied, 34% said they were neutral, and 9% said they were dissatisfied.

# Finally, in terms of thinking and reasoning skills, for the first time, less than half (48%) rated their workers' performances as being very satisfactory. An additional 47% said they were neutral. And while the levels of satisfaction were lower, so were the levels of dissatisfaction. Only 5% said they were dissatisfied with their workers’ reasoning and thinking skills.

The final question in the workforce section asked if the firm anticipated an increase in employment in the next two years. This provides some indication as to whether growth is likely to occur as well as some indication as to the future demand for labor in the region. Half of the respondents indicated they did anticipate an increase in employment. When asked how many, the average was 5 individuals and the median was 2 individuals.
This would indicate between 170 and 425 additional employees are anticipated by responding firms in the next two years.

CITY, COUNTY, STATE, FEDERAL AND COMMUNITY SUPPORT FOR HIBBING BUSINESS

The next section of the survey asked the respondents a series of questions dealing with the support they feel they have received from the various units of government responsible for such support. There was generally a non-committal-to-negative tone in the responses to these series of questions. Relatively few individuals rated any of the units of government (local, county, state, or federal) as being “very supportive” of their efforts to conduct a successful business. “Unsupportive” responses ran two and three times greater than the “supportive” responses.

Generally a quarter of those surveyed responded with respect to each level of government. The majority, well over 50%, were neutral in their response to this question. The following summarizes these series of questions:

How supportive has the Hibbing City Government been in establishing and supporting your business? Only 12% of the respondents said the city government was very supportive. The majority, 57% were neutral, and a little over a quarter (26%) said the city government was unsupportive. The remaining 5% did not reply to the question.
How supportive has the County Government been in establishing and supporting your business? Of those responding, a minimal 7% said the County Government has been very supportive, 64% were neutral, and once again, close to a quarter, 24%, said the County Government has been unsupportive. There were 5% that did not reply to the question.

How supportive has the State Government been in establishing in supporting your business? Again, only 9% of the respondents said the State Government has been very supportive. Well over half, 59%, were neutral, and 26% said the State Government was unsupportive. 7% did not respond.

How supportive has the Federal Government been in establishing and supporting your business? Of those responding, only 5% said the Federal Government had been very supportive, 58% were neutral, and 30% said the Federal Government was unsupportive. 7% did not respond.

Each respondent was asked to rank, in order of importance (1 being the most important and 5 being the least important), a list of factors which were likely to have an impact on their establishment in the next two years. The following summarize these responses:

New products: 15% of the respondents who rated this factor in the top 5 said this would have the most impact on their business. 7% rated this item second, 9% rated this item third, 5% rated this item fourth and 4.5% rated this item as fifth. 59% did not include this in their list of the top 5.

Changing Consumer Tastes: 11% of the respondents rated this as their most important item. 9% rated this item second, 7% rated this item third, 5% rated this item fourth and 9% rated this item as fifth. 59% did not include this in their rating of the top 5 items.

Demographics: 10% of the respondents rated this as their most important item. 5% rated this item second, 6% rated this item third, 8% rated this item fourth and 6% rated this item as fifth. 66% did not include this in their rating of the top 5 items.

Higher Consumer Incomes: 10% of the respondents rated this as their most important item. 9% rated this item second, 6% rated this item third, 8% rated this item fourth and 6% rated this item as fifth. 61% did not include this in their rating of the top 5 items.

Defense Spending: None of the respondents rate this item as their most important item. 1% rated this item second, 2% rated this item third and none rate this item as fourth or fifth. 97% did not include this in their rating of the
# Foreign Competition: 3% of the respondents rated this as their most important item. 2% rated this item second, 1% rated this item third, 3% rated this item fourth and none rated this item as fifth. 90% did not include this in their rating of the top 5 items.

# Domestic Competition: 7% of the respondents rated this as their most important item. 5% rated this item second, 12% rated this item third, 6% rated this item fourth and 6% rated this item as fifth. 64% did not include this in their rating of the top 5 items.

# Raw Material Shortages: 6% of the respondents rated this as their most important item. 1% rated this item second, 4% rated this item third, 3% rated this item fourth and 2% rated this item as fifth. 81% did not include this in their rating of the top 5 items.

# Energy Costs: 6% of the respondents rated this as their most important item. 5% rated this item second, 6% rated this item third, 7% rated this item fourth and 64% rated this item as fifth. 73% did not include this in their rating of the top 5 items.

# Transportation Costs: 5% of the respondents rated this as their most important item. 2% rated this item second, 3% rated this item third, 7% rated this item fourth and 6% rated this item as fifth. 78% did not include this in their rating of the top 5 items.

# Wage Rates: 12% of the respondents rated this as their most important item. 11% rated this item second, 10% rated this item third, 9% rated this item fourth and 11% rated this item as fifth. 46% did not include this in their rating of the top 5 items.

# Raw Material Costs: 6% of the respondents rated this as their most important item. 1% rated this item second, 4% rated this item third, 3% rated this item fourth and 5% rated this item as fifth. 81% did not include this in their rating of the top 5 items.

# New Technology: 19% of the respondents rated this as their most important item. 4% rated this item second, 5% rated this item third, 10% rated this item fourth and 6% rated this item as fifth. 56% did not include this in their rating of the top 5 items.

# Financing Availability: 11% of the respondents rated this as their most important item. 6% rated this item second, 5% rated this item third, 3% rated this item fourth and 7% rated this item as fifth. 69% did not include this in their rating of the top 5 items.

# Taxes/Government Policies: 16% of the respondents rated this as their most
important item. 16% rated this item second, 7% rated this item third, 6% rated this item fourth and 7% rated this item as fifth. 47% did not include this in their rating of the top 5 items.
Each respondent was then asked if they would like information or help in a variety of areas. It is interesting to note the top category indicated was marketing strategies followed closely by financing programs and management seminars. The state of Minnesota has an interest in encouraging increased foreign trade on the part of Minnesota businesses. In the case of Hibbing, however, information and encouragement of foreign trade ranked as the respondents' lowest interest category.

# Labor Training: 13% indicated they would like information in this area with 87% no response.

# State Regulations: 16% of the respondents indicated an interest in this area and 84% did not respond.
# **Financing Programs:** This area tied for second in areas of interest for more information. 22% indicated an interest for additional information with 78% no response.

# **Labor/Management:** 10% of the respondents expressed an interest in additional information. 90% did not select this area.

# **Export/Foreign Markets:** This was the lowest area of interest. Only 2% responded for more information with 98% no response.

# **Marketing Strategies:** This area had the highest interest response. 29% of the respondents indicated they would like additional information. 71% did not respond.

# **Management Seminars:** This was tied for second with Financing Programs for areas indicating an interest in additional information. 22% indicated an interest in additional information with 78% no response.

