2016 ECONOMIC OUTLOOK HEALTH CHECK

Collaborating to build great places to grow a business

CITY OF WAHPETON ECO. DEV. DEPT.

A summary of the results
January 2016

Insights from the 2016 Economic Outlook Health Check Survey
www.OutlookHealthCheck.com

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A Challenge to Us All

Everyone benefits from a renewed economy.

For our local economies to thrive, we need to cultivate communities that are great places to grow a business.

Business, nonprofit and public leaders can do their part by helping regions embrace and celebrate a forward-looking culture of entrepreneurialism even as we disagree about the best path forward.

And each one of us can work within our own circles of influence to build healthy, high-performing organizations that thrive on a clear vision for the future.

As we lead and develop healthy organizations, we make our communities great places to start and grow a business.

ABOUT THE SURVEY

The 2016 Economic Outlook Health Check

Program Background

The Economic Outlook Health Check is a free annual online survey that gathers the perspectives of business leaders on the economic outlook for their organizations and their economic regions. US and Canada chambers of commerce and economic development associations were invited to distribute this health check survey to their members. In return, each association receives a free report on their results compared to the overall results.

This program is offered at no charge because our sponsors generously support the program and our partner companies volunteer their expertise to run the program. Our goal is to work with associations to support healthy business growth throughout the US and Canada.

For 2016, the survey was conducted November 10, 2015 – December 11, 2015. This roughly 4-week data collection period allowed us to begin after the election season was completed and wrap up data collection before the busyness of the Christmas and holiday season set in.

For more information on the program visit: www.OutlookHealthCheck.com

Program Snapshot

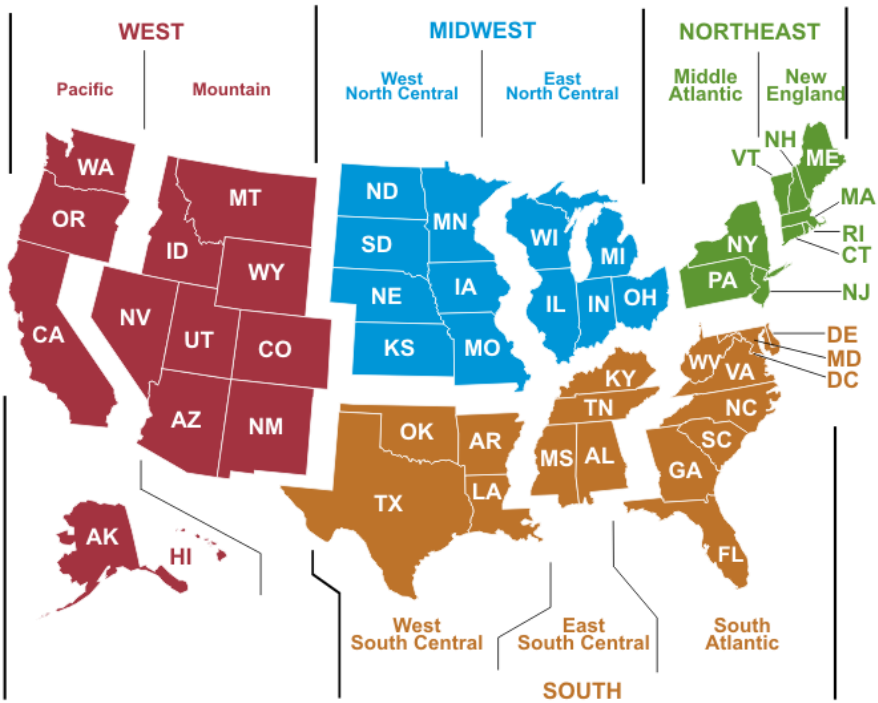
The 2016 Economic Outlook Health Check involves input from 2,158 respondents through 154 associations throughout the US and Canada. This highly collaborative effort was designed to help promote economic growth by gathering feedback on how to cultivate great places to grow a business.

