UNIVERSITY OF OREGON

January 29th, 2025

To	A Greater Applegate & Wellington Wildlands Council
From	Melissa Graciosa, Project Director, Institute for Policy Research and Engagement
SUBJECT	APPLEGATE VALLEY BUSINESS SURVEY SUMMARY

PURPOSE AND METHODS

The purpose of this memo is to discuss the results of the Applegate Valley (AGV) business survey. This survey was conducted as part of a larger study seeking to produce an impartial report of the local economic conditions to support further community conversations on local economic development priorities titled *Applegate Valley Economic Conditions Assessment*. This study is a partnership between A Greater Applegate (AGA), Wellington Wildlands Council (WWC), and the Institute for Policy Research and Engagement (IPRE) at the University of Oregon.

The AGV business survey was designed to engage with the local business community with the objectives of:

- Identifying existing current conditions, economic activity, and businesses; and
- Identifying business assets, needs, and gaps.

The survey was administered using Qualtrics Survey Software and distributed online from December 10th, 2024 to December 31st, 2024. IPRE provided a printable survey copy to partners for in-person engagement, use, and to provide options for translation. AGA and WWC partners distributed the survey through email, meetings, and one-on-one calls with their existing business network contacts and partner and member listservs. <u>This survey was not designed to collect a representative sample</u>, but rather to gather information on the presence or absence of business types, activities, opinions, and experiences in the AGV.

At the close of the survey, IPRE recorded all complete and incomplete responses. IPRE removed 26 responses that were 10% or less complete from the survey sample. An additional four responses were removed because they were duplicate responses, as evaluated by Qualtrics data validity analytics and comparison of open-ended survey responses. In some cases, IPRE retained responses flagged as duplicates given answers reflected two distinct businesses that were owned or operated by the same person.

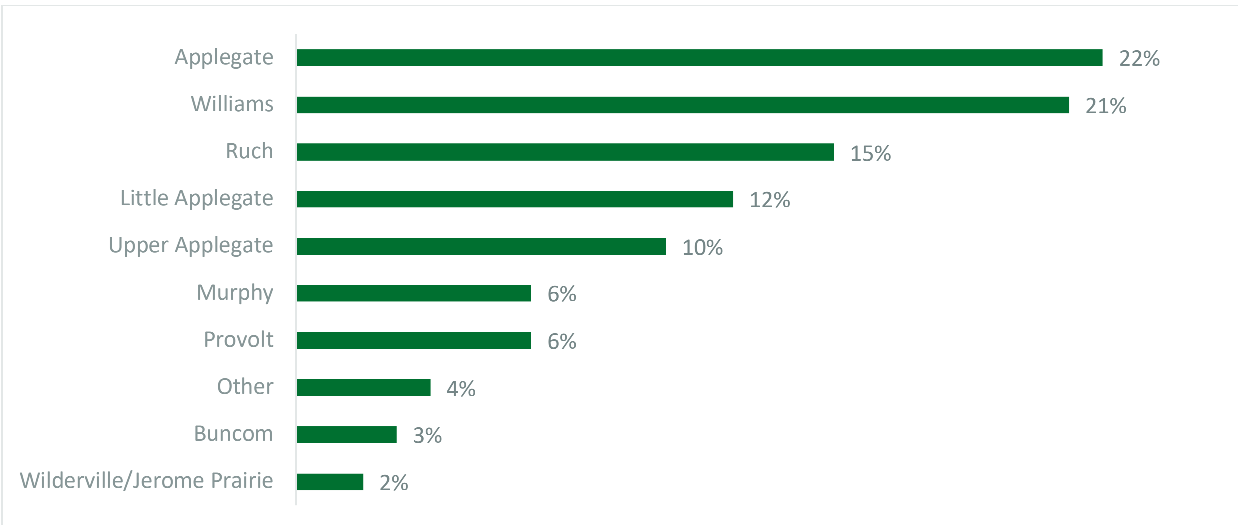
The cleaned survey sample included a total of 110 responses between 100%- 20% complete. All survey graphics and analysis report the total number of respondents by question, ex. n = # of respondents. Additionally, IPRE re-labelled or aggregated data where appropriate such as re-categorizing businesses by the appropriate industry sector.