# **Technology:** 11% indicated an interest in this area. 89% did not respond.

# **Other:** 4% indicated “other.”

**THE HIBBING COMMUNITY:**

**Would you like information or help on...?**

![Graph showing the percentage of respondents interested in various topics.](image-url)
ADVANTAGES AND DISADVANTAGES

Several questions were asked about the community of Hibbing. Also included in this section were questions about technology plans and opportunities for the responding firms. What follows are responses to these questions.

The first question asked for a rating of several characteristics of the Hibbing community on a four point scale with a fifth choice for those not wanting or not able to respond to the question. The rating choices were: Excellent = 1, Good = 2, Fair = 3, Poor = 4, and Don’t Know = 5. While subjective, these responses help us understand the strengths and weaknesses of the community from management's/owner's point of view. Each item will be listed separately with its attending mean score rating. While not reported here, the interested reader can refer to Appendix B to obtain the median scores for these responses.

The respondents were generally happy with the conditions in which they found themselves with respect to the community of Hibbing, but not ecstatically so. All of the ratings, save one, were somewhere between the “good” and “fair” options. Only 2 were between the “good” and “excellent” options: the rating of Hibbing’s schools and the rating of Hibbing’s day care facilities. And, only 2 were between the “fair” and “poor” options, local taxes and local attitude towards business, both of which we identify as areas of potential concern for the community.

While not below the “fair” option, the rating for Hibbing’s City Government was 2.99, or a decidedly “fair” rating. This was enough below the other options that we list it here as another area of possible concern.

# Availability of Credit: The mean response to this question was 2.12 putting the responses on the good side of the good and the fair options.

# Local Taxes: The mean response to this question was 3.00, i.e., local taxes were rated as fair. We would interpret this as an area of possible concern to the business community responding to this questionnaire.

# Condition and Access to Highways: The mean score for these responses was 2.58. Roads and highways were rated right in the middle of the good to fair options.

# Airport Facilities: The airport facility question generated a mean of 2.15, placing in near the “good” option.

# Availability of Industrial Sites: The mean score for this option was 2.21, placing it nearest to the “good” option.

# Quality of Telecommunications: This category’s mean score response was 2.35. This places it midway between the good and the fair responses leaning slightly towards the “good” option.
# Quality of Schools: This is the first category that was rated between the good and the excellent possibilities with a mean score response of 1.58. The business community appears to be reasonably happy with the local school system as this is the highest rated item of all the choices.

# Quality and Quantity of Day Care: The mean score for this option was 1.80, another relatively high rating between “good” and “excellent.”

# Recreational Facilities: The mean for this response was 2.09, or a rating very close to the “good” option.

# City Services (ambulance, fire, health, police, garbage, etc.): A mean of 2.04 indicates that the respondents feel Hibbing has “good” services.

# Attitude Towards Business: The mean score for this option was 3.11, between “fair” and “poor.” This is a second category we would list as a possible area of concern to the community.

# Local Zoning Regulations: The mean response for this possibility was 2.64 which is between the “good” and “fair” options. However, the responses are skewed slightly towards the fair (away from the good) rating.

# Utilities (gas, water, electric): The mean response was 2.61 which is between the “good” and the “fair” options. The responses are skewed slightly towards the fair rating.

# Business Environment: A mean of 2.88 would indicate that the respondents rank the business environment as “fair.” This 3rd area of concern is corroborated by previous responses concerning community support, local business climate, etc. which generally fell between “good” and “fair.”

# Community Size: The respondents are apparently happy with the size of Hibbing, essentially giving it a “good” rating with a mean response of 2.13.

# The People (Citizens) of Hibbing: Once again, the respondents appear to be happy with the local population giving Hibbing’s citizens a “good” rating with a mean response of 2.06.

# The Location of the Community: The respondents gave this possibility a rating of 2.37, again leaning towards the “good” rating option.

# Housing: The mean of 2.60 puts the respondents opinions slightly on the “fair” side of the “good” and “fair” options.

# Land Availability: Asking this provides a type of check on the “site availability” question asked earlier. Our early impression was that land and site availability was a problem for Hibbing’s
business community. This is not totally born out by the responses. The site availability option was given a rating of 2.21 and the land availability option was given a rater of 2.42, both on the “good” side of the “good” and “fair” options.

# Wage Rates (Levels): 2.48 was the mean response for this option, which means that the respondents feel that wage levels in the region are between good and fair.

# Labor: This option is a check on some of the workforce questions asked in an earlier portion of the survey. The mean response was 2.39, which is on the “good” side between the “good” and “fair” options. This is consistent with earlier responses. Workforce issues are emerging in Hibbing, but at present, employers seem to be reasonably satisfied with labor availability, skills, etc.

# Work Ethic: This remains as a consistent response with a mean of 2.25. Work ethic is rated relatively highly by the respondents to this survey.

# Cost of Living: The respondents are generally satisfied with the cost of living in Hibbing, giving this category a mean of 2.23, or a relatively “good” evaluation.

# City Government: Once again, consistent with earlier concerns, the city government is given a “fair” rating with a mean of 3.00. This is a fourth area we would list as a possible concern.
Hibbing as a Place to Do Business: The respondents are not particularly unhappy with Hibbing as a place to do business. The mean response to this question was 2.47 which is mid-way between the “good” and “fair” options.

Although fewer respondents answered “poor” to any of the evaluation factors than those who answered excellent, good, or fair, those who were dissatisfied with the Hibbing community were asked to comment. The suggestions they offered were typically as follows:

- “Utilities just haven’t planned for the future, (dual fuel, off peak, etc...)”
- “Taxes (property) seem to be escalating more so than the rate of inflation. We are constantly being informed, by local newspaper, that our taxes are some of the highest in the nation.”
- “Highway 73 is often atrocious to travel through. It is the most direct route to I-35, and from there to metro area.”
- “I have lost four employees since September 1996 due to lack of day care for their infants.”
- “We (Hibbing) seem to have space, but no program towards development.”
- “NW airline has become very unreliable. Impacts our decision to use local flights when on business travel.”
- “Hibbing area has older phone service. Has created problems with fax and online computer systems.”
- “Local financial institutions are unwilling to loan due to economic conditions.”
- “Ineffective blue-bag garbage system has resulted in increased “dumping” in our rural areas.”
- “Lack of retail businesses, increase of pawnshops reflect a poor business climate.”
- “It is my opinion that any new business must be on or close to a major highway, and there are only three highways, of which none are zoned properly for new industry.”

The next few questions asked the respondents to indicate their considerations for future location of either the business currently located in Hibbing or of any contemplated expansion. Specifically, we asked the respondents to indicate whether or not they were considering relocating from their current location, and if so, where.