Who	2,158 members from 154 associations; 25 from City of Wahpeton Eco. Dev. Dept.
What	An outlook survey to members of chambers and other economic development associations
When	November 10, 2015 – December 11, 2015
Where	856 cities across all 50 US states and 6 Canadian provinces
Why	To spur discussion on economic growth and making great places to grow a business

US Regions

We received feedback from almost every US state, providing sufficient sample for comparing results for the four US census regions.

WEST	MIDWEST	NORTHEAST	SOUTH
425	896	354	304



STATE	#
Alabama	1
Alaska	42
Arizona	28
Arkansas	27
California	113
Colorado	32
Connecticut	4
Delaware	0
Florida	41
Georgia	21
Hawaii	51
Idaho	10
Illinois	96
Indiana	68
Iowa	125
Kansas	42
Kentucky	34
Louisiana	0
Maine	20
Maryland	65
Massachusetts	10
Michigan	308
Minnesota	62
Mississippi	7
Missouri	30

STATE	#
Montana	0
Nebraska	2
Nevada	16
New Hampshire	0
New Jersey	10
New Mexico	25
New York	82
North Carolina	2
North Dakota	32
Ohio	42
Oklahoma	16
Oregon	11
Pennsylvania	4
Rhode Island	41
South Carolina	10
South Dakota	11
Tennessee	13
Texas	131
Utah	56
Vermont	118
Virginia	1
Washington	40
West Virginia	0
Wisconsin	78
Wyoming	1

 Source: www.eia.gov

Canadian Regions

Responses from Canada are primarily from British Columbia and Ontario. With 146 total Canadian responses, we only review overall results for Canada.

CANADA

146

PROVINCE	#
Alberta	18
British Columbia	62
Manitoba	12
New Brunswick	0
Newfoundland and Labrador	0
Nova Scotia	0
Ontario	39
Prince Edward Island	0
Quebec	0
Saskatchewan	15

TERRITORIES	0
Northwest Territories	0
Nunavut	0
Yukon	0

Source: www.statcan.gc.ca

Sources

We worked with 154 chambers of commerce and economic development associations who participated in the program and emailed survey invitations to their members. Below are the number of responses that we received for each of the participating association.

Abilene Eco. Dev. Commission.	Abilene, KS
Adams County Chamber & Tourism	Friendship, WI
Adams County Travel & Visitors Bur.	West Union, OH
Addison County Chamber of Commerce	Middlebury, VT
Alaska Travel Industry Assn.	Anchorage, AK
Allen Fairview Chamber	Allen, TX
Anchor Bay Chamber of Commerce	New Baltimore, MI
Ann Arbor/Ypsilanti Reg. Chamber	Ann Arbor, MI
Antigo/Langlade County Chamber	Antigo, WI
Arborg & Dist. Chamber	Arborg, MB
Auburndale Chamber	Auburndale, FL
Baraga County Chamber	L'Anse, MI
Bay City Chamber & Ag.	Bay City, TX
Bayfield Chamber of Commerce and Visitor Bureau	Bayfield, WI
Bellevue Area Chamber	Bellevue, IA
Berryville Chamber of Commerce	Berryville, AR
Blackfoot Chamber	Blackfoot, ID
Bolingbrook Area Chamber	Bolingbrook, IL
Boone County Chamber of Commerce	Boone, IA
Bracebridge Chamber	Bracebridge, ON
Bruce Chamber	Bruce, MS
Burbank Chamber of Commerce	Bedford Park, IL
Byron Area Chamber	Byron, IL
Cache Chamber	Logan, UT
California Delta Chamber & Visitors Bur.	Rio Vista, CA
Canal Fulton Area Chamber of Commerce	Canal Fulton, OH
Canton Area Chamber	Canton, PA
Carbon County Visitors Cncl.	Rawlins, WY
Carbon Valley Chamber	Firestone, CO
Carson City Area Chamber	Carson City, NV
Cedar City Area Chamber	Cedar City, UT
Chamber of Sandusky County	Fremont, OH
Cherokee Area Eco. Dev. Corp.	Cherokee, IA
Chilliwack Chamber	Chilliwack, BC
Chippewa County Eco. Dev. Corp.	Chippewa Falls, WI
City of Wahpeton Eco. Dev. Dept.	Wahpeton, ND
Clare Area Chamber	Clare, MI
Corning Area Chamber	Corning, AR
Cotulla-La Salle County Chamber	Cotulla, TX

