

ENTREPRENEURIAL DEVELOPMENT STRATEGY

TOWN OF GILBERT ■ ARIZONA

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acknowledgements

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Place Dynamics LLC

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forward

In 2009 a new company was formed when a social media consultant let his 16-year old son design a web site for a client. In many ways it serves as the model for what is becoming a normal structure of small businesses. The business is located in a small Kansas town close to nowhere. It is a home-based business with no employees. It has no capital assets aside from a couple computers and it cost almost nothing to start.

Headway Themes is a drag and drop editor for designing blog pages. It is marketed online and sold globally. A network of professionals in four states and in South Africa, France, and Ireland contributes to writing code and providing services to customers.

It is the kind of business (and founder) that traditional economic development programs, thinking in terms of jobs and investment within the confines of a single entity, would most likely overlook. But the business landscape of today is much different than that of even a couple decades past. A new set of realities has emerged:

- A great business idea can come from anyone or anywhere.
- Many businesses no longer need traditional office, store, or factory space.
- Businesses in any sector can sell to a national or global market.
- A business no longer needs to have employees to create jobs.
- Businesses are specializing. It is no longer about serving the masses, but serving a niche.
- Collaboration is replacing competition as a path to success.

As communities recognize these shifts they are adopting new economic development approaches focused on entrepreneurs and small businesses, making resources available to ventures that might have been ignored in the past, and investing in an environment that supports all businesses.

That is the intent of this plan, in which the Town of Gilbert is charting its path to encourage startups and create an ecosystem in which small businesses thrive. This plan is based on a comprehensive assessment of the Gilbert area's prior startups, business success, and assets to support entrepreneurship. Its strategies were crafted with extensive input from the startup and small business community.

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summary

Gilbert has a well-rounded economic development program that addresses many aspects of business development, investment, and job creation. Realizing its importance, the Town has sought to craft a more comprehensive approach to entrepreneurship as part of its overall strategy. This plan documents startup trends and issues in the Town and the surrounding area. It then lays out a set of strategies responding to startup needs.

a summary of Gilbert's economic growth

Of the 18,978 establishments in the Town at the start of 2014, 17,438 of them, or 91.9 percent, did not exist or were not located in Gilbert a decade earlier. These establishments employ 52,072 people, providing 83.6 percent of all of jobs in the community.

There were 362 branch establishments making up 2.1 percent of the total establishments new to Gilbert in the past decade, employing 12,721 people, and accounting for 24.4 percent of all new jobs created in Gilbert in the past decade.

There were 17,057 standalone businesses making up 97.8 percent of all establishments new to Gilbert in the past decade. Standalone businesses employed 39,199 people, accounting for 75.3 percent of all new jobs created in Gilbert in the past decade.

There were 17,333 microbusinesses – those with fewer than five employees – making up 93.8 percent of all standalone businesses at the end of 2013. These businesses employed 31,238 people, accounting for 50.1 percent of all jobs in the Gilbert. Microbusinesses have provided 55.8 percent of all new jobs in the Town in the past decade.

startups have fueled Gilbert's growth

Startups are essential to Gilbert's economic growth. They have been the source of most new establishments and a majority of new jobs in the community. A total of 16,846 businesses started in Gilbert over the prior decade were still in operation at the beginning of 2014. These businesses make up 88.8 percent of all establishments located in the Town, provide 62.4 percent of all jobs in the community, and are mostly small, with 94.9 percent having fewer than 5 employees.

At the start of 2014 there were 18,978 establishments in the Town of Gilbert with a total of 62,290 employees. Only 468 branch establishments – satellite locations of companies headquartered elsewhere – making up 2.5 percent of the total. Many of these were in the retail and food service sectors. Branch establishments employed 16,308 people, accounting for 26.2 percent of all jobs in Gilbert.

Meanwhile, there were 18,478 standalone businesses – those with a single location – making up 97.4 percent of all establishments in Gilbert. These are nearly all businesses that were started in the Town. Standalone businesses employed 45,421 people, accounting for 72.9 percent of all jobs in Gilbert.

regional industry clusters

Many of Gilbert’s businesses fall within the region’s targeted industry clusters. These include aerospace and defense, biotechnology, high-tech manufacturing, advanced business services, and software-related industries.

Entrepreneurial development strategies

The entrepreneurial development strategy contains 15 recommendations centered on implementation, along with four themes: 1) initiatives to develop a supportive environment for entrepreneurs; 2) activities to promote networking, mentoring, and collaboration; 3) training and technical assistance; and 4) improving access to capital.

Gilbert already has a supportive environment, particularly in that its growth is creating an ever-larger market with few well-established competitors. Recommendations to further enhance this environment include:

1. Expand activities that promote innovation and entrepreneurship, including K-12 entrepreneurial education and an annual “challenge” to apply software and technology to issues impacting the business community.
2. Draw attention to entrepreneurship and innovation in the community through a periodic newsletter.
3. Assess the regulatory environment within the community.
4. Expand the resources and training offered to the community through assets such as SPARK Spot at the Southeast Regional Library.

5. Partner with Arizona State University to develop a program that will work with startups or existing businesses in all phases of product development and commercialization, including market research, intellectual property management, prototype development, design, production, and distribution.

Interaction among entrepreneurs and small business owners pays off in ways including peer learning, mentoring, innovation, and collaboration.

6. Foster more frequent and valued, industry-driven networking events.

Small business owners and entrepreneurs have expressed concern that the training and technical assistance currently offered through regional providers may be too basic or not well-suited to the kind of business they are starting. The Town will help to develop a more tailored, effective, and valued approach.

7. Customize introductory entrepreneurial training to specific business types, as well as targeted industries.
8. Create advanced training programs for entrepreneurs who already have considerable work experience, addressing both business startup and advanced skills.
9. Provide one-on-one technical assistance to entrepreneurs and growing businesses to address their specific needs.
10. Develop programs to help business owners with their marketing needs, at all business stages.
11. Create an "economic seeding" program to assist businesses who would be good candidates for the Economic Gardening Program, but do not yet meet its criteria for admission.

