

Economic Development Consulting Services

April 2021 Reporting Period



CITY OF
FAYETTEVILLE
ARKANSAS

In partnership with

CHAMBER
FAYETTEVILLE

Economic Development Metrics and Activities

- Eleven Business Expansion projects in progress
 - Eight Manufacturing, three Services
 - One in out of discovery into active recruitment, successful meeting with executives
 - Estimated 70 new HC over 5 years at average hourly wage \$30 to 40 per hour (updated)
 - Engaging with AEDC – incentive approved
 - February addition is active and initial discovery, competing with one state
 - Estimated net new HC: 250+, Average wages: \$26.80+/-, net new payroll: \$14.5M
- April (Preliminary) Unemployment rate 2.9*
 - Still improving and underlaying economy still strong
 - As expected, we are returning to pre-pandemic rates
- Public Meetings – Still virtual, anticipate returning to in-person MAY/JUN
 - Committee meetings remain remote
 - Candidate forums will be remote
- Weekly Chamber Health Crisis review, on-going at least through June 2021
 - Consists of business leaders through out the City 20 – 30 per call
 - This call continues to draw 20 – 30
 - Will move to once a month as crisis winds down

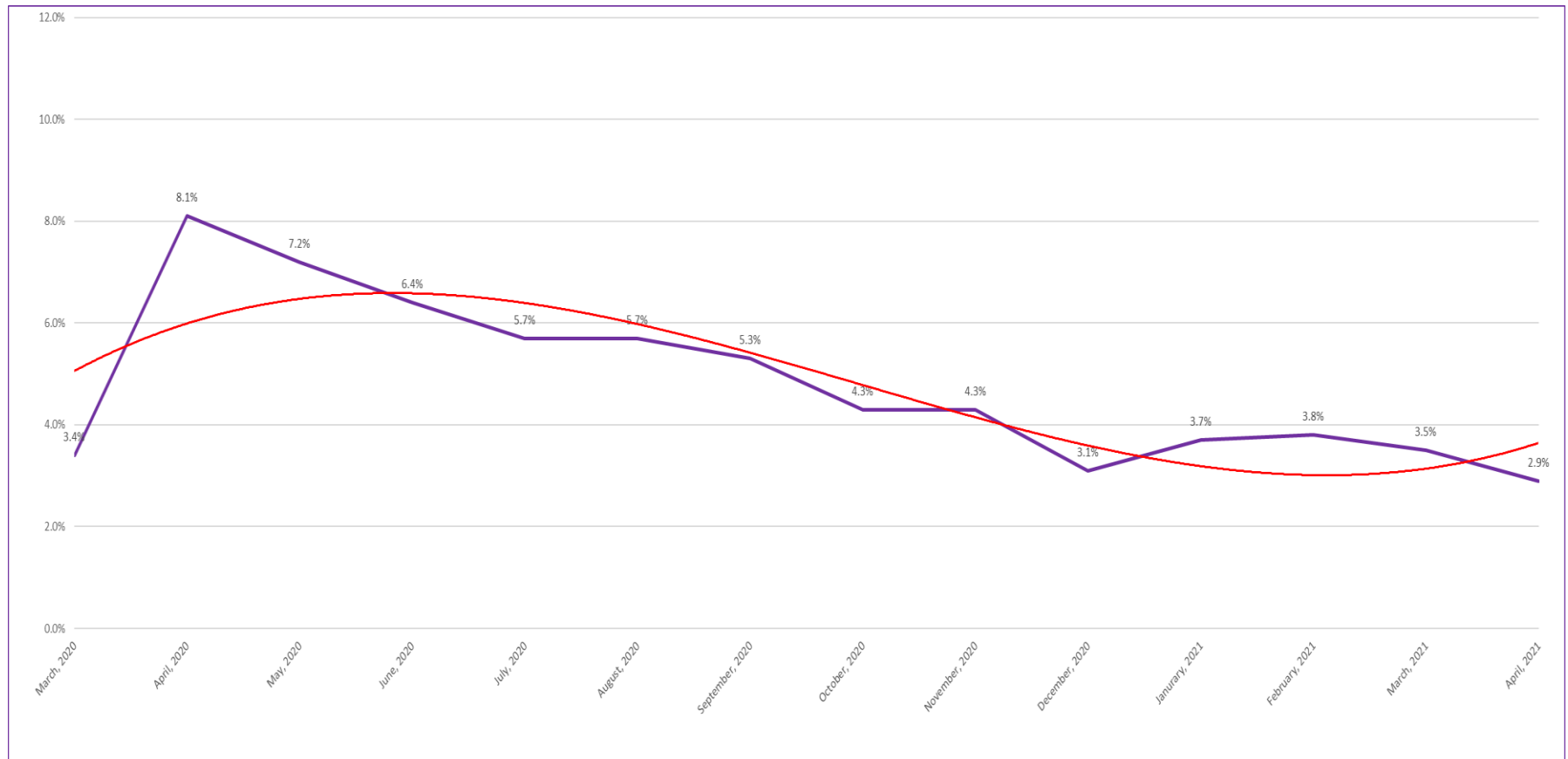
Workforce & Community Activities

- Robotics Certificates Issued
 - April: 4 Year to date: 18
 - 2019 & 2020: 140 Total Certifications: 158
- Fab Lab – *closed due to COVID-19*
 - The Chamber anticipates re-opening the Fab Lab for the public in JUL
 - Renovation underway and will continue through JUN
 - Expanded operating hours
 - Information Technology Certifications: A+, S+, and N+
- Career Atlas
 - Contract negotiations completed with publisher, on track for June 2021 publication
 - City has up to four pages at its disposal
- Business Survey
 - Survey began distribution in APR
 - 250 surveys distribute
- Outreach
 - Initial document drafted and approved
- RFI/RFP:
 - April: 0 Year to date: 4

