GET GROWING IN 2018!

A WORKSHOP SERIES ON OPPORTUNITIES FOR LOCAL BUSINESS STARTUPS AND EXPANSIONS

PRESENTED BY: THE WNC NEW ECONOMY COALITION

EMSDC

Self-Help Credit Union

MOUNTAIN BIZ WORKS
Business Lending & Learning

go! green opportunities

Bountiful Cities
Growing Food. Building Community.

THE BLOCK
not for profit, but for community

CENTER FOR LOCAL ECONOMIES

just economics
creating sustainable livelihoods

NE NEIGHBORHOOD ECONOMICS

Agenda

Introductions
Overview of the New Economy Coalition
Background on Study
Qualitative and Quantitative Findings
Discussion about Neighborhood Needs
Data into Action

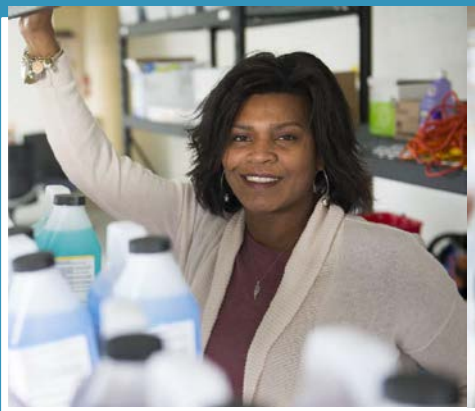
The New Economy Coalition: A Catalyst For Change

Founded: 2015

Mission: Collaborating to look at alternative economic models to help our community thrive, especially people of color and members of marginalized communities.

Members:

Green Opportunities, Self-Help Credit Union, Just Economics, Neighborhood Economics, Center for Local Economies, Mountain BizWorks, Bountiful Cities, Eagle Market Sts. Development Corp.




THE LOCAL ECONOMY GAP ANALYSIS STUDY

OPPORTUNITIES IN OUR LOCAL ECONOMY

Study Background

Purpose

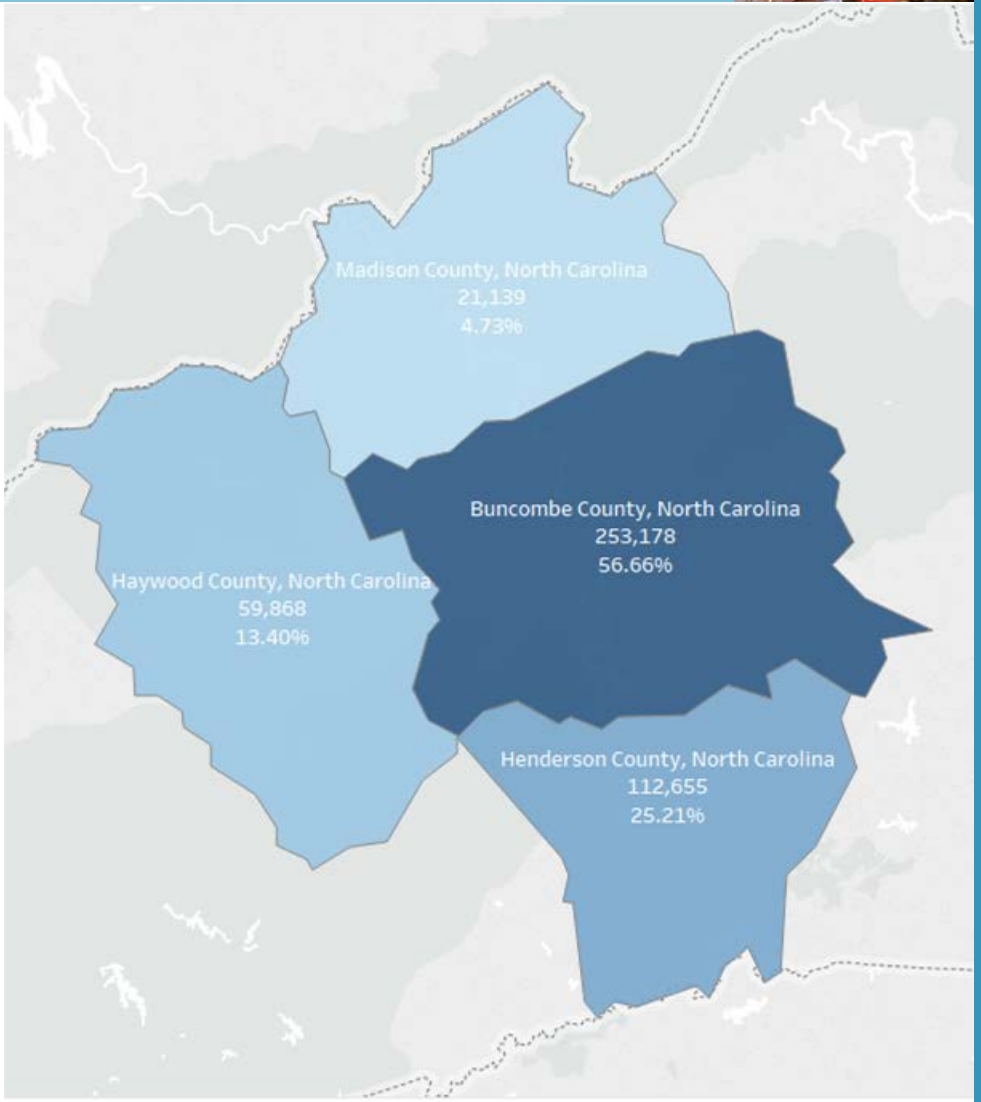
- Led by the WNC New Economy Coalition
- Economic "leakage" or "gaps"
- Areas within economy where goods and services are procured or "imported" outside of local region
- Examine potential local market opportunities for new minority business creation/expansion and cooperative development
- Addition: Examination of entrepreneurial ecosystem
- Funded by City of Asheville
- Lead consultant: TEQuity (Debra Jones)
- Scope: **Asheville Metropolitan Statistical Area (MSA)**

