



GREATER HURON DEVELOPMENT CORP
2013 EMPLOYER SURVEY

As part of its ongoing Strategic Planning efforts in 2013, the Greater Huron Development Corporation once again recognized the importance of reaching out to a significant portion of its membership. In 2013 100% (108 members) of the development corporation's membership was contacted with the primary goals of attempting to establish the "Economic Outlook" from a business owner or operator's perspective, along with trying to establish whether there was a need for employee training, and if so what kind of training would be of interest. A survey was developed that could both be used in an electronic form that could be emailed to a portion of the membership, as well as could be used in face to face meetings with members. Many of the questions that were originally developed and used in 2009 to gauge the outlook going forward from that time frame, were once again used to provide solid baseline information for comparing the change of attitudes and perspectives from 2009 to 2013, if any. While the survey does not report individual responses it does at least provide some insight into how business owners and operators feel about where they are at today and at least some indications of their feelings about their future.

The Survey information contained within this report reflects the accumulation of the information that was garnered from both individual surveys and also the electronic responses that were returned.

A. Population and Economic Background:

The City of Huron lies within Beadle County, and according to the US Census Bureau's 2010 population estimates, maintains a population of approximately 12,592 residents, while Beadle County's population is estimated to be 17,398. Based on the recent Housing Needs Assessment, conducted by Communities Partners Research, Inc. on behalf of the City of Huron, the GHDC and the Huron Housing and Redevelopment Authority, the most recent employment grew by 902 people from 2000 to 2012 in the County and by 935 in the City. This represents 9.9% and 14.8% respectively. In 2012 Beadle County's Unemployment Rate was 3.4% while the City of Huron's unemployment rate was 3.5%.

The City of Huron acts as the county seat and the hub of a small, regional economy in the central part of the state, and is supported by commerce generated within Beadle County and parts of Hand, Spink, Jerauld, Sanborn, Kingsbury, and Clark Counties. The primary industries supporting the area tend to be agricultural, manufacturing, government, education, healthcare and retail in nature. The highest densities of employment are typically in the manufacturing, retail, healthcare or government sectors of the economy. The lone retailer in the top ten employers in the community is Wal-Mart, employing nearly 300 people.

As noted in the recently completed Huron Housing Study and according to the U.S. Census Bureau, in recent years, Huron and Beadle County have seen somewhat of a resurgence of incomes. From 2000-2011, Huron's Median Household Income rose from \$29,097 to \$37,940, a change of over 30%. Beadle County's Median Household Income rose from \$30,510 to \$40,455. While a lesser rate of change, this still marks more than a 30% increase during that same time frame. In addition, during the same time frames Huron and Beadle County's respective Median Family Income each increased by approximately 43%. Household income represents all independent households, including people living alone and unrelated individuals living together in a housing unit, while family incomes represent two or more related individuals living together.

HURON TOP TEN EMPLOYERS

<u>Employer</u>	<u>Industry</u>	<u>Employees</u>
Dakota Provisions	Manufacturing	821
United States Government	Government	385
Huron Public Schools	Education	333
Huron Region Medical Center	Health Care	290
Center for Independence	Human Services	240
Sunquest Healthcare	Health Care	245
Wal-Mart	Retail	220
Terex	Manufacturing	200
State of South Dakota	Government	130
Banner Engineering	Manufacturing	125

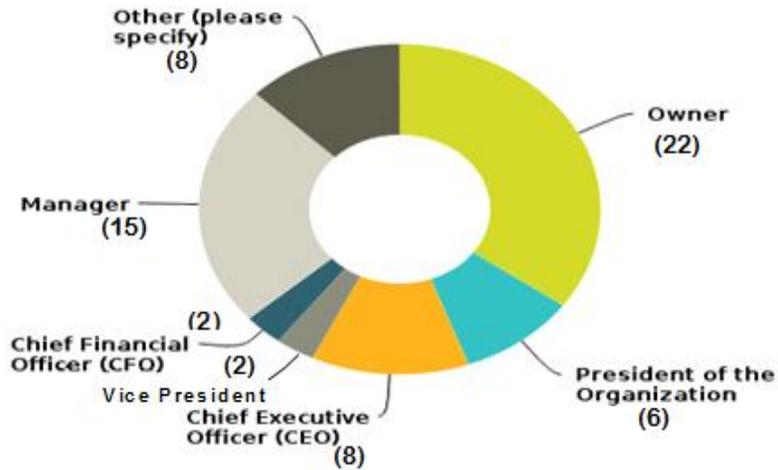
**As of September 15, 2013*

B. Survey Participation:

In our initial survey in 2009, a little over 30 companies participated in the activity. This year, in an effort to get an even better perspective of what is happening in our local economies, GHDC reached out to Owners, Operators or some member of the Management team of its entire membership via face to face meetings or web-based electronic surveys (Survey Monkey®). For those participating via face to face meetings, data was input manually into Survey Monkey in order to use the electronic analytics provided by the website.

What is the job title for your current position?

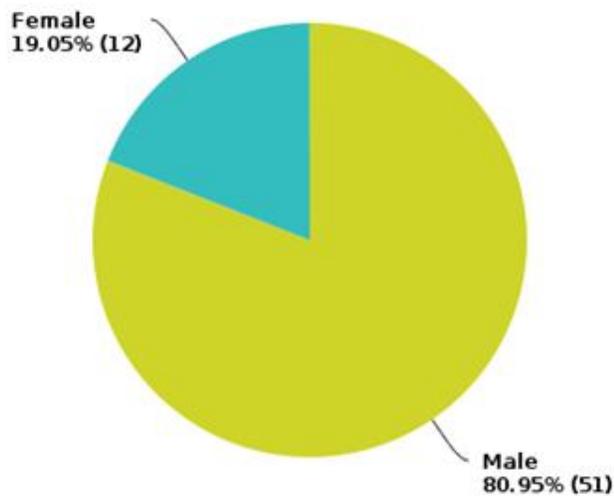
Answered: 63 Skipped: 0



Of those survey participants, a little over 19% (12) were female, while over 80% (51) were male. Ages ranged from 35-74 for female participants, while male participants' ages ranged from 25-74.

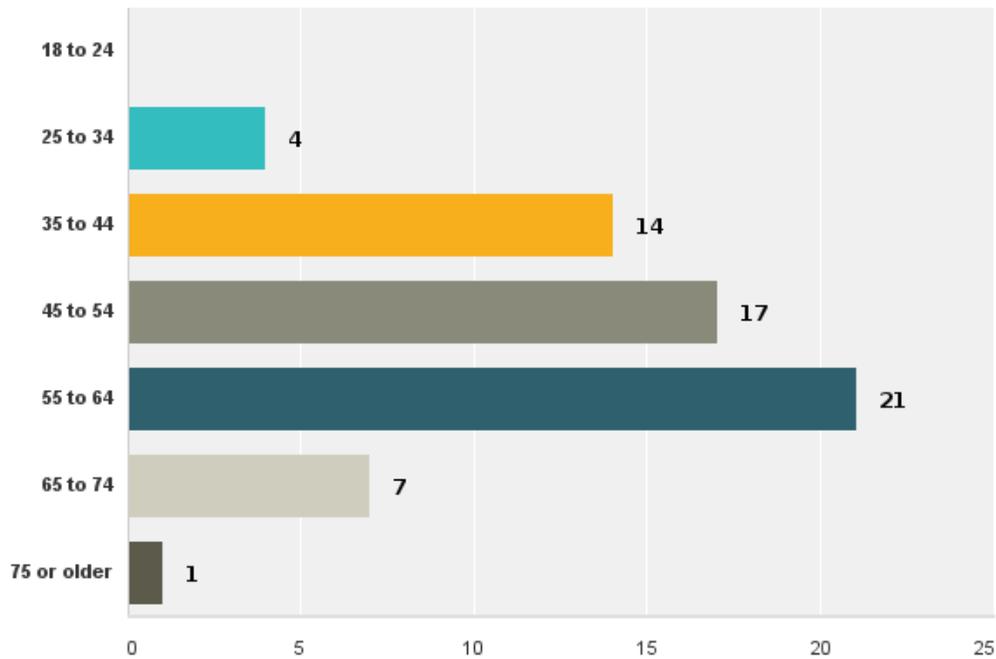
What is your gender?