Note: includes site selectors and company direct

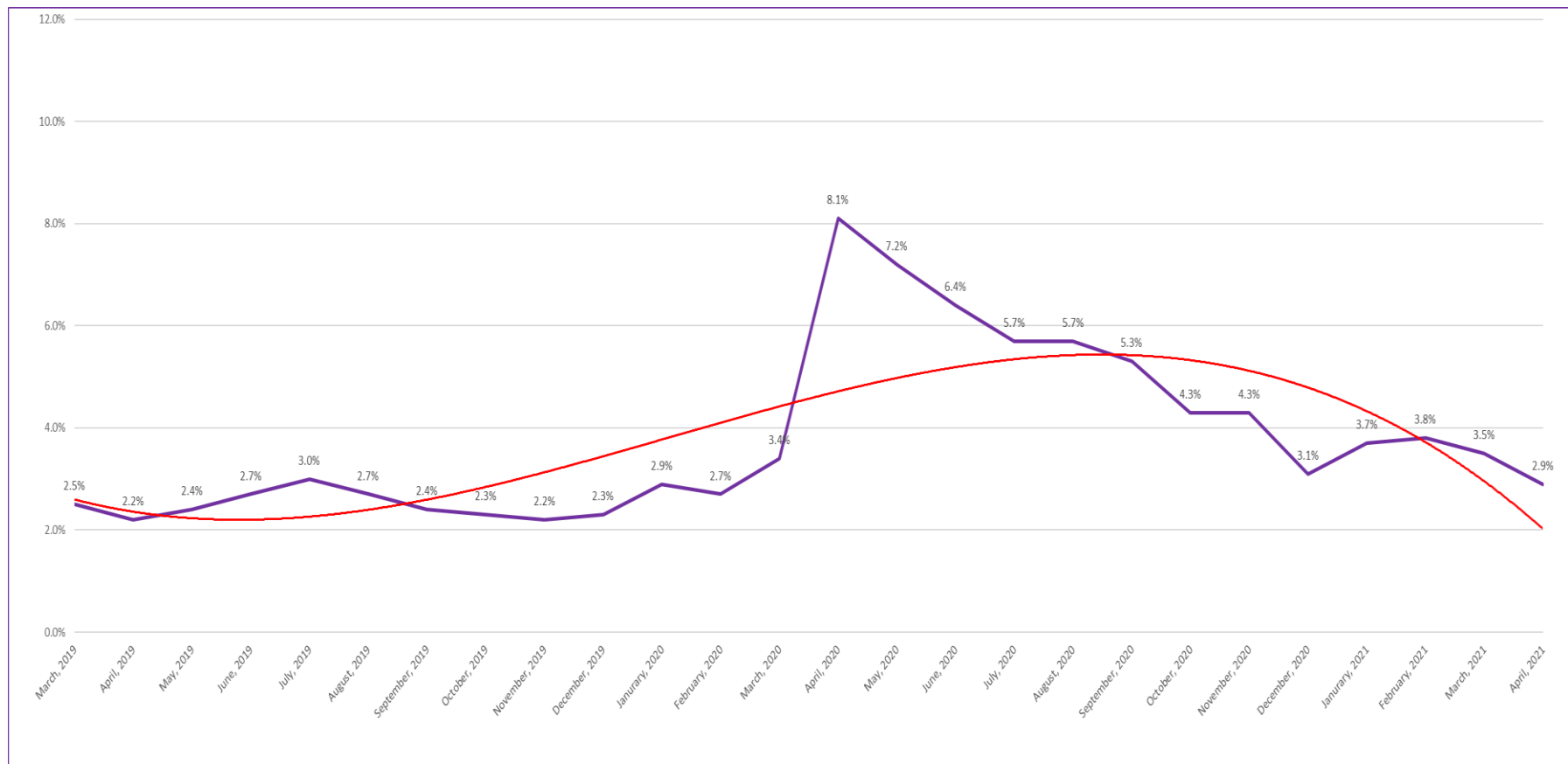


Unemployment Rate – 12 Month Trend



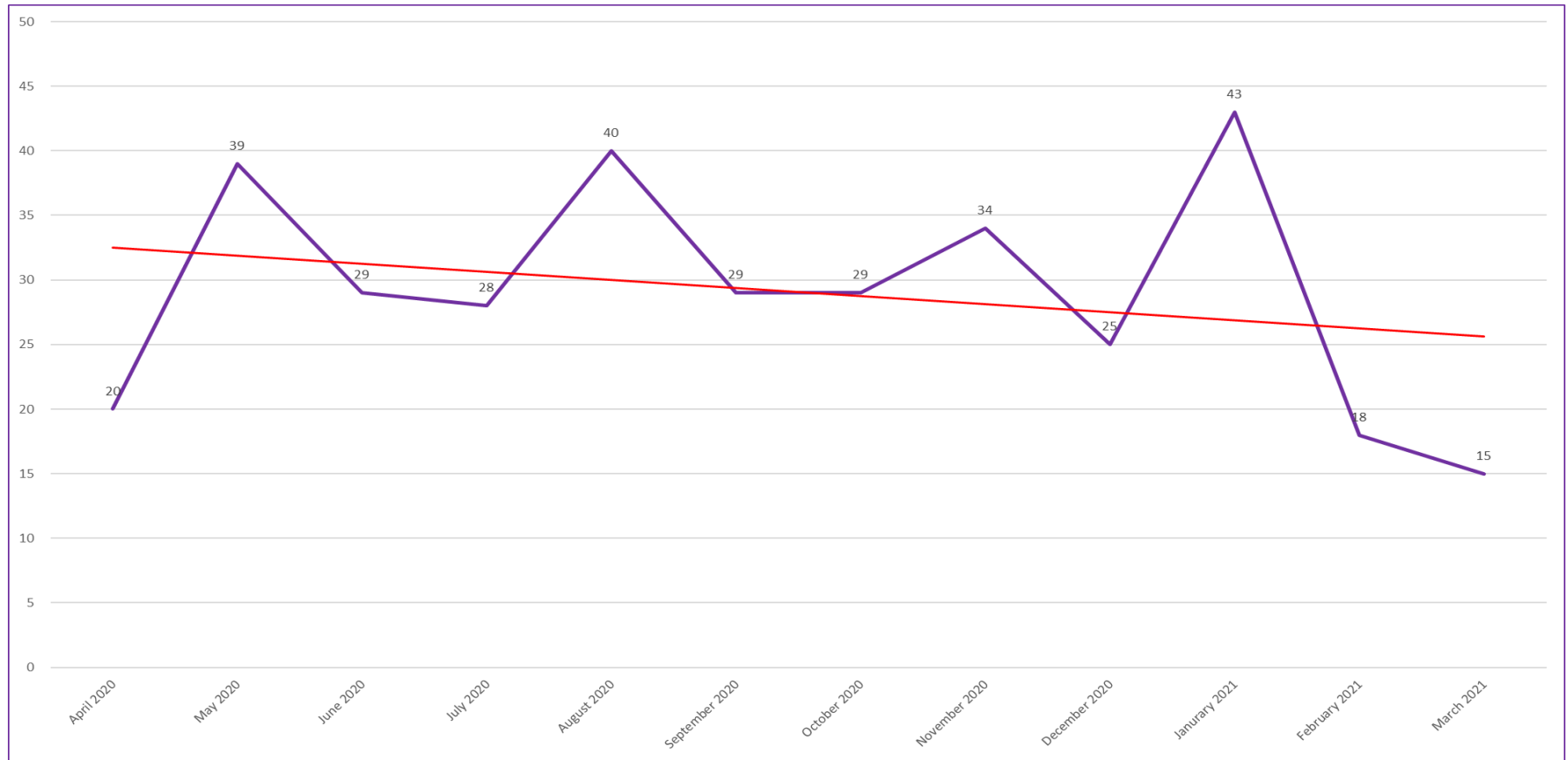
- As expected, unemployment continues to decline
- The rate of reduction will likely decrease over the next several months
- Hardest hit continue to be restaurants, bars, and entertainment venues
 - We expect this sector to continue to experience labor shortages
- Likely to see unemployment fall below 3.0% by September
- May not see 2.2 to 2.4% range until early 2022