- 11.4% of the respondents indicated that they were considering relocating.
- A third of those (6.3% of all respondents) said the re-location would likely be to another location within the community.
- However, 59% (10.8% of all respondents) of those considering relocation said that they were likely to move to another city in the state.
- 9.4% (1.7% of all respondents) of those considering relocation said they were contemplating a move to another state.
- 6.3% (1.1% of all respondents) of those considering relocation said they were looking at another country as a possible location.

When asked why they were considering relocating, taxes, recruitment by other communities, changing market conditions, and growth problems were the most often cited reasons. The largest reason as
measured by numbers of responses was a lack of incentives provided to local businesses to remain in Hibbing.

# 5.7% of the total respondents said they were being recruited by other communities.

# 9.7% of the respondents said they were considering such a move due to the lack of incentives for existing, local businesses.

# 2.3% of all respondents said such relocation would be due to the lack of financing opportunities locally.

# 5.1% of respondents said that changing market conditions necessitate a relocation consideration.

# 6.3% of all respondents said that they are outgrowing their present facilities.

# 2.3% of all respondents said that the lack of land locally is preventing expansion.

# 1.1% were considering relocating due to transportation problems.

# About .5% said that local crime levels was a reason for relocation considerations.

# 1.7% said that lacking community services was a reason for considering relocation.

# About .5% of the respondents said that environmental concerns were a reason for considering relocating.

# About 2% said that rigid building codes and/or zoning regulations are a reason for considering relocating.

# 5.7% of those responding to our questionnaire said that high local taxes were causing a relocation consideration.

# 4% of the total sample said that high state taxes were causing a relocation consideration.

# 1.1% said they were considering relocating because of a lease expiration at their current location.

# 10.8% said they were considering relocating, but chose not to give a reason.

# 6.3% responded “other” and listed a number of other reasons.

62% of those responding to the survey said they were either certain to expand within the next two years, or that they were at least uncertain at this time as to whether expansion is in the plans. We then asked, should the firm expand, where would it be considering such an expansion? The current site was the most often listed as the likely location for an expansion. Another city in the state of Minnesota was the second option listed, but by only about half of those that
said the current site was the most likely. [Several respondents checked more than one answer and therefore the locations given exceeded the number of firms that said they were considering expansion.]

# 53 respondents, or 30% said their current site would be the most likely location of their expansion.

# 29 respondents, or 17% said their most likely location for expansion would be another city within the state.

# 14 respondents, or 6% said their most likely expansion would be in another state.

# 2 respondents, or 1% said that another country would be the most likely location for their expansion.

From the open-ended question asking “From a business perspective, what would improve the Hibbing community?” some typical answers were as follows:

! “Finish four lane from Grand Rapids to Hibbing. Have been talking about it for 28 years or more.”

! “A positive, intelligent business minded, responsible government is needed.”

! “More housing starts with the local banks participating.”

! “More aggressive attitude for development (industry & retail).”

! “Really need to work on getting some major retail here in order to keep people and their spending power in Hibbing.”

! “More cultural pursuits. Bring back a book store, concerts, art galleries, etc.”

! “Improve the condition of 73 South.”

! “Assist tech based firms with access to developments quickly.”

! “Prepare for tomorrow instead of striving to return to conditions that prevailed years ago.”

! “A re-thinking of direction from how does it benefit me to if the community benefits from one’s actions it will either be a spinoff or trickle down benefit me.”

! “Would like to see younger people (new blood, pro-active) in city government.”

! “Recruiting credible retailers to our main street, and/or alternatively better management of our cities. Two malls to increase occupancy.”

! “Have the city get out of the utility business, and out of the garbage business.”

! “We need new leaders in government, business, and our chamber.”

! “Expand the four year college programs.”

! “There needs to be better effort from our government, the chamber, etc., to help businesses that are already here.”

! “Diversity away from mining.”

**ANTICIPATED CHANGES**

As a follow-up to the government support questions, we asked the respondents to indicate what they see to be the strategies or changes they plan to make in the near future. The following summaries relate to the question **Do you plan to make any of the following changes within the next two years?:**

# Add New Products/Services: This was the area with greatest potential for growth. 57% of the respondents
indicated they would add new products/services.

**# Discontinue Existing Products/Services:** 11% of the respondents said they plan to discontinue existing products and services. 89% did not check this box.

**# Redesign Product Line and Market it to the Same Customers:** This was fourth largest area that respondents indicated a potential for change. 22% said this was an area for change.

**# Market Existing Products to Different Customers:** 20% said this was an area in which they plan to make to make changes.

**# Change Production Technology/Techniques:** This was the second largest area with potential change. 39% of the respondents said this was area in which they were planning changes.

**# No Changes:** 41 of the respondents, 23%, said they were planning no changes within the next two years.

![Bar Chart of Plan to Make Changes](chart_image)
We asked a further question about whether their business was contemplating closing their doors in the near future, and also questions about technological innovations that might be needed or desired for staying in business.

# Is Your Company in Danger of Closing Within the Next Two Years? The vast majority, 90%, said their company was not in danger of closing within the next two years.

# Are there any major technological innovations that might affect your company? 24% of the respondents answered yes and 27% answered maybe to this question. Several of them listed what those innovations could be:

- Telecommunications
- Internet Access
- New Equipment
- On-line Banking
- Software/hardware Upgrades
- Computerized Processes
- Laser Cutting
- Medical Advances
- DRI
- New Raw Material Alternatives
- Image Enhancing

46% answered no technological innovations would affect their firm, and the remaining 4% did not respond.

# Will these new innovations require retraining of your labor force? Of the 51% who answered yes or maybe to the prior question, 39% of those felt their labor force would require retraining. 22% said their labor force would not require retraining and 39% did not reply. Following are the categories and percentages for type of retraining that people were asked to respond to:

# Informal “on-the-job” training: 27% of the total population of responses.

# Training for new workers: 12% of the total population of responses.

# Tuition reimbursement: 6% of the total population of responses.

One of the truly significant technological changes affecting American business is in the area of telecommunications. We wanted to find out where Hibbing businesses stood with respect to this trend and attending opportunities. Those responding to the survey were asked to rate, in terms of the importance for their company, several areas relating to telecommunication applications and uses as well as other technologies and applications. The rating system was based on the numbers 1-4 where 1 = very important, 2 = important, 3 = not important, and 4 = uncertain.

# Fiber optics: 21% = very important; 19% = important; 32% = not important; 13% = uncertain; 17% = no reply.

# Digital telephone services: 26% = very important; 26% = important; 21% = not
important; 11% = uncertain; 16% = no reply.

Interactive TV: 5% = very important; 11% = important; 51% = not important; 13% = uncertain; 20% = no reply.

Access to "Internet": 21% = very important; 29% = important; 27% = not important; 11% = uncertain; 12% = no reply.

Satellite communication: 9% = very important; 15% = important; 40% = not important; 17% = uncertain; 19% = no answer.

Telemarketing services: 3% = very important; 12% = important; 52% = not important; 11% = uncertain; 22% = no reply.