Answered: 63 Skipped: 0



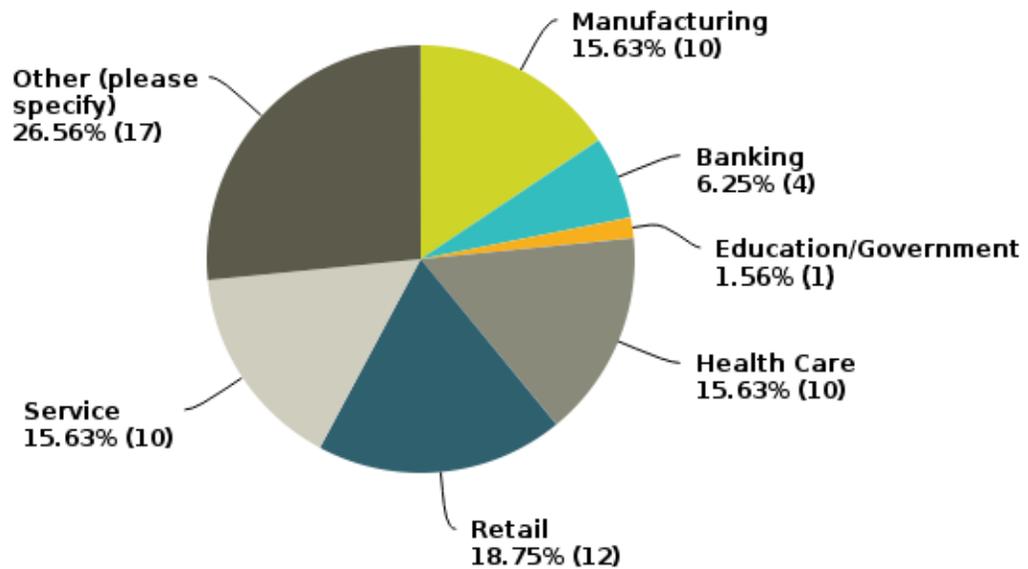
What is your age?

Answered: 64 Skipped: 0

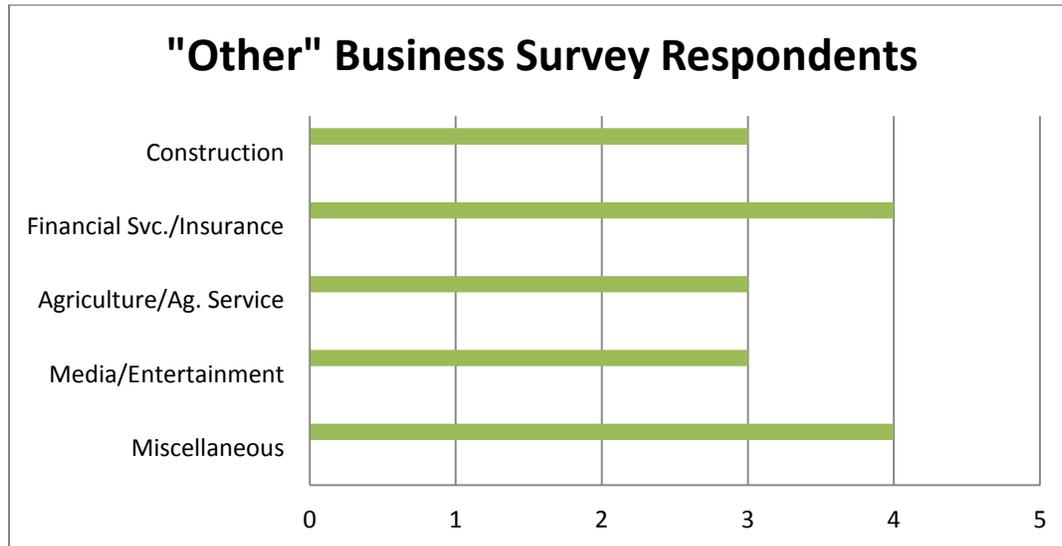


What class of business or industry would your company's operations in Huron be considered?

Answered: 64 Skipped: 0



While it is typical that economic development organizations often engage in the recruitment and expansion of industries more aligned with the manufacturing sectors of the economy, the survey was designed to include all of the major sectors of the economy. Due to the sample size of the “Other” category of businesses above, the chart below further clarifies the types of businesses that participated in the survey.



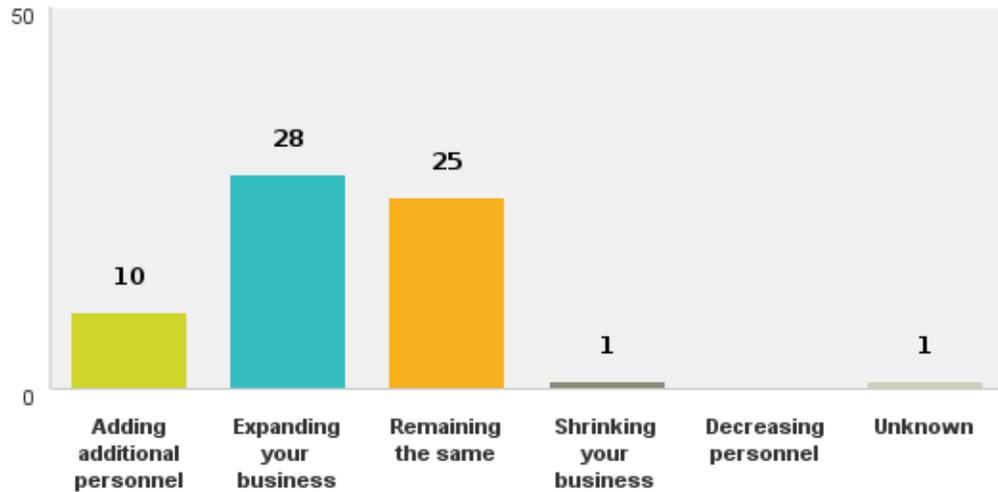
C. Economic Outlook:

As noted above, one of the primary objectives of the meetings and electronic surveys was to attempt to ascertain what the general outlook for our local businesses was for the upcoming future. While certain industries are able to use long range planning, other industries tend to be more sensitive to short term events that could have an immediate effect upon their business. In order to compensate for this wide variety of business traits, we have attempted to focus our questions on a time frame ranging the next 18 months out to a maximum of 5 years.

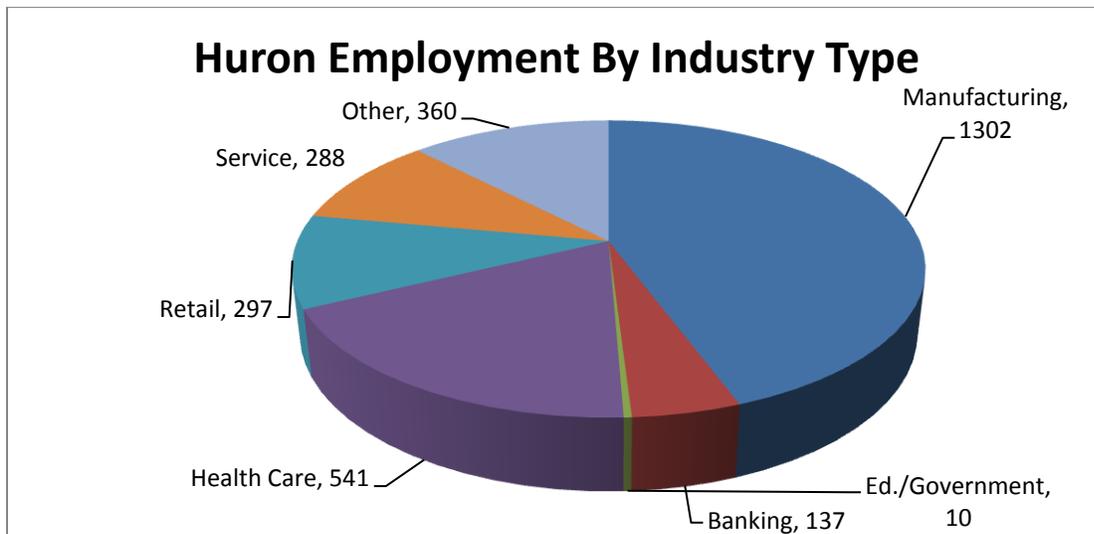
While nationally, the economy seems tenuous at best, locally, businesses continue to forge ahead with confidence that their current circumstances will either remain the same or improve. Of the 63 businesses who responded to our surveys, 61 of them responded that things will remain the same over the course of the next 5 years or get better. Over 50% of the participants noted that they felt their companies would either be expanding their businesses, adding personnel, or possibly both. Only 2 respondents noted that they weren't sure where they would be in the next 5 years or that they felt their business would actually be suffering some type of shrinkage.

