



Business Climate Survey

City of Tacoma | Community & Economic Development

Economic Development Committee

August 27, 2024

ITEM #1



OVERVIEW



- Survey Objectives
- Survey Findings
- Survey Alignment
- Next Steps

Survey Objectives



- Responsive to Resolution # 41069
- Provide Statistically Significant and Representative Survey Responses
- Reduce Costs and Maximize Distribution
- Inform 2025 Council and Economic Development Priorities
- Embody Anti-racism Strategies

JUNE 2024



Tacoma Business Confidence Survey



Why

Collecting wide and comprehensive data will help ensure that the economic development work we do is truly centered in and for our local business community.

It helps both the City and the Chamber prioritize funding and programs for the greatest impact.

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Methodology

- Online survey of business decision makers with businesses registered in the City of Tacoma
- Conducted May 30 –June 16, 2024
- Invites sent via email to take the survey online with multiple reminders
- Survey offered in English, Spanish, Vietnamese, or Korean
- 221 completed interviews -174 businesses with a physical location in Tacoma
- Outreach and support from partners including Asia Pacific Cultural Center, Korean Women’s Association, The Black Collective, Tacoma Urban League, and Mi Centro.

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Summary 1

- Responding businesses represent a diverse group including geography, equity index, business sector, business size, years in Tacoma, and ownership ethnicity and gender
- Business Health Index is doing OK:
 - 6.3 on a scale of 0-10
 - Particularly strong in
 - Commitment to Tacoma (+39)
 - Good place to have a business (+29)
 - Weak as it relates to talent
 - Hire and retain talent (-29)
 - Number of employees will increase (+12)
 - However, businesses with a physical location in Tacoma are less positive about the business environment

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Summary 2

Questions about the most important factors, two out of the top three are directly physical and all three are ones they see the City as at least partially responsible for:

- Safety
- Cleanliness
- Cost of doing business (specifically taxes)

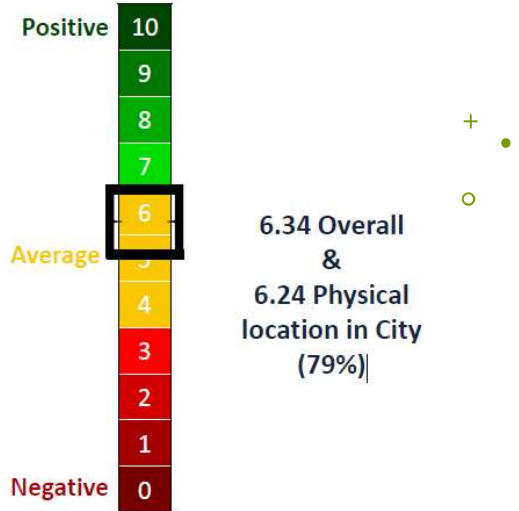
More specific to Community and Economic Development, there is room for improvement in each of the areas asked, but of these improving communication should be the top priority with 87% saying it is important.

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Business Health Index

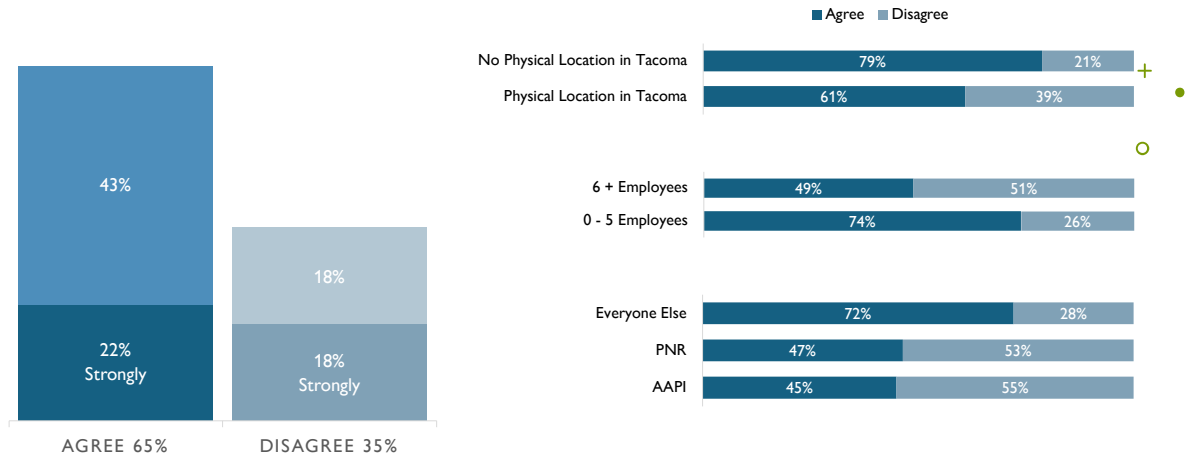
The Business Health Index aggregates the following questions about the business environment:

- Opinion of Tacoma as a good place to have a business
- Difficulty of hiring and retaining talent
- Hiring outlook over the next 12 months
- Revenue outlook over the next 12 months
- Commitment to maintaining a presence in Tacoma



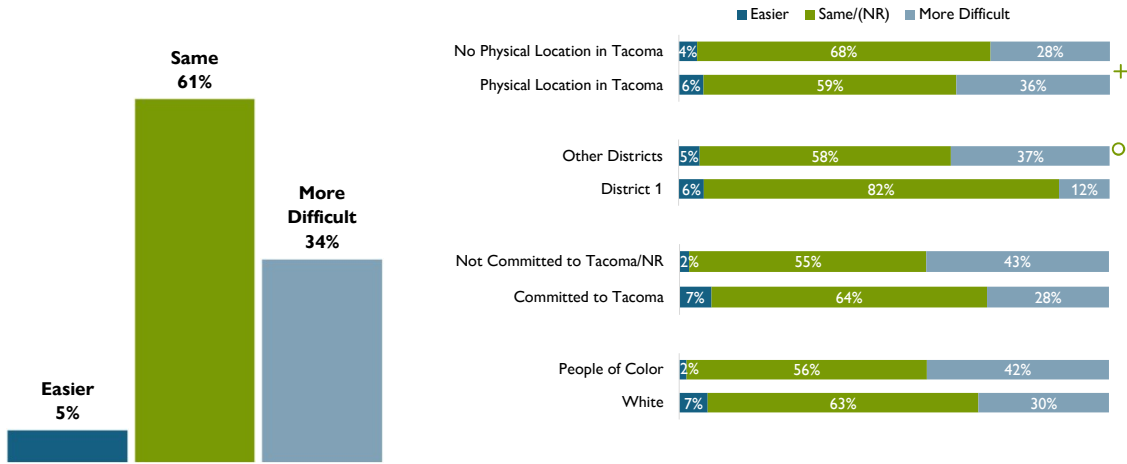
Good Place to have Business

“Tacoma is a good place to have a business”