Others: 1% = very important; 1% = important; 3% = not important; 4% = uncertain; 92% = no reply.

Robotics: 2% = very important; 5% = important; 54% = not important; 9% = uncertain; 31% = no reply.

Laser/optical sensing systems: 6% = very important; 8% = important; 47% = not important; 9% = uncertain; 31% = no reply.

Microelectronics: 5% = very important; 6% = important; 45% = not important; 13% = uncertain; 32% = no reply.

Automated manufacturing systems: 7% = very important; 3% = important; 47% = not important; 11% = uncertain; 32% = no reply.

Energy management: 15% = very important; 18% = important; 30% = not important; 9% = uncertain; 28% = no reply.

Waste management and disposal: 17% = very important; 27% = important; 24% = not important; 8% = uncertain; 24% = no reply.

Recycling: 19% = very important; 26% = important; 23% = not important; 8% = uncertain; 24% = no reply.

Satellite imaging systems/tracking services: 1% = very important; 4% = important; 47% = not important; 15% = uncertain; 33% = no reply.

Bar coding/computer services: 13% = very important; 13% = important; 36% = not important; 10% = uncertain; 28% = no reply.

Others: 92% = no reply. Interestingly enough, while 1% listed the “other” category as being very important, 3% as not important, and 4% as uncertain, no respondent specified what “other” meant to them. This is not unusual for a category where the vast majority did not respond to the question.
The same 1-4 rating system was used again to rate technology related innovations. An interesting trend was the extremely high percentage of very important/important ratings given to computerized record keeping/inventory and computerized billing/accounting. Economic developers may see this as a possibility for software expansion and/or a computer technology company in Hibbing.

# Computerized record keeping/inventory: 58% = very important; 22% = important; 11% = not important; 2% = uncertain; 7% = no reply.

# Computerized billing/accounting: 57% = very important; 20% = important; 13% = not important; 4% = uncertain; 7% = no reply.

# Computer networking (LANs and WANs) 26% = very important; 15% = important; 30% = not important; 12% = uncertain; 17% = no reply.

# Computer integrated engineering/design: 11% = very important; 11% = important; 44% = not important; 14% = uncertain; 21% = no reply.

# Computer integrated manufacturing: 6% = very important; 8% = important; 50% = not important; 14% = uncertain; 22% = no reply.

# CD/ROM data and applications: 25% = very important; 18% = important; 30% = not important; 9% = uncertain; 18% = no reply.
The final portion of the survey asked questions about community perception and vision. The people responding were asked to select from 7 areas that which they perceive Hibbing to be. They were then asked to select from the same 7 areas that which they want Hibbing to be.

The perception (of what Hibbing is) rating registered a broad range of percentages with light industry being far in the lead at 75% and retail at the opposite end with only 8%. The vision question (of what you want Hibbing to be) had a much closer percentage grouping with light industry still in front at 59% and tourism on the opposite end with 33%.

What type of community do you perceive Hibbing is? What type of community do you want

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<thead>
<tr>
<th>Community Type</th>
<th>Perceive</th>
<th>Want</th>
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</thead>
<tbody>
<tr>
<td>Light Industry</td>
<td>76%</td>
<td>59%</td>
</tr>
<tr>
<td>Retail Center</td>
<td>8%</td>
<td>51%</td>
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<tr>
<td>Tourist</td>
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<td>33%</td>
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The questionnaire ended with two open-ended questions. The responses to these questions are not statistically evaluated in this report. Instead, we chose to array a list...
of responses for the reader’s consideration.

Three themes seem to come out of the responses to the question, **What would be the mechanism for Hibbing to pull together?** The first theme is that the city needs to concentrate on economic development in some manner. There was not general agreement as to how this should be done, but a number of respondents indicated that a greater appreciation for the role played by existing, local firms would be a move in the right direction. Issues such as taxes, industrial prospecting, and attitude towards business were all included in these comments. Others felt that a coordinated and well thought out development plan for the city would be especially helpful.

The second theme was one of **communication/visioning.** Many called for task forces, committees, or other forms of organization made up of diverse members of the community where issues and problems could be discussed. Pulling together towards a common vision was mentioned by several of the respondents.

The third theme was that of **general community improvement.** New sources of money for housing, incentives to improve local stores and businesses, downtown development, and related comments are subsumed under this theme. Also, the need to work together as a community was mentioned in many different ways.

Finally, opportunity was provided to the respondents to comment on anything they though should be reemphasized or that was not included in the questionnaire. The request for **further comments or concerns** . . . brought out many of the same themes mentioned in the question immediately above. If we were to characterize the majority of responses in this regard, it would probably be an expressed desire for **newness.** Younger, forward thinking leadership was a common comment, the need to get more people involved was another comment along these lines. The need to pull together and support one another is a recurring theme in both open ended questions. The respondents commented as follows:

- “Hibbing needs to worry about retaining small businesses not spending time with bigger newer businesses. Need to work on small shops to retail for a more tourist attracting community.”
- “We need leadership that will promote businesses to come to Hibbing (Perkins, Target, Etc...)”
- “There is a problem with the pride issue. People need to realize they are all part of the community.”
- “Hibbing is not willing to help existing businesses better themselves. Allow more input from business owners. Better transportation needs to be available.”
- “Hibbing is cliquish/political and business groups. Needs to work together more and be more welcoming.”
- “Opposing, antagonizing groups cause gridlock. More cooperation, compromise, and support is needed.”
- “I feel things are improving, the chamber does an excellent job.”
- “If we could have some new businesses coming in - perhaps peoples perception of Hibbing as dying would change.”
“Local government, business community, citizens, everybody needs to share the same vision. No unified approach to progress.”

“A combination of the City Council and the Chamber of Commerce.”

“Must start with a quality City Government and flow to the community from there.”

“Not aware of a problem, think it’s going in the right direction.”

“Money for small businesses to do training.”

“For the city to learn to work together - open to new ideas. Let some of the younger people get involved. The community should have more say in things.”

“Cooperation between all entities and completely eliminating the thought and/or reasoning that ‘we’ve always done it that way’

“...think globally about the whole problem. Too many I’s and not enough We’s.”

“....Adapt city government attitude that business isn’t the only source of city revenue. This town has the attitude that tax businesses more, assess businesses more, and solicit them more.”

“The City Government needs to facilitate a visioning process to help identify the needs of the community and determine the roles the various agencies must have to achieve the vision.”

“More input from the businesses - rarely consulted regarding expansion, utilities and opportunities.”

“To develop with Chisholm a joint business park located between the towns.”

“...The key is that private entrepreneurs must be encouraged and helped (or at least not hindered)....An entrepreneurial friendly climate has to exist for people to be willing to take chances and take initiative....”

“An economic development coordinator with drive and a budget....”

“A strong post-secondary educational institution (The Community/Technical College) working closely with local government and business development agencies to attract and keep a diversity of industrial and other job-producing entities.”