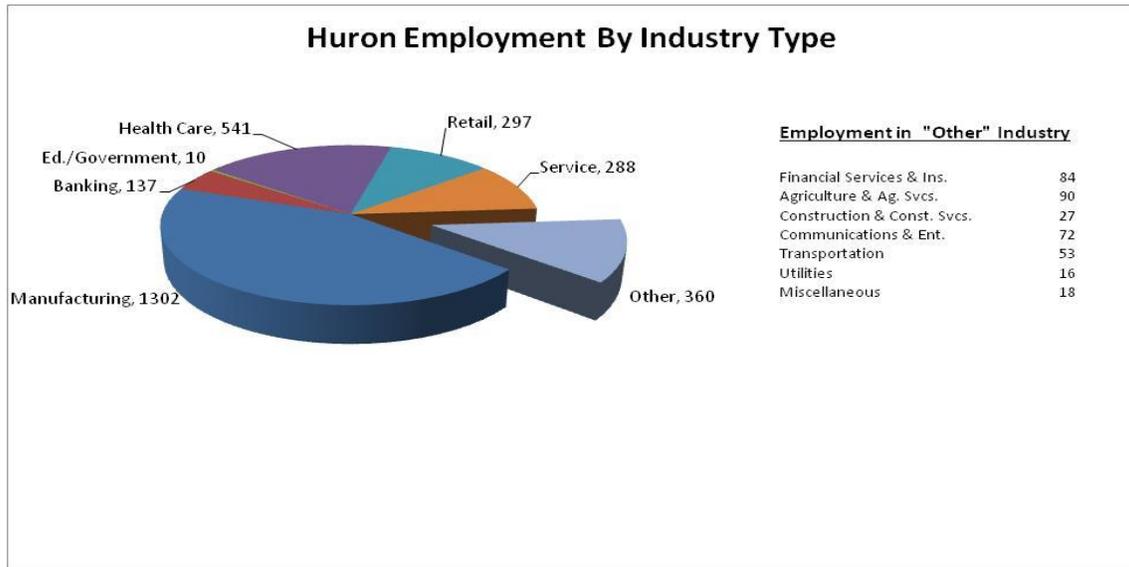
Do you envision doing any of the following over the next 18 months - 5 years (mark all that apply)?

Answered: 64 Skipped: 0

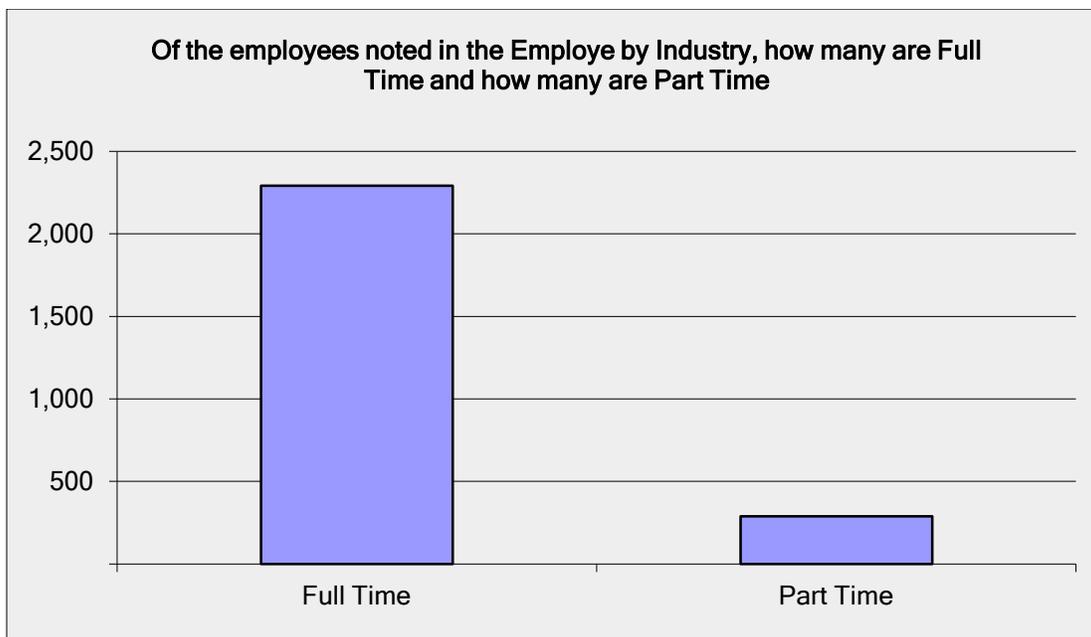


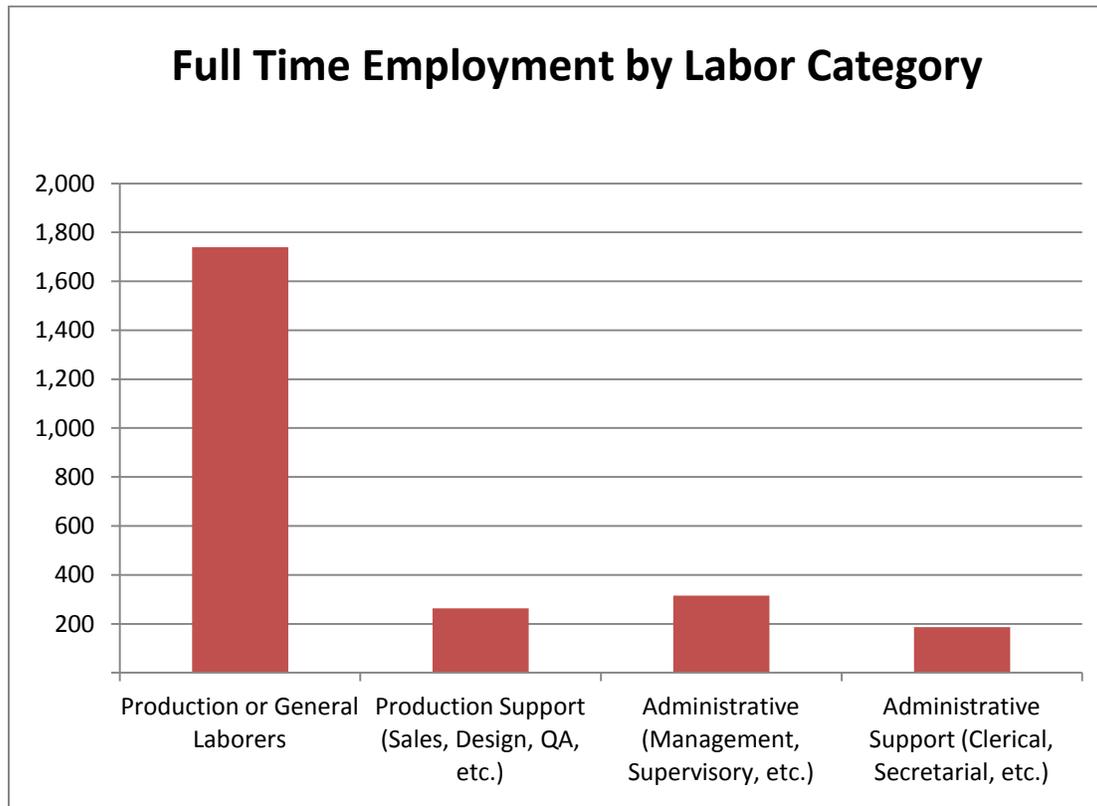
Generally, Huron’s most significant employment numbers come from the Manufacturing, Health Care, Government, and retail sectors. Below, the chart displays the number of employees of each employment sector represented in the survey. The businesses participating in this survey represented over 34% of all “Covered Workers” in Beadle County (2012), as defined by the South Dakota Dept. of Labor. “Covered Workers” are those workers covered by South Dakota Unemployment Insurance laws.