Asheville MSA Demographics

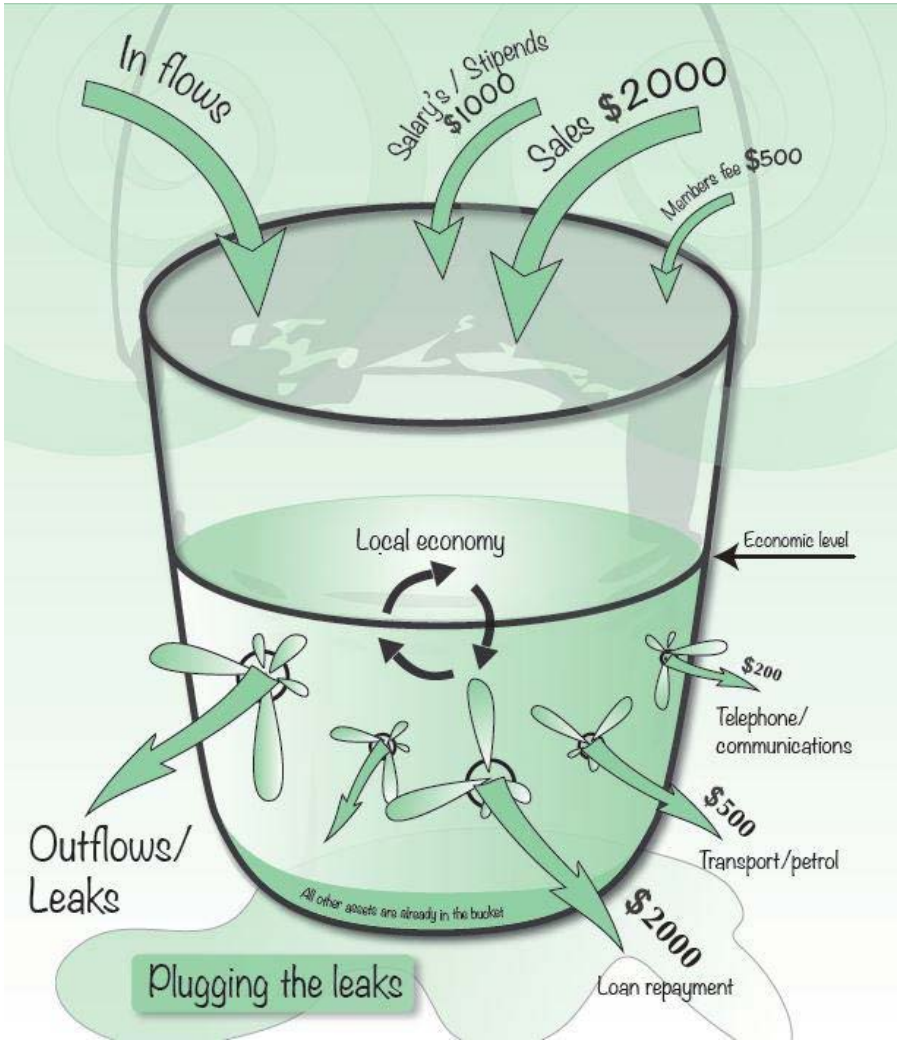
Population

- Total Population: 446,840

- Buncombe (253,178; 57%)
- Haywood (59,868; 13%)
- Henderson (112,655; 25%)
- Madison (21,139; 5%)



What is economic leakage or gap?