“Incentives for improvements on stores, homes, and neighborhoods.”

“A well established economic development group supported financially in part be City Government, but not run by them.”

“Strong, aggressive City Government with focus on business development and not concerned with small special interest groups.”

“...more proactive development of existing and new business opportunities.”

“A common vision that creates synergy among all stakeholders in Hibbing.”

“Some form of committee with a representative from all aspects of the community unselfishly giving their time and working together in the best interest of the community.”

“Retail business working together with City Government to bring in new business and tourism.”

“A strong group of leadership from all areas.....put together.....by the Chamber of Commerce.....primarily.....professionals from industry, medical, retail and service areas to get Hibbing going in the same direction.”

“Small businesses employ approximately 70% of our nations workforce. Why aren’t we trying to lure more small companies here with tax incentives, our area has about the best labor force of any where in the U.S.”

“Expand our horizons and not be so closed-minded about change.”

“...Hibbing is out of the loop for attracting the likes of Target, Walmart now that our neighbors to the east & west have done so. Hibbing is not a high traffic area so we will have to offer new and exciting businesses to draw people here.”

“City Government must get along with the people in this community and work with the people to bring more and better business to Hibbing.”

“...it seems that the general public does not like the idea of any business expanding into Hibbing...”
“Realign City Government to eliminate political in fighting and special interest. This will help attract new business and increase choices.”

(From personal interviews)

“All agencies need to pull together to find out what the community needs and not fight on another. They need to do things to encourage young people to move in or stay.”

“A visionary process whereby everyone is on the same game page.”

“Unite the different factions (this is one of the communities shortcomings.) The city and the Chamber and the education communities need to work together better than they do. They need a legislator to represent them.”

“The city was doing it with the visionary concept - things have improved. They were on the right path and for some reason stopped the process. Economic development needs to coordinate and consolidate their efforts to a better extent. Industry needs to quit playing victim to the city and needs to stand on their own two feet. Government needs to pay attention to what they have...”

“The re________leads to ignoring the other firms that are here. Existing firms don’t get the same support as new firms coming in. The existing industrial sites are on a land fill with attending environmental problems. City Council’s scope is all U.S. Steel, union jobs, etc.”

Further comments or concerns...

“AS a resident of Hibbing and a business person I would like to see dollars spent in Hibbing, but because of lack of selection (retail) it is not always possible for that to happen.”

“All said and done, Hibbing is okay but if people could get out of their box socially and business minded, it would be a great.”

“People will shop if strong customer oriented businesses are located here.”

“Need to get people involved who are forward thinking - people who want this town to grow forward, not stay status quo.”

“I see Hibbing and the range municipalities going into the private sector, and I don’t agree.”

“Grand Rapids, a town half the size of Hibbing, is a retail center bringing millions of dollars into their community, while the leadership in Hibbing continues to chase these dollars away.”

“We need new leaders in government, business, and our chamber.”

“We all have to continue to attempt to create as many jobs as possible so we do not lose the young people that we have in the past.”

“Keep taxes down, and keep attitudes up and hopefully the business climate will improve.”

“Local businesses need to work together more and support new businesses that come into Hibbing. Some of us know and remember their growing pains when starting out.”

(Comments from the personal interviews)

“The city needs to take a good look at itself and ask why they have done things in the past, and what do they need to do in the future to change.”

“We must support agriculture and mining, and if we don’t support these we will import them. They want more sympathy for the environment.”

“The most productive people leave the region. As is the case with young people (the better educated), they tend to go to Minneapolis or Chicago.”
Appendix A: Survey Instrument
1. What is your position in the company?
   □ Owner
   □ Chief Executive Officer/President
   □ General Manager
   □ Other (specify)

2. What year was this establishment started in the community?

3. Please state the Standard Industrial Classification code (SIC) for your business, if you know it:
   SIC: _____________________

4. Is your establishment?
   □ the only location of the firm
   □ the headquarters of a firm with more than one establishment
   □ a branch or regional office of a firm with more than one establishment. The company headquarters is located in (city, state) _____________________

5. Remembering that this is to be kept confidential, please profile your company as follows:
   $ __________ gross property taxes paid '95
   $ __________ gross payroll '95
   $ __________ total community contributions
   ____________ square footage of business space

6. To whom do you sell your product or service? (Please estimate if you are not sure.)
   □ to Hibbing residents: ___%  
   □ to the rest of the county: ___% 
   □ to the rest of the US: ___% 
   □ Outside of the US: ___%

7. Where is your competition located? (Please estimate if you are not sure.)
   □ in Hibbing: ___% 
   □ in the rest of the county: ___% 
   □ in the rest of the US: ___% 
   □ Outside of the US: ___%

8. Where do you purchase the majority of your input supplies, raw materials, or services? (Please estimate if you are not sure.)
   □ within Hibbing ___% 
   □ outside Hibbing but less than 50 miles away ___% 
   □ within the state but greater than 50 miles away ___% 
   □ outside the state but within the US ___% 
   □ outside the US ___%

9. What are the main reasons for not buying the inputs locally? (Check all that apply)
   □ on time delivery 
   □ quality of materials 
   □ price is not competitive 
   □ transportation cost 
   □ availability of items 
   □ customer service 
   □ poor selection 
   □ others (specify) _____________________

   (go to next page)
**YOUR WORKFORCE:**

10. What is the average age of your employees?  
(please estimate if you are not sure.)

   Average age of employees:

11. How many employees currently work at your establishment?

   Number of employees:

   How many of your employees are full-time?

   Number of full-time employees 1994:

   Number of full-time employees 1995:

   Part-time?

   Number of part-time employees 1994:

   Number of part-time employees 1995:

12. Are you a union or non-union shop?

   □ union
   □ non-union

13. Please indicate where most of your employees live? (Please estimate if you are not sure.)

   within Hibbing ___%

   outside of Hibbing but travel less than 25 miles one-way to work ___%

   outside of Hibbing and travel more than 25 miles one-way to work ___%

14. Has your firm had difficulty in hiring skilled workers over the past two years?

   □ yes □ no □ don’t know

   Why?

15. Has your firm had difficulty in retaining skilled workers over the past two years?

   □ yes □ no □ don’t know

   Why? (Please specify.)

   □ age (retirements)
   □ pay
   □ competition from other firms
   □ lack of affordable housing
   □ lack of employment for spouse
   □ changes in company policy and practices
   □ workers upgrading skills and moving on
   □ unhappy with Hibbing schools and services
   □ Other (please specify):

16. From what source does your firm primarily recruit its skilled workers?

   □ high schools
   □ community-technical colleges
   □ universities
   □ other firms
   □ other (please specify):

17a. Does your firm presently provide its skilled workers with any form of training?

   □ yes □ no

b. Has there been an increase in investment for employee training in the last two years?