Unemployment Rate – 24 Month Trend



- Long term impact of unemployment spike
 - Persistent subsequent income reduction and/or loss
 - Depleted savings and increased debt
 - Adverse affect on physical and mental health
- Focus areas
 - Job training
 - Increased focus on expanded employment opportunities

Business License Open Date – 12 Month Trend



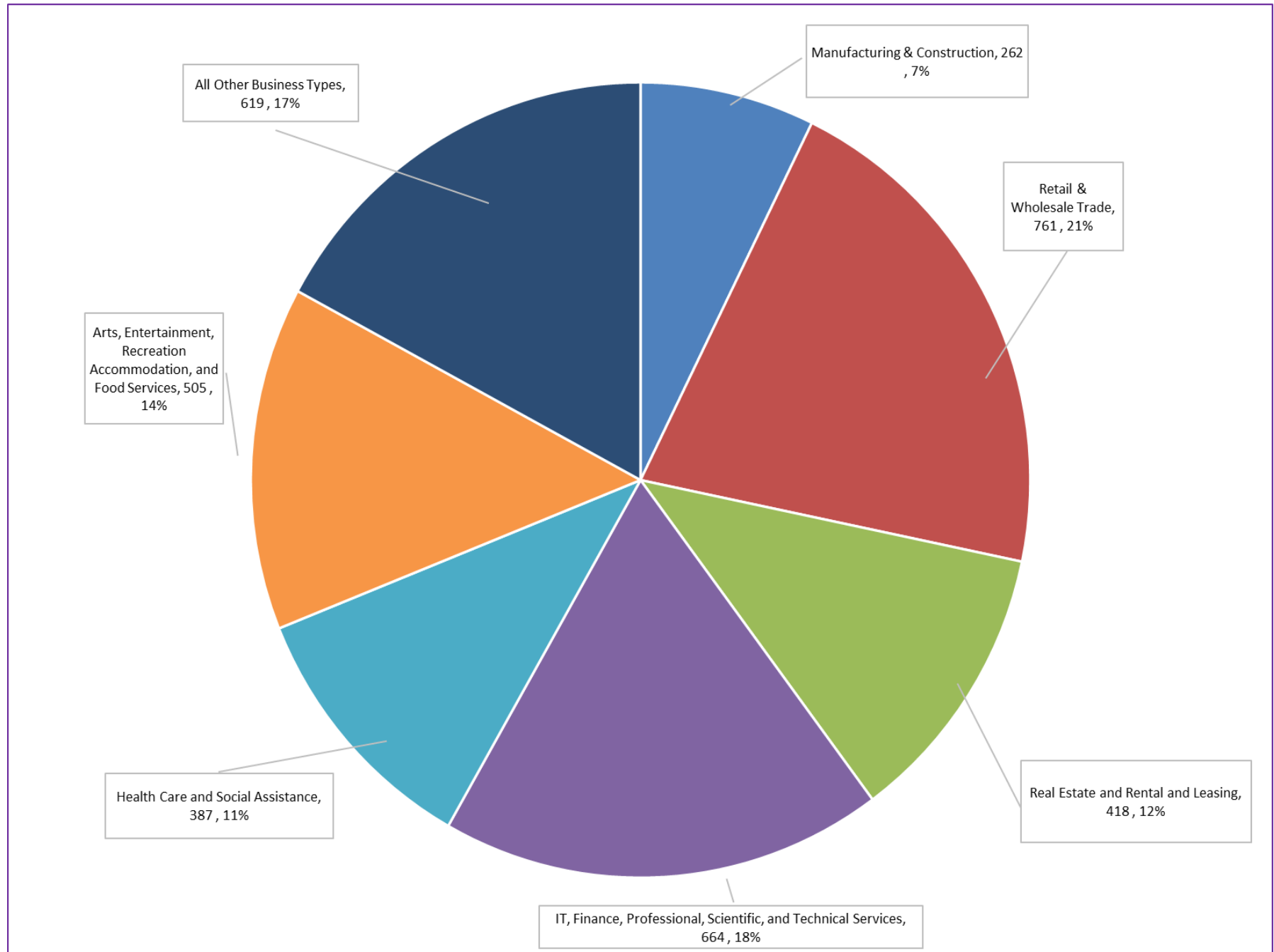
- A 4-year long term view continues to show an increase
 - The underlying economy remains strong
 - Business expansion inquiry picked up in the later half of JAN
 - March Open Date number is a preliminary report
- Beginning JAN 2021, the decrease in net Open Date begin to level off
 - While the first half will fluctuate up and down, we expect the overall trend to begin to increase
 - As more companies update their license the figures will improve

Active Business License – March 2021

Insustry	Business Count	Employee Estimate	Insustry	Business Count	Employee Estimate
Agriculture, Forestry, Fishing and Hunting	8	18	Real Estate and Rental and Leasing	418	1,213
Mining, Quarrying, and Oil and Gas Extraction	0	0	Professional, Scientific, and Technical Services	448	2,593
Utilities	6	565	Management of Companies and Enterprises	22	133
Construction	171	1,259	Administrative and Support and Waste Management and Remediation Services	47	951
Manufacturing	91	3,529	Educational Services	59	658
Wholesale Trade	77	883	Health Care and Social Assistance	387	7,684
Retail Trade	684	5,722	Arts, Entertainment, and Recreation	115	721
Transportation and Warehousing	46	1,187	Accommodation and Food Services	390	5,298
Information	40	470	Other Services (except Public Administration)	447	1,867
Finance and Insurance	154	1,302	Public Administration	6	285

- Database: 3,616 licenses
 - Manufacturing & Construction 262
 - Retail & Wholesale Trade 761
 - Real Estate and Rental and Leasing 418
 - IT, Finance, Professional, Scientific, and Technical Services 664
 - Health Care and Social Assistance 387
 - Arts, Entertainment, Recreation Accommodation, and Food Services 505
 - Other 619