Cowichan Lake District Chamber	Lake Cowichan, BC
Creede-Mineral County Chamber	Creede, CO
Crescent City/Del Norte County Chamber	Crescent City, CA
Creston Chamber	Creston, BC
Dawson Creek & Dist. Chamber	Dawson Creek, BC
Detroit Economic Club	Detroit, MI
Detroit Regional Chamber	Detroit, MI
East Side Chamber	Chicago, IL
Eco. Dev. Alliance for Brazoria County	Angleton, TX
Eco. Dev. Coalition of Southwest Indiana	Evansville, IN
Eloy Chamber of Commerce	Eloy, AZ
Ely Chamber	Ely, MN
Enderby & District Chamber	Enderby, BC
Flin Flon & Dist. Chamber	Flin Flon, MB
Fort Davis Chamber	Fort Davis, TX
Fort Scott Area Chamber	Fort Scott, KS
Franklin County Dev. Assn.	Hampton, IA
Fulton Eco. Dev. Corp.	Rochester, IN
Gahanna Area Chamber of Commerce	Gahanna, OH
Garrard County Chamber	Lancaster, KY
Gilroy Visitors Bur.	Gilroy, CA
Glenwood Springs Chamber Resort Association	Glenwood Springs, CO
Goodyear Economic Development Department	Goodyear, AZ
Grant County Chamber & Visitors Center	John Day, OR
Greater Albion Chamber of Commerce & Visitors Bureau	Albion, MI
Greater Antelope Valley Eco. Alliance	Lancaster, CA
Greater Deerfield Beach Chamber	Deerfield Beach, FL
Greater Grass Valley Chamber of Commerce	Grass Valley, CA
Greater Gratiot Dev. Inc.	Ithaca, MI
Greater Las Cruces Chamber	Las Cruces, NM
Hardin County Chamber	Savannah, TN
Harford County Chamber	Bel Air, MD
Harrison County Dev. Corp.	Logan, IA
Hawaii Island Eco. Dev. Bd.	Hilo, HI
Hazen Community Development, Inc.	Hazen, ND
Hesperia Chamber of Commerce	Hesperia, CA
Holdenville Chamber of Commerce	Holdenville, OK
Hopewell Ofc. of Tourism & Visitor Center	Hopewell, VA
Imperial Beach Chamber of Commerce	Imperial Beach, CA

Our partnerships with these associations is the key to making this program unique among the economic surveys currently conducted. Respondents are people who are engaged to help build healthy, vibrant communities.

