



2017



Amherst County, VA

Certified Entrepreneurial Community[®] Program

2016-2017 CEC[®] ECOSYSTEM ASSESSMENT FINAL REPORT

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Introduction

This document is the Amherst County Certified Entrepreneurial Community® Leadership Team's compilation of the quantitative and qualitative information gathered through the CEC® process to establish baselines for the local and regional entrepreneurial ecosystem in 2016-17.

During the first 14 months of the program, the Leadership Team, with the support of their CEC® Project Team Leaders, conducted a series of community retreats, roundtable discussions and surveys with key players from across the region. Through various forms of data collection, they were then equipped to produce a snapshot of the current entrepreneurial ecosystem of Amherst County.

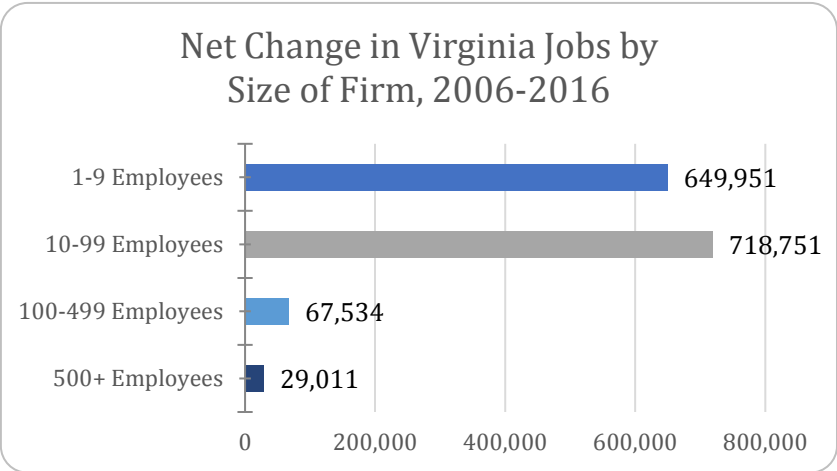
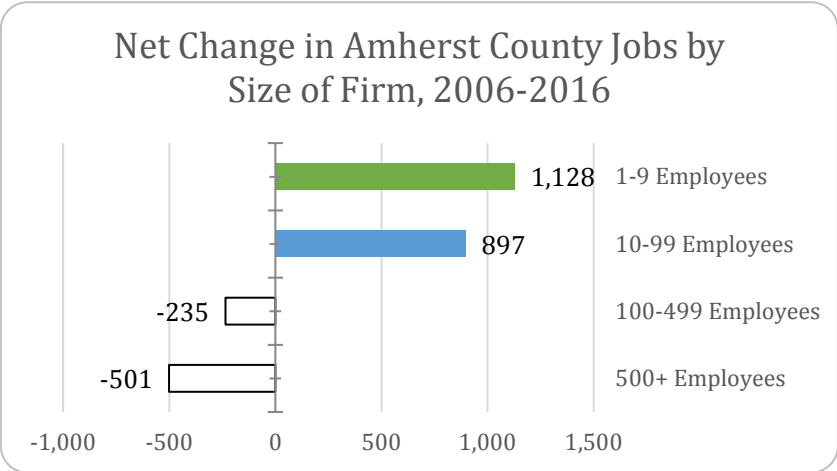
Five Elements of Entrepreneur Ecosystem Assessment for Amherst County, VA

1. Entrepreneurship data on Amherst County and Virginia, 2006-2016
2. Other selected data points for Amherst County
3. Demand: What local entrepreneurs value and need
4. Supply: What is provided now in Amherst County
5. Initial assessment of opportunities

Data Trends in Amherst County and Virginia

JOB GROWTH

Amherst County and Virginia have much greater job growth from small businesses with 1-99 employees than from larger firms. Net growth between 2006 and 2016 in jobs from employers with 100+ employees was negative or minimal because some of the jobs recruited were offset by those that left. Much of the employment leaving Amherst County was in public and nonprofit employment. Meanwhile, job growth is very strong among local and statewide small businesses.