Asheville MSA Demographics

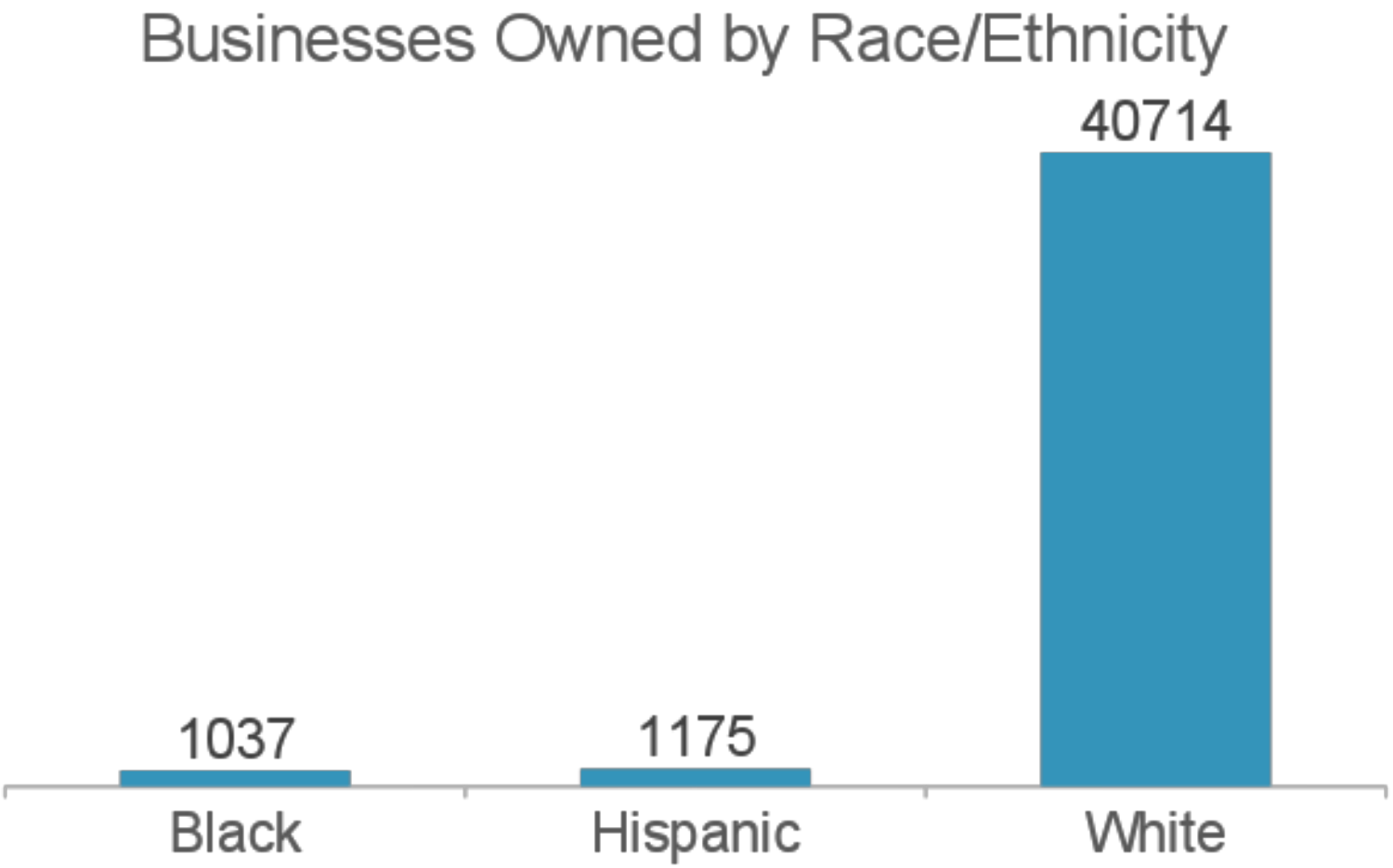
Total Firms

44,937

total businesses in Asheville MSA

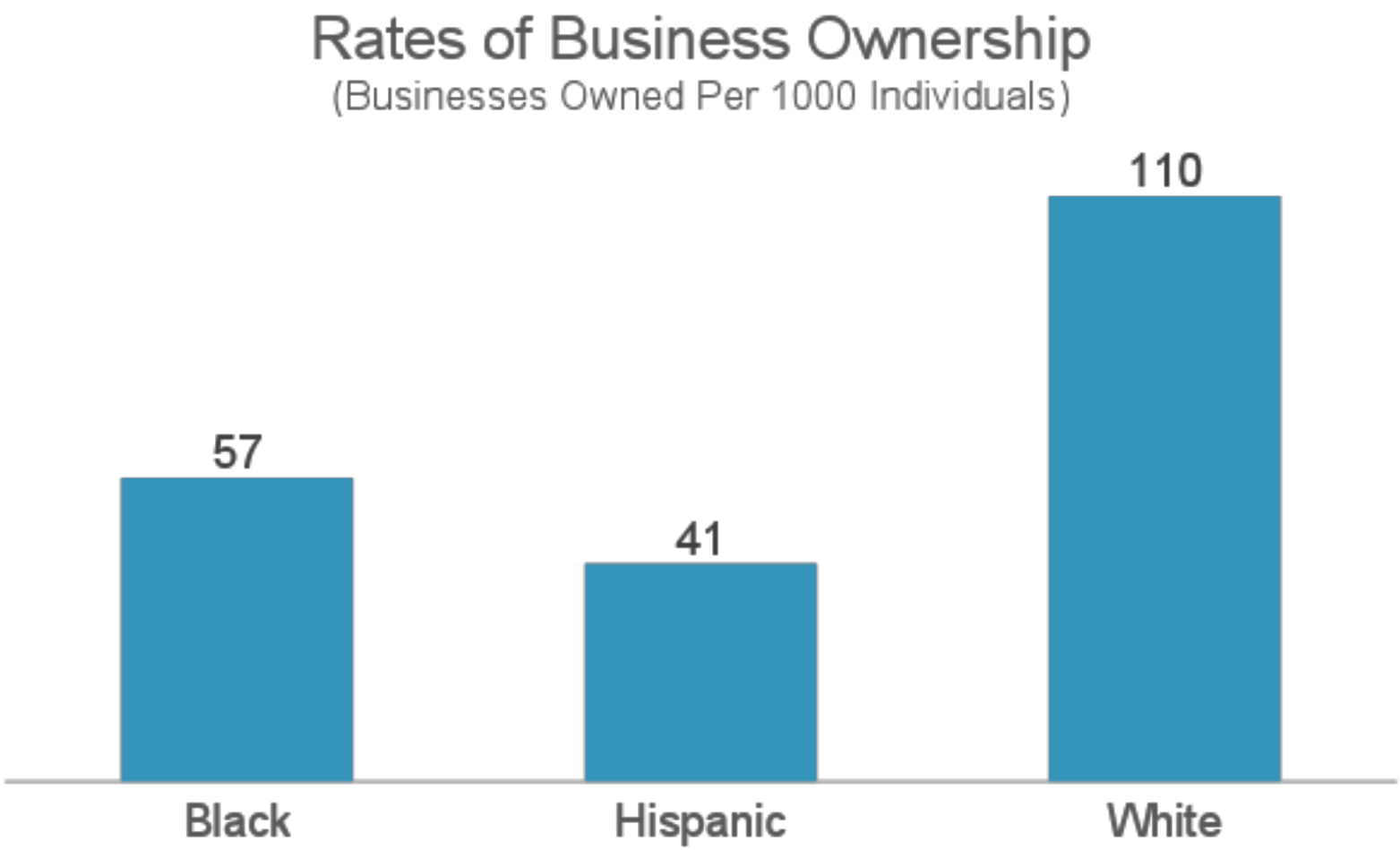
Asheville MSA Demographics

Total Firms by Race/Ethnicity



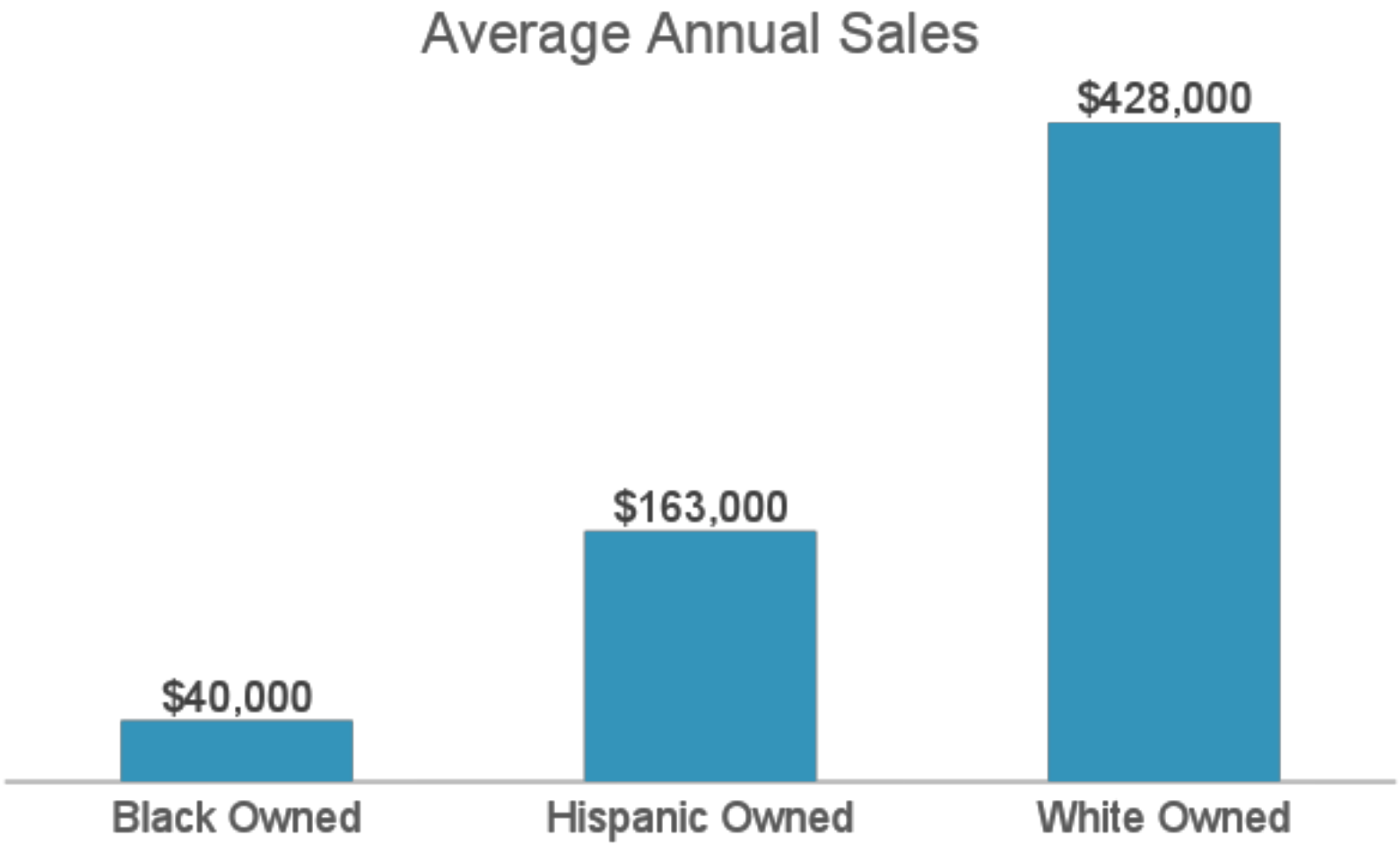
Asheville MSA Demographics

Total Firms by Race/Ethnicity



Asheville MSA Demographics

Total Firms by Race/Ethnicity

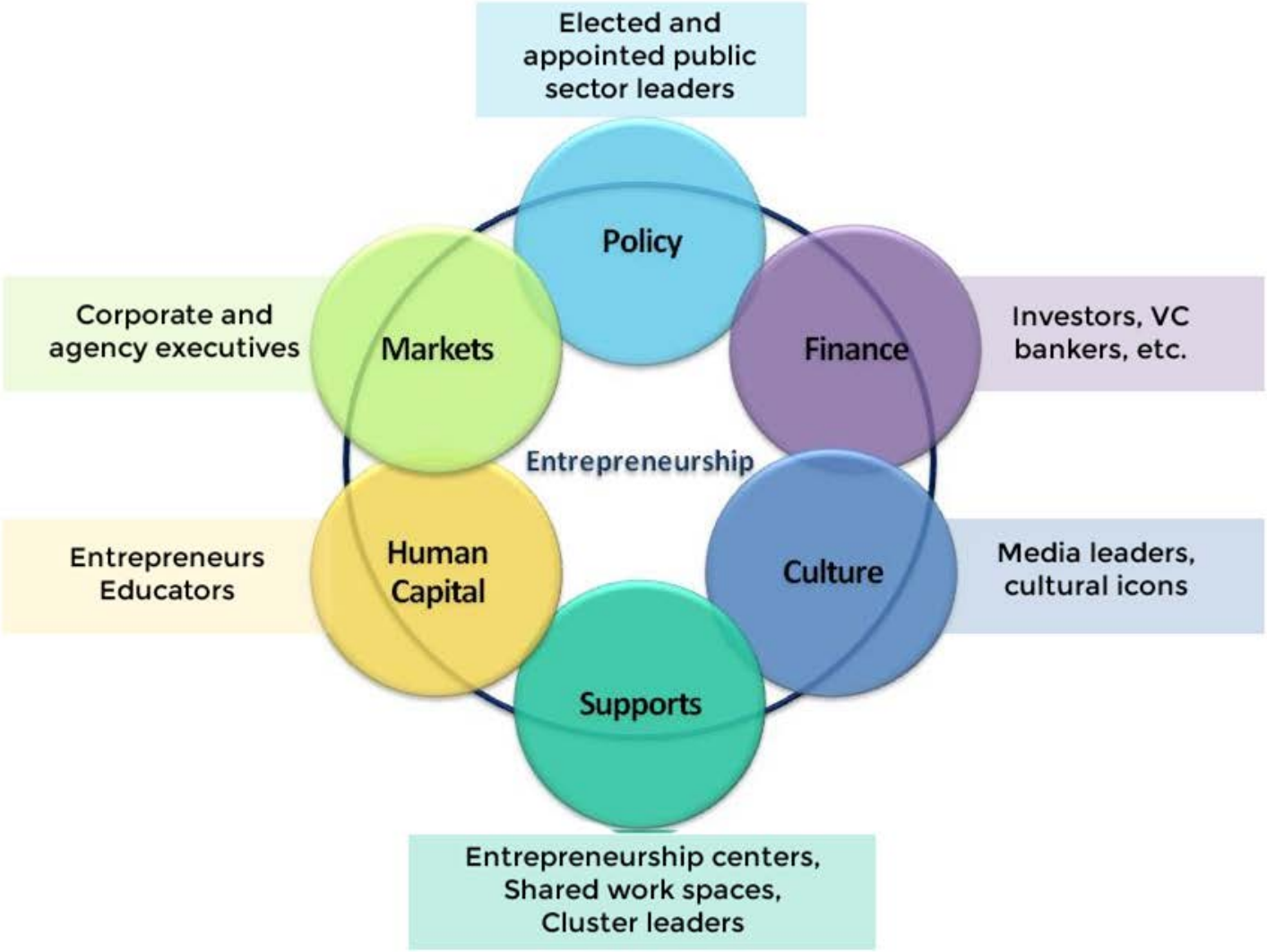


QUALITATIVE FINDINGS

Findings from interviews with Latinx and African American business owners, business support organizations, local government, and other anchor institutions.

Entrepreneurial "Ecosystem"

Asheville MSA Interviews



Finance

Asheville MSA Interviews

- Capital is the number one challenge for minority businesses
- Need more creative sources of capital. Criteria (i.e. credit, collateral) is too great of a hindrance.
- Funding may be available, however navigating the system and overcoming barriers is a challenge
- Need to explore more acquisition opportunities of existing businesses with a solid track record.

Culture

Asheville MSA Interviews

- Need more minority entrepreneur leadership in advancing minority entrepreneurship.
- There is low minority participation in events and trainings. Minority business owners fault the organization for not having effective outreach or training.
- Need to find a way to create "space" for innovation.
- Long-term mentors are needed. Try to do more to keep professionals of color in the community.

Culture (cont.)

Asheville MSA Interviews

- The Asheville region's minority business culture needs to also be understood from a historical perspective. Most of the business class has come from outside of the area. A divide exists in the community that needs to be bridged.
- Minority businesses need more resources they can access for practical advice from other business owners.