The positive Outlook by our most significant employers indicates that there will continue to be strong employment opportunities within the categories where we have the largest labor densities. While there continues to be a great deal of concern regarding upcoming challenges on a short term basis, long term (36-60 months) there seems to be significant optimism that our local companies will continue to get stronger as they grow and expand.





D. Prevailing Wages and Benefits:

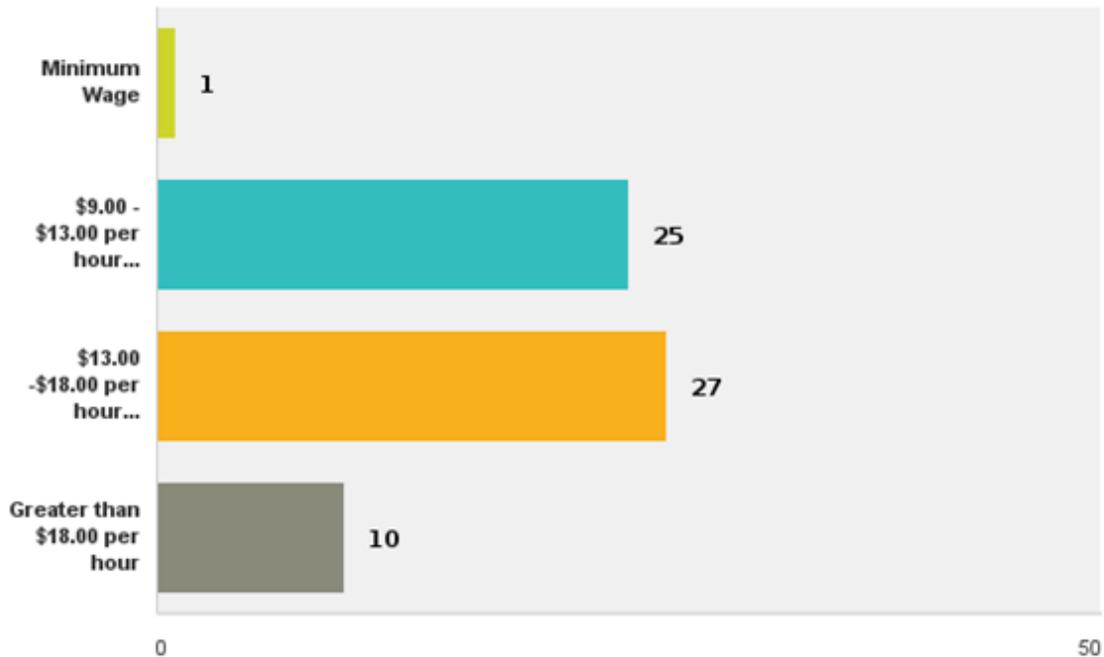
One of the secondary goals of this study was to attempt to determine a prevailing wage range for general laborers, production workers and those individuals who are tasked with the day to day generic work activities within our local companies.

In comparing the new 2013 data to 2009 there has clearly been an increase in the prevailing wages of production workers. The 2009 study found that more than 15% of the companies at that time were paying minimum wage as their prevailing wage level. Based on the responses of 2013, the prevailing wage has grown from there with more than 98% of the survey respondents paying a prevailing wage of more than \$9.00 per hour.

Even more significant is that nearly 60% of those employers mentioned above, who pay the prevailing wage of more than \$9.00 per hour, actually noted that their prevailing wage was in excess of \$13.00 per hour. Given the significant increases reported in the 2011 Median Household and Family Incomes noted earlier in this report coupled with the ongoing labor shortage (Huron's August Unemployment Rate was 3.3%) being experienced, this would generally indicate that barring an unsuspected economic event such as a major plant closing, the upward trend of increasing prevailing wages is likely to continue.

What is the salary range for your production worker, line worker, or general laborer?

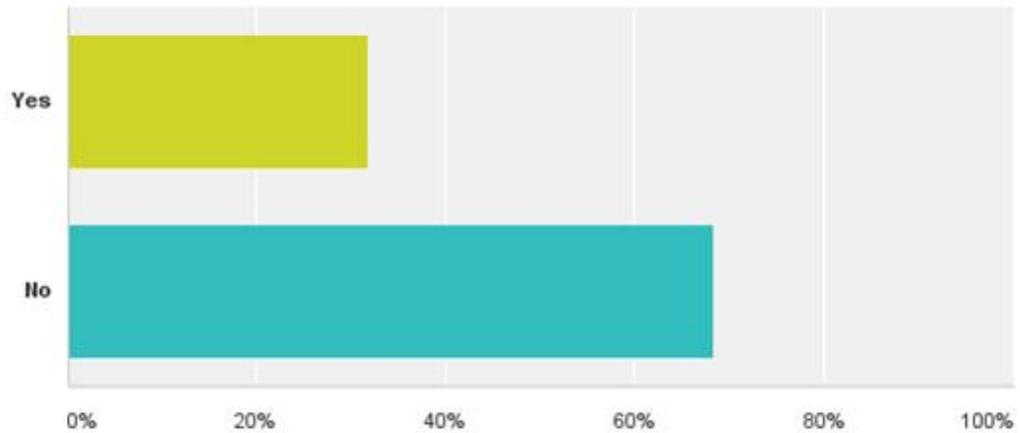
Answered: 63 Skipped: 0



The following chart depicts the number of companies represented within the survey that use compensation incentives to encourage stronger performance by their employees. In 2009, more than half of the survey respondents noted that they used compensation incentives such as shift differentials, and various performance bonuses or certificate programs. In the 2013 survey nearly 70% of those surveyed responded that they did not use incentive programs to entice stronger performance. This may be an indirect result of the larger survey sampling as the 2013 sample included significantly more retail, medical and service industry businesses where incentive pay for things like certifications are less common than in industries such as manufacturing.

Do you provide compensation incentives to General Laborers that hold or are attempting to achieve occupational certifications or licenses?