The source of the data in this section is YourEconomy.org, a dataset from the founders of Economic Gardening and the Edward Lowe Foundation. It is a meta dataset of many public and private datasets and is maintained by the University of Wisconsin Extension. The YourEconomy (YE) job numbers include the owners and contractors, not just the employees. They show a fuller picture of the working economy than just employees.

For that reason, the YE total employment of 11,893 in Amherst County and 5.35 million in Virginia is approximately 40 percent higher than what is shown in Bureau of Labor Statistics (BLS) data, which count only people covered in the Unemployment Insurance system. Total BLS employment in Amherst County and Virginia was 8,401 and 3.8 million, respectively.

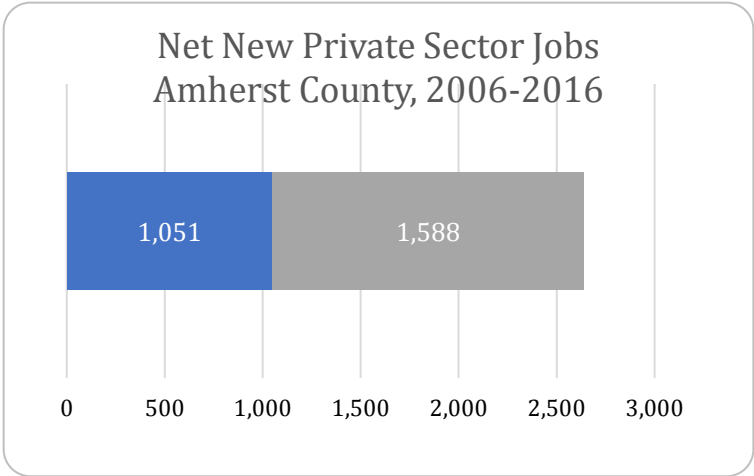
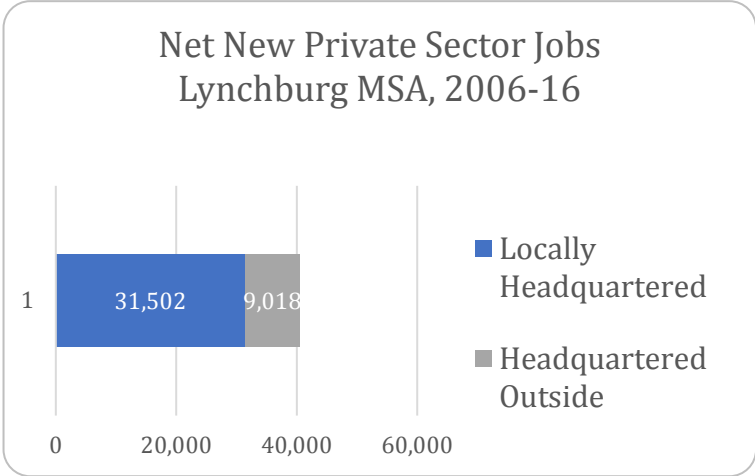
Regardless of the data source, Amherst County’s economy has grown much slower than that of Virginia overall and the metro area next door. Amherst County grew 1.2% annually from 2006 to 2016, compared with the state average of 3.8% and 3.65% in the Lynchburg MSA.

