How Arlington County Business Leaders View The County

Insights from the ACCS 2012 Business Leaders Study

June, 2013
Project Overview
2012 ACCS Business Leaders Study

• A 15-minute online survey was conducted in the fall of 2012 among business leaders in Arlington County.

• The study was conducted by the Southeastern Institute of Research, Inc. and LDA Consulting.

• Survey respondents were invited via email, by the Arlington Department of Environmental Services, Division of Transportation & Development.

• 212 senior level business executives, HR professionals and developers participated.

• Margin of error is ± 6.5 percentage points at the 95% confidence level.
Research Notes: Two Important Definitions

Top Two Box Scores
- Many questions in this study were asked using a rating scale of 1 to 5, with “5” being the highest (best, most important, etc.).
- The answers to these 5-point scale questions are reported as a “Top Two Box” score – the percent giving a rating of 4 or 5.

Sample Size
- Defined as the number of respondents for any given question, shown on each slide in the bottom left hand corner.
Survey Participants
Respondent Position Classification

Please select the phrase that best describes your position:

- CEO, CFO
- Chairman, Owner or President
- (Exec., Sr.) VP
- (Exec., Sr.) Director
- General Manager
- Property Manager
- HR Professional
- Other

n = 212
HR Professionals, Developers & C-Class
Please select the area(s) that best describes the location(s) of your [worksites; stores or establishments; properties] in Arlington County. Please check all that apply.

- Rosslyn: 23%
- Crystal City/National Airport: 20%
- Ballston: 19%
- Clarendon: 15%
- Court House: 13%
- Pentagon/Pentagon City: 7%
- North Arlington: 7%
- Columbia Pike: 7%
- Virginia Square: 5%
- South Arlington: 4%
- Shirlington: 4%
- East Falls Church: 3%
- Other: 3%

n = 177 HR Professionals & C-Class
Over one-third of Business Leader respondents have been doing business in Arlington County for over two decades.

How long has your organization been located in Arlington County?
How many [worksites; stores or establishments; properties] does your organization have in each of the following?

Note: 8% of respondent companies have more than 10 locations in the metro area.

n = 159
HR Professionals & C-Class
Note: 18% of respondent companies in the metro area and 22% in Arlington County have five or fewer employees: 5% in the metro area and 5% in the county have more than 1,000 employees.

About how many employees work for your organization at ALL locations in each of the following? (Entire Washington metropolitan area, Arlington County specifically)
### Industry Type

- **Non-profit organization/association**: 23%
- **Business, personnel, or professional**: 12%
- **Hospitality, restaurants, hotels, tourism**: 10%
- **Technology consulting**: 9%
- **Education**: 6%
- **Retail or wholesale trade**: 5%
- **Defense contracting**: 5%
- **Banking, finance, insurance, real estate**: 3%
- **Public administration, government**: 2%
- **Public utility or transportation**: 2%
- **Hospital, medical services**: 1%
- **Other**: 19%

**n = 164**

**HR Professionals & C-Class**

What is the primary work or business of your organization?
Half of survey respondents represent a private company, while an additional one-third represent a non-profit organization or trade association.

Which of the following best describes your organization type?

- Private company: 52%
- Non-profit organization or association: 35%
- Federal government agency: 4%
- Local government agency: 3%
- State government agency: 1%
- Other: 2%

n = 164 HR Professionals & C-Class
7 Key Findings
Business Leaders Feel Arlington County Offers a Great Quality of Life
“Arlington County offers everything one needs – food establishments, amenities and transportation options.”

Business Leader
Survey Question:

Overall, how would you rate the quality of life in Arlington County?
Arlington County’s Quality of Life Rating

86%
of Arlington County Business Leaders rate Arlington County’s Quality of Life a 4 or 5 on a 5-point scale, where “5” means “Excellent.”

Overall, how would you rate the quality of life in Arlington County? By “quality of life” we mean “the general well-being of residents taking into consideration such things as the quality of education available, employment opportunities, the economy, personal safety, health, housing, recreation and entertainment opportunities, and so forth.” Please use a scale of 1-5 where “1” means “poor” and “5” means “excellent.”
Survey Question:

How does the quality of life in Arlington County compare to the quality of life in other areas?
The Majority of Business Leaders Rate Arlington County’s Quality of Life Better Than Other Areas

How does quality of life in Arlington County compare to the quality of life in each of the following? Please use a scale of 1 to 5, where “1” means “quality of life in Arlington is much worse”, and “5” means “quality of life in Arlington is much better.”

- Other areas in the Greater Washington region:
  - 50% rate it much better
  - 22% rate it a little better
  - 72% rate it the same

- The United States:
  - 48% rate it much better
  - 32% rate it a little better
  - 80% rate it the same

n = 191 Developers & C-Class
Business Leaders Feel Arlington County Offers a Great Business Climate
“Arlington County is very business friendly and the county government works closely with business.”

“Overall, I think Arlington County is a well-developed county with a lot to offer businesses.”