   □ yes □ no

18. Does most of the training for skilled workers provided by your firm currently consist of...  
(Check all that apply.)

   □ informal “on-the-job” training
   □ retraining existing workers
   □ tuition reimbursement
   □ special agreements with schools or public providers for worker training
   □ other ___
19. How satisfied or unsatisfied are you with the performance of your current skilled workers in the following areas:

- basic skills: (reading, writing, arithmetic)
- technical skills
- interpersonal skills
- communication skills
- work ethic: (team work, confidence, service)
- tardiness/timeliness
- thinking and reasoning skills

   Very    Neutral    Dissatisfied

b. List any agencies which have helped you improve your business.

   ______________________________________________________

   ______________________________________________________

   ______________________________________________________

c. Which agencies could more effectively help your business? Please explain.
(please feel free to write on a separate sheet of paper if there is not enough room below to accommodate your comments.)

20. Do you expect employment to increase in the next two years?

   □ yes   □ no

   If yes, by how much? ______

21. How supportive have the following agencies been in establishing and supporting your business?

   Very    Neutral    Unsupporting

   Hibbing city government: ______     ______     ______
   County government: ______     ______     ______
   State government: ______     ______     ______
   Federal government: ______     ______     ______

22 a. To what extent are you aware of available help from various agencies?

   ______________________________________________________
   ______________________________________________________

23. Please rank in order of importance the top 5 factors in the following list which are likely to have an impact on your establishment in the next two years:

   ______ new products
   ______ changing consumer tastes
   ______ demographics
   ______ higher consumer incomes
   ______ defense spending
   ______ foreign competition
   ______ domestic competition
   ______ raw material shortages
   ______ energy costs
   ______ transportation costs
   ______ wage rates
   ______ raw material costs
   ______ new technology
   ______ financing availability
   ______ taxes/government policies
   ______ other factors (please specify)

   ______________________________________________________

   (go to next page)
24. Please indicate if you would like information on the following subjects. (Check all that apply.)
   - labor training
   - state regulations
   - financing programs
   - labor/management relations
   - export/foreign markets
   - marketing strategies
   - management seminars
   - technology
   - other ______

COMMUNITY ADVANTAGES/DISADVANTAGES:

25. Please rate your community in the following areas.

<table>
<thead>
<tr>
<th>Rating</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent = 1</td>
<td>__________________________</td>
</tr>
<tr>
<td>Good = 2</td>
<td>__________________________</td>
</tr>
<tr>
<td>Fair = 3</td>
<td>__________________________</td>
</tr>
<tr>
<td>Poor = 4</td>
<td>__________________________</td>
</tr>
<tr>
<td>Don't Know = 5</td>
<td>__________________________</td>
</tr>
</tbody>
</table>

If you chose “poor” for any of the categories above, please explain the problems you have had with the services. Please feel free to use a separate sheet of paper if you need more space to comment.

26. Overall, how would you rate Hibbing as a place to conduct business?
   - excellent
   - good
   - fair
   - poor

27. Is your business considering relocating to another area? (Remember that your responses to all questions on this survey will be treated as confidential.)
   - yes
   - no
   - not sure

28. If you are considering relocating, where are you considering relocating the business?
   - a different location in Hibbing
   - another city within the state
   - another state
   - another country
   - no answer

29. If you are considering relocating, what are your main reasons for relocating? (Check all that apply.)
   - other communities are recruiting
   - lack of incentives for local business
   - lack of financing opportunities
   - changing market
   - outgrown facilities
   - no land for expansion
   - transportation problems
   - crime
   - low work productivity
   - community services lacking
   - environmental concerns
   - rigid building code enforcement
   - zoning regulations
   - high local taxes
   - high state taxes
   - lease expiration
   - no answer
   - others (specify) __________________________
30. Is your company considering expanding?
   □ yes
   □ no
   □ uncertain

31. If yes, where are you considering expanding?
   □ at this site
   □ another city within the state
   □ another state
   □ another country

32. If you are considering expansion in a location other than this one, what are the attractions of expanding in a different location?

33. Do you plan to make any of the following changes within the next two years?
    (Check all that apply.)
   □ add of new products/services
   □ discontinue existing products/services
   □ redesign product line and market it to the same customers
   □ redesign product line and market it to different customers
   □ market existing products to different customers
   □ change production technology/techniques
   □ no changes

34. Is your company in danger of closing within the next two years?
   □ yes
   □ no

If yes, please give reasons why.

35. Are there any major technological innovations that might affect your company?
   □ yes
   □ no
   □ maybe

If yes or maybe, please identify the innovation(s).

36. Will these new innovations require retraining of your labor force?
   □ yes
   □ no
   □ maybe

If yes, which of the following applies?
   □ informal “on-the-job” training
   □ training for new workers
   □ tuition reimbursement

37. Please indicate if any of the following items are important to your company.

<table>
<thead>
<tr>
<th>Importance Level</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>very important</td>
<td>1</td>
</tr>
<tr>
<td>important</td>
<td>2</td>
</tr>
<tr>
<td>not important</td>
<td>3</td>
</tr>
<tr>
<td>uncertain</td>
<td>4</td>
</tr>
</tbody>
</table>

**Telecommunication Applications/Uses**

- fiber optics
- digital telephone services
- interactive TV
- access to “Internet”
- satellite communication
  - to receive data
  - to send data
- telemarketing services
- others (specify)

**Other Technologies and Applications**

- robotics
- laser/optical sensing systems
- microelectronics
- automated manufacturing systems
- energy management
- waste management and disposal
- recycling
- satellite imaging systems/tracking services
- bar coding/computer services
- others (specify)

(go to next page)
### COMMUNITY ADVANTAGES DISADVANTAGES (continued)

<table>
<thead>
<tr>
<th>38. Please indicate if the following technology-related innovations are important to your company.</th>
</tr>
</thead>
<tbody>
<tr>
<td>very important = 1</td>
</tr>
<tr>
<td>important = 2</td>
</tr>
<tr>
<td>not important = 3</td>
</tr>
<tr>
<td>uncertain = 4</td>
</tr>
<tr>
<td>computerized record keeping/inventory</td>
</tr>
<tr>
<td>computerized billing/accounting</td>
</tr>
<tr>
<td>computer networking (LANs and WANs)</td>
</tr>
<tr>
<td>computer integrated engineering/design</td>
</tr>
<tr>
<td>computer integrated manufacturing</td>
</tr>
<tr>
<td>CD-ROM data and applications</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>39. How would you rate the community of Hibbing in the following area?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent = 1   Good = 2   Fair = 3   Poor = 4</td>
</tr>
<tr>
<td>services (fire, health, etc.)</td>
</tr>
<tr>
<td>business environment</td>
</tr>
<tr>
<td>community's size</td>
</tr>
<tr>
<td>people</td>
</tr>
<tr>
<td>location</td>
</tr>
<tr>
<td>parks/recreation</td>
</tr>
<tr>
<td>housing</td>
</tr>
<tr>
<td>land availability</td>
</tr>
<tr>
<td>wage rates</td>
</tr>
<tr>
<td>labor</td>
</tr>
<tr>
<td>work ethic</td>
</tr>
<tr>
<td>cost of living</td>
</tr>
<tr>
<td>schools</td>
</tr>
<tr>
<td>city government</td>
</tr>
<tr>
<td>other (specify)</td>
</tr>
</tbody>
</table>