Survey Analysis

Business Characteristics

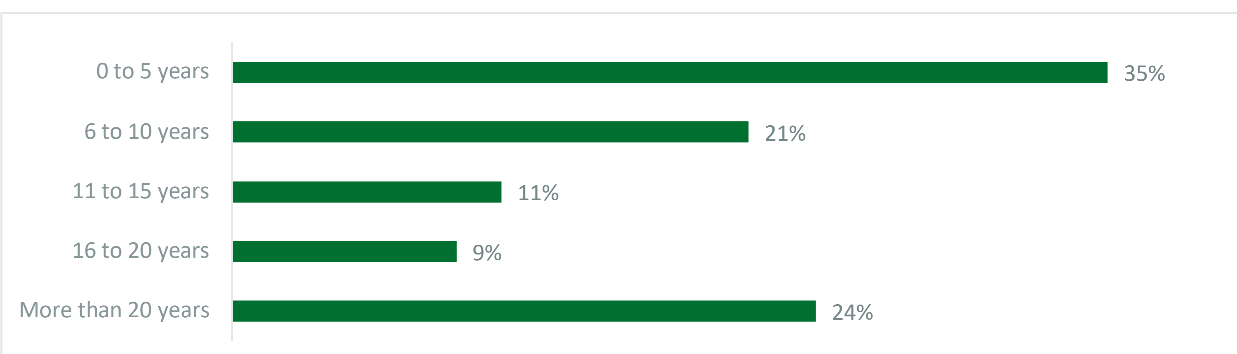
Survey respondents from Applegate (n=24) and Williams (n=23) make up 43% of total respondents. A smaller percentage of respondents were categorized as "other" when they had described their primary business operations occurring in more than two locations in the AGV. Some respondents also shared that while their business largely operated within the AGV, they maintained an administrative office outside of the area such as in Grants Pass or Medford. Approximately 88% (n=75/85) of respondents shared that they lived in the AGV themselves.

Figure 1 - Respondents by Location in the Applegate Valley, OR, n=110



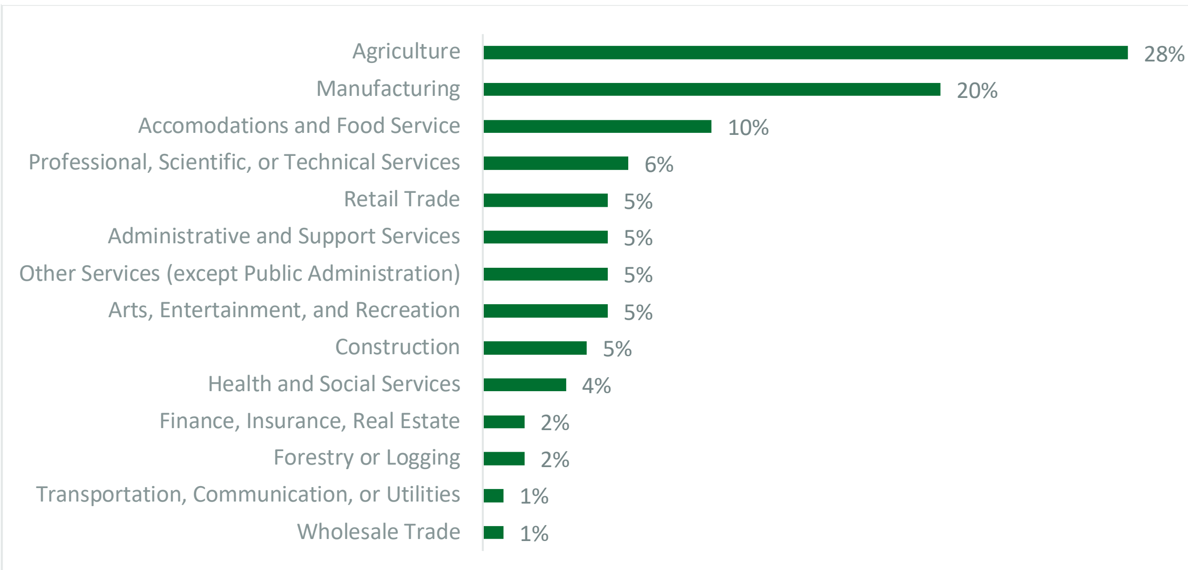
Just over a third of total responses (35%; n=39/110) represent business owners who have started businesses in the past 5 years, including those who have been in operation for less than 1 year. Nearly a quarter (24%; n=26/110) of responses were business owners who have been in operation for more than 20 years. There were lower response rates for businesses that have been in operation between 11-15 years and 16-20 years. This may be the result of survey sampling and not necessarily reflect the true composition of businesses by years of operation in the AGV.