Financing a startup is a challenge for many potential entrepreneurs. Most businesses are started primarily using the owner's personal resources, including savings, debt (often on credit cards), and earnings from a job they continue to work while starting the business.

12. A strategy to help reduce business costs will benefit more businesses and have a greater return than a loan pool.

A final set of recommendations relate to implementation. These activities help to ensure program effectiveness and provide a means to begin monitoring results.

13. Develop a startup-oriented business retention program, including business visits and a survey.
14. Have a presence within the business community by regularly holding office hours in a location frequented by the targeted entrepreneurs and small businesses, such as EZ Spaces.
15. Hire an intern to carry out specific tasks within the entrepreneurial development strategy.

introduction

The Town of Gilbert is pursuing a multi-faceted economic development strategy in which startups, existing businesses, and business attraction will all play a role in developing the local economy. The intent of this study was to document startup activity and the growth of these businesses, to develop an understanding of the startup environment and needs of entrepreneurs, and to recommend actions that the Town of Gilbert can take to facilitate entrepreneurship and small business growth.

The recommended actions are designed to fit within the context of extensive regional assets for promoting and supporting entrepreneurs. The Town has made a deliberate choice not to duplicate the efforts of others, but to identify and fill gaps in the entrepreneurial ecosystem. Many initiatives may also be taken in partnership with other organizations.

The Town retained Place Dynamics LLC to conduct the analysis, which was completed in several steps:

1. The consultant team documented existing entrepreneurial and small business support assets within the East Valley, touring and conducting interviews with many of these organizations to understand their programming, target markets, costs, utilization, and other details of their operation.
2. An quantitative analysis was performed to develop a detailed understanding of the local business mix and startup activity. This analysis utilized a unique database built from multiple years of Dun & Bradstreet records, so that it is possible to track an individual establishment from its birth through subsequent years.
3. Insight from business owners was gathered through in-person and telephone interviews and a survey widely distributed in the community. Care was taken to reach specific audiences such as women-owned businesses, a cross-section of industries, and owners of businesses no longer in operation.
4. The information was gathered and analyzed to understand the needs of entrepreneurs and growing small businesses, compare these to available resources in the region, and recommend specific measures that can be implemented by the Town of Gilbert.

■ ■ ■ ■

How important are startups to Gilbert's economy?

88.8 percent of all establishments located in Gilbert at the beginning of 2014 were started in the community within the prior decade. These businesses provide 62.4 percent of all jobs in the Town.

■ ■ ■ ■

It is the intent of the Town to put in place an entrepreneurial development program that will support all startups, yet it is also true that some industries will have a greater impact on the economy through job creation, wages, and income brought into the community. The recommendations in this report address this by developing a comprehensive approach to entrepreneurship suited to all businesses, while adding an additional layer of programming targeted to high-value industries.

a profile of Gilbert and its surroundings

Gilbert's business mix reflects the Town's recent origins and rapid growth. Compared to the broader region, Gilbert has a greater concentration of its establishments serving the local population, and across all industry subsectors, the typical establishment in Gilbert has fewer employees than its counterparts in other parts of the region. This is not an unusual situation for similar places, where there are no legacy industries and newer establishments have not had as long to grow and add employees.



Rapid growth influences the business mix

The typical establishment in Gilbert has about half as many employees as the regional average, as it is more likely to have recently started and has not had as long to grow. The Town's rapidly expanding population is an untapped market with few established competitors, creating an ideal environment to start businesses serving local markets.



setting

Gilbert is a young community, having grown from fewer than 6,000 residents in 1980 to an estimated 239,277 in 2014. This makes it the fourth-largest municipality in the Phoenix metropolitan area, having recently overtaken Chandler. It is also the 86th-largest municipality in the United States.

Gilbert is situated in the Phoenix metropolitan area's East Valley, an area east of the City of Phoenix containing the suburban communities of Tempe, Mesa, Chandler, and Gilbert. Apache Junction and Queen Creek lie to the east and Scottsdale lies to the north. This is an area that has grown very rapidly to a population of over 1.3 million people. Demographically, it is younger, more ethnically homogenous, better educated, and earns more than the Phoenix metropolitan area as a whole, the State of Arizona, and the United States.

Several important economic development assets are located in the East Valley, including the Arizona State University campuses in Tempe and Mesa, and Phoenix-Mesa Gateway Airport on the eastern edge of Gilbert. A very good transportation system (Superstition Highway, Red Mountain Highway, Santan Highway, and Price Highway) enables a large workforce to travel to jobs throughout the area.

There is some specialization in the local industry base. Economic development officials point to several aerospace-related industries located in the East Valley. These include Boeing, General Dynamics, and Orbital Sciences Corporation. Healthcare and medical industries are also significant, anchored by the Banner MD Anderson Cancer center and Mayo Clinic of Scottsdale/Phoenix. Technology companies such as Intel and Go Daddy also have offices in the East Valley.

demographics

Gilbert has an estimated population of 239,277, a remarkable increase from the population of fewer than 6,000 residents in 1980. That rapid growth influences many demographic measures as well as the business mix of the community. For example, the median age of 32.6 years is significantly lower than the US and Arizona figures (36.8 years for both).

The community's population is well-educated, with only 4.5 percent of the adult population (25 or older) not having a high school diploma, and 40.4 percent having at least a bachelor's degree. Another 38.4 percent have some college or associate's degree. This is partially a reflection of the young population, as it is more common among older generations to have not completed high school or earned more advanced degrees.

The labor force participation rate in Gilbert is also higher than typical. At 68.8 percent, it is above the US average of 62.6 percent, and further above Arizona's average of 60.7 percent. The national rate has been in decline since 2000, when it peaked at 70.3 percent. Older workers leaving the workforce account for about half of the decline.