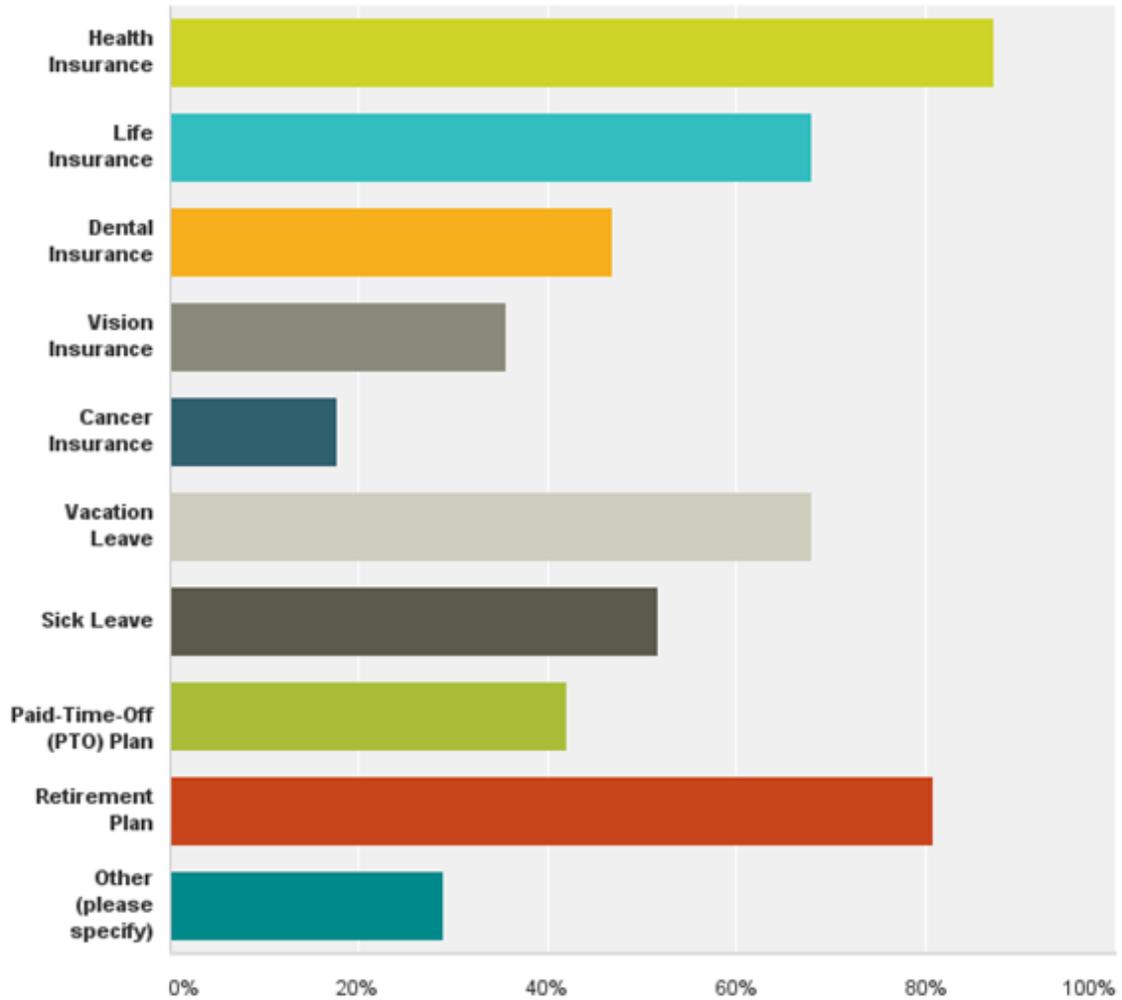
Answered: 63 Skipped: 0



Attempting to classify some of the more standard benefits being offered by Huron’s employers was also a goal of this survey. Of those surveyed, 62 of the 63 participants indicated that they offered at least some level of benefits to their employees. Some of the most notable offerings depicted in the chart below are that more nearly 90% of the surveyed companies offer some level of health insurance to their employees. In addition, more than 80% of the respondents offer some type of retirement savings plan, and nearly 70% offer life insurance benefits and vacation options.

**Does your company provide any of the following benefits to your employees?
Please check all that apply.**

Answered: 62 Skipped: 1



“Other” Benefit offerings noted above by survey respondents included but were not limited to:

- Tuition reimbursement
- Short Term Disability
- Long Term Disability
- In House Savings Program
- Retention Bonus
- Health Share Account
- Safety Equip Reimbursement
- Prescription & Deductibles pd by Company
- Employee Discounts
- Scholarship program for children of employees

It is extremely difficult to quantify or standardize each individual company’s benefit offerings to its employees and their dependents, however based on each company’s response we were able to discern that 75% of the surveyed companies offer some type of health care cost-share program varying from individual to family, from 50-100%. More than 40% of those surveyed offer some level of retirement savings programs to their employees, and more than a quarter of the respondents offer some level of life insurance. While there were many other types of offerings including but not limited to vacation, Paid-Time-Off (PTO), Short and Long Term Disability, and educational scholarships, it is notable that only seven of the respondents said that there was no cost sharing plan in place for their employees to participate in.

E. Housing Availability:

Due to the continuing challenges in the housing arena, recently Community Partners Research, of Faribault, MN was hired to assess the current conditions and needs for housing in the Huron and Beadle County’s market area. Goals of the study were to:

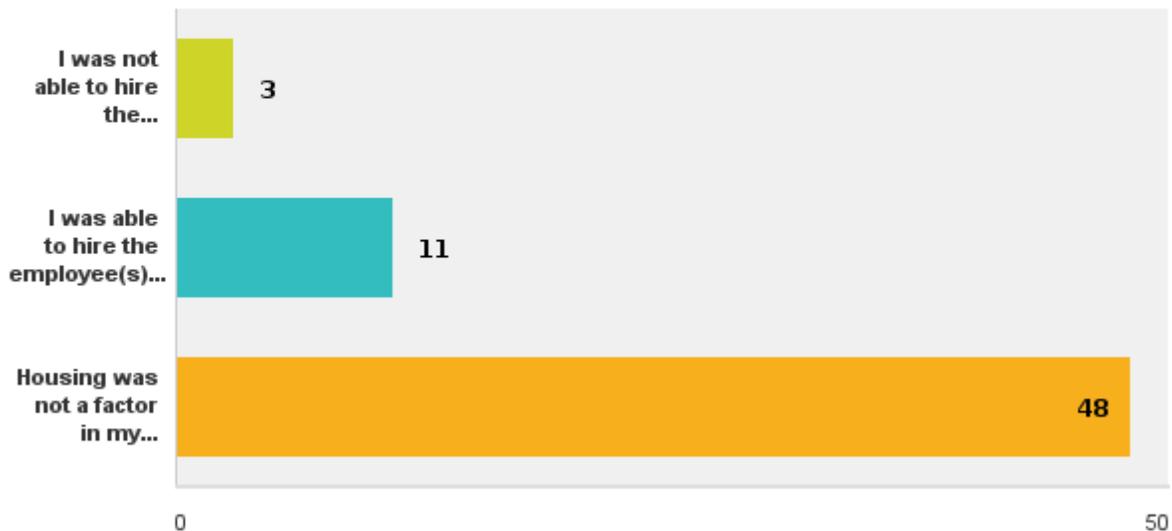
- Provide updated demographic data including the recent 2010 Census
- Provide an analysis of the current housing stock and inventory
- Determine gaps or unmet housing needs
- Examine future housing trends that the area can expect to address in the coming years
- Provide a market analysis for housing development
- Provide housing recommendations and findings

Since housing is such a key component of a community’s ability to grow, many development corporations consider housing a primary factor when attempting to forecast growth and opportunities for the future. As such, as a secondary goal of this survey, we have included a question designed to provide us some insight as to whether housing has had any effect on our local employers and their ability to hire personnel. The following chart provides at least some

insight as to whether housing has been a detriment to our employers to date. It appears from the findings that while there have been instances where the housing shortage has had an impact in our local companies, the effect has been minimal.

Has the lack of affordable housing ever impacted your ability to attract or hire quality employees for your organization? If so please consider the follow statements and check the one that best applies:

Answered: 62 Skipped: 1



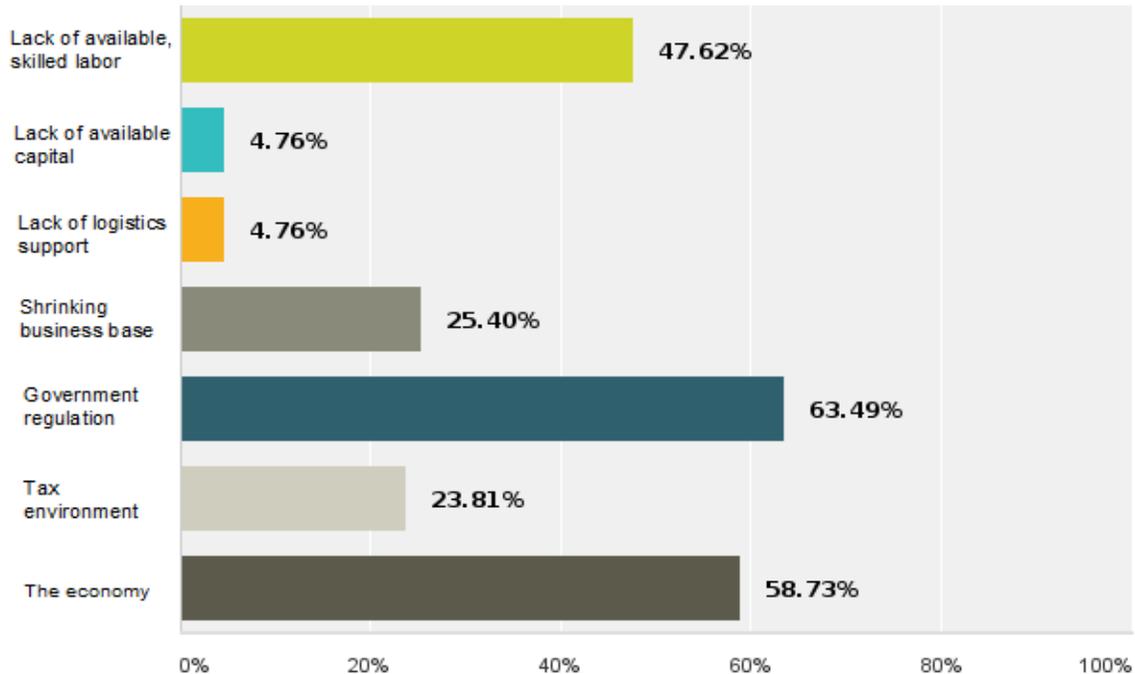
F. Future Challenges

As in any business there will always be challenges and road blocks to success that must be overcome. The following chart provides insight in to the key areas that present themselves as the primary challenges for our businesses to overcome in order to continue to grow.