Hiring and Retaining Talent

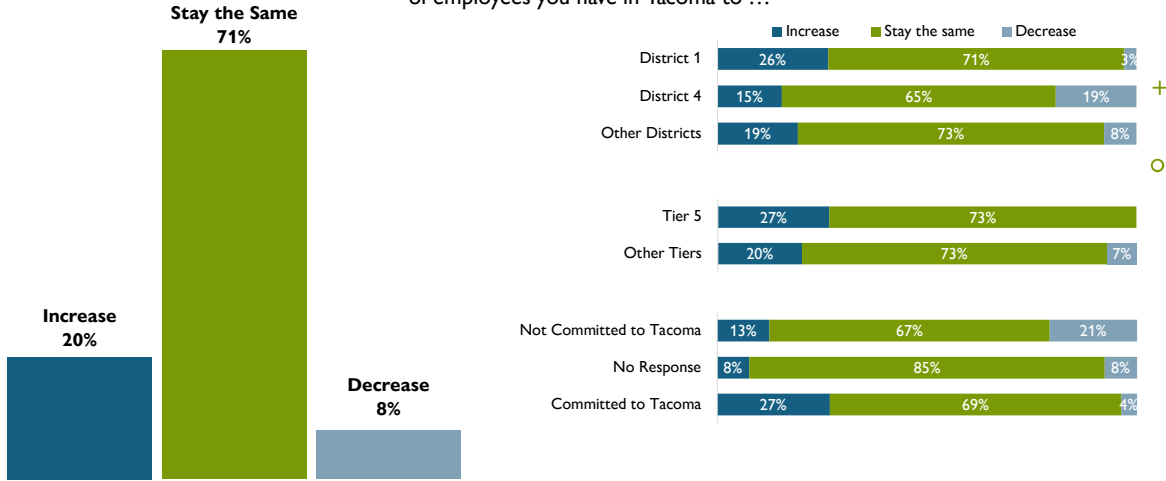
“Compared to 12 months ago, how easy or difficult would you say it is to hire and retain the talent your business requires?”



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Looking Ahead by Subgroups

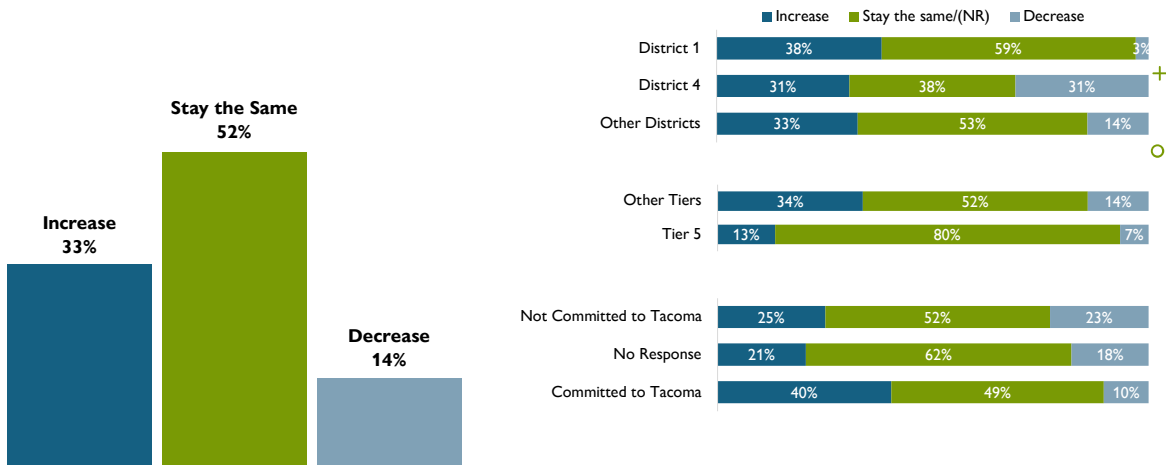
“In the next 12 months do you expect the number of employees you have in Tacoma to ...”



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Looking Ahead by Subgroups

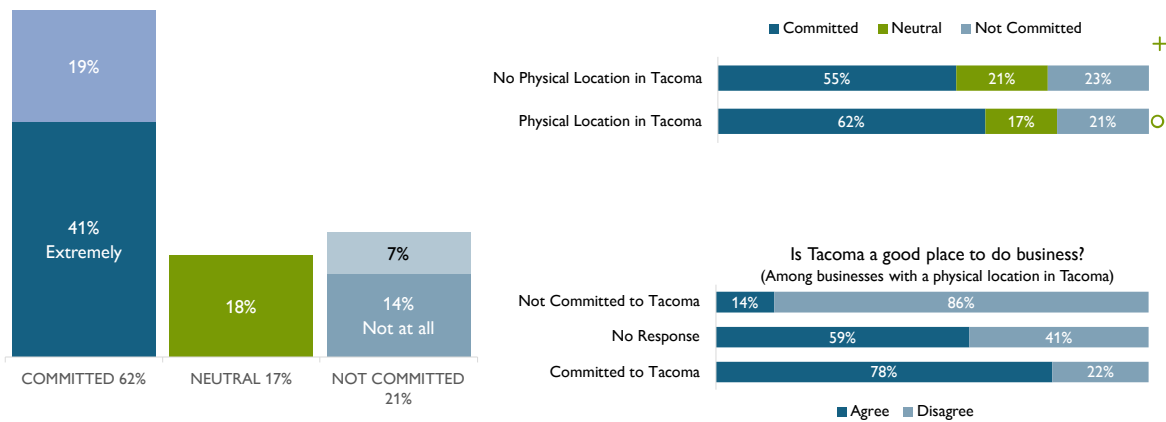
“In the next 12 months do you think your company’s gross revenue will”