Supports

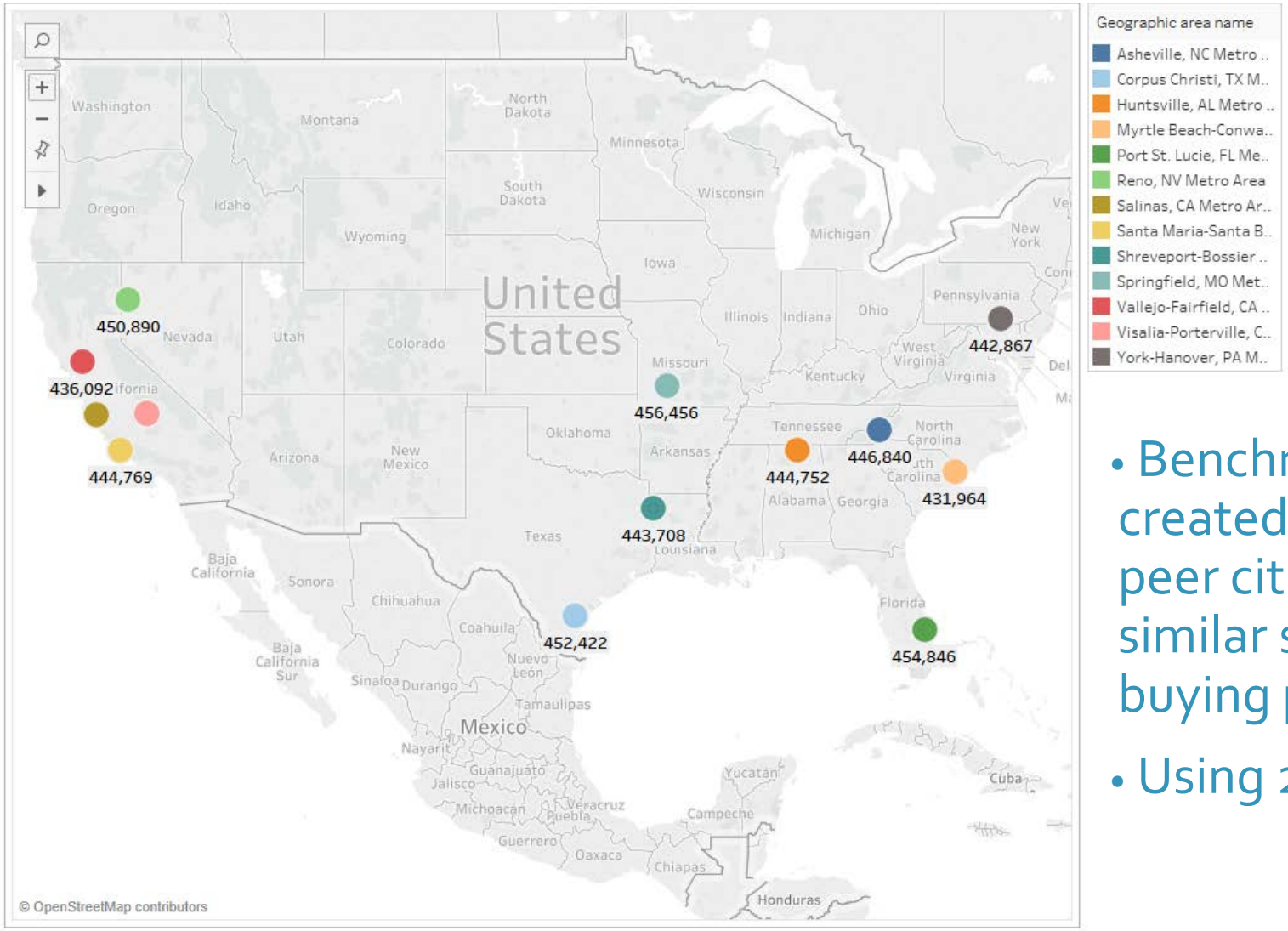
Asheville MSA Interviews

- Minority businesses do not feel welcome at the Chamber of Commerce
- It is difficult to establish a connection within the Chamber culture unless you are extremely successful
- Minority startups need to see other successful minority businesses and learn from them.
- It might be helpful to create a coalition of minority businesses. A minority chamber would be nice, however, it would be great if the existing Chamber could establish a program that placed more of an emphasis on inclusion.

QUANTITATIVE FINDINGS

Local Economy Gap Analysis

Methodology



- Benchmark created from 13 peer cities with similar size and buying patterns
- Using 2015 data

A Few Notes of Caution

Methodology

The study identifies several areas that may be ripe for new business activity, however these should be treated as preliminary indications and not as "shovel-ready" or "investment-ready" opportunities.

- Additional data is available in the full study
- Areas of interest should be subjected to further analysis (feasibility study, business plan, personal goals & strengths, etc.)
- Two special workshops on this topic as well as one-on-one coaching are available from Mountain BizWorks

Industries We're Rich In

Results

Compared to our peer cities, we have 125% or more activity in the following industries:

- Retirement communities (338%)
- Re-upholstery & furniture repair (286%)
- Mental health practices (275%)
- Pet care (247%)
- Book stores (219%)
- Supermarkets (198%)
- Auto transmission repair (184%)
- Commercial photography (176%)
- Nursing care facilities (163%)
- Cafeterias and buffets (158%)
- Tobacco stores (146%)
- Beer wholesalers (145%)
- Siding contractors (138%)
- Home health equipment rental (133%)
- Full service restaurants (130%)
- Home health care services (128%)
- Building inspection services (126%)
- Caterers (117%)

Fun Fact : ***Did you know that the construction trades are an area of significant economic leakage in our region?***

Many aspects of construction has major leakage from laying the foundation to finishing the roof and everything in between.

Defining a few terms

Results

TRANSPORTATION					
Industry Sector	Import Index	Jobs Potential	Average Wages (Avl)	Growth % (2010-15)	Opportunity Score
Armored car services	22%	51	$ 34,351	0%	6

Our major local economy gaps will be presented in tables like this

Defining a few terms

Results

TRANSPORTATION					
Industry Sector	Import Index	Jobs Potential	Average Wages (Avl)	Growth % (2010-15)	Opportunity Score
Armored car services	22%	51	$ 34,351	0%	6

This is the overall Industry Category

Defining a few terms

Results

TRANSPORTATION					
Industry Sector	Import Index	Jobs Potential	Average Wages (Avl)	Growth % (2010-15)	Opportunity Score
Armored car services	22%	51	$ 34,351	0%	6

- Sectors within the Industry will be listed here.
- Sectors are defined by the North American Industry Classification System (NAICS)

Defining a few terms

Results

TRANSPORTATION					
Industry Sector	Import Index	Jobs Potential	Average Wages (Avl)	Growth % (2010-15)	Opportunity Score
Armored car services	22%	51	$ 34,351	0%	6

Import Index = how much of the sector we have compared to what is expected for an economy our size.

- We only have 22% of the expected amount of armored car services (suggesting we may be importing the other 78%)
- The lower the number, the bigger the gap

Defining a few terms

Results

TRANSPORTATION					
Industry Sector	Import Index	Jobs Potential	Average Wages (Avl)	Growth % (2010-15)	Opportunity Score
Armored car services	22%	51	$ 34,351	0%	6

Jobs Potential = the number of jobs it would take to bring the sector to 100% of the benchmark.

- In other words, the number of sector jobs we're missing out on.
- This is an indicator of the "scale" of the gap. The greater the Jobs Potential, the greater the indicated opportunity.

Defining a few terms

Results

TRANSPORTATION					
Industry Sector	Import Index	Jobs Potential	Average Wages (Avl)	Growth % (2010-15)	Opportunity Score
Armored car services	22%	51	$ 34,351	0%	6

Average Wages = the average wages for the Industry Sector in the Asheville MSA area

Defining a few terms

Results

TRANSPORTATION					
Industry Sector	Import Index	Jobs Potential	Average Wages (Avl)	Growth % (2010-15)	Opportunity Score
Armored car services	22%	51	$ 34,351	0%	6

Growth % = how much the Sector grew from 2010-2015 in the Asheville MSA

- In this case (0%) the industry was flat
- In general, a growing industry (in Asheville as well as US) may indicate a stronger business opportunity

Defining a few terms

Results

TRANSPORTATION

Industry Sector	Import Index	Jobs Potential	Average Wages (Avl)	Growth % (2010-15)	Opportunity Score
Armored car services	22%	51	$ 34,351	0%	6

Import Index + Jobs Potential + Wages + Growth % = **Opportunity Score**

- Scale of 1-10: 1 suggests a little opportunity, 10 suggests a LOT of opportunity