Figure 2 - Respondents by Number of Years in Business in the Applegate Valley, OR, n=110



Most survey respondents (58%) operate businesses within Agriculture, Manufacturing, and Accommodation and Food Services, as shown in Figure 3. While the 2022 County Business Patterns (CBP) provides business establishment data at both the county- and ZIP code-level, the data is a poor comparison for the survey sample. While CBP covers most industries, it excludes crop and animal production, as well as rail transportation, postal service, public administration, pension, health, welfare, and other insurance funds, private households, and offices of notaries.[1] The CBP methodology can help to explain why there are more businesses in agriculture within the survey sample (n=31), than accounted for in total number of businesses in the 2022 CBP for agriculture, forestry, fishing and hunting for ZIP codes aligning with the AGV study area (ZIP codes: 97527, 97543, 97544, 97530).

Figure 3 - Respondents by Industry in the Applegate Valley, OR, n=110

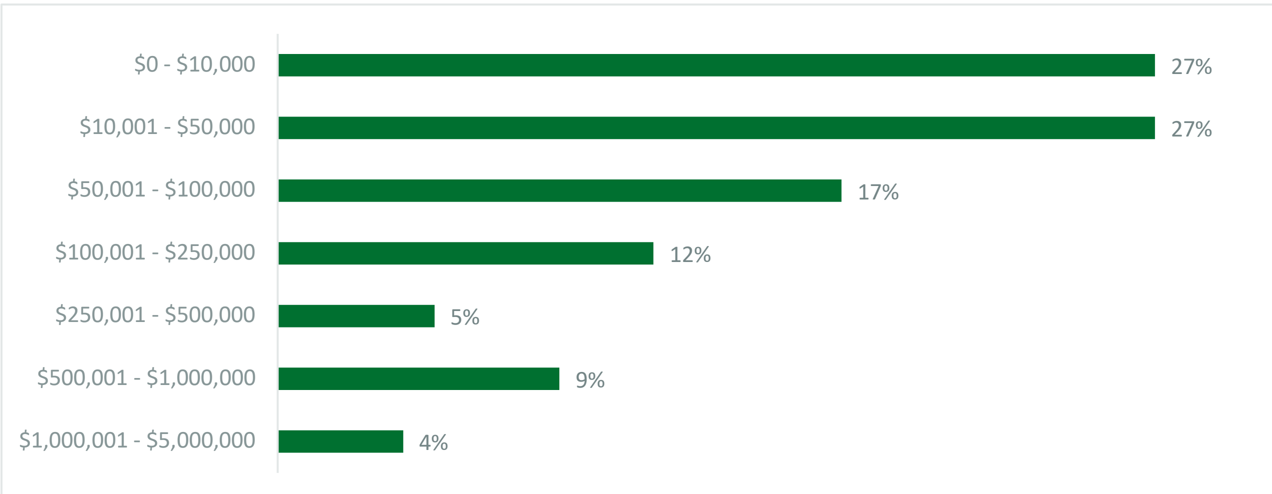


[1] US Census (2024) County Business Patterns Methodology. Retrieved from https://www.census.gov/programs-surveys/cbp/technical-documentation/methodology.html#par_textimage_36648475

Gross Revenue

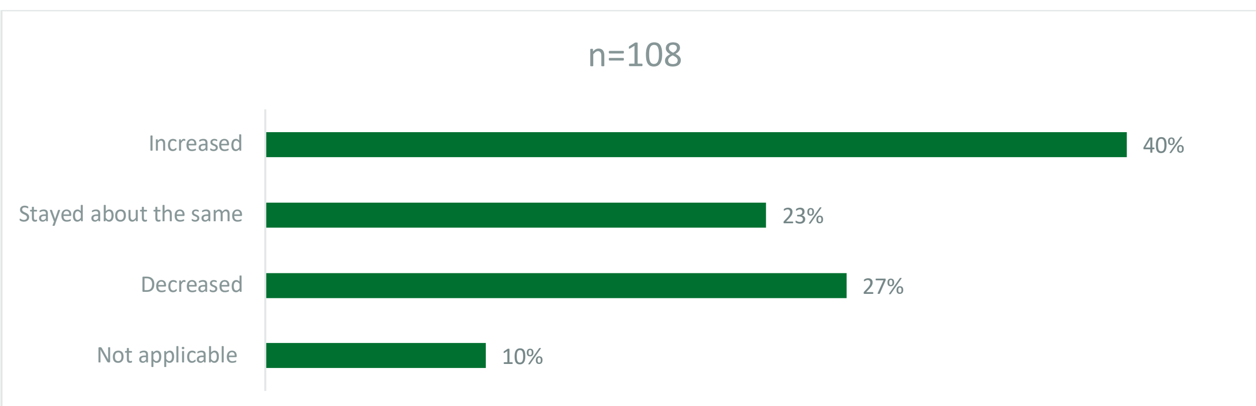
Most businesses reflected in the survey sample had a gross revenue of $50K or less in 2023; 27% of survey respondents reported a gross revenue of $10K or less. It is unclear whether survey respondents relied on the business that they have reflected in their answers as their sole source of income; individuals may have more than one business, have an additional job, or have income from benefits or investments, amongst other sources.