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Commitment to Tacoma

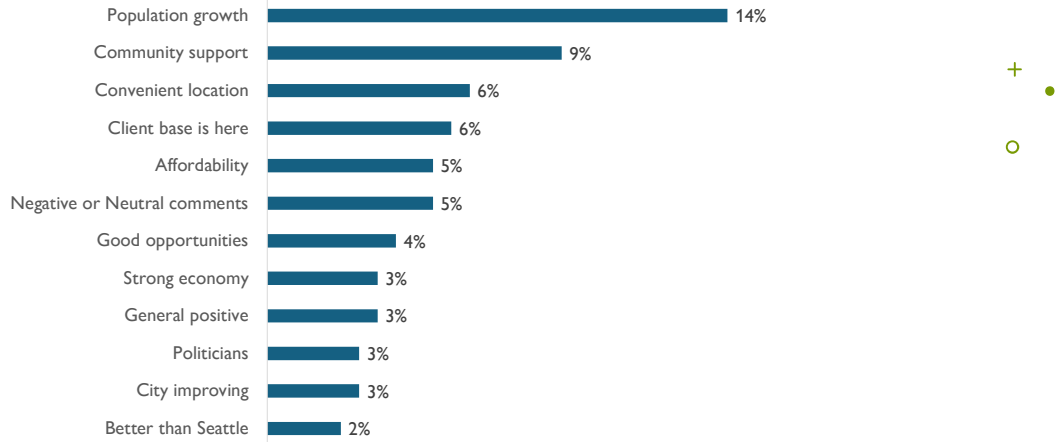
“How committed is your business to remaining in Tacoma?”



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Primary Opportunities

“What are some reasons to be optimistic about operating a business in Tacoma? (open ended)”



Factors on Choosing Location

**Top 3 Factors Important 90% +
Very Important 70%+**

- Safety of the Surrounding area
- Cleanliness of the surrounding area
- Costs of doing Business – excluding rent