Fewer Gilbert and Arizona workers are employed in their own business than the national average. (See Table 1.) This holds true across all industries and occupational classes for self-employed workers in incorporated businesses. It is less true of people self-employed outside of an incorporated business, particularly within "blue collar" industries and occupations such as agriculture, construction, and transportation. What these numbers do not show, however, are the people who may have their own incorporated or unincorporated business on the side, as a secondary source of income. These numbers may be significant, and research by the Sam's Club/Gallup Microbusiness Tracker demonstrates that working a paid job while starting a business is the most common means of financing a startup, aside from personal savings.

The income levels of people employed in their own incorporated business tend to outstrip wages of those employed by others. This is equally true of men (\$61,418 per year versus \$53,629) and women (\$51,377 per year versus \$34,778). The opposite is true of people who are self-employed, but not within an incorporated business, where men's annual earnings average \$35,330 and women's average \$14,331.

A greater share of Gilbert residents (6.8 percent) work from home than is true of either Arizona (5.6 percent) or the United States as a whole (4.4 percent). A greater share of women work from home than do men. Gilbert

Table 1: Self-Employment by Industry and Occupation

	GILBERT		ARIZONA		UNITED STATES	
	Incorporated Business	Unincorporated Business	Incorporated Business	Unincorporated Business	Incorporated Business	Unincorporated Business
By Industry						
Civilian employed population 16 years and over	3.5%	6.3%	3.6%	6.1%	4.5%	5.2%
Agriculture, forestry, fishing and hunting, and mining	6.1%	18.4%	3.3%	6.5%	4.2%	8.9%
Construction	8.5%	16.4%	8.0%	13.1%	9.6%	12.0%
Manufacturing	1.7%	1.6%	2.0%	2.1%	1.6%	2.2%
Wholesale trade	5.0%	3.9%	4.8%	4.6%	5.2%	1.4%
Retail trade	3.1%	3.9%	2.4%	3.9%	2.1%	2.5%
Transportation and warehousing, and utilities	2.8%	5.0%	2.8%	4.8%	1.9%	1.2%
Information	2.3%	3.9%	2.3%	3.7%	2.5%	1.8%
Finance and insurance, and real estate and rental and leasing	4.8%	6.6%	5.5%	6.8%	6.2%	6.7%
Professional, scientific, and management, and administrative and waste management services	7.2%	11.7%	8.3%	12.7%	10.4%	11.5%
Educational services, and health care and social assistance	1.6%	3.1%	1.9%	2.8%	2.8%	2.6%
Arts, entertainment, and recreation, and accommodation and food services	2.6%	4.1%	2.1%	3.8%	5.2%	4.3%
Other services, except public administration	5.0%	20.3%	5.2%	21.5%	7.3%	21.6%
By Occupation						
Civilian employed population 16 years and over	3.5%	6.3%	3.6%	6.1%	4.5%	5.2%
Management, business, science, and arts occupations	4.7%	5.8%	5.1%	5.0%	5.2%	3.6%
Service occupations	1.9%	8.7%	1.9%	8.8%	3.2%	10.0%
Sales and office occupations	3.3%	4.1%	3.3%	4.6%	4.1%	4.6%
Natural resources, construction, and maintenance occupations	4.4%	12.1%	4.3%	10.3%	6.5%	11.0%
Production, transportation, and material moving occupations	1.7%	3.8%	1.8%	4.5%	1.8%	3.3%

Source: American Community Survey, 2014, 5-Year Estimates

residents are more likely to be working in their place of residence (town) than the national average, though the figures are comparable to other communities in Arizona.

Finally, two demographic groups tend to have higher rates of business formation than does the population in general. These are immigrants and veterans. Veterans make up just about 8.0 percent of the Town’s population, which is only a little below the national average of 8.7 percent. Arizona generally has a higher number of veterans, at 10.4 percent of the population. Additional financial and other resources are available at the

state and national level to support business formation by veterans, including preferential treatment in federal government contracting.

Nationally, 13.1 percent of the US population is foreign-born, including naturalized citizens and those who are not US citizens. Arizona has only a slightly higher percentage at 13.4 percent. Gilbert is considerably lower, with 9.3 percent of its population foreign-born. Immigrants start businesses at a significantly higher rate than do native-born people.

business mix

Data used for this analysis was derived from Dun & Bradstreet’s extensive business database. Every establishment in the database has a unique record that contains annual location and employment information, so that it is possible to track a unique set of businesses over time, rather than simply record an annual snapshot, such as what might be available using Census or other sources. Additionally, as there is no requirement to maintain confidentiality, data is not suppressed as in Census publications. This makes it possible to examine employment at a very fine level of geographic and industry detail.

Data was collected and analyzed for the Town of Gilbert and for a larger market area defined as a 30-minute drive time centered on Gilbert’s civic center. The larger area provides a more complete picture of the market for startup businesses.

The North American Classification system (NAICS) establishes a hierarchy of sectors, subsectors, industry groups, and industries. This analysis offers a “big picture” view at the sector level, before examining detail by industry group. Detailed tables are included in appendix a.

Gilbert’s sustained and rapid growth is again apparent when looking at the distribution of establishments and employment across industries. Both the number of establishments and the number of people employed increased in every sector over the period from 2003 through 2013. The number of establishments increased from 3,786 in 2003 to 18,978 in 2013, while the number of employees increased from 16,003 to 62,290. This figure includes self-employed persons as “employees”.

The administrative and support and waste management and remediation sector has the largest number of establishments. This sector includes activities such as office administrative services, employment services, call centers, collection services, travel services, security services, pest control, janitorial and landscaping services, and waste collection.