Figure 4 - Respondents by 2023 Gross Business Revenue in the Applegate Valley, OR, n=104



Overall, 40% of total survey respondents experienced an increase in annual gross revenue between 2021 and 2024. Respondents also most frequently identified the third quarter (Q3; June – Aug) as the most profitable, regardless of industry type.

Figure 5 – Respondent Reported Change in Gross Business Revenue Between 2021-2024, n=108



The following figures show a breakdown of changes to gross revenue between 2021 -2024 as reported by agriculture, manufacturing, and accommodation and food services survey respondents.

Figure 7 - Agriculture Business Respondents Reported Change in Gross Business Revenue Between 2021-2024, n=31

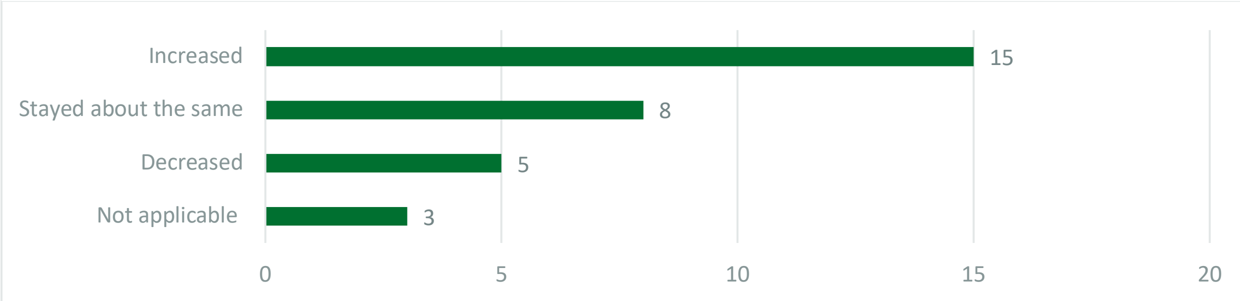


Figure 6 - Manufacturing Business Respondents Reported Change in Gross Business Revenue Between 2021-2024, n=22

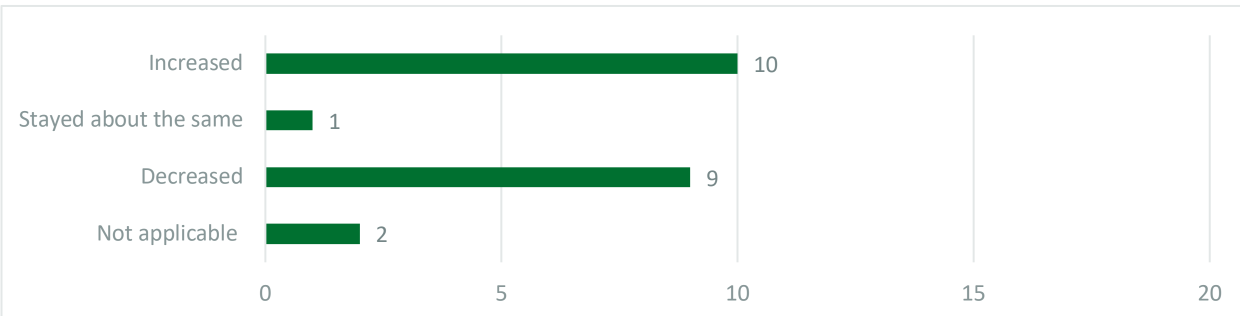
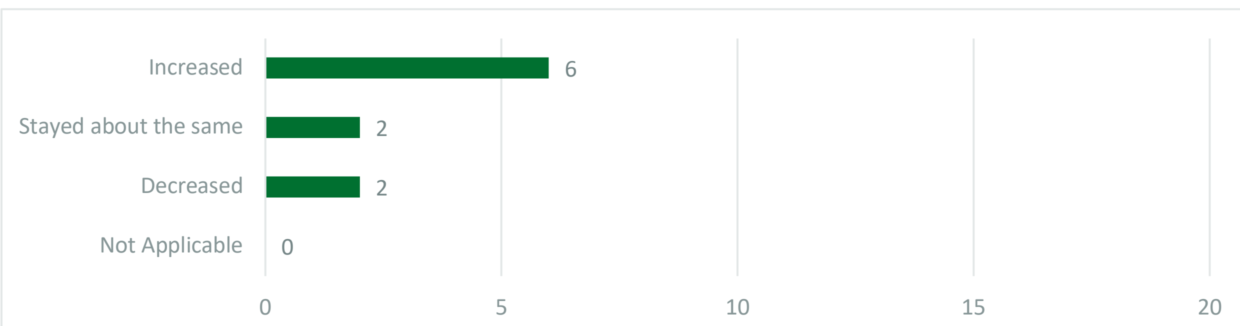


