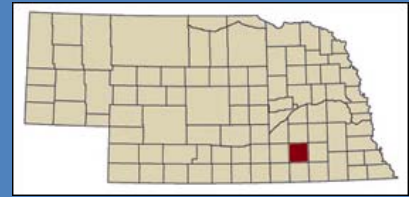


Fillmore County

Business Survey Results

Prepared by the Nebraska Department of Economic Development



OVERVIEW

Thirty-nine businesses from Fillmore County participated in the Nebraska Business Visitation Program. Businesses were located in Exeter, Fairmont, Geneva, Grafton, Milligan, and Shickley. Businesses were categorized as either “Prime” or CRTS. Prime businesses generally have multi-state, national, or international sales; 51% of the businesses surveyed were classified as primary businesses. CRTS is an acronym for convention, retail, tourism, and service businesses; CRTS-classified businesses usually have local or regional service areas.

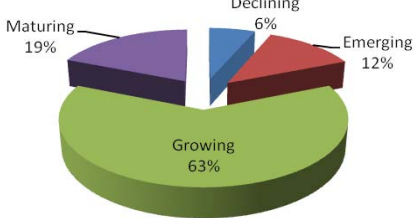
BUSINESS ENVIRONMENT

Type of Business:



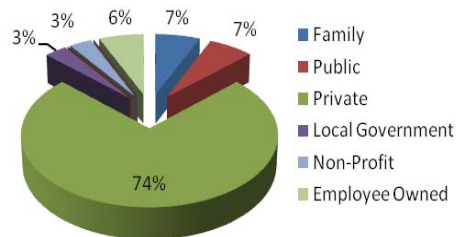
Product Life Cycle:

*Prime Businesses Only, 80% Responding

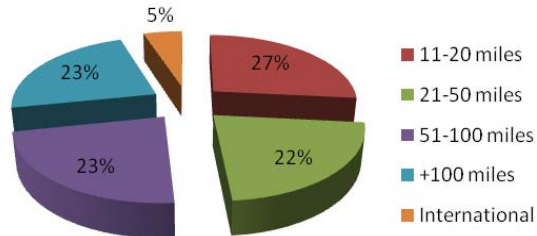


Business Ownership:

*79% Responding



Trade Area:



International Export Markets Include: Canada, Mexico, Europe

Unemployment Rate:

| | 2005 | 2006 | 2007 | 2008 | May 2009 |
|--------------|------|------|------|------|----------|
| Fillmore Co. | 3.2% | 2.7% | 2.5% | 3.0% | 3.9% |
| Nebraska | 3.9% | 3.0% | 2.9% | 3.3% | 4.8% |

Source: US Bureau of Labor Statistics

Population Changes:

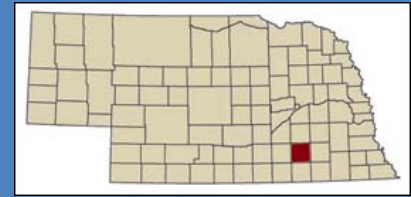
| | 1990 | 2000 | Change (1990-2000) | 2008* | Change (2000-2008*) |
|--------------|-----------|-----------|--------------------|-----------|---------------------|
| Fillmore Co. | 7,103 | 6,634 | -6.60% | 6,001 | -9.54% |
| Nebraska | 1,578,385 | 1,711,263 | 8.42% | 1,783,432 | 4.22% |

Source: US Census Bureau * Estimate

Fillmore County

Business Survey Results

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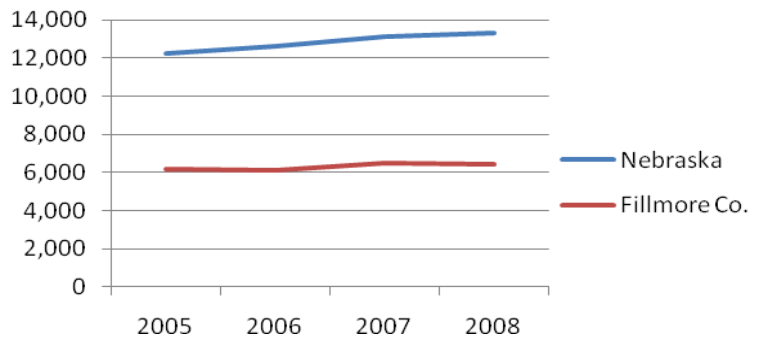


Annual Per Capita Net Taxable Retail Sales:

| | 2005 | 2006 | Change (2005-2006) | 2007 | Change (2006-2007) | 2008 | Change (2007-2008) |
|--------------|--------|--------|-----------------------|--------|-----------------------|--------|-----------------------|
| Fillmore Co. | 6,172 | 6,094 | -1.26% | 6,490 | 6.49% | 6,434 | -0.86% |
| Nebraska | 12,266 | 12,621 | 2.89% | 13,150 | 4.19% | 13,301 | 1.15% |

Source: Nebraska Department of Revenue

Shown here in graphical form, Fillmore County's annual per capita net taxable retail sales in the last four years have an average pull factor of .49. This factor, calculated by dividing county per capita sales by the state's, shows how far behind the county is in maintaining per capita sales similar to state's.