Island County Eco. Dev. Cncl.	Coupeville, WA
Jackson County Eco. Dev. Auth.	Scottsboro, AL
Katy Area Chamber	Katy, TX
Kindersley Chamber	Kindersley, SK
Kingman Area Chamber	Kingman, AZ
Kings County Eco. Dev. Corp.	Hanford, CA
Lake Gogebic Area Chamber	Bergland, MI
Lake Superior Community Partnership	Marquette, MI
Lakeshore Chamber	Stevensville, MI
Lakeshore Chamber of Commerce	Stevensville-Baroda, MI
Lee Chamber	Lee, MA
Little Rock Port Auth.	Little Rock, AR
Lone Pine Chamber	Lone Pine, CA
Lowell Area Chamber	Lowell, MI
Mansfield Area Chamber of Commerce	Mansfield, TX
Mason Area Chamber	Mason, MI
Matawan-Aberdeen Chamber	Matawan, NJ
Matawan-Aberdeen Chamber of Commerce	Matawan, NJ
Medicine Hat & District Chamber	Medicine Hat, AB
Mercer County Chamber	Harrodsburg, KY
Milton Area Chamber	Milton, WI
Milton-Freewater Area Chamber	Milton-Freewater, OR
Mineola Economic Dev. Corporation	Mineola, TX
Molokai Chamber of Commerce	Kaunakakai, HI
Moundridge Area Chamber	Moundridge, KS
Mount Olive Area Chamber	Mount Olive, NC
Mount Pleasant Eco. Dev. Corp.	Mount Pleasant, TX
Necedah Chamber	Necedah, WI
Newport County Chamber	Middletown, RI
Nome Chamber	Nome, AK
North Newton Area Chamber	Newton County, IN
North Shuswap Chamber	Scotch Creek, BC
Northeast Kingdom Chamber	St. Johnsbury, VT
Norton Area Chamber	Norton, KS
Ocean Shores/North Beach Chamber	Ocean Shores, WA
Okemo Valley Reg. Chamber	Ludlow, VT
Old Town San Diego Chamber	San Diego, CA
Orchard Park Chamber	Orchard Park, NY

Oregon Area Chamber	Oregon, IL
Pacific County Economic Development Council	Raymond, WA
Paintsville/Johnson County Chamber	Paintsville, KY
Palisade Chamber	Palisade, CO
Park Hills-Leadington Chamber of Commerce	Park Hills & Leadington, MO
Pawnee City Chamber	Pawnee City, NE
Pickens County Chamber	Jasper, GA
Pike County Chamber of Commerce	Pike County, IL
Prince Rupert & Dist. Chamber	Prince Rupert, BC
Pullman Chamber	Pullman, WA
Radium Hot Springs Chamber	Radium, BC
Randolph County Eco. Dev. Corp.	Asheboro, NC
River Country Chamber	River County, MI
River Valley Chamber	River Valley, ME
Rolling Meadows Chamber	Rolling Meadows, IL
San Anselmo Chamber	San Anselmo, CA
Saratoga Eco. Dev. Corp.	Saratoga Springs, NY
Sauk Centre CVB	Sauk Centre, MN
Siren Area Chamber	Siren, WI
Skiatook Chamber	Skiatook, OK
Southwest Michigan	Kalamazoo, MI
Spearfish Eco. Dev. Corp.	Spearfish, SD
Spring River Area Chamber	Spring River Area, AR
Spruce Grove & District Chamber of Commerce	Spruce Grove, AB
St. Lawrence County Chamber	Canton, NY
Sterling Heights Reg. Chamber & Ind.	Sterling Heights, MI
Stewart County Chamber of Commerce	Dover, TN
The Chamber of Medford/Jackson County	Medford, OR
Tompkins County Chamber of Commerce	Ithaca, NY
Warroad Area Chamber & CVB	Warroad, MN
Waseca Area Chamber	Waseca, MN
Waunakee Area Chamber of Commerce	Waunakee, WI
West Metro Chamber & Visitors Center	Cayce, SC
Wethersfield Chamber	Wethersfield, CT
Wheeler County Chamber of Commerce	Alamo, GA
Winnetka-Northfield Chamber	Winnetka, IL
Woodstock Dist. Chamber	Woodstock, ON
Yuba-Sutter Eco. Dev. Corp.	Yuba City, CA

SUMMARY OF RESULTS

A review of the findings for
City of Wahpeton Eco. Dev. Dept.

Economic Outlook

To measure the economic outlook, we asked individuals to rate the outlook for their company using a 1-10 scale. We then calculated the mean and indexed it on a 0 to 100 scale. The scores can be viewed much like weather temperatures. Scores in the 70's are pleasantly warm, the 60's are a bit cool, and anything in the 50's or lower is chilly.