“Arlington is ideally situated to fulfill the needs of my or most any business.”

Business Leaders
Survey Question:

How would you rate the overall business climate in Arlington County?
How would you rate the overall business climate in Arlington County? By “business climate” we mean “providing access to the workforce, capital, infrastructure, customers and the other high quality inputs needed for your business to be successful.” Please use a scale of 1 to 5 where “1” means “poor” and “5” means “excellent.”
Survey Question:

How does the overall business climate in Arlington County compare to the overall business climate in other areas?
How does the overall business climate in Arlington County compare to the overall business climate in each of the following? By “business climate” we mean “providing access to the workforce, capital, infrastructure, customers and the other high quality inputs needed for your business to be successful.” Please use a scale of 1 to 5 where “1” means “overall business climate in Arlington is much worse” and “5” means “overall business climate in Arlington is much better.”
Many Attributes Drive Arlington County’s High Business Climate Rating, Especially Location and Access
Survey Question:

Why did you give that rating for Arlington County’s Business Climate?
“Arlington County is close to everything. We are close to executive offices as well as Congressional offices. Our customers are centrally located near our office. There are many restaurants to choose from whether looking for breakfast, lunch, dinner or entertainment.”

Business Leader
Reasons for Arlington County’s High Business Climate Ratings

Why did you give that rating?

The more prominent the word, the more mentions it was given by business leaders.
Reasons for Arlington County’s High Business Climate Rating

- Great place/amenities: 27%
- Accessibility/transportation: 22%
- Retaining qualified workforce: 17%
- Great location: 15%
- Area economy: 7%
- Quality workforce: 5%

Why did you give that rating?
Many of These Same Attributes Are Important When Selecting a Business Location
Survey Question:

When your organization considers alternative locations for your business, how important are these attributes?
When your business considers alternative locations for locating your business or part of your business, how important are each of these attributes in the decision process?
When your business considers alternative locations for locating your business or part of your business, how important are each of these attributes in the decision process?
Survey Question:

What is the single **most important** attribute in selecting a location to start, relocate or expand your business?
What is the single most important attribute in selecting a location to start, relocate or expand your business?
The Most Important Attribute in Selecting a Business Location

What is the single most important attribute in selecting a location to start, relocate or expand your business?

The more prominent the word, the more mentions it was given by business leaders.
Business Leaders Feel Arlington County Is Performing Well Across Most of These Key Attributes
Survey Question:

How is Arlington County’s performance in delivering on these attributes?
Business leaders give Arlington County high marks for the area’s reputation, proximity to customers and quality transportation system.

Now using this same list, based on your experience with locating your business in Arlington County, please rate Arlington County’s performance in delivering on the attributes, using a scale of 1 to 5 for your answer. “1” means that you rate Arlington County “not very good” on that attribute and “5” means that you rate Arlington County “very good” on that attribute.

Performance of Attributes (1 of 2)

- **Reputation of area**: 36% (not very good), 51% (very good), 87% (very good)
- **Proximity to customers**: 33% (not very good), 43% (very good), 76% (very good)
- **Quality of transportation system**: 39% (not very good), 34% (very good), 73% (very good)
- **Attractive residential communities**: 39% (not very good), 29% (very good), 68% (very good)
- **Availability of skilled workforce**: 36% (not very good), 31% (very good), 67% (very good)
- **Recreational opportunities**: 32% (not very good), 29% (very good), 61% (very good)
- **Pro-business climate**: 32% (not very good), 26% (very good), 58% (very good)

n = 177
HR Professionals
& C-Class
Now using this same list, based on your experience with locating your business in Arlington County, please rate Arlington County’s performance in delivering on the attributes, using a scale of 1 to 5 for your answer. “1” means that you rate Arlington County “not very good” on that attribute and “5” means that you rate Arlington County “very good” on that attribute.
When your organization considers alternative locations for your business, how important are each of these attributes? Please rate Arlington County’s performance delivering on these attributes.
When your organization considers alternative locations for your business, how important are each of these attributes? Please rate Arlington County’s performance delivering on these attributes.

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Importance (4+5)</th>
<th>Performance (4+5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attractive residential communities</td>
<td>51%</td>
<td>68%</td>
</tr>
<tr>
<td>Affordable employee housing</td>
<td>12%</td>
<td>46%</td>
</tr>
<tr>
<td>Quality of K-12 education</td>
<td>42%</td>
<td>49%</td>
</tr>
<tr>
<td>Access to recreational opportunities</td>
<td>37%</td>
<td>61%</td>
</tr>
<tr>
<td>Access to entertainment opportunities</td>
<td>35%</td>
<td>58%</td>
</tr>
<tr>
<td>Workforce training opportunities</td>
<td>33%</td>
<td>37%</td>
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<tr>
<td>Access to quality colleges/universities</td>
<td>31%</td>
<td>57%</td>
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</table>

Note: Attributes sorted by degree of importance.