This survey found that the single most significant concern of our local businesses and employers is that of government regulation, with over 63% of those surveyed noting this as being at the top of their list of the most pressing issues facing their companies.

Also of significant concern was the economy (in general) and also the lack of available, skilled labor as they attempt to grow their companies. While a shrinking business base and the general tax environment were also of concern, the most striking response was that the lack of capital was of minimal concern when looking into the future in the next 24-36 months. Less than 5% of the survey respondents felt capital would be of any major concern going forward.

What are the three most pressing issues facing your company when forecasting for the next 2-3 years?



G. Workforce Training:

As noted earlier, one of the primary goals of this survey was to ask our members what were the areas of training that they felt were needed most and what were the determining factors when considering training opportunities for their employees. The following charts represent a significant sampling of our members views on the types of training that could be offered in the future, the types of training platforms being utilized to deliver training, and the business’ opinions on how effective their training programs are.

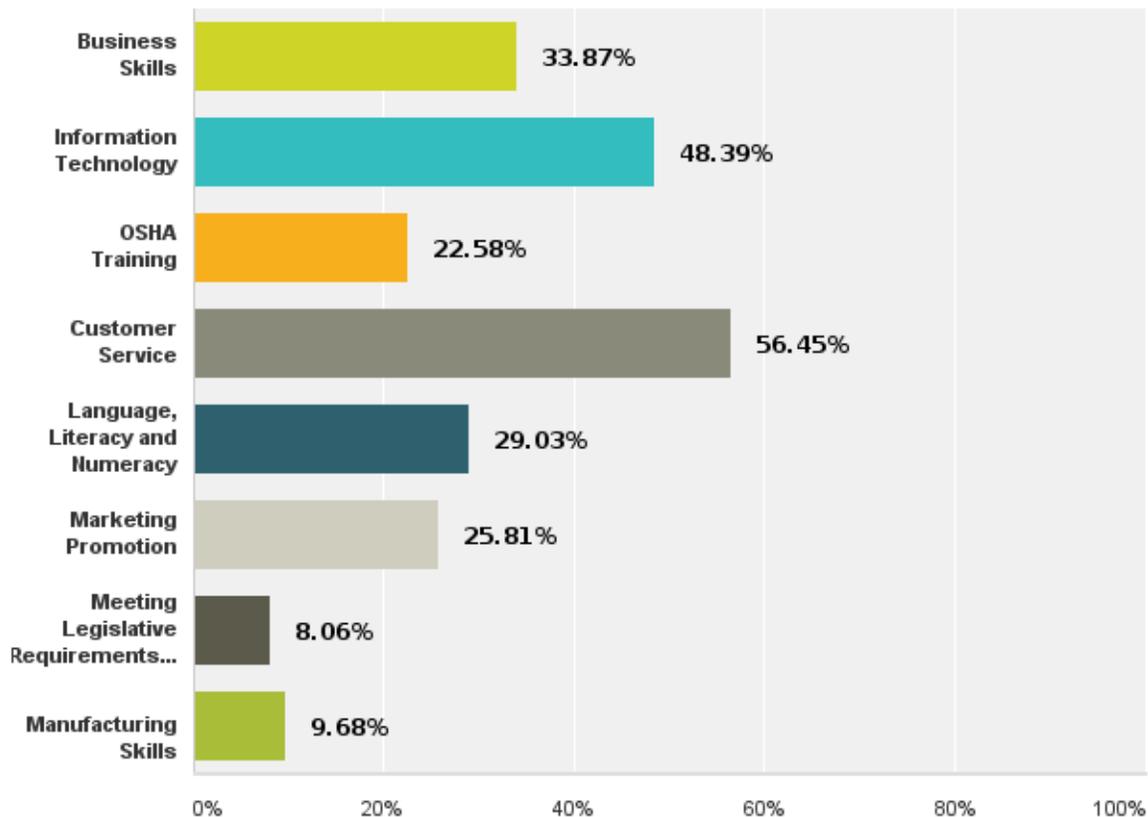
When asked about the types of training that may be useful, respondents to the survey responded overwhelmingly that Customer Service training continues to be of significant interest for local businesses and their employees. Over 55% noted that they would like to be notified if Customer Service training were to be made available. Information Technology and Business Skill training ranked 2nd and 3rd respectively for training interests. Language and Literacy training also ranked high (4th) with over 29% citing their interest in this area. This is most likely due to the continued diversification of our local area workforce. In our previous survey done in 2009, IT/Computer training also ranked high (2nd at that time), however

manufacturing skills training such as welding, ranked 3rd, whereas in this year's survey manufacturing skills dropped to less than 10%.

The most logical answer to the question of "what has changed" is most likely the significant increases seen in the level of sophistication of the training programs provided in-house or as "on-the-job" training by the companies themselves. Many of today's welding and manufacturing applications vary significantly from one certification to the next. This would support the finding that employers in these areas of the economy have little interest in outside, generic training offerings. Furthermore, customized training packages can be designed and offered through various industry resources and technical schools that tailor specific training programs to a specific need on an industry by industry basis.

Within your business what would you determine as the organization's training needs relating to the continued growth of the business?

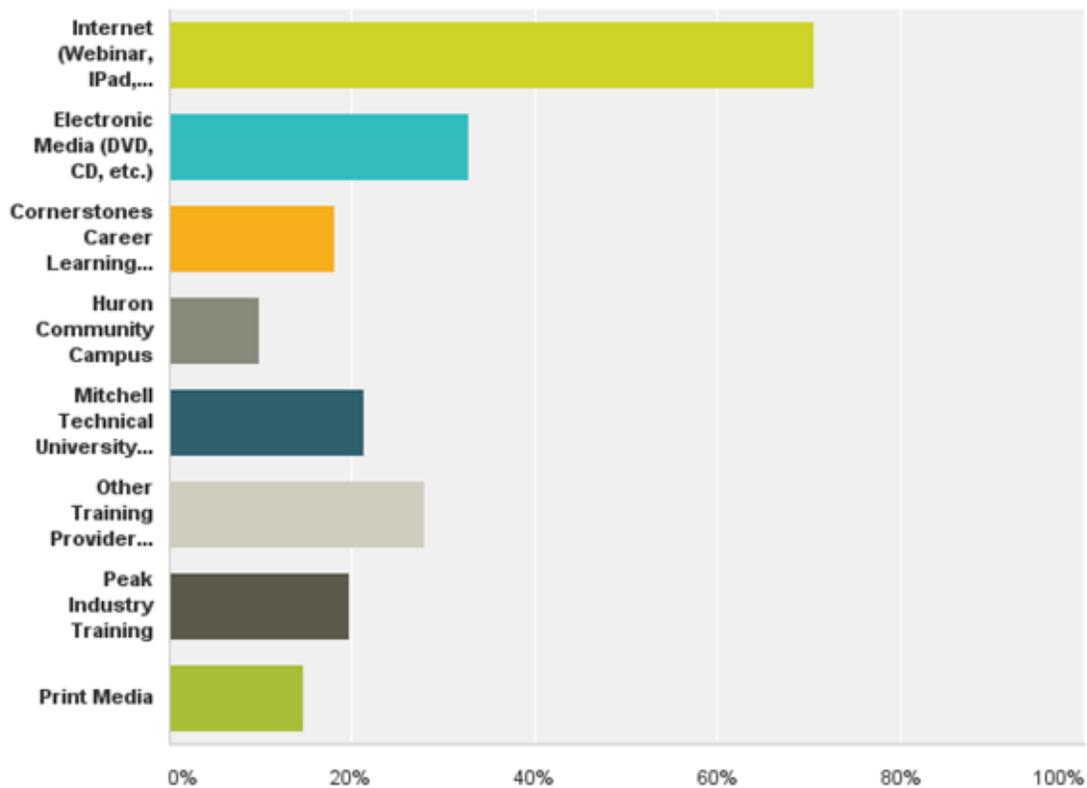
Answered: 62 Skipped: 2



While our 2009 survey did not address the types of training delivery methods being used at that time, our 2013 version of the survey did attempt to quantify how the training was being delivered in today’s world. The 2013 survey also attempted to establish the general consensus of how effective the survey respondents felt the training being currently offered was, and what variables were consistently considered as primary factors when considering new training opportunities for their employees.