TRANSPORTATION

Industry Sector	Import Index	Jobs Potential	Average Wages (Avl)	Growth % (2010-15)	Opportunity Score
School and employee bus transportation	1%	348	$ 39,031	58%	10
Armored car services	22%	51	$ 34,351	0%	6
Security guards and patrol services	40%	326	$ 34,351	0%	9
Specialized freight (except used goods) trucking, long-distance	13%	407	$ 41,193	-36%	8
Parking lots and garages	53%	32	$ 36,063	100%	9
Ambulance services	55%	103	$ 39,031	58%	10
Bus and other motor vehicle transit systems	65%	49	$ 39,031	58%	10

LAUNDRY & LINEN SUPPLY

Industry Sector	Import Index	Jobs Potential	Average Wages (Avl)	Growth % (2010-15)	Opportunity Score
Linen supply	4%	149	$ 34,351	-23%	4
Drycleaning and laundry services (except coin-operated)	74%	47	$ 34,351	-23%	1

AUTOMOTIVE REPAIR, MAINTENANCE, AND PARTS

Industry Sector	Import Index	Jobs Potential	Average Wages (Avl)	Growth % (2010-15)	Opportunity Score
Automotive exhaust system repair	10%	103	$ 36,063	-8%	5
Motor vehicle parts (used) merchant wholesalers	9%	26	$ 36,063	17%	7
Automotive glass replacement shops	30%	21	$ 36,063	-8%	4
Other automotive mechanical and electrical repair and maintenance	40%	15	$ 36,063	-8%	3
Car washes	63%	83	$ 36,063	-12%	4
Automotive body, paint, and interior repair and maintenance	70%	84	$ 36,063	-8%	3

BUSINESS SERVICES

Industry Sector	Import Index	Jobs Potential	Average Wages (Avl)	Growth % (2010-15)	Opportunity Score
Document preparation services	11%	369	$ 34,351	6%	10
Court reporting and stenotype services	48%	7	$ 34,351	6%	7
Other business service centers (including copy shops)	67%	8	$ 34,351	6%	7
Sign manufacturing	41%	42	$ 34,351	-18%	3

CLOTHING AND ACCESSORY RETAIL AND RENTALS

Industry Sector	Import Index	Jobs Potential	Average Wages (Avl)	Growth % (2010-15)	Opportunity Score
Formal wear and costume rental	11%	21	$ 24,552	14%	7
Clothing accessories stores	27%	64	$ 18,807	9%	6
Children's and infants' clothing stores	65%	31	$ 18,807	9%	4
Other clothing stores	73%	56	$ 18,807	9%	4
Sporting goods stores	73%	128	$ 22,973	11%	6
Optical goods stores	60%	39	$ 50,660	-17%	4

EQUIPMENT REPAIR AND MAINTENANCE

Industry Sector	Import Index	Jobs Potential	Average Wages (Avl)	Growth % (2010-15)	Opportunity Score
Home and garden equipment repair and maintenance	12%	28	$ 34,351	-36%	3
Consumer electronics repair and maintenance	13%	14	$ 28,355	-40%	1
Communication equipment repair and maintenance	16%	114	$ 28,355	-40%	1
Commercial and industrial machinery and equipment (except automotive and electronic) repair and maintenance	27%	268	$ 34,351	-36%	5
Appliance repair and maintenance	64%	8	$ 34,351	-36%	1
Other personal and household goods repair and maintenance	66%	15	$ 24,552	-46%	1
Locksmiths	44%	13	$ 34,351	-36%	1

HAIR AND NAILS

Industry Sector	Import Index	Jobs Potential	Average Wages (Avl)	Growth % (2010-15)	Opportunity Score
Barber shops	14%	16	$ 24,552	6%	5
Nail salons	23%	43	$ 24,552	6%	5

CONSTRUCTION AND BUILDING CONTRACTING

Industry Sector	Import Index	Jobs Potential	Average Wages (Avl)	Growth % (2010-15)	Opportunity Score
Drywall and insulation contractors	28%	220	$ 41,448	-11%	5
Other concrete product manufacturing	28%	93	$ 41,448	-14%	5
Brick, stone, and related construction material merchant wholesalers	29%	19	$ 41,448	-20%	4
Framing contractors	32%	106	$ 41,448	-11%	3
Other foundation, structure, and building exterior contractors	32%	62	$ 41,448	-11%	3
Sheet metal work manufacturing	35%	119	$ 41,448	-11%	3
Tile and terrazzo contractors	36%	76	$ 41,448	-11%	3
Other building finishing contractors	45%	19	$ 41,448	-11%	2
Poured concrete foundation and structure contractors	46%	129	$ 41,448	-11%	3
Masonry contractors	50%	80	$ 41,448	-11%	2
Flooring contractors	50%	46	$ 41,448	-11%	2
All other specialty trade contractors	50%	239	$ 41,448	-11%	4
New multifamily housing construction (except for-sale builders)	60%	8	$ 41,448	-1%	4

FOOD RETAILERS

Industry Sector	Import Index	Jobs Potential	Average Wages (Avl)	Growth % (2010-15)	Opportunity Score
Convenience stores	31%	82	$ 22,049	41%	10
Baked goods stores	33%	20	$ 22,049	41%	10
Meat markets	37%	31	$ 22,049	41%	10
Retail bakeries	54%	39	$ 22,049	6%	3
Confectionery and nut stores	64%	12	$ 22,049	41%	10
Commercial bakeries	47%	53	$ 22,049	6%	4
Mobile food services	10%	83	$ 22,049	-12%	3