The short 6-month outlook (70) is a bit lower than the 12-Month (75) and the 3-year (77) outlook. Respondents clearly think that early 2016 will still be a bit sluggish but will pick up a bit in the later part of the year.

	OUTLOOK	N = 2128	N = 25	DIFF
—	6-Month Outlook	70	63	-7
—	12-Month Outlook	75	69	-6
—	3-Year Outlook	77	74	-3

Note that the overall scores for all respondents is in the first column (yellow), while scores for the comparison respondents in this report are in the second column (blue). In the third column we show the difference between the scores. To the left of the chart are indicators. A ✓ means that the segment score is significantly (at a 95% confidence level) above the overall score. A ⊗ indicates that the segment score is significantly lower than the aggregate. And a — means that the scores are about the same.

Significant Difference at 95% Confidence Level

✓ Significantly above the aggregate

⊗ Significantly below the aggregate

— No significant difference

2016 Plans

Four key measures provide additional insight into expectations for 2016. Less than half (43%) expect their company to hire more people in 2016. On a good note, though, more than 4 out of 5 (84%) expect to remain in the state/province. Similar to hiring expectations, just half (53%) expect to see growth for the company within the state/province, and even fewer (11%) expect to see growth globally for their companies.

	2016 PLANS	N = 2128	N = 25	DIFF
✗	Hire more people	43%	20%	-23%
—	Remain in the state / province	84%	72%	-12%
—	Grow within the state / province	53%	44%	-9%
—	Grow globally	11%	12%	1%

Significant Difference at 95% Confidence Level

✓ Significantly above the aggregate

✗ Significantly below the aggregate

— No significant difference

2016 Priorities

We asked respondents to indicate which of the following are top priorities for their state/province in 2016. Compare the segment scores to the overall to see how your state/province may differ from the aggregate.

	2016 PRIORITIES	N = 2128	N = 25	DIFF
—	Improving education	61%	44%	-17%
—	Lower healthcare costs	60%	56%	-4%
✗	Fixing roads and bridges	58%	28%	-30%
—	Simpler regulation	54%	44%	-10%
—	Attracting and retaining top talent	53%	64%	11%
—	Lower taxes	52%	48%	-4%
✓	More available skilled labor	50%	76%	26%
—	Lower energy costs	41%	28%	-13%
—	Ensuring clean water	34%	24%	-10%
—	Better access to capital	25%	32%	7%
—	Revitalizing major cities	24%	16%	-8%

Significant Difference at 95% Confidence Level

✓ Significantly above the aggregate

✗ Significantly below the aggregate

— No significant difference

Company Culture

The aggregate economic outlook depends on how well the myriad of public, private, and nonprofit entities are managed. Healthy organizations with a culture of high performance are able to navigate fluid economic circumstances to make the adjustments needed to continue to grow.

The culture experts at Denison Consulting (www.denisonconsulting.com) list 60 key attributes for measuring company culture. Borrowing from the Denison model we incorporated four key measures on company culture that point to the overall health of the organization.

	COMPANY CULTURE	N = 2128	N = 25	DIFF
—	Is focused on adapting to change	80	80	0
—	Articulates a vision for the future	78	82	4
✔	Is an example of high performance	78	85	7
—	Involves all staff in decision-making	67	74	7

Overall, companies are doing well at focusing on adapting to the changing business circumstances. Companies also do fairly well at articulating a vision for the future and creating a high-performing organization. However, companies seem to lag a bit when it comes to involving the staff in company decisions, a factor growing in importance as firms seek greater engagement and involvement from employees.

Significant Difference at 95% Confidence Level

✔ Significantly above the aggregate

⊗ Significantly below the aggregate

— No significant difference

Economic Region

The greatest opportunity for impacting economic growth beyond the individual organizations is at the economic region level. The economic regions within a state or a province differ significantly from one another and require specific attention to the unique business needs of the area.

None of the economic region scores are in the 70's, and scores for talent and technology are deep lows in the 40's. One attribute to focus on is a culture of entrepreneurialism. In our analysis, this measures shows up as an important driver of the outlook for companies in the region. Companies thrive when entrepreneurialism is promoted and supported as a natural part of the culture.