WORKFORCE

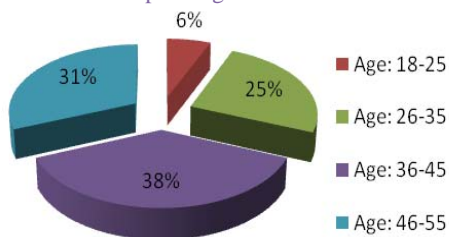
Fillmore County's workforce environment continues to face a shortage of workers available for hire, especially in terms of skilled labor. **39%** of businesses, **65%** of prime businesses and **11%** of CRTS businesses, are anticipating or experiencing significant workforce changes (See chart below). An aging workforce and the role of technology were main reasons cited for the changes in workforce.

Prime business findings: **45%** are experiencing recruitment problems related to employee positions or skills. **40%** believe these recruitment problems are limited to the community.

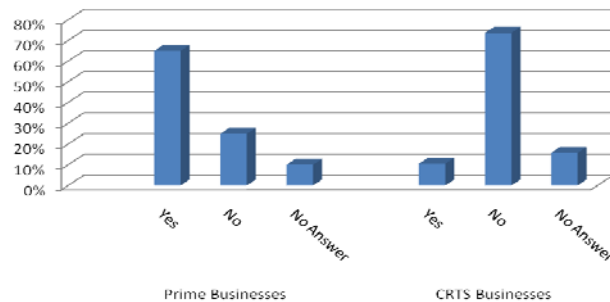
CRTS business findings: **37%** report a need to import employees from outside the normal commute range. **32%** project an increase in employment needs.

Employee Ages:

*74% Responding



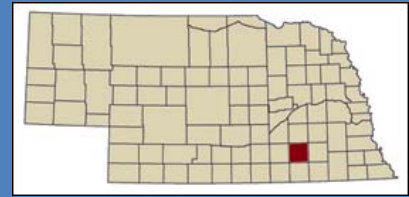
Significant Workforce Changes:



Fillmore County

Business Survey Results

Prepared by the Nebraska Department of Economic Development

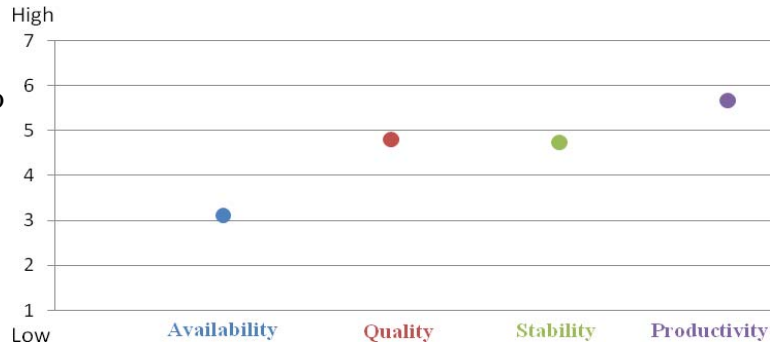


Worker Attributes:

Businesses were asked to rate the area's workforce on a scale from 1 to 7 in four categories.

Below are their average ratings:

- Availability: 3.1
- Quality: 4.8
- Stability: 4.7
- Productivity: 5.7

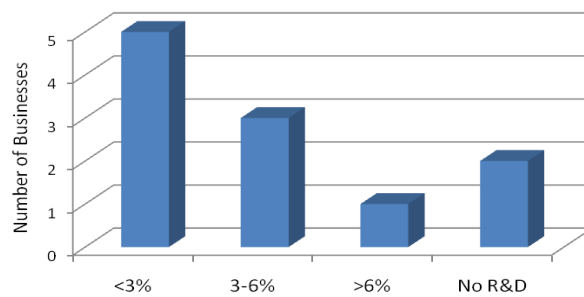


INVESTMENTS

Fillmore County businesses' investments show opportunity for growth in marketing, potential for increasing their human capital through additional employee training, a relatively small investment in R&D, and potential to renovate and expand facilities.