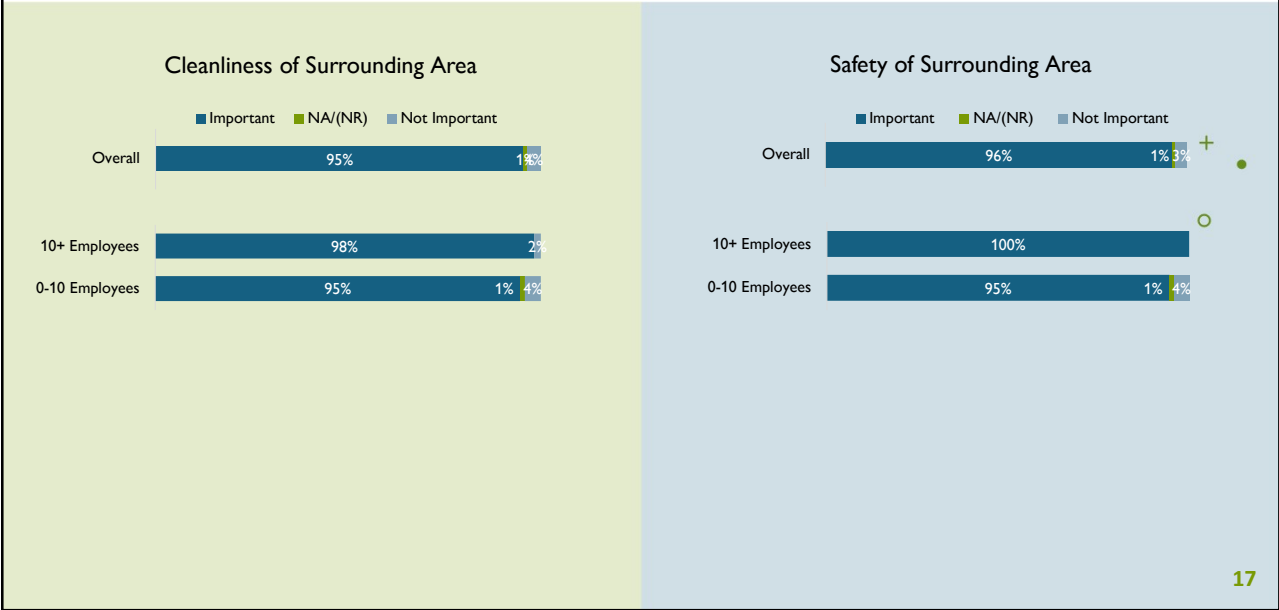
**Tier 2 Factors Important (67% - 72%)
Very Important (39% - 52%)**

- Parking availability
- Rent costs
- Proximity to customers
- Ease of getting to the location – for workers
- Ease of finding qualified employees locally

**Tier 3 Factors Important (38% - 66%)
Very Important (16% - 38%)**

- Being in Tacoma
- Desirability of the location for employees
- Ease of getting to the location – for freight
- Availability of public transit