Active Business License – March 2021

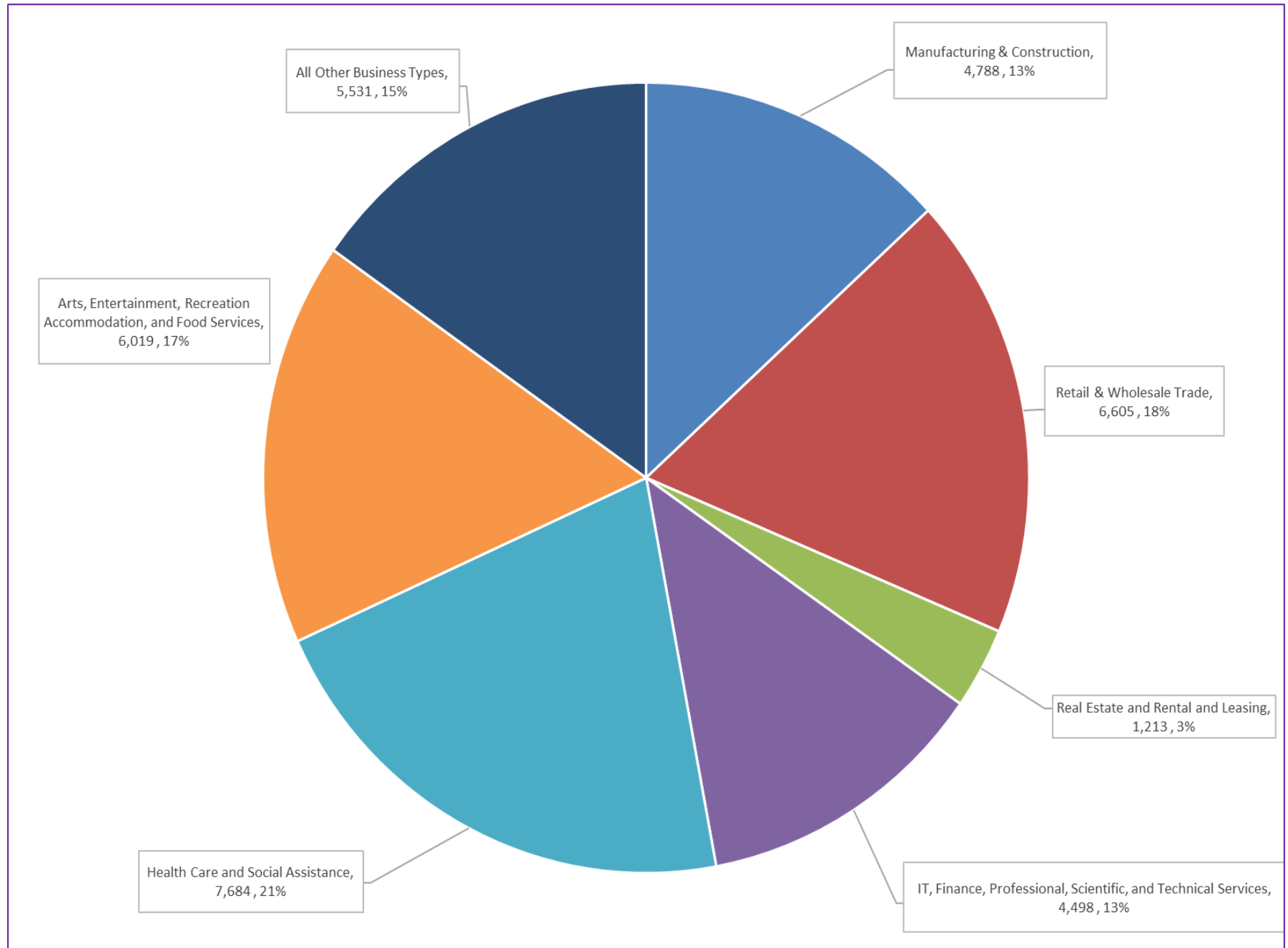


3,616 active licenses with a date open prior to March 2021

* Data from Bureau of Labor Statistics for Fayetteville-Springdale-Rogers, AR-MO MSA. Typically, updated 2 months in arrears.