Housing costs are a concern to many.
Performance Gaps

Performance Rarely Exceeds Expectations With This Analysis. The Bigger Insight Is The Relative Size of the Gaps, And Ensuring the Largest Gaps Are Not With The Most Important Attributes.

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Importance</th>
<th>Performance</th>
<th>Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality of transportation system</td>
<td>86%</td>
<td>73%</td>
<td>- 13</td>
</tr>
<tr>
<td>Availability of parking</td>
<td>79%</td>
<td>44%</td>
<td>- 35</td>
</tr>
<tr>
<td>Reputation of area</td>
<td>77%</td>
<td>87%</td>
<td>+ 10</td>
</tr>
<tr>
<td>Availability of skilled workforce</td>
<td>76%</td>
<td>67%</td>
<td>- 9</td>
</tr>
<tr>
<td>Pro-business climate</td>
<td>74%</td>
<td>58%</td>
<td>-16</td>
</tr>
<tr>
<td>Proximity to customers</td>
<td>68%</td>
<td>76%</td>
<td>+ 8</td>
</tr>
<tr>
<td>Availability of business support services</td>
<td>59%</td>
<td>54%</td>
<td>- 5</td>
</tr>
<tr>
<td>Tax structure/incentives</td>
<td>51%</td>
<td>25%</td>
<td>-26</td>
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<td>+ 4</td>
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<td>57%</td>
<td>+ 26</td>
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</table>
There Is Always Room for Improvement

The Key Is Focusing on the Right Things...
Business Leaders Support the County’s Continued Investment in Infrastructure and Business Development
Survey Question:

How important is it for the County to invest in each of the following?
Business leaders feel improving the transportation, technology infrastructure, and private sector recruitment are the most important future investments.

- Improving the transportation system: 29% very important, 50% somewhat important, 79% overall.
- Developing and improving the technology infrastructure: 38% very important, 35% somewhat important, 73% overall.
- Attracting more private businesses: 34% very important, 37% somewhat important, 71% overall.
- Providing more parking: 29% very important, 36% somewhat important, 65% overall.
- Providing more affordable housing options: 21% very important, 30% somewhat important, 51% overall.
- Developing urban villages: 30% very important, 20% somewhat important, 50% overall.
- Attracting more government jobs: 24% very important, 24% somewhat important, 48% overall.
- Providing workforce training opportunities: 18% very important, 18% somewhat important, 36% overall.

How important is it for the County to invest in each of the following? Please use a scale of 1 to 5, where “1” is “not at all important” and “5” is “very important.”
“The growth and active pursuit of more business continues to be very proactive and successful…”

Business Leader
How Should Arlington County Prioritize Investment?

Based on Business leaders' Perceptions, This Study Points to Several Key Areas . . .
This map helps illustrate how drivers of satisfaction and perceived performance on attributes can highlight ACCS strengths and opportunities.

**Opportunity Map**

<table>
<thead>
<tr>
<th>GROWTH OPPORTUNITY</th>
<th>BUILD AND MAINTAIN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opportunities for improvement</td>
<td>Continue to invest and develop to build strength</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SAVE RESOURCES</th>
<th>RESERVE STRENGTH</th>
</tr>
</thead>
<tbody>
<tr>
<td>No need to invest resources here</td>
<td>A reserve that can “protect”</td>
</tr>
</tbody>
</table>

**Importance**
- C-Level Business Leaders: n = 156
- Performance: n = 177
  - HR Managers, C-Level Business Leaders
Opportunity Map

GROWTH OPPORTUNITY
- Availability of Parking
- Availability of Business Support Services

BUILD AND MAINTAIN
- Quality of Transportation System
- Reputation of Area
- Availability of Skilled Workforce
- Pro-business Climate
- Proximity to Customers

SAVE RESOURCES
- Affordable Housing for Employees
- Workforce Training
- Quality of Education K-12
- Proximity to Colleges & Universities
- Tax Structure and Incentives

RESERVE STRENGTH
- Attractive Residential Communities
- Accessibility of Recreational Opportunities
- Accessibility of Entertainment Opportunities

Importance
- n = 156 C-Level Business Leaders
- Performance n = 177 HR Managers, C-Level Business Leaders

Performance
No Surprise, Arlington County’s Business Leaders Are Bullish About the Future
“I have great faith that the significant progress of the past 25 years will continue.”

Business Leader
Survey Question:

How do you predict the quality of life and the business climate in Arlington County will change in the next five years?
Most Business Leaders Expect Quality of Life and Business Climate to Maintain or Improve in the Future

- **94% of Business Leaders** predict the quality of life in Arlington County will remain positive or improve in the next five years.
- **86%** predict the business climate will remain positive or improve.

### Business Climate in Arlington
- **13%** predict worse
- **47%** the same
- **39%** better

### Quality of Life in Arlington
- **5%** predict worse
- **53%** the same
- **41%** better

How do you predict each of the following will change in the next five years? Please use a scale of 1 to 5, where “1” means “will get significantly worse” and 5 means “will get significantly better.”
For More Information on This Study Contact:

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