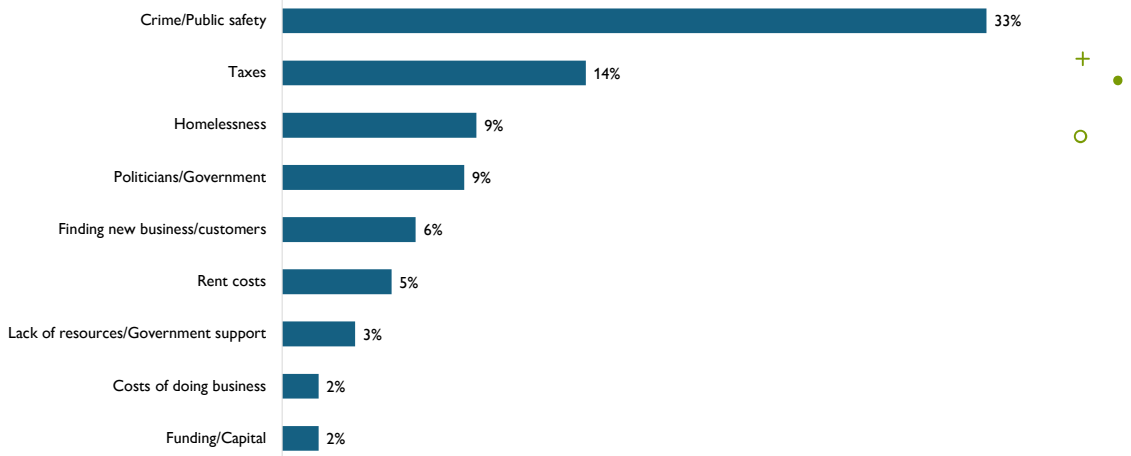
Factors on Choosing Location



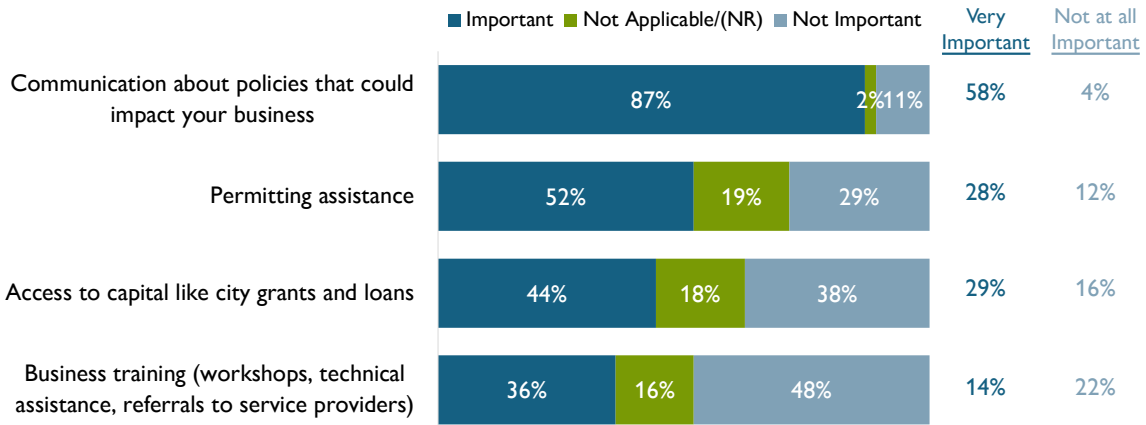
Challenges

“What are the primary challenges your business faces when making decisions about staying or growing in the city of Tacoma?” (open ended)