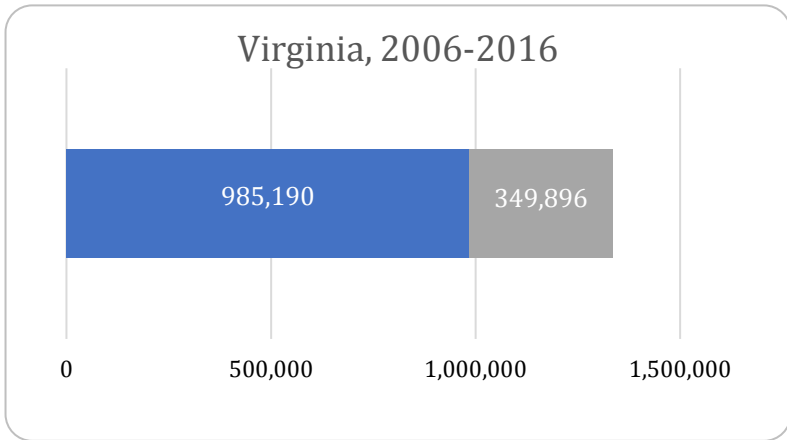
Table 1: Total job growth, 2006-2016

	2006	2016	Percentage increase	Average annual increase
Amherst County	10,604	11,893	12.1%	1.2%
Lynchburg MSA	112,435	153,547	36.5%	3.65%
Virginia	3,886,721	5,351,968	37.7%	3.8%

LOCAL HEADQUARTERS

As the two charts below illustrate, Amherst County’s locally headquartered firms have grown more than outside firms and public/nonprofit organizations; the same pattern holds in Virginia overall, as well as the United States.





Locally headquartered firms choose where to start, they tend to stay and grow locally, and many of them give back to nonprofits and other businesses in their communities. Firms based outside the area often retrench to headquarters during recessions.

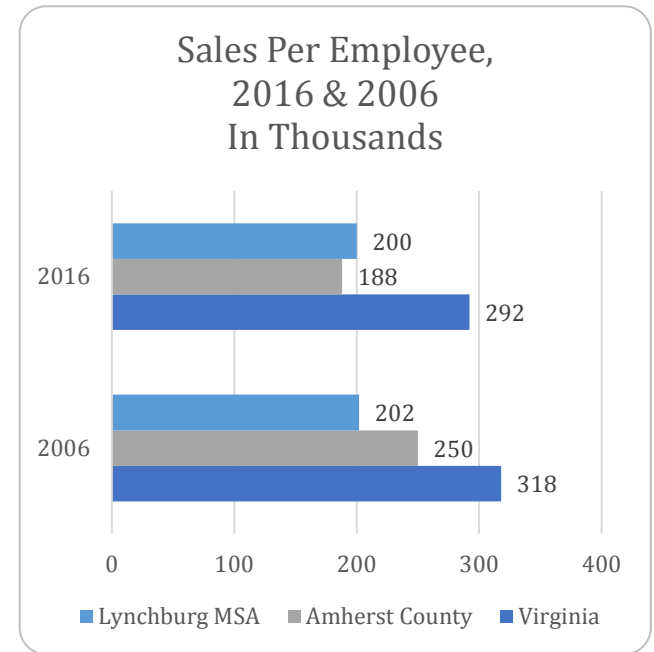
Relative to Lynchburg MSA and Virginia, Amherst County has had slower growth from locally headquartered private firms. One positive aspect is that Amherst County has grown its employment base from recruiting industry from outside. Now the CEC® program positions the county well to focus on developing and growing more local companies.

SALES AND PRODUCTIVITY GROWTH

Total sales grew from \$831 billion to \$1.2 trillion between 2006 and 2016 in Virginia. Over the same decade, Amherst County’s sales held steady around 2 billion.

A more meaningful index shown in this graph is sales per employee, which measures productivity and allows state, MSA and county data to be compared on the same scale. Unfortunately, they all declined between 2006 and 2016, along with many other places trying to climb out of the Great Recession.

Sales per job in Virginia went from \$318k per private employee to \$292k per private employee, an 8 percent drop. In Lynchburg MSA that ratio dropped just slightly from \$202k to \$200k. Sales per private job in Amherst County declined by 25% from \$250k to \$188k. That means local jobs have recovered faster than sales. Usually, that means local employers retain employees even when sales are down.



Amherst County Data Points

Below are several additional data points that show the context for business development in Amherst County. Data sources are U.S. Census Bureau and Bureau of Labor Statistics, except where noted.