Industry subsectors

At the subsector level, the largest number of establishments are found in administrative and support services (4,970), professional, scientific, and technical services (2,633), and real estate. Establishments in these three subsectors make up nearly half (46%) of all establishments in the Town of Gilbert.

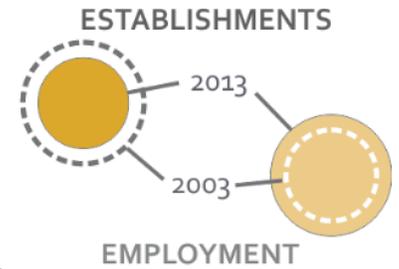
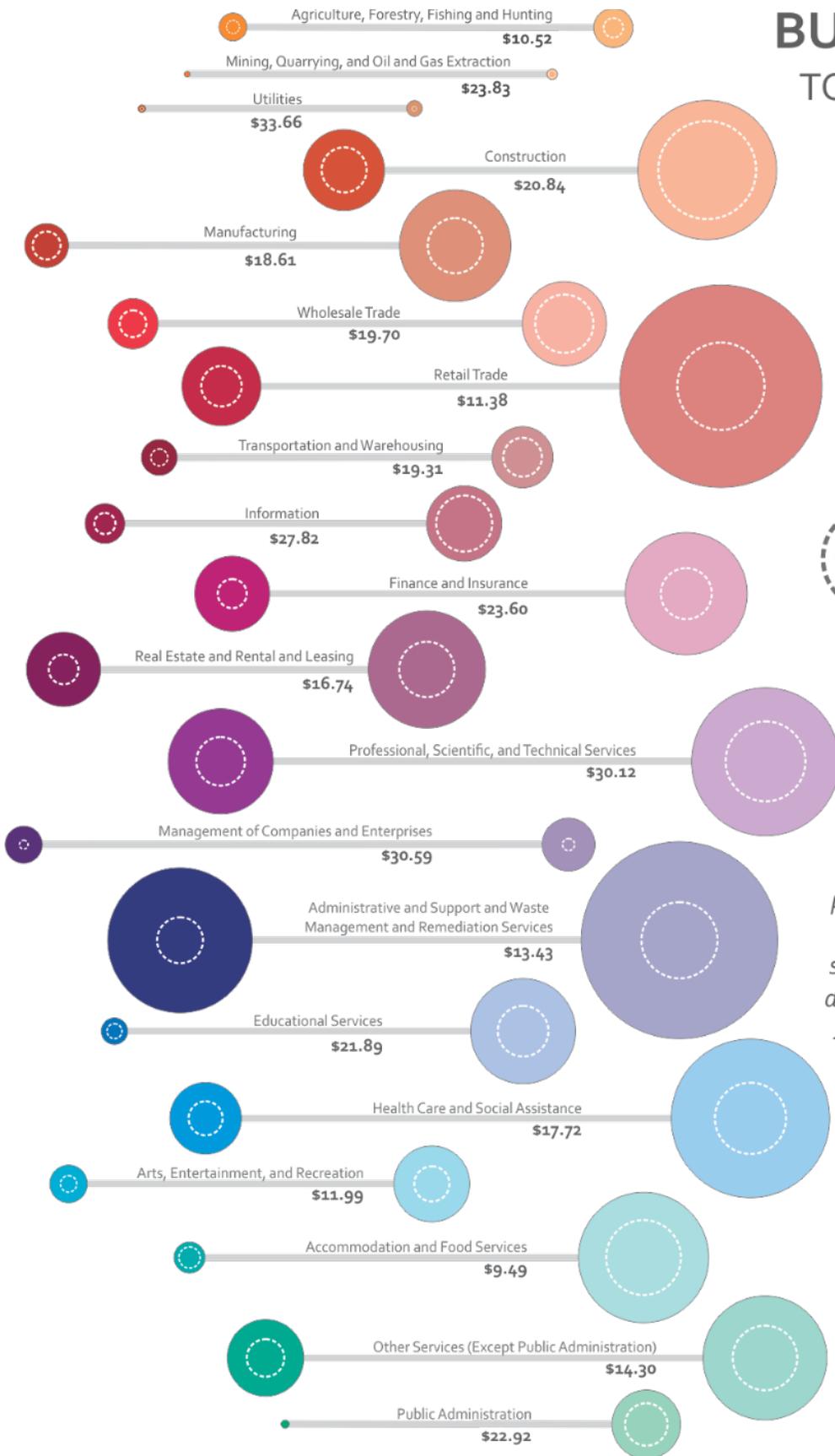


BUSINESS MIX

TOWN OF GILBERT

2003 and 2013

\$12.34 - US average wage (May 2016)



Each circle indicates the proportional number of jobs or establishments in the sector, with the inner, white dashed line representing the 2003 value, and the colored circle representing the 2013 value.

Establishments are shown on the left, and employment on the right.

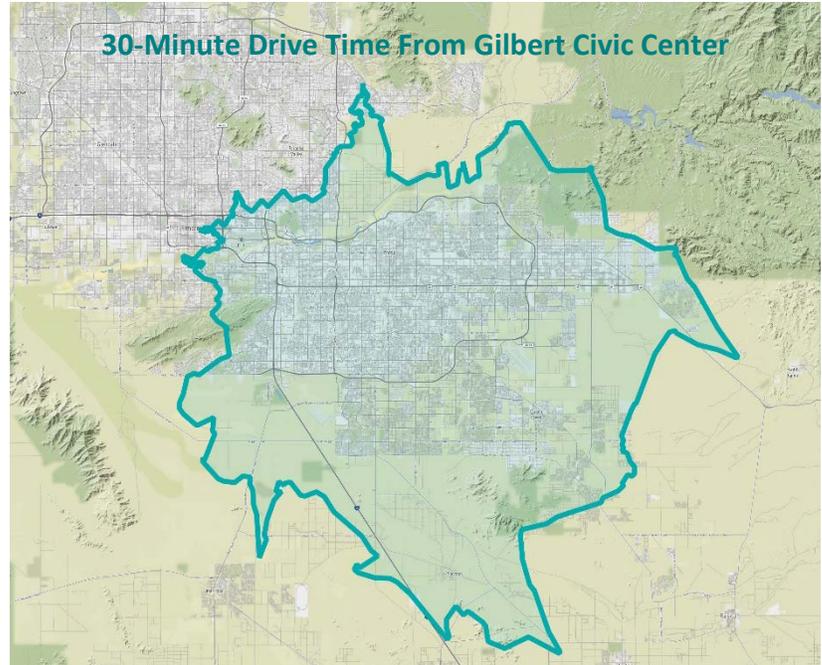
The dollar figure is the US average hourly wage for all jobs in the industry sector.