Figure 8 - Accommodation and Food Service Business Respondents Reported Change in Gross Business Revenue Between 2021-2024, n=10



Results for changes in gross revenue when disaggregated by industry showed similar patterns of increase to the survey sample overall apart from respondents for manufacturing. Table X. details respondents by type of manufacturing business and reported changes to gross revenue between 2021 and 2024. Most respondents representing beverage manufacturers reported decreases. This would include businesses that produce wine, beer, cider, and bottle drinks, amongst others.

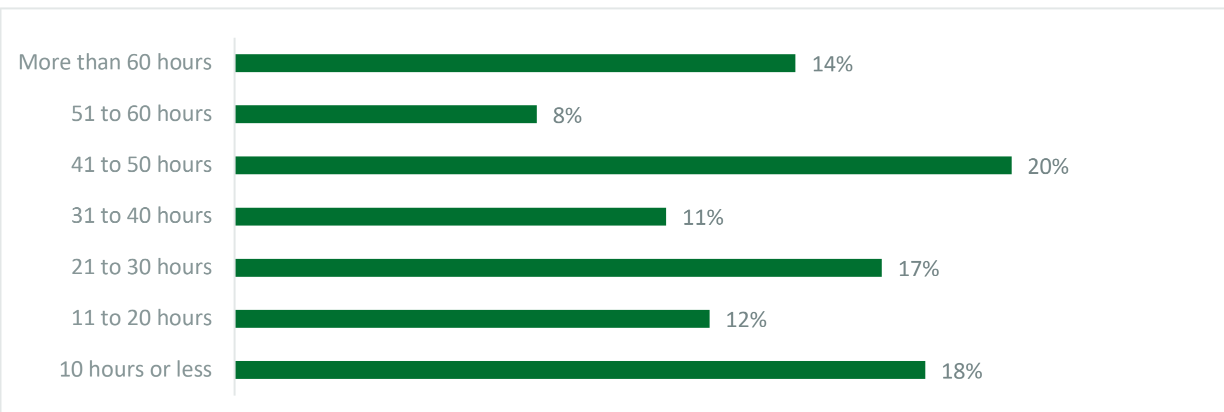
Table 1 - Manufacturing Business Respondents Reported Changes to Gross Business Revenue Between 2021-2024, n=22

Type of Manufacturing Business	Increased	Stayed about the Same	Decreased	Not Applicable	Total
Manufacturing - Arts	6			1	7
Manufacturing – Apparel	1		1		2
Manufacturing – Beverage	2		7		9
Manufacturing – Food		1			1
Manufacturing – Medicinal or Botanical	1				1
Other Manufacturing – Other			1	1	2
Total	9	10	2	1	22

Effort and Training

The number of hours dedicated to business operation vary across business owner respondents. Approximately 42% of respondents reported spending more than 40 hours towards the successful operation of their business. A third of respondents spent 20 hours or less operating their business.

Figure 9 - Business Owner Hours Per Week Spent on Business Operation, n=90



Of the businesses that reported employees (n=33/91), most had four or fewer full-time employees and four or fewer part-time employees. Table 2 and 3 show a breakdown of responses.