- Population was 31,633 in 2016, 2.2% lower than in 2010
- Unemployment rate in July 2017 was 4.6%, compared with 5.5% in Lynchburg and 3.8% for VA overall
- Amherst County's median household income is \$37,393, which is much lower than in Virginia overall (\$66,262) and slightly lower than in Lynchburg (\$39,391)
- Amherst County's median age is 43.6, compared with Lynchburg's 28.7 and Virginia's 37.8 (Data USA)
- Many small firms are within the targeted industries from the 2016-2017 Economic Development Strategic Plan including education, healthcare, retail and recreation, and manufacturing
- Reference USA business directory shows 44 firms in Amherst County whose industrial classification codes qualify them as Advanced Industries, according to a Brookings Institution 2015 study. Such firms rely on research and development and/or STEM (science, technology, engineering, math) workers and are highly correlated with local economic growth. The ones in Amherst County are in sectors including IT, communications, energy, environment, chemicals, and fire safety.

Demand Assessment: Entrepreneurs & Business Owners

In both retreats in the fall of 2016, the consulting team conducted an open focus group with entrepreneurs and business owners about what the strengths and weaknesses are of doing business in Amherst County.

Benefits of Doing Business in Amherst County:

- Supportive economic development office in Amherst County that helps with planning, zoning, and advocacy
- Rural lifestyle with easy drive to Lynchburg and Charlottesville for commerce, retail, and nightlife
- A day's drive from all major metro centers on the eastern U.S. coast
- U.S. Route 29 connects the county to commerce and technology corridors in northern Virginia and North Carolina
- Major assets for tourism and recreation:
 - 479 square miles
 - The James River borders the county on the south and east
 - The crest of the Blue Ridge Mountains forms the western boundary
 - The Piney River comprises much of the county's northern boundary
 - 57,000 acres of the George Washington National Forest are in Amherst County

Challenges of Doing Business in Amherst County:

- Need help finding resources, capital, and markets
- Lower median incomes and purchasing power
- Major retail and service leakage to Lynchburg or points further away
- Population is barely holding steady or decreasing
- Hard to hire and keep young adults in rural setting with a high median age
- Reputation as a family community, not a cool destination

Supply Assessment: Small Business Resources Serving Amherst County

What do entrepreneurs need?

1. Entrepreneurial training
2. Technical assistance
3. Capital at every stage
4. Business-to-business networks
5. Business-friendly government

Summary of the supply of resources for each of the top five entrepreneur needs is here, current as of Fall 2017. Full resource matrix is appended to the certification report.

- Entrepreneurial training: CVCC, SBDC, Sweet Briar College, Young Entrepreneur Academy
- Technical assistance: SBDC, SCORE, incubator, and 9-week startup accelerator in Lynchburg
- Capital: community banks, SBA, VA Small Business Financing Authority, Virginia Community Capital
- Business networks: LINK, Amherst Chamber of Commerce
- Government support: Business-oriented pages on county website, including resource matrix

Important Local Assets for Entrepreneurial Development in Amherst County, VA:

- High income individuals/families to invest in growth companies
- Small business owners actively engaged in identifying what they want and need, including content-oriented networking events

Opportunities for the Amherst County CEC® Leadership Team

Finding #1:

There are entrepreneurs in many sectors in Amherst County, and they want to do more business locally and learn from each other.

There is, however, no countywide entrepreneur networking or short seminar series that is open to everyone starting or growing a business. The benchmark communities throughout the southeastern U.S. are offering entrepreneur meet-ups or workshops on a monthly or quarterly basis to help businesses learn, prosper, and innovate. They are creating cultures that are open to business people of all ages and backgrounds. They are also offering important business content that entrepreneurs request, and often that content is delivered in lively formats such as competitions or speed-dating.

Finding #2:

There exists an ample supply of resource providers within the region surrounding and including Amherst County.

There is, however, a distinct need for those resources to be coordinated in a more visible and accessible way. The Resource Matrix on the Amherst County Economic Development website will increase accessibility and knowledge of available resources, organizations, and points of contact at each stage of business. The other pages of that website for small business provide streamlined information on the town, county, and state requirements, and opportunities.