| 40. From a business perspective, what would improve the Hibbing community? |

<table>
<thead>
<tr>
<th>41 a. What type of community do you perceive Hibbing is?</th>
</tr>
</thead>
<tbody>
<tr>
<td>light industry</td>
</tr>
<tr>
<td>retail center</td>
</tr>
<tr>
<td>tourist</td>
</tr>
<tr>
<td>recreation</td>
</tr>
<tr>
<td>medical</td>
</tr>
<tr>
<td>educational</td>
</tr>
<tr>
<td>other (Please specify)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>41 b. What type of community do you want Hibbing to be?</th>
</tr>
</thead>
<tbody>
<tr>
<td>light industry</td>
</tr>
<tr>
<td>retail center</td>
</tr>
<tr>
<td>tourist</td>
</tr>
<tr>
<td>recreation</td>
</tr>
<tr>
<td>medical</td>
</tr>
<tr>
<td>educational</td>
</tr>
<tr>
<td>other (Please specify)</td>
</tr>
</tbody>
</table>

| 42. What would be the mechanism for Hibbing to pull together? |
43. Any further comments, questions, or concerns?
Appendix B: Supporting Statistical Data, Including Standard Errors of the Estimate
# Statistics

<table>
<thead>
<tr>
<th>N</th>
<th>Mean</th>
<th>Median</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>Missing Statistic</td>
<td>Statistic Std. Error</td>
<td>Statistic</td>
</tr>
<tr>
<td>Valid</td>
<td>Statistic</td>
<td>Statistic</td>
<td></td>
</tr>
<tr>
<td>----------</td>
<td>---------------------</td>
<td>-----------------</td>
<td>----------------</td>
</tr>
<tr>
<td>What is your position in the company?</td>
<td>173</td>
<td>3</td>
<td>1.97</td>
</tr>
<tr>
<td>Please state the Standard Industrial Classification code (SIC) for your business</td>
<td>31</td>
<td>145</td>
<td>4994.16</td>
</tr>
<tr>
<td>Is your establishment?</td>
<td>174</td>
<td>2</td>
<td>1.68</td>
</tr>
<tr>
<td>Gross property taxes paid in '95</td>
<td>79</td>
<td>97</td>
<td>274888.03</td>
</tr>
<tr>
<td>Gross payroll in '95</td>
<td>106</td>
<td>70</td>
<td>1350407.84</td>
</tr>
<tr>
<td>Total community contributions</td>
<td>83</td>
<td>93</td>
<td>17394.58</td>
</tr>
<tr>
<td>Square footage of business space</td>
<td>124</td>
<td>52</td>
<td>52516.14</td>
</tr>
<tr>
<td>What % of your product or service do you sell to Hibbing residents?</td>
<td>164</td>
<td>12</td>
<td>56.29</td>
</tr>
<tr>
<td>What % of your product or service do you sell to the rest of the county?</td>
<td>164</td>
<td>12</td>
<td>29.34</td>
</tr>
<tr>
<td>What % of your product or service do you sell outside of the US?</td>
<td>164</td>
<td>12</td>
<td>13.15</td>
</tr>
<tr>
<td>What % of your competition is located in Hibbing?</td>
<td>152</td>
<td>24</td>
<td>53.64</td>
</tr>
<tr>
<td>What % of your competition is located in the rest of the county?</td>
<td>152</td>
<td>24</td>
<td>29.74</td>
</tr>
<tr>
<td>What % of your competition is located in the rest of the US?</td>
<td>152</td>
<td>24</td>
<td>12.60</td>
</tr>
<tr>
<td>What % of your competition is located outside of the US?</td>
<td>152</td>
<td>24</td>
<td>1.91</td>
</tr>
<tr>
<td>What % of your input supplies, raw materials, or service do you purchase within Hibbing?</td>
<td>164</td>
<td>12</td>
<td>34.87</td>
</tr>
<tr>
<td>What % of your input supplies, raw materials, or services do you purchase outside Hibbing but less than 50 miles away?</td>
<td>164</td>
<td>12</td>
<td>7.13</td>
</tr>
<tr>
<td>Question</td>
<td>Count</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>--------------------------------------------------------------------------</td>
<td>-------</td>
<td>-----</td>
<td>----</td>
</tr>
<tr>
<td>What % of your input supplies, raw materials, or services do you purchase within the MN but greater than 50 miles away?</td>
<td>164</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>What % of your input supplies, raw materials, or services do you purchase outside MN, but within the US?</td>
<td>164</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>What % of your input supplies, raw materials, or services do you purchase outside the US?</td>
<td>164</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>What are the main reasons for not buying the inputs locally? On Time Delivery</td>
<td>5</td>
<td>171</td>
<td></td>
</tr>
<tr>
<td>What are the main reasons for not buying the inputs locally? Quality of materials</td>
<td>5</td>
<td>171</td>
<td></td>
</tr>
<tr>
<td>What are the main reasons for not buying the inputs locally? Price is not competitive</td>
<td>47</td>
<td>129</td>
<td></td>
</tr>
<tr>
<td>What are the main reasons for not buying the inputs locally? Transportation cost</td>
<td>1</td>
<td>175</td>
<td></td>
</tr>
<tr>
<td>What are the main reasons for not buying the inputs locally? Availability of items</td>
<td>124</td>
<td>52</td>
<td></td>
</tr>
<tr>
<td>What are the main reasons for not buying the inputs locally? Customer service</td>
<td>15</td>
<td>161</td>
<td></td>
</tr>
<tr>
<td>What are the main reasons for not buying the inputs locally? Poor selection</td>
<td>22</td>
<td>154</td>
<td></td>
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<td>What are the main reasons for not buying the inputs locally? Other</td>
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<td>What is the average age of your employees?</td>
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<td>How many employees currently work at your establishment?</td>
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<td>Number of full-time employees in 1994</td>
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<td>Number of full-time employees in 1995</td>
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<td>What % of your employees live outside of Hibbing but travel less than 25 miles one-way to work?</td>
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<td>From what source does your firm primarily recruit its skilled workers? High Schools</td>
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<td>From what source does your firm primarily recruit its skilled workers? Community-Technical Colleges</td>
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Please indicate if you would like information on labor training: 22, 154, 1.00, 0.00, 0.00
Please indicate if you would like information on state regulations: 28, 148, 1.00, 0.00, 0.00
Please indicate if you would like information on financing programs: 38, 138, 1.00, 0.00, 0.00
Please indicate if you would like information on labor/management relations: 18, 158, 1.00, 0.00, 0.00
Please indicate if you would like information on export/foreign markets: 3, 173, 1.00, 0.00, 0.00
Please indicate if you would like information on marketing strategies: 51, 125, 1.00, 0.00, 0.00
Please indicate if you would like information on management seminars: 38, 138, 1.00, 0.00, 0.00
Please indicate if you would like information on technology: 20, 156, 1.00, 0.00, 0.00
Please indicate if you would like information on another topic: 7, 169, 1.00, 0.00, 0.00
Please rate your community in the area of availability of credit: 153, 23, 2.12, 7.08E-02, 2.00, 0.88