If you have an identified training need within the organization where would you look to address the need? Mark all that apply.

Answered: 61 Skipped: 2

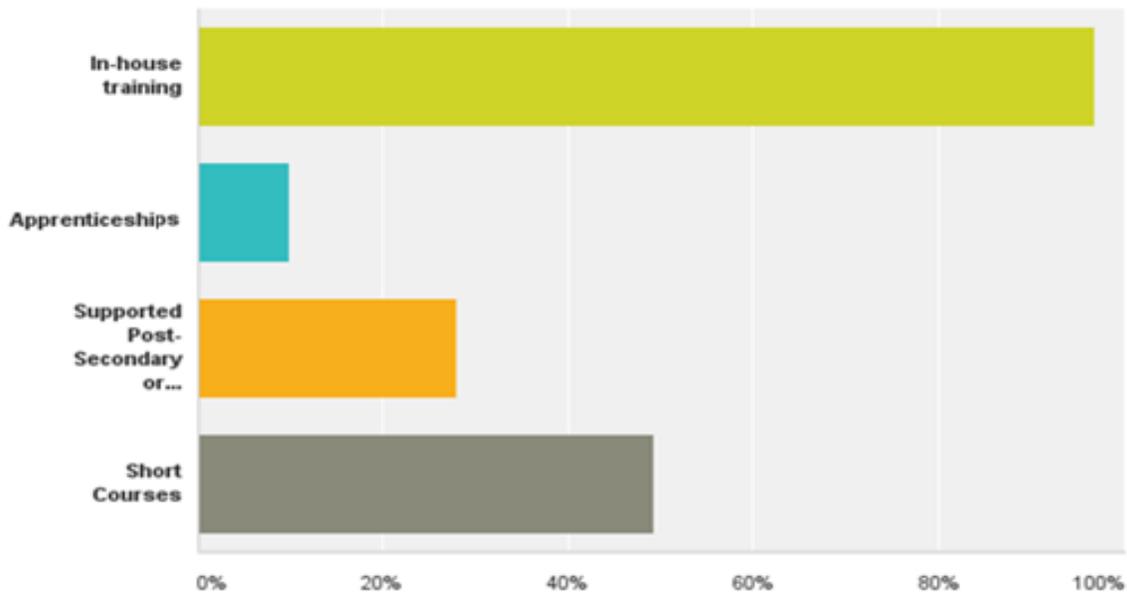


The most popular training delivery platform in today’s world is without question the Internet. Fully interactive training modules offered via webinars and adaptable individualized training sessions for participants is vastly preferred to losing employees to classroom style training located in another city, where businesses would be expected to provide per diem for their employees plus the cost of attending the class. Other considerations are things such as lost time on the production floor or at the office, location and the limited availability of the training at that site. The Internet provides “Instant On” capability and the ability to train employees on

an as-needed and as-available basis thus creating indirect cost savings for employers. Along with the Internet training, running a distant 2nd is that of electronic media such as training videos and CD's. Using training providers such Cornerstones Career Learning Center, Huron Community College, area technical institutions and industry trainers, round out the delivery platforms all ranking roughly the same regardless of industry sector and seem to reflect the sentiment that these are the least preferred methods for employers with the exception of using printed media. This may stem from the lack of opportunity or the lack of availability of training platforms within certain industries, however the fact remains that these types of delivery mechanisms are only of interest to approximately 15-25% of the survey respondents.

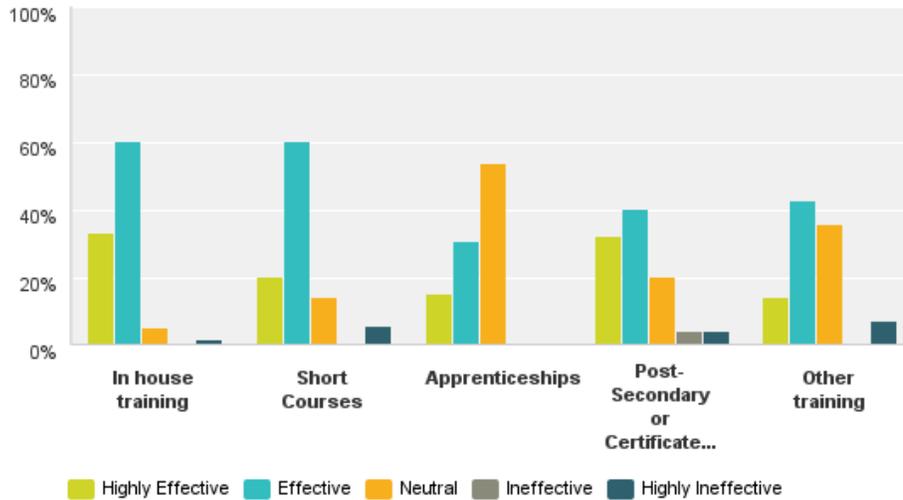
In the past two years what training activities has your organization supported or provided to the employees?

Answered: 61 Skipped: 2



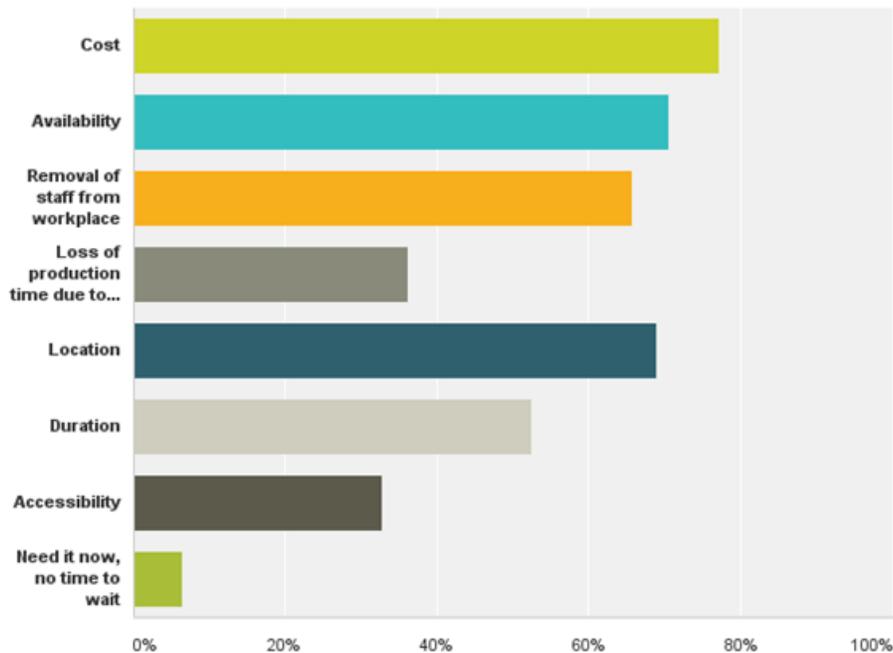
If you responded to the previous question how would you rate the value of the training activity to the organization in terms of being cost effective, and any positive improvements in productivity and systems?

Answered: 62 Skipped: 2



When identifying training activities what variables does the organization consider?