	MY REGION	N = 2128	N = 25	DIFF
—	Has an unparalleled quality of life	67	75	8
✓	Has a forward-looking culture that embraces entrepreneurialism	57	69	12
✓	Has an educational system that is second to none	55	70	15
✓	Is unified in its pursuit of economic development	54	64	10
✓	Collaborates well to minimize divisions and facilitate progress	53	67	14
—	Has a large pool of skilled, educated talent available for hire	48	51	3
✓	Has an unquestionable identity as a vibrant technology hub	44	64	20

Significant Difference at 95% Confidence Level

✓ Significantly above the aggregate

⊗ Significantly below the aggregate

— No significant difference

State/Province

People generally feel good about their state or province as a great place for raising a family. At the bottom of the list, however, are attributes measuring the climate of the state/province conducive for business growth: being business-friendly, having effective leaders, and being a great place to grow a business. Naturally, then, respondents provide the lowest scores for the state/province as being on the right track and having a vibrant economy.

	MY STATE / PROVINCE	N = 2128	N = 25	DIFF
✓	Is a great state for raising a family	76	86	10
✓	Is a great place to grow a business	60	79	19
✓	Is a great state for young professionals	60	76	16
✓	Has effective business, nonprofit, and government leaders	58	70	12
✓	Is on the right track	58	75	17
✓	Is business-friendly	57	81	24
✓	Has a strong, vibrant economy	57	78	21

Significant Difference at 95% Confidence Level

✓ Significantly above the aggregate

⊗ Significantly below the aggregate

— No significant difference

Likelihood to Recommend

The willingness to recommend a product or service is an important metric used by many businesses to gauge the level of engagement their customers have with the company. The likelihood to recommend measure is a strong indicator of how people talk about community, region, or state/province.

Scores for likelihood to recommend the community, region, or state/province as a great place to grow a business are soft for the US and Canada overall. Scores hovering around the mid to upper 60's indicates a general reluctance to give a good referral to friends, family, and colleagues.

	RECOMMEND	N = 2128	N = 25	DIFF
✔	Recommend Local Community	66	76	10
✔	Recommend Region	67	78	11
✔	Recommend State / Province	67	80	13

Compare your scores to the aggregate and consider what they might mean for your community, region, or state/province. Think of the segment scores and imagine what the respondents would say if someone asked "Should I start my new business in this area?" or "I will be graduating soon and wondered where I should be looking to find great business opportunities." If respondents have a low score for the likelihood to recommend, it's likely that they are telling others that the community, region, or state/province is not a great place to start or grow a business.

Significant Difference at 95% Confidence Level

- ✔ Significantly above the aggregate
- ⊗ Significantly below the aggregate
- — No significant difference

Net Promoter Score (NPS)®

The popular NPS® metric developed by Frederick Reichheld measures the level of customer engagement. Using a 0-10 scale for likelihood to recommend, NPS equals the % of Promoters (9-10) minus the % of Detractors (0-6).

For this Health Check, we calculated NPS based on the respondent's likelihood to recommend the local community, economic region, and state/province as a great place to grow a business.