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<td>Other communities are recruiting</td>
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<td>Lack of incentives for local business</td>
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<td>Lack of financing opportunities</td>
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<td>Changing market</td>
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<td>Outgrown Facilities</td>
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<td>Low work productivity</td>
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<td>Community services lacking</td>
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<td>Environmental concerns</td>
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<td>Rigid building code enforcement</td>
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<td>1.00</td>
<td></td>
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If you are considering relocating, what are your main reasons for relocating - Zoning regulations | 2 | 174 | 1.00 | .00 | .00
If you are considering relocating, what are your main reasons for relocating - High local taxes | 10 | 166 | 1.00 | .00 | .00
If you are considering relocating, what are your main reasons for relocating - High state taxes | 7 | 169 | 1.00 | .00 | .00
If you are considering relocating, what are your main reasons for relocating - Lease expiration | 2 | 174 | 1.00 | .00 | .00
If you are considering relocating, what are your main reasons for relocating - No answer | 19 | 157 | 1.00 | .00 | .00
If you are considering relocating, what are your main reasons for relocating - Other | 11 | 165 | 1.00 | .00 | .00
Is your company considering expanding? | 175 | 1 | 1.87 | 5.90E-02 | 2.00 | .78
Where are you considering expanding? At this site | 78 | 98 | .68 | 5.32E-02 | 1.00 | .47
Where are you considering expanding? Another city within the state | 78 | 98 | .37 | 5.51E-02 | .00 | .49
Where are you considering expanding? Another state | 78 | 98 | .14 | 3.97E-02 | .00 | .35
Where are you considering expanding? Another country | 78 | 98 | 2.56E-02 | 1.80E-02 | .00 | .16
Do you plan to add new products/services within the next two years? | 100 | 76 | 1.00 | .00 | .00
Do you plan to discontinue existing products/services within the next two years? | 20 | 156 | 1.00 | .00 | .00
Do you plan to redesign product line and market it to different customers within the next two years? | 39 | 137 | 1.00 | .00 | .00
Do you plan to market existing products to different customers within the next two years? | 35 | 141 | 1.00 | .00 | .00
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<th>No</th>
<th>Pct.</th>
<th>Diff.</th>
<th>Significance</th>
<th>Diff.</th>
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<td>107</td>
<td>1.00</td>
<td>.00</td>
<td>.00</td>
<td>.00</td>
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<td>.00</td>
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<td>Is your company in danger of closing within the next two years?</td>
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<td>9</td>
<td>1.95</td>
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<td>Are there any major technological innovations that might affect your company?</td>
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<td>7</td>
<td>2.03</td>
<td>5.53E-02</td>
<td>2.00</td>
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<td>Will these new innovations require retraining of your labor force?</td>
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<td>68</td>
<td>1.97</td>
<td>7.72E-02</td>
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<td>Will new innovations require retraining through informal &quot;on-the-job&quot; training?</td>
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<td>6.86</td>
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<td>Will new innovations require retraining through tuition reimbursements?</td>
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<td>How important are other telecommunication applications/uses to your company?</td>
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<td>How important are laser/optical sensing systems to your company?</td>
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<td>What type of community do you perceive Hibbing is - Retail center</td>
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<td>What type of community do you perceive Hibbing is - Recreation</td>
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<td>What type of community do you perceive Hibbing is - Medical</td>
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<td>What type of community do you perceive Hibbing is - Educational</td>
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<td>What type of community do you want Hibbing to be - Light industry</td>
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<td>What type of community do you want Hibbing to be - Tourist</td>
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<td>118</td>
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<td>What type of community do you want Hibbing to be - Recreation</td>
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<td>What type of community do you want Hibbing to be - Medical</td>
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<td>The individual survey #</td>
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<td>Please state the Standard Industrial Classification code (SIC) for your business</td>
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<td>61.68</td>
<td>1.75</td>
<td>59.50</td>
<td>23.17</td>
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<td>People with specialized skills not available in area</td>
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<td>121</td>
<td>3.49</td>
<td>.45</td>
<td>1.00</td>
<td>3.32</td>
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<td>Agencies which could more effectively help</td>
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<td>.47</td>
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<td>If you chose poor for any of the categories, please explain why</td>
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<td>If considering expansion in area other that this one, what are the attractions of different location</td>
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<td>2.36</td>
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<td>122</td>
<td>3.74</td>
<td>.47</td>
<td>1.00</td>
<td>3.43</td>
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<td>From a business perspective, what would improve the Hibbing community?</td>
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<td>2.93</td>
<td>.20</td>
<td>2.00</td>
<td>2.13</td>
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<td>Mechanism for Hibbing to pull together</td>
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<td>64</td>
<td>2.26</td>
<td>.22</td>
<td>1.00</td>
<td>2.31</td>
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<td>any further comments, questions, or concerns?</td>
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<td>139</td>
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<td>.50</td>
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<td>3.04</td>
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Appendix C: Description of Sample and SIC Profile
Description of Sample and SIC Profile

The population consisted of all businesses in the Hibbing Chamber of Commerce within the 55746 Zip Code.

Surveys were sent ................................................. 513
Completed surveys were received ......................... 192
Surveys were eliminated as not being

Profile of Respondents According to SIC

Retail 26.0%
Manufacturing 20.0%
10.0%
Finance, Insurance, Real Estate
Unable to Determine 8.0%
Other 36.0%

Within the 55746 Zip Code area ......................... 13
Total sample size .................................................. 177
Total population within the 55746 Zip Code ............ 413
Appendix D: Hibbing Chamber Project Partners
Appendix D: Hibbing Area Chamber of Commerce
Survey Project Partners

Mark Shervey Chair of the Board
Lory Fedo President, CEO

Business Retention and Expansion Committee
Greg Widmer Co-chair
Dan Burkes Co-chair
Jim Antilla
Andy Borland
Jim Bymark
Richard Bugliosi
Charlie Crep
Mark Groettum
Bill Manney
Marv Meschke
Rob Pearson
Joanne Perko
Mark Peterson