Active Business FTE Equivalent – March 2021

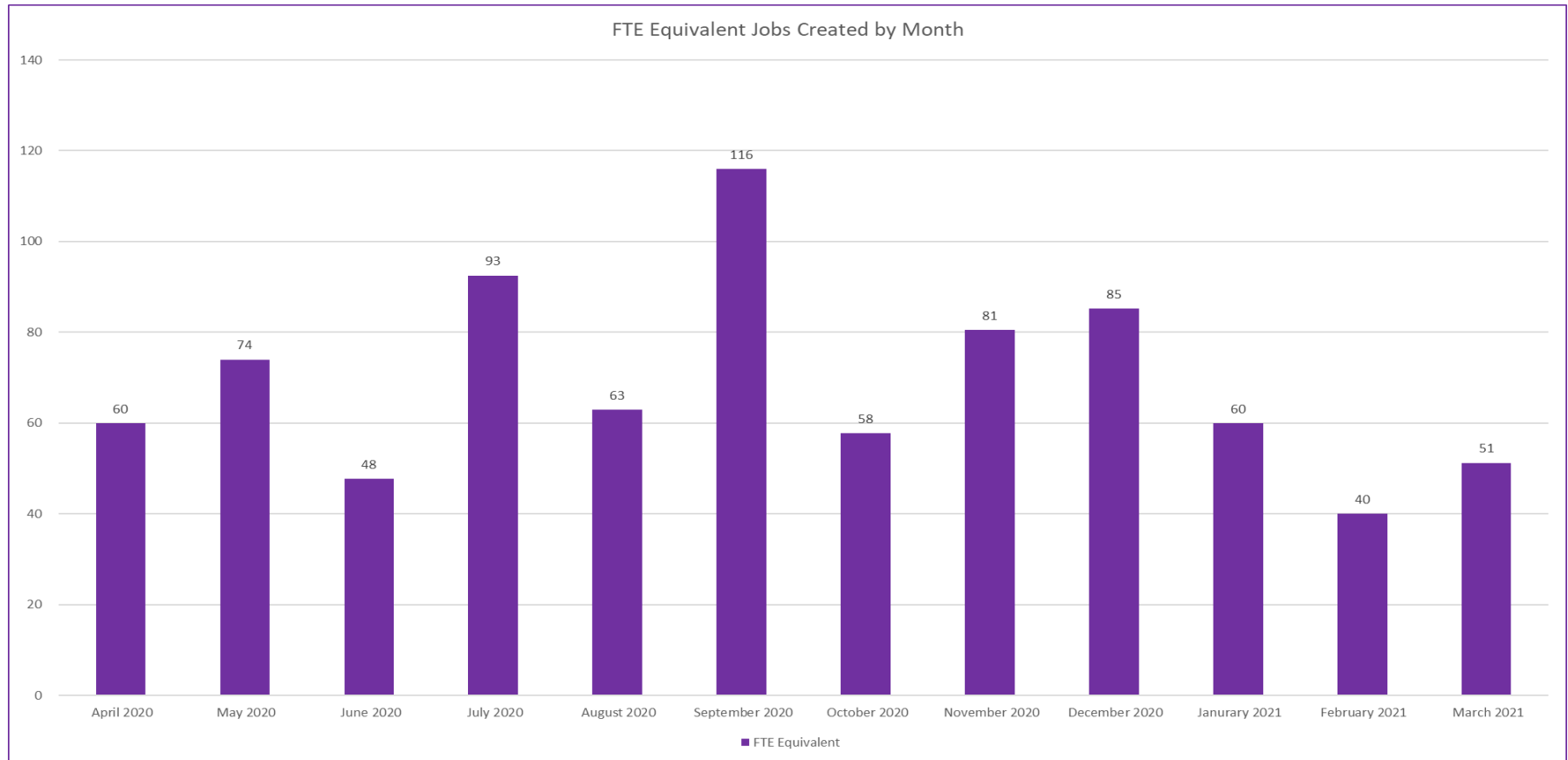


Represents 36,338 employees estimated from database

* Data from Bureau of Labor Statistics for Fayetteville-Springdale-Rogers, AR-MO MSA. Typically, updated 2 months in arrears.