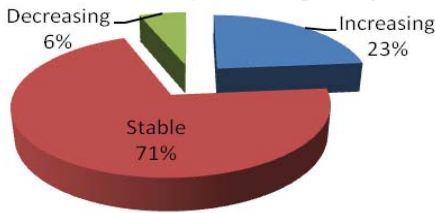
% of Sales Spent on R&D

*Prime Businesses Only, 55% Responding



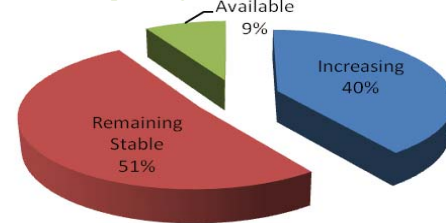
Investment in Marketing

*CRTS Businesses Only, 89% Responding



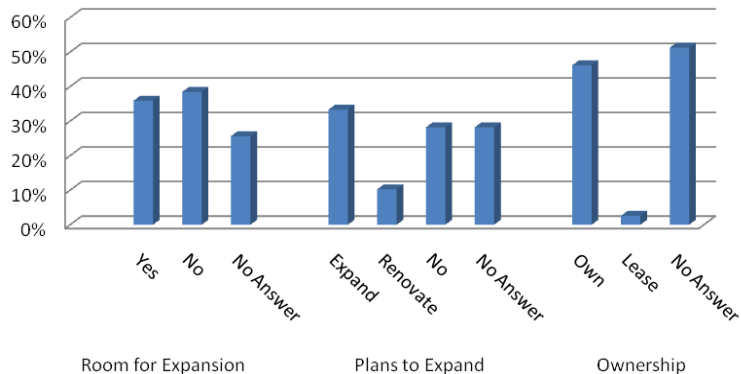
Investment in Employee Training

*90% Responding



Facility Expansion & Ownership

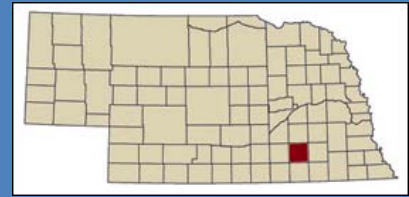
14 Fillmore County businesses reported room for expansion. In the next three years, 13 plan to expand with a combined investment of \$19.5 million. Most businesses also own their facility and are capable of future expansions.



Fillmore County

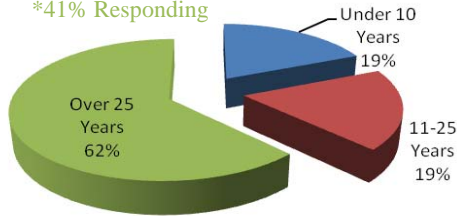
Business Survey Results

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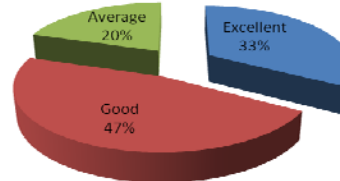
Age of Facility

*41% Responding

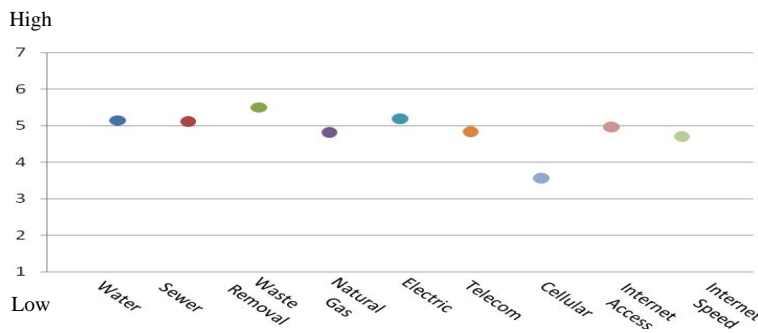


Condition of Facility

*39% Responding



COMMUNITY ATTRIBUTES

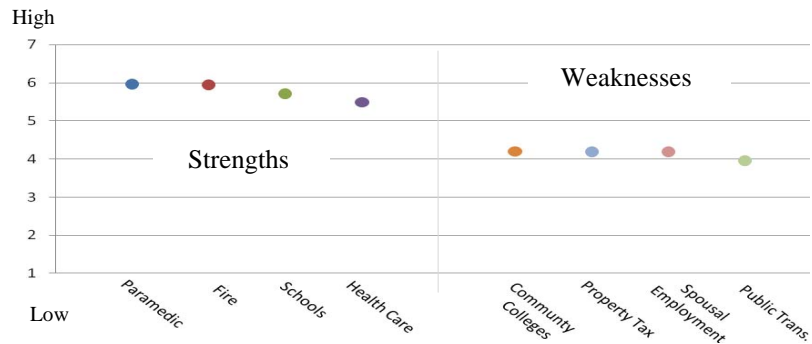


Utilities

The majority of utilities in Fillmore County were rated evenly with the exception of cellular service, which was frequently cited for poor service in the area.

Services

There were no community services that received significantly lower ratings than others. However, spousal employment, a determining factor in the relocation of families, was found to be a weakness in the county.



Conclusion

Immediate challenges facing Fillmore County are a decreasing population paired with a shortage of available labor and financial resources for businesses. To cope, Fillmore County Development Corporation will assist individual employers with workforce issues on a need-by-need basis and continue efforts to recruit alumni back into the area. To assist businesses interested in marketing and expanding business facilities, efforts will be increased to distribute information regarding financial incentives, such as microenterprise loans. Additionally, efforts will be made to arrange a visit by the Nebraska BIT (Business Information Technology) Mobile, a mobile classroom equipped to provide training to help businesses increase their sales and marketing efforts through the use of technology. Local efforts to advocate for more reliable cellular coverage would also have an impact on existing business opportunities.