Among businesses with a physical location in Tacoma

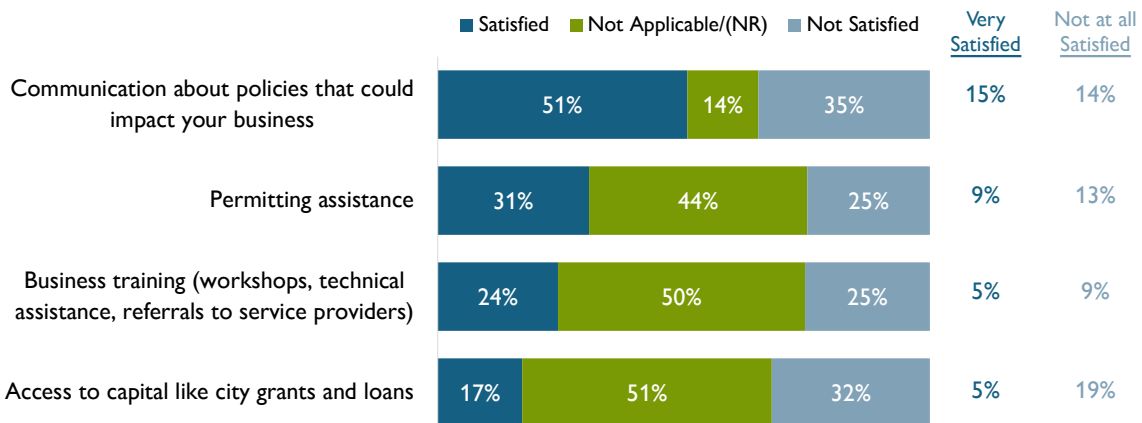


Importance of City Services



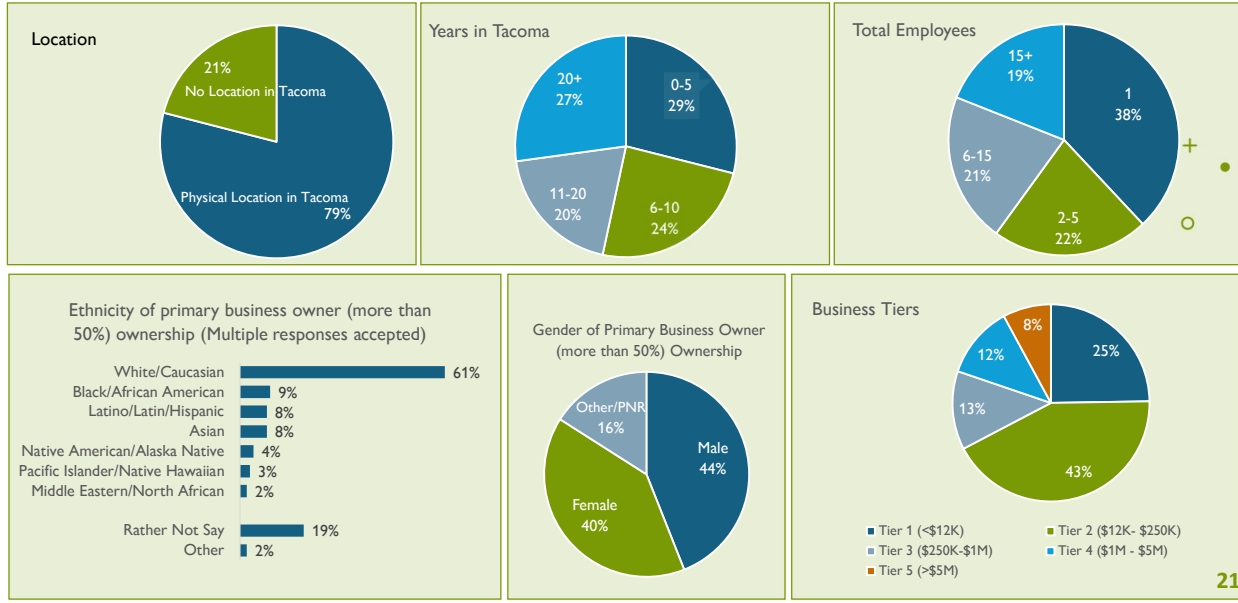
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Satisfaction with City Services



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Business Demographics



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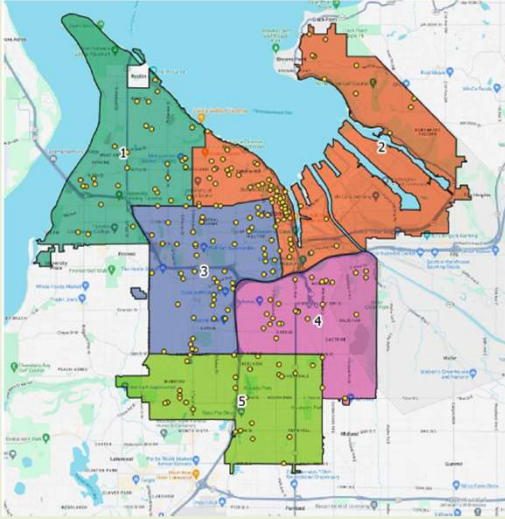
Business Demographics



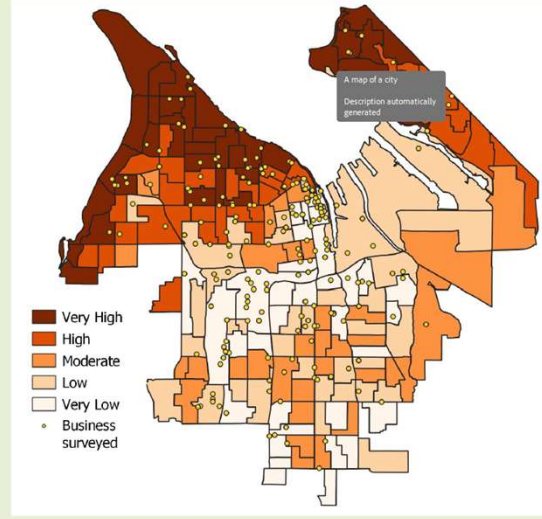
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Business Demographics

Business Location by District



Business Location by Equity Index



Alignment



- Resolution 41069
- Anti-Racist Resolution
- 2025 Economic Development Strategic Plan
- 2024 Citizen Community Survey
- 2025 – 2026 Budget Proposals

Next Steps



- **August:** Survey Results Presented to EDC
- **September:** Recommendations By EDC to Council
- Integration, if needed, into Biennial Budget
- **2025:** Integrated into Economic Development Strategic Plan
- Develop Communication Strategies with MCO

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