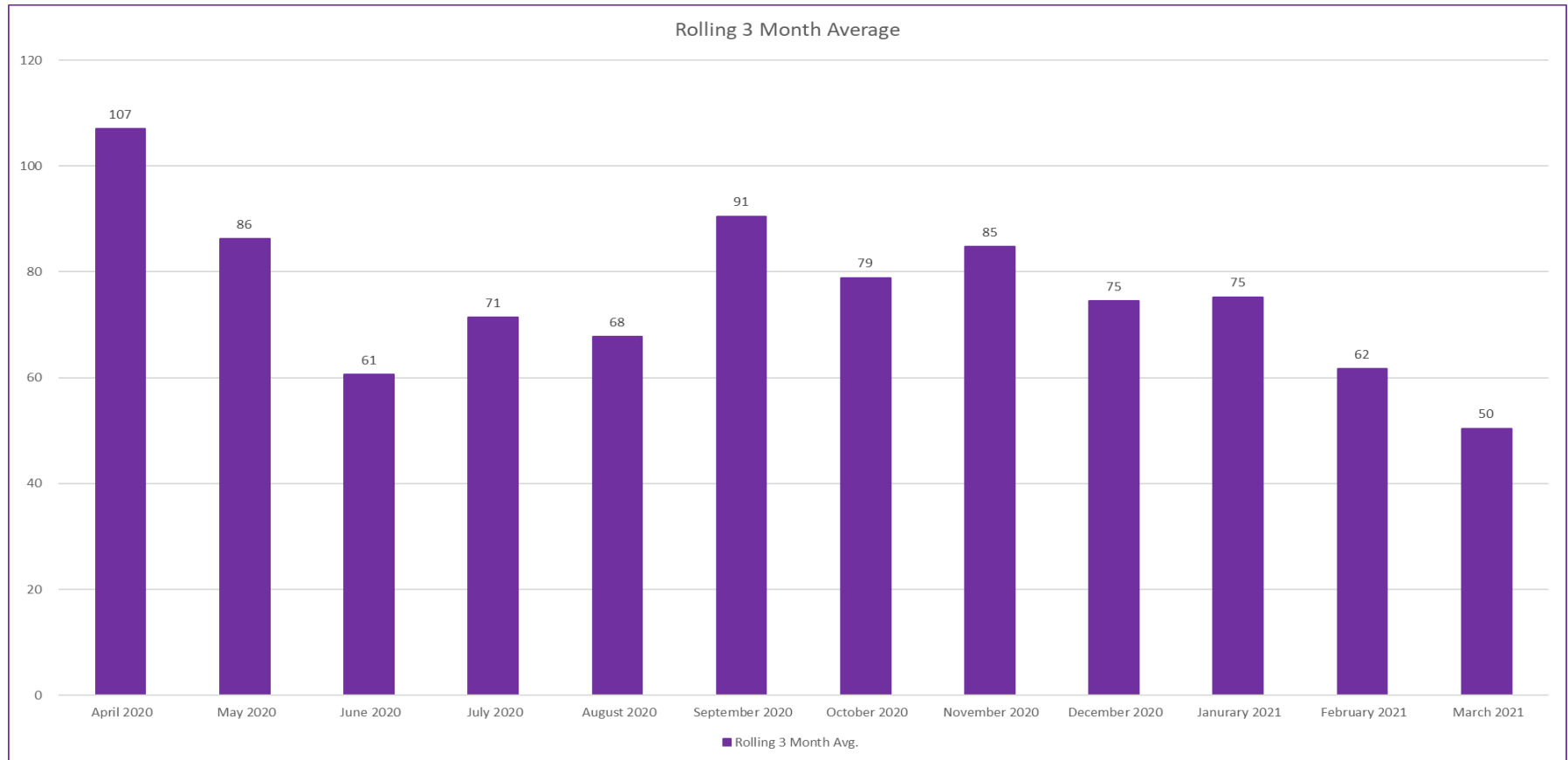


New Business Employee Count – 12 Month Trend



- Recent new businesses opening with fewer new FTE equivalent positions
 - 2019 total positions relating to business open date was 2,300
 - 2020 total positions relating to business open date was 1,000 – less than half prior year
 - 2021 YTD is less than 1/3 compared to same period 2020
- While signs of recovery are apparent, it's slow to materialize

New Business Average Employee Count – 12 Month Trend



- Rolling three-month average is still down from prior periods
 - MAR 2019 – 229
 - MAR 2020 – 151
 - MAR 2021 – 50