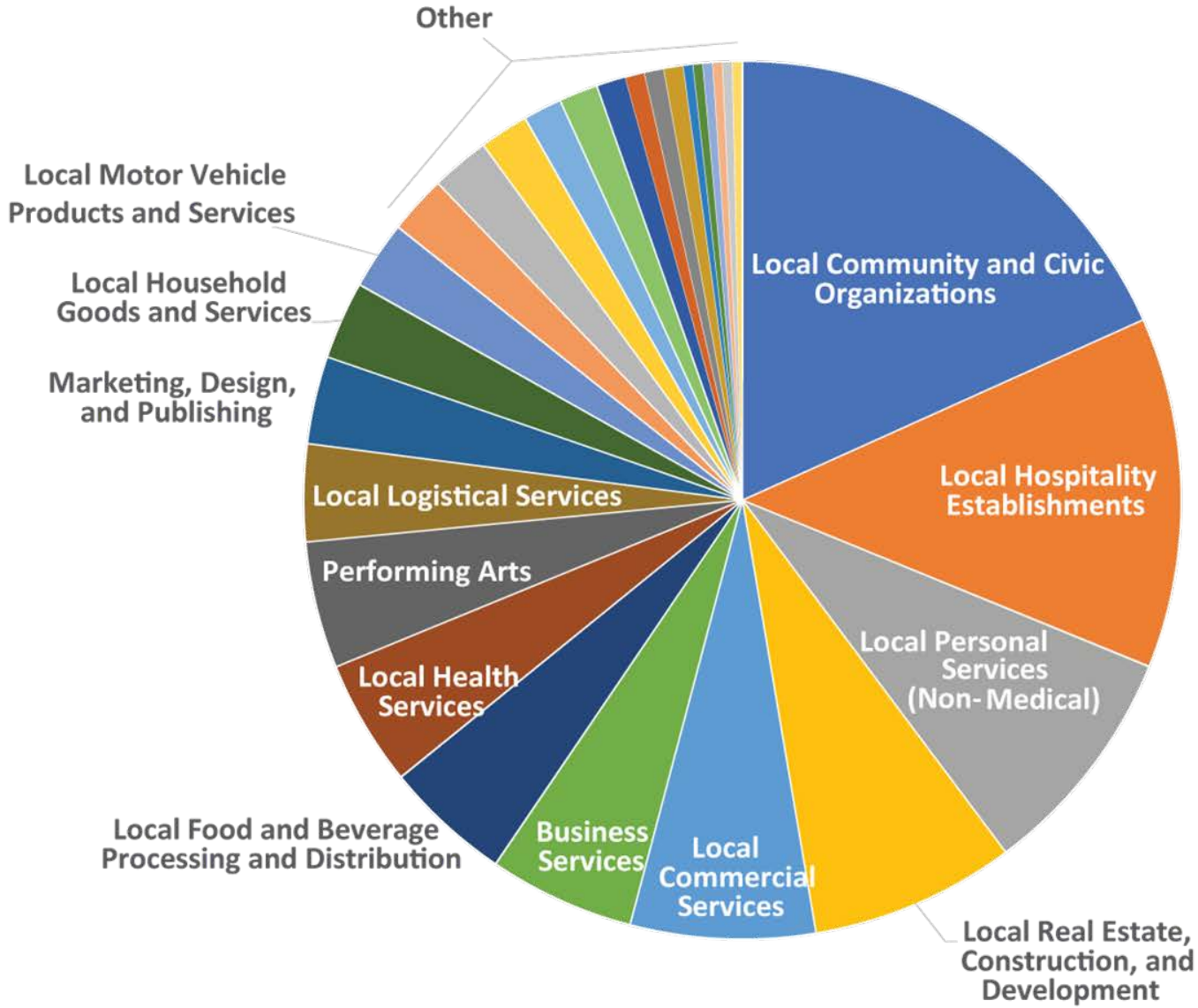
PROPERTY MANAGEMENT

Industry Sector	Import Index	Jobs Potential	Average Wages (Avl)	Growth % (2010-15)	Opportunity Score
Other similar organizations (except business, professional, labor, and political organizations)	33%	134	$ 23,176	-5%	4
Nonresidential property managers	40%	78	$ 41,448	-18%	3
Lessors of other real estate property	44%	38	$ 41,448	-18%	2
Residential property managers	51%	272	$ 41,448	-18%	5

HEALTH CARE: CLINICS, LABS, AND STORES

Industry Sector	Import Index	Jobs Potential	Average Wages (Avl)	Growth % (2010-15)	Opportunity Score
Family planning centers	36%	38	$ 50,660	8%	10
Psychiatric and substance abuse hospitals	39%	276	$ 50,660	2%	10
Diet and weight reducing centers	52%	14	$ 24,552	14%	5
All other health and personal care stores	58%	43	$ 24,552	8%	5
Food (health) supplement stores	86%	8	$ 22,049	41%	9
Optical goods stores	60%	39	$ 50,660	-17%	4
Testing laboratories	47%	133	$ 34,351	86%	10

Current Minority-Owned Businesses by Industry Cluster*



* Based on **279** identified minority-owned businesses in Asheville MSA area

Q&A

What do you see as the top business needs or gaps in your neighborhood?

Are those businesses highlighted in this study, or are they parts of other areas of industry?

Which areas of the study did you find most interesting and why?

Data Into Action Activity

How is this Data Useful In Order to…

- **Start a new business?**
- **Expand an existing business?**
- **Explore a cooperative model for a new or existing business?**
- **Support more equitable community economic development?**

NEXT STEPS

Local Opportunities Workshop Series

Local Opportunities Workshop Series

Neighborhood Workshops

-Today & thru Feb 2018

-share detailed findings

-get input re: "on the ground" opportunities

-determine next steps for attendees

"Already Doing It" Track

-data > action

-network & net-worth building

Feb 13, 2-4pm

"Want to Do It" Track

-overview of biz ownership & development

-launching a new venture

Feb 20, 2-4pm

Bonus!!

Co-operatives & Worker Ownership 101

Feb 21

5:30- 7:30pm