The sector comes second to retail trade in total employment. Together they account for about three out of ten jobs in the Town, and are also among the lowest-paying industry sectors.

The second-largest number of establishments is within the professional, scientific, and technical services sector, which provides the fourth-largest number of jobs, and has one of the highest average wages. The third-largest number of jobs is in the health care and social services sector.

Gilbert's business mix is generally similar to the larger 30-minute region. When ranked, all of the industries fall within one or two positions of each other. Gilbert has a slightly higher concentration of establishments in agriculture, forestry, fishing and hunting; construction; finance and insurance; and arts, entertainment and recreation. It has lesser concentrations in health care and social assistance; accommodation and food services; and other services.

Across all sectors, Gilbert's establishments average fewer employees than business in the same sectors in the larger area. The younger age of Gilbert's business community is likely a significant factor in this difference. As a result, there are some differences in the distribution of employment by sector, between Gilbert and the larger area. In particular, manufacturing is the fourth-largest sector by employment in the 30-minute region, but only tenth in the Town. Manufacturing firms in the larger area average 46.10 employees, but only 4.14 employees in Gilbert. Finance and insurance, real estate and rental and leasing, and other services are all of greater importance in Gilbert than in the larger region.



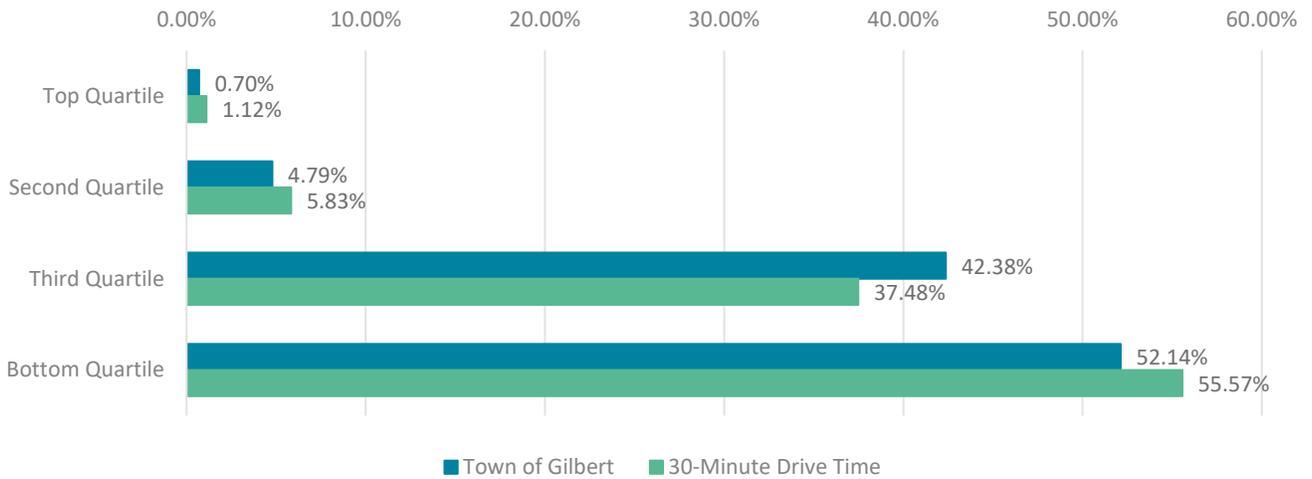
traded industries

Not all industries have an equal importance in generating local wealth. Some industries offer a product or service that is largely consumed by people living outside of a region. When people or businesses purchase these goods or services, the money they spend flows back to where they were produced, creating wealth. Conversely, other goods and services are

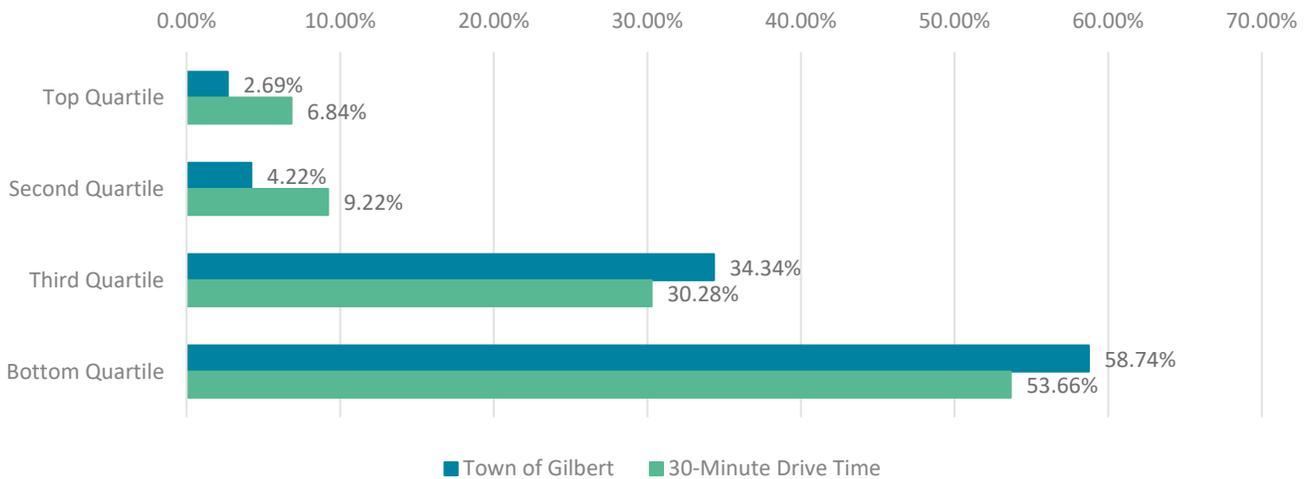
produced and consumed locally, and tend to simply recirculate money within a local economy. Those industries producing goods and services sold elsewhere are referred to as “traded” industries, or sometimes as “primary” industries.