	ALL	CITY OF WAHPETON ECO. DEV. DEPT.
LOCAL COMMUNITY	-5%	28%
ECONOMIC REGION	-6%	24%
STATE / PROVINCE	-4%	32%

<0% 20% to 0% >=20%

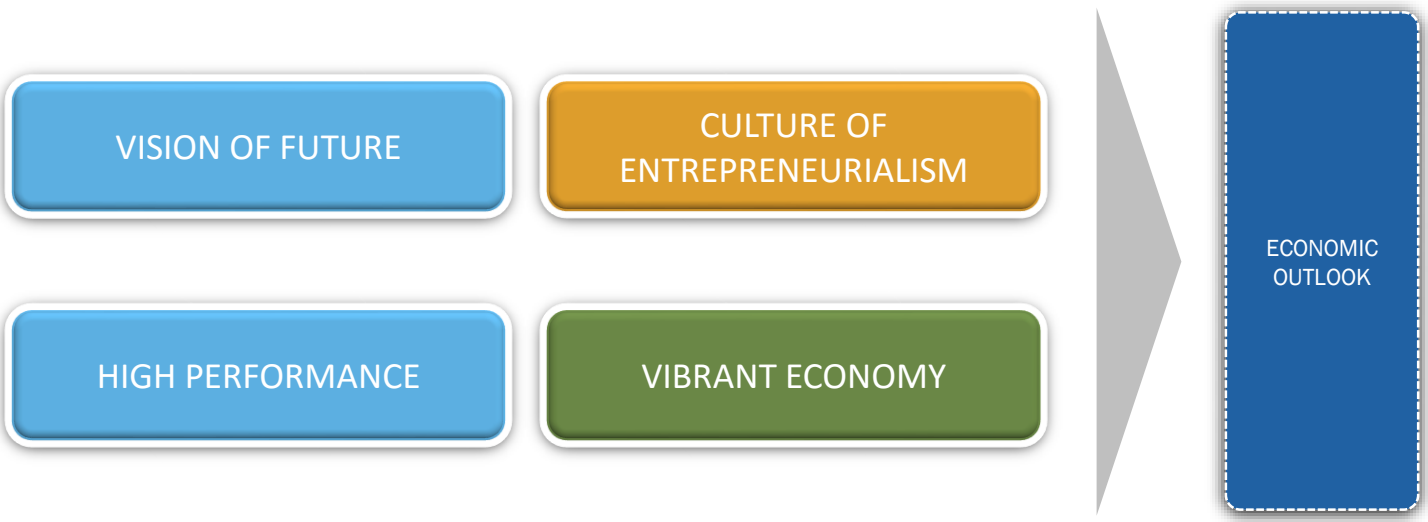
Drivers of Economic Outlook

Finally, to better understand the elements that foster economic outlook, we analyzed the complete set 2,158 responses for of company measures, regional measures, and state measures and identified four key factors that drive a positive economic outlook.

4 Primary Factors

As you think about actions steps for 2016, keep these primary factors in mind:

1. Companies that articulate a vision of the future
2. Companies that are examples of high performance
3. Regions that have a forward-looking culture that embraces entrepreneurialism
4. A state or province that has a strong, vibrant economy



Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.034	.190		15.987	.000
	Articulates a vision for the future	.297	.025	.292	11.887	.000
	Is an example of high performance	.108	.025	.105	4.275	.000
	Has a forward-looking culture that embraces entrepreneurialism	.111	.018	.144	6.325	.000
	Has a strong, vibrant economy	.157	.018	.196	8.846	.000

a. Dependent Variable: 3-Year Outlook

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.534[a]	.285	.283	1.584

a. Predictors: (Constant), Has a strong, vibrant economy, Is an example of high performance, Has a forward-looking culture that embraces entrepreneurialism, Articulates a vision for the future

SUMMARY OF RESULTS

1. STATE LEVEL: FOCUS ON THE TOP PRIORITIES FROM THESE RESULTS TO HELP YOUR STATE/PROVINCE DEVELOP A STRONG, VIBRANT ECONOMY

2. REGIONAL LEVEL: CULTIVATE A FORWARD-LOOKING CULTURE THAT CELEBRATES, EMBRACES, AND SUPPORTS ENTREPRENEURIALISM

3. ORGANIZATIONAL LEVEL: ENCOURAGE ALL LEADERS TO ARTICULATE A CLEAR AND COMPELLING COMPANY VISION AND FOSTER AN ORGANIZATIONAL CULTURE THAT IS AN EXAMPLE OF HIGH PERFORMANCE

MAKE IT HAPPEN!

www.OutlookHealthCheck.com