Table 2 - Number of Full-Time Employees Reported, n=24

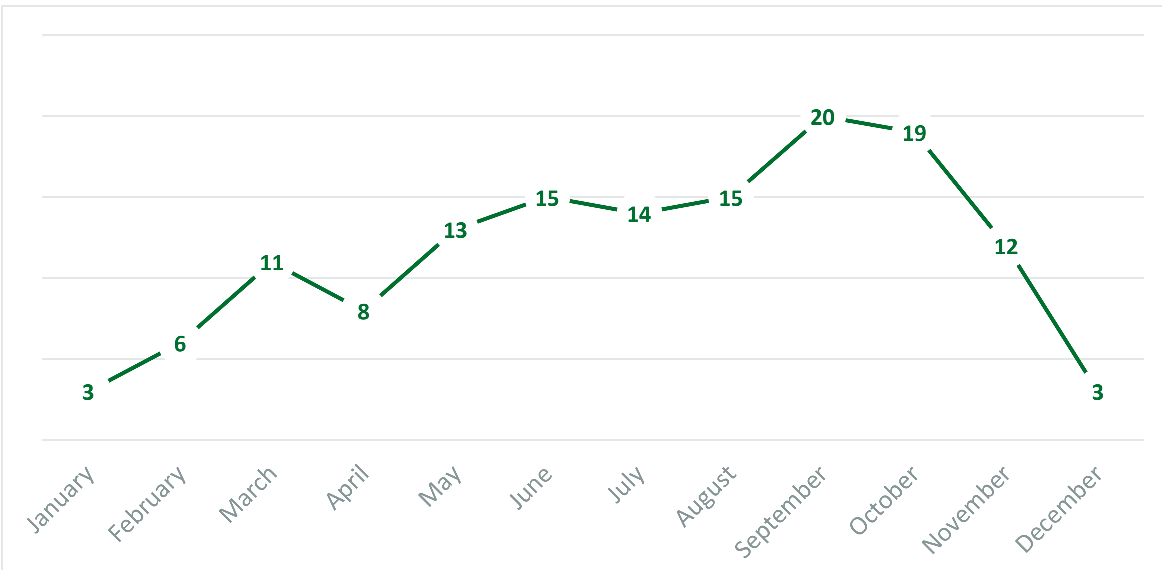
# of full-time employees	# of AGV business respondents	% AGV business respondents
4 or fewer	16	67%
5 to 9	4	17%
10 to 19	2	8%
20 or more	2	8%

Table 3 - Number of Part Time Employees Reported, n=29

# of part time employees	# of AGV business respondents	% AGV business respondents
4 or fewer	21	72%
5 to 9	3	10%
10 to 19	2	7%
20 or more	3	10%

Approximately 31 respondents (n=31/92) reported having a seasonal workforce. Most frequently respondents reported a having a hired seasonal workforce during the months of September and October. Fewer respondents less frequently reported employing seasonal employees during winter months (December and January).

Figure 10 - Most Frequently Reported Months for Employing a Seasonal Workforce, n=31



Most respondents (67%, n= 18/27) reported that they did not have educational requirements for their employees. Most business respondents (n=25/29) also reported that they provided on-the-job training, and more than half (n-16/29) required some previous experience. Only four respondents reported requirements for professional licensing or certifications. Many businesses have employees with different levels of requirements based on the key duties of the job position.

Business Experiences

Respondents were provided a set of open-ended questions to expand on their experiences as business owners in the AGV. The top themes from open-ended responses about business experiences included:

1. **Funding and capital flow.** Respondents face challenges of making profit margins in smaller markets, competing with larger scale businesses with more capital flow, and securing upgraded equipment.
2. **Marketing and branding.** Respondents reported challenges about reaching new audience and communicating the value of services or goods.
3. **Local support.** Many respondents shared that there is a strong sense of community support and business support in the AGV. Respondents highlighted A Greater Applegate and Rogue Community College as valuable partners.
4. **Unique local opportunities.** Despite challenges, some respondents reported opportunities for local economic growth through markets, fairs, and partnerships.
5. **Workforce.** Respondents shared challenges related to finding and retaining skilled workforce, including larger economic challenges such as housing.

Respondents were also asked about what support or services they have received in the past. The top five themes from open-ended responses about services accessed included:

1. **Website and social media development.** Responses included services for developing and maintaining websites and social media presence.
2. **Tax and financial assistance.** Responses included services related to bookkeeping, tax preparation, and financial planning.
3. **Marketing and branding.** Responses included services related to marketing strategies, branding or re-branding support, and graphic design.
4. **Technical assistance.** Responses included services such as workshops, tech support, mentoring, and grant writing. Partners directly mentioned included AGA, the Small Business Administration, Rogue Community College, and the Small Business Development Center.