Determining which industries are traded is not a precise science. Even within an industry, characteristics of individual businesses can vary. Most spas, for example, cater to the local population, but a high end spa in Sedona may attract international visitors. Industry rankings should therefore be considered relative, rather than definitive, and not uniformly applicable to every business in an industry.

DISTRIBUTION OF ESTABLISHMENTS BY DEGREE SECTOR IS TRADED (GILBERT)



DISTRIBUTION OF EMPLOYMENT BY DEGREE SECTOR IS TRADED (GILBERT)

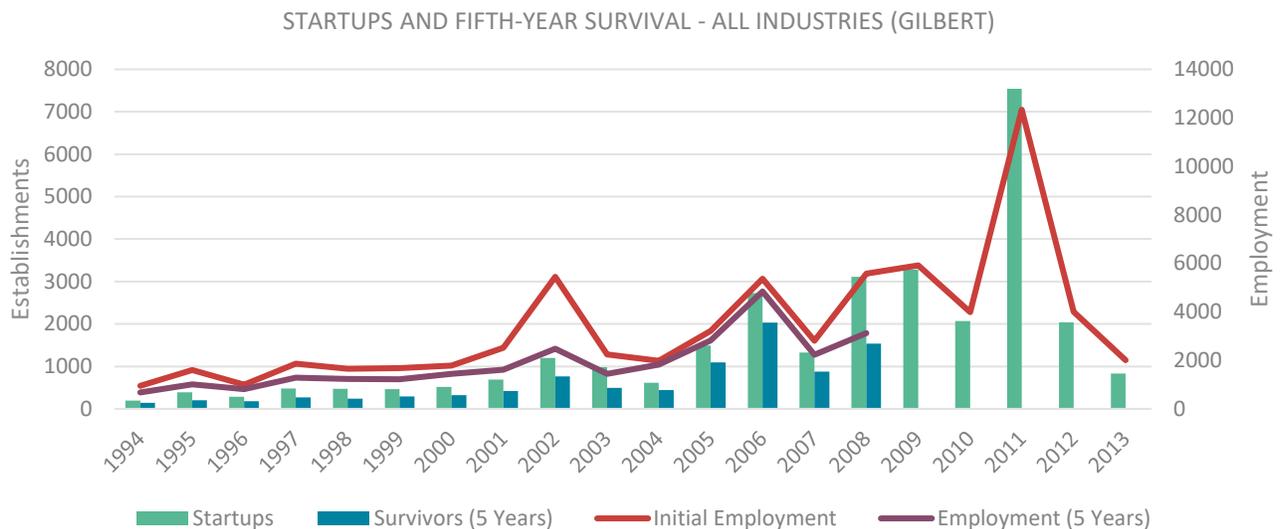


The larger region has a greater share of its establishments and employment in traded sectors. This is especially true of employment, with Gilbert having only 6.91 percent of its employment within industry groups lying above the midpoint, and 16.06 percent of the larger region's employment in above-average industry groups. Data for each industry group is provided in appendix a.

startups in the local economy

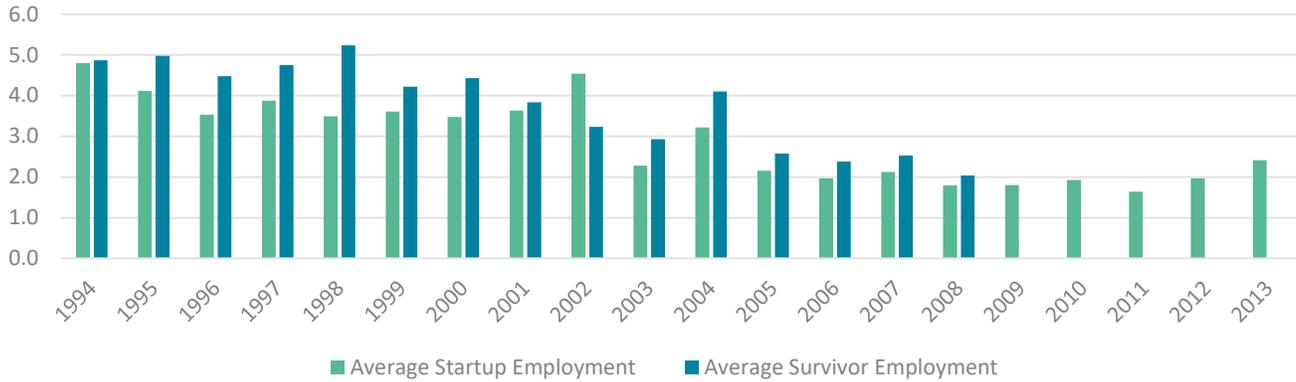
Startups are the driving force behind expansion of the local economy, both within Gilbert and in the larger area. Startups in this data may include wholly-new subsidiaries of existing businesses. The summary data for startups and survival is included in appendix b.

The number of annual startups in Gilbert grew steadily through most years of the past two decades, spiking sharply in 2011 before declining. Over the same period the average size of new establishments, in terms of employment, has diminished. Both of these trends are consistent with observations at the national level.