Answered: 61 Skipped: 2



H. Membership Sentiment:

The final question of the survey attempted to offer the respondent an opportunity to provide input to the development corporation on what could be done to help the respondent's business. While GHDC is a non-profit, association of member businesses that by design, does not engage in ongoing, specific activities for the benefit of any one member, it may consider a course of action that in general, improves the overall business environment for all of its members. While surveys typically attempt to quantify and categorize individual data sets resulting from specific questions, the following comments represent the responses resulting from the intentionally open-ended question of "what can we do as your local development corporation to make your business better". Those comments provided by specific companies potentially revealing their identities have been removed for confidentiality purposes.

Showing 33 of 36 responses

Bring in more industry

More training need for skilled/technical laborers; more affordable housing within the community; 90% female workers in the assembly line. day shift 11.76/hr; night shift (16 people) \$12.76/hr lead positions \$13-14/hr.

Housing shortage has not stopped us, however it was an 11th hour find before we lost potential hires. Need to educate students, parents that service tech positions are very well paid, in demand careers. I checked the up to \$50K range for employees, however we have several skilled tech's earning more.

Referral of other business; better communication; more high tech employees; NationJobs - web developer

Promote the Local Healthcare Delivery System

Our growth comes from locally owned businesses and population growth, so promotion of those entrepreneurial type companies or re-location would be great.

Continue to promote the Huron region as a positive location for business location and expansion

Continue to attract new businesses to Huron. I also think annual visits with community leaders regarding opportunities would be a good idea.

Housing and education

Need for quality child care that is affordable

We need to advertise and get out to the public that Huron is a great place to live.

As always, higher paid jobs create additional dollars to move throughout the retail community, so jobs of substance are critically important.

We need to work together to grow Huron's job base so our population grows. We need to work together to promote Huron as a regional retail and medical center.

I would like to see an assessment of professional services available in our community and any area where none exist and to then consider targeted recruitment in those void areas.

Address housing shortage and provide incentives for additional retail to locate in Huron.

Need mid-priced housing; family restaurants; more retail shopping; interpreters; industry like Twin City Fan

More Industry

We appreciate what you have done and the projects you continue to work on with us.

Better paying jobs, better retail

Add people, which will bring more retail

Expand the workforce for other companies in the community

Bring more businesses to town!!

Somehow expand higher paying jobs in our area

Could GHDC do an annual report showing how private and public dollars have been directed in expansions of existing businesses and efforts to attract new companies? I realize most contacts never pay off, but there must be some metric development corporations use to measure their effectiveness.

We are always in need of good equipment operators as well as laborers. Must show interest and show some ambition.

While we have enjoyed the diversity of the community's growth we are struggling to become a primary health care provider for the new citizens of Huron. The population growth is a challenge for our business to establish patients/clients. Somehow small businesses need to learn ways to communicate their services with all citizens of our community.

Come in and give us a chance to sell you something!

Maintain the continuing development and enhancement of the Huron community

Our business is currently facing a major problem with getting Real Estate loans closed. It is taking 50 - 75 days to close on loans with a lack of Appraisers. This is a major hurdle for anyone coming into town! This is also due to new lending regulations that are making it difficult to get loans closed. With the hurdles that buyers and sellers are facing it is slowing down our market and will only get worse.

Looks like you're doing a good job. Finding ways to assist in employee training and retention is a good start!

More housing and more skilled labor.

All potential employees look to what the city can offer ... such as good, affordable housing...plentiful and assorted eating establishments...recreational activities...items that you would want to have for you and your family.

Reach out from time to time with business updates and developments so that we know what is going on and can contribute accordingly.

SURVEY RESPONDENTS

Pam Browning First National Bank 9/9/2013 9:06	Spencer White Farmers & Merchants Bank 9/9/2013 8:57
John Mitzel Banner Engineering 9/9/2013 9:04	Brandon Van Zee NTA, Ltd. 9/9/2013 8:45
Terry Schiltz Ag Sense LLC 9/9/2013 9:03	Melissa Hofer Community Counseling Services 9/9/2013 8:44
Karen Spain APC Management 9/9/2013 9:02	Rick Larson Larson Cable Trailers 9/9/2013 8:43
Ned Keeler James River Equipment, LLC 9/9/2013 9:02	Brad Sibson SD Wheat Growers 9/9/2013 8:42
Ken Rutledge Dakota Provisions 9/9/2013 9:00	Ken Decker True North Steel 9/9/2013 8:41 AM
Preston Steele American Trust Insurance 9/9/2013 8:59	Tom Sandve Muth Electric 9/9/2013 8:39
John Single Huron Regional Medical Center 9/9/2013 8:59	Tracie Gogolin Wilbur Ellis Company 9/9/2013 8:36
Lynn Schneider American Bank & Trust 9/9/2013 8:58	Bill Anderson Anderson Furniture 8/13/2013 21:10
GARY GOELLER THE Goeller Group 8/19/2013 15:40	Jeff Logan Huron Luxury Cinemas 8/13/2013 16:10
Sherman Gose Avail Wealth 8/14/2013 10:26	Kevin Scheel Coborns 7/31/2013 13:57

John Deniger Prostrollo Motors 7/31/2013 13:37	Kim Olson Cornerstones Career Learning Center, Inc. 7/22/2013 9:00
Shawn Martin Performance Radio 7/25/2013 10:55	Dan Cumbee Dakotaland FCU 7/19/2013 11:28
Bill Ford Protective Coating Specialists 7/24/2013 15:29	Dr. Fuchs, Huron SD 57350 7/7/2013 11:54
Keith Ulvestad Aerostar 7/24/2013 15:15	Mark Davis Plainsman 7/3/2013 10:03
Gary Beilke Horizontal Machining & Manufacturing, Inc. 7/24/2013 15:08	Brian Davidson Brian Davidson Insurance 7/1/2013 12:27
Cliff Hadley The Clothing Company 6/25/2013 11:37	Gary Zell Gary Zell Auto Glass 6/25/2013 10:58
Randy Hoscheid Pierce and Harris Engineering 6/25/2013 9:43	Susan Fullerton Potters Shoes 6/24/2013 17:53
Lanny Olson Olson Construction 6/25/2013 9:07	Cara Osier Rainbow Flower 6/24/2013 13:06
Dr. Wayne H. Carr Carr Chiropractic Clinic 6/25/2013 7:28	Roger Chase Coldwell Banker Action Realty 6/24/2013 11:32
Jim Murtha Welter Funeral Home 6/24/2013 10:59	Mike Kopfmann UPS Store 6/24/2013 10:49
Daniel Webster Dakota Energy Cooperative, Inc. 8/2/2013 8:59	Steve Sprecher Ace Realty 6/28/2013 13:39

Leanne Kopfmann
Huron Clinic
7/31/2013 14:21

Bradley A. Tieszen
Urology Specialists
6/24/2013 10:48

Randy Meendering
Huron Area Center for Independence
8/8/2013 16:20

Kurt Pfeifle
General Manager
6/24/2013 11:25
Deb Smith

Eric Christensen
Trussbilt, LLC
9/9/2013 8:35

Nordby Rentals
6/28/2013 10:52

Chuck Rotert
Tschetter Hohm Clinic
9/6/2013 11:52

Phil Wiedenman
Wiedenman Construction
6/25/2013 14:22

Laurie Moeller
Premier Bank Card
9/6/2013 11:28

Paul R Christen
Huron, SD 57350
7/1/2013 15:12

Ruth Hiles
Wheeler's Business Products (Brown & Saenger)
9/6/2013 11:01

Barry Mack
Barti Metal
6/25/2013 11:58

Ray Kleinsasser
Vern's Manufacturing, Inc.
8/29/2013 9:36

Dan Harrington
Harrington & Associates, LTD
6/25/2013 10:12

Matt Breems
Lewis Drug
8/22/2013 10:39

LaVae Barton
Bartons Plumbing and Heating
6/24/2013 14:55

Steve Gubbrud
Our Home Inc
8/20/2013 10:04

Dr. Bruce Wintle
Dakota Family Dentistry
6/24/2013 11:55

David McGirr
Creative Printing
8/6/2013 13:09