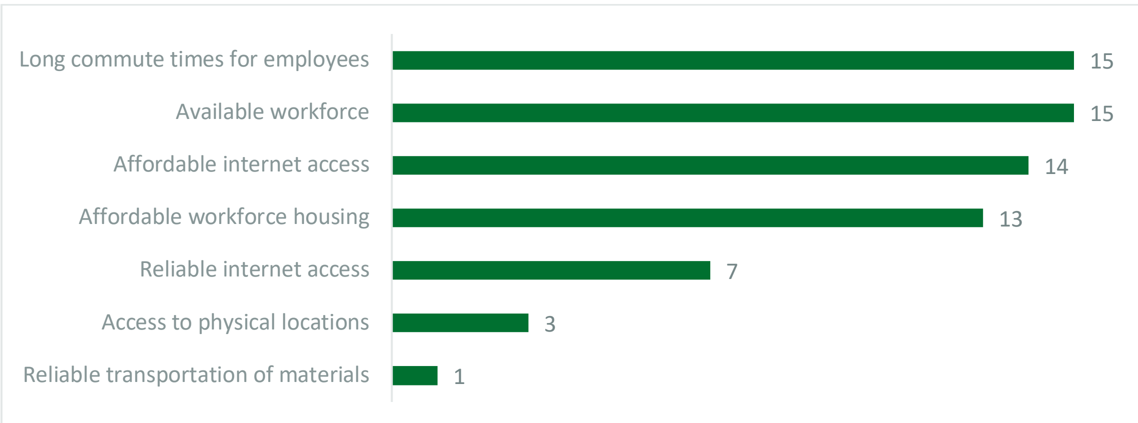
Lastly, respondents were asked what types of support or services they currently needed. The top five themes from this open-ended question include:

1. **Website and social media development.** Responses included assistance developing and maintaining websites, social media accounts aimed at reaching a larger audience and improving online business presence.
2. **Tax and financial assistance.** Responses included understanding finances, tax preparation, skills in financial management, access to capital for equipment upgrades, and accessing services for bookkeeping and tax consultants.
3. **Business planning.** Responses included creating a business plan, identifying marketing strategies and outreach opportunities, and financial planning.
4. **Access to physical locations.** Responses included access to workshop space and shop locations.

Business Barriers

The following figure shows business barriers reported by respondents. Respondents most frequently reported barriers related to workforce. Respondents also provided open-ended responses about barriers which related to finances, infrastructure and utilities, regulatory and compliance hurdles, seasonality, and customer perceptions. Many open-ended responses specifically related to barriers closely aligned with open-ended response about general experiences about being a business owner in the AGV.

Figure 11 - Reported Barriers to Successful Business Operation in the Applegate Valley, OR, n=36



Business Priorities

Respondents most frequently ranked their priorities as the following:

1. Increasing revenue or profit margins
2. Reaching new customers or clients
3. Improving operational efficiency or productivity

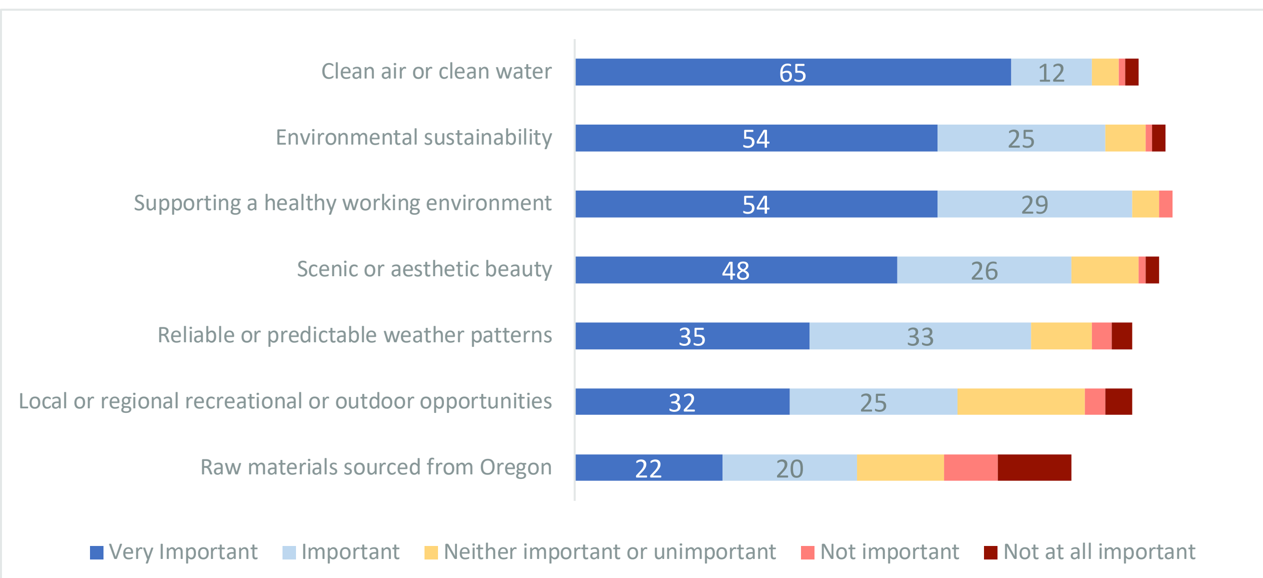
Businesses less frequently ranked providing local employment opportunities amongst their top priorities. Of note is that some respondents did report their top priorities differently from the overall frequency of answers. Open-ended responses about business priorities not reflected in the following table included increased grant funding, balancing personal and professional goals, promoting a healthy environment, and reducing operational scale. See Table 4 for more detail.