Several theories have been put forward to explain the spike and subsequent drop in business starts, including an increase in “necessity” entrepreneurship during the recession, when traditional employment opportunities were limited, and a subsequent desire among workers for the security of employment with a steady paycheck. Concerns have more recently been raised about the possibility of a competitive environment that stacks the deck against new entrants. It may also be that fewer

AVERAGE EMPLOYMENT FOR STARTUPS AND SURVIVORS (GILBERT)



people are choosing to incorporate a business, and instead operate as an independent contractor or freelancer.

Survival is measured by the percentage of businesses still in operation in their fifth year. Gilbert fares well in comparison to national statistics, with a greater percentage of survivors in most years from 1994 through 2008. Because data has not been released, it is impossible to assess the impact the recession had on more recent startups.

Businesses surviving to their fifth year have added employees, in aggregate, to compensate for jobs lost at closed businesses. It is not uncommon for survivors to provide 70 to 80 percent of the number of jobs created by all startups in their birth year. As with the startup community as a whole, the average number of employees at surviving businesses has been steadily declining. Surviving businesses are adding employees at a slower pace than they did in earlier years.

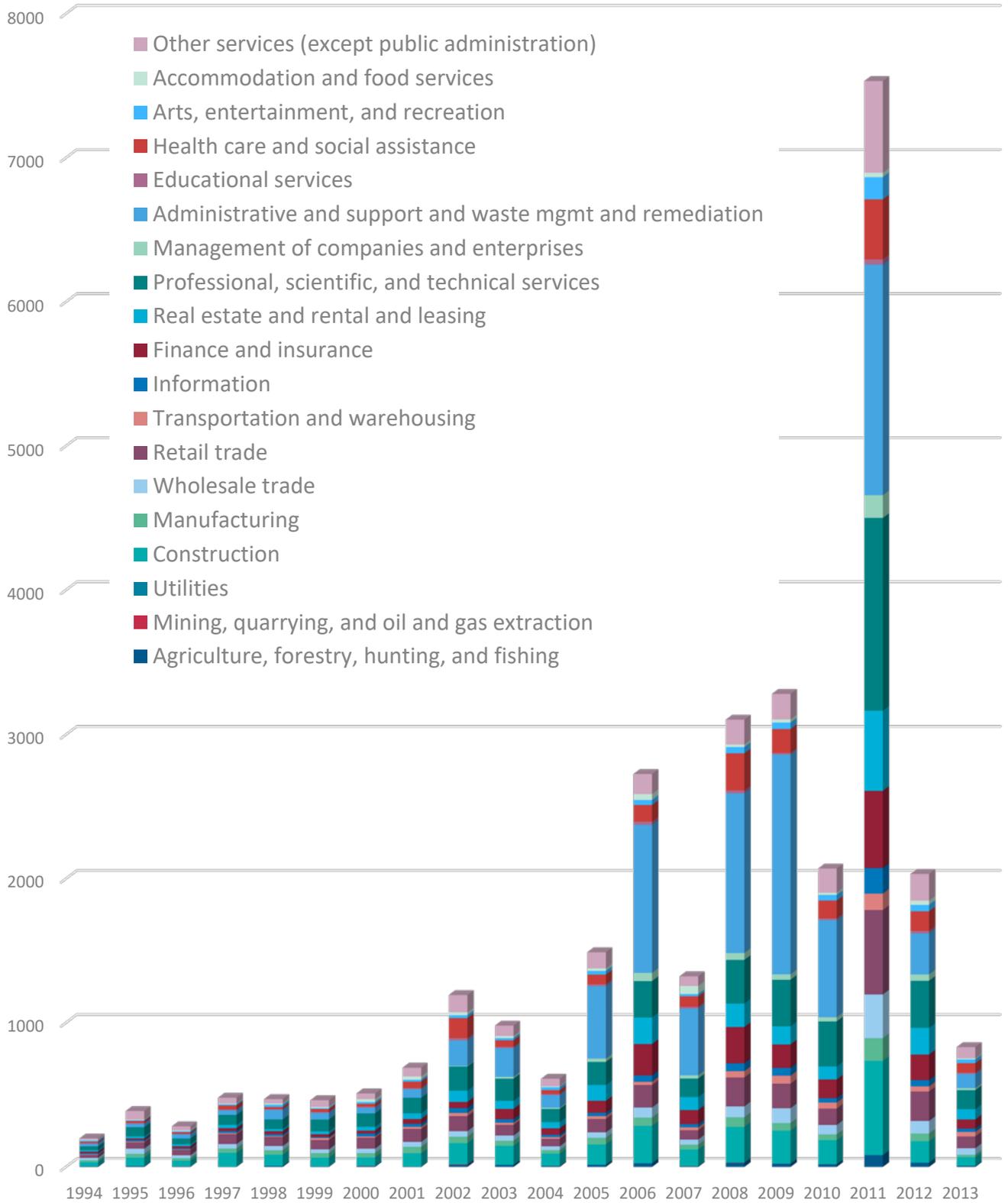
Table 2: Total Startups by Sector, 1994 to 2013
Town of Gilbert

Sector	Startups
All sectors	30,917
Agriculture, forestry, hunting, and fishing	290
Mining, quarrying, and oil and gas	14
Utilities	16
Construction	2,932
Manufacturing	874
Wholesale trade	1,166
Retail trade	2,397
Transportation and warehousing	496
Information	648
Finance and insurance	2,043
Real estate and rental and leasing	1,927
Professional, scientific, and technical svcs.	4,272
Management of companies and enterprises	458
Administrative and support and waste mgmt. and remediation	8,086
Educational services	234
Health care and social assistance	1,809
Arts, entertainment, and recreation	569
Accommodation and food services	368
Other services (except public admin.)	2,318