Table 4 - Respondents' Business Priorities and Ranking, n=105

	Priority 1	Priority 2	Priority 3	Total Frequency
Increasing revenue or profit margins	22	8	1	**31**
Improving operational efficiency or productivity	1	8	9	**18**
Providing local employment opportunities	0	1	1	2
Increasing employee wage or benefits	1	4	1	6
Reaching new customers or clients	6	12	0	**18**
Increasing brand awareness or improving business reputation	3	0	2	5
Reducing environmental impact	3	2	0	5
Implementing sustainable practices	2	1	0	3
Promoting ethical sources	1	2	0	3

Most respondents agreed about the importance of natural resources to the successful operation of their business, with the most agreement overall (very important and important) related to **supporting a healthy working environment**. Respondent opinion was spread evenly on importance of raw materials source from Oregon. Note that the difference in bar size reflects fewer number of total respondents that provided answers to any given prompt within the question.

Figure 12 - Factors Important to Successful Business Operation in the Applegate Valley, n= 74 - 89



KEY TAKEAWAYS

While this survey is not a representative sample of AGV businesses, the results provide a sense of what experiences, opinions, and perspectives exist amongst the business community and provides some local data for partners to discuss in comparison to the *Applegate Valley Economic Conditions Assessment* report. Given our project team's distribution methods, the respondents of this survey may reflect businesses that have existing connections to A Greater Applegate, Wellington Wildlands Council, and other partners within the AGV business network. Business characteristics captured in the survey sample may present opportunities for more direct outreach to business types not reflected or that are potentially underrepresented.

Overall, respondent businesses in the AGV are typically smaller in terms of gross revenue and by number of employees. This survey outcome aligns with findings the report related to business establishment size. Most respondents represented businesses within agriculture, manufacturing, and accommodation and food services, which were identified as top industries by job for the AGV in 2021.[2]

Across business types, 40% of respondents reported increases in gross business revenue between 2021 and 2024. Both agricultural and accommodation and food service respondents reported similar trends. However, most respondents who identified as beverage manufacturers (n=7/9) reported decreases in the same time frame.

Broadly, survey respondents reported experiencing a supportive local community and identified unique opportunities for economic growth through markets, fairs, and partnerships. Respondents highlighted positive relationships with A Greater Applegate, Rogue Community College, and Small Business Administration programs where they can gain access to a variety of technical assistance services or business resources like website development, financial planning, and grants, amongst others.

Businesses respondents also reported a variety of challenges including funding and capital flow, marketing, and workforce-related barriers. Workforce-related barriers to business operation were reported across the survey sample and included barriers such as long-commutes for existing employees, shortage of available and willing workforce, and the availability of workforce housing. Respondents also reported that making profit margins in smaller markets that compete with larger markets and businesses with more capital flow was a perennial challenge.

The top priorities most frequent reported by respondents included increasing profits, reaching new customers, and increasing efficiency of operations. The top three areas respondents identified areas for future support include website and social media development, tax and financial assistance, and business planning.

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[2] US Census and Quarterly Census of Employment and Wages (QCEW) from the Bureau of Labor Statistics, as reported by the Census OnTheMap tool for the Applegate Valley study area.