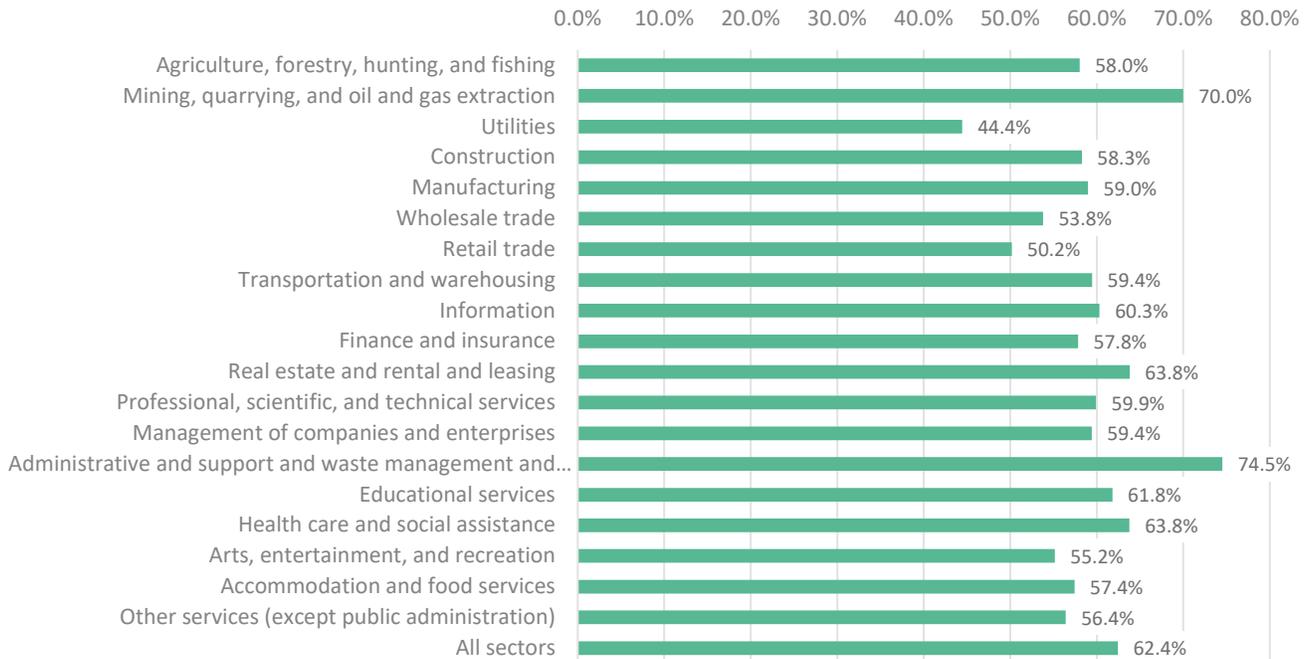
startups by sector

Entrepreneurs formed 30,917 new businesses in Gilbert between 1994 and 2013. Nearly two-thirds of these were still in operation at the beginning of 2014. By far, the largest number were in administrative and support and waste management, followed by professional, scientific, and technical services.

ANNUAL STARTUPS BY INDUSTRY SECTOR (GILBERT)



1994-2008 AVERAGE FIFTH YEAR SURVIVAL RATE BY INDUSTRY SECTOR (GILBERT)



The administrative and support and waste management sector produced the greatest number of startups in all but one year from 2002 through 2011, at times greatly outnumbering other sectors. This was not always the case, and it appears that the sector is falling back in line with others.

The professional, scientific, and technical services sector has produced the largest number of annual starts in nearly as many years as administrative and support and waste management services, including four years in the first decade (1994 to 2003) and three in the more recent decade (2004 to 2013). It has been in the top spot in both 2012 and 2013.

Construction is the only other sector to have the largest number of annual starts in any year, all of them falling in the 1990's. Construction startups consistently provided the largest number of new jobs from 1994 through 2000, and again in 2004. Except in that year, administrative and support and waste management dominated from 2003 through 2011. Professional, scientific, and technical services held the top rank in the intervening years (2001 and 2002) and in the most recent years (2012 and 2013).

Survival rates at the sector level are similar to the sum for all Gilbert startups. Retail trade and utilities tend to have a lower survival rate, while higher survival rates are found in the administrative and support and

waste management, and mining, quarrying, and oil and gas extraction sectors.

alternative work arrangements

People not working as direct hires of an employer are classed as contingent workers, or are said to be in alternative work arrangements. The definition is a loose one that varies depending on the source. It usually includes temporary help agency workers, contract workers, and independent contractors, consultants, or freelancers working outside of an incorporated business. The US Government Accounting Office (GAO) includes people working part-time in their definition, but while they only consider the primary job of the workers they survey, organizations like Intuit make no distinction between primary and secondary jobs. As a result, it can be difficult to examine the contingent workforce when everyone is talking about a different group of workers.

As an example, Intuit states that about one in three people are part of the contingent workforce, while the GAO estimates the total number of contingent workers at 40.4 percent of the workforce in 2010, an increase from 35.3 percent in 2006. Both of these, and most other sources indicate that this portion of the workforce is growing. Those observations are backed by data from the Internal Revenue Service that shows an increase in the percentage of people filing Schedule C to report self-employment income, or claiming 1099-MISC income.

The contingent workforce is important to any examination of entrepreneurship for two reasons. Firstly, independent contractors, independent consultants, and freelancers, although unincorporated and working solo, function in the same manner and have the same needs as incorporated sole practitioners or small businesses. Secondly, the move to independent work may serve as a prelude to incorporating a business. It is therefore useful to understand who is likely to be in this group.

The most current and useful analysis is drawn from the 2015 RAND-Princeton Contingent Worker Survey. This survey uses a narrow definition of temporary help agency workers, contract workers, and independent contractors or freelancers. It found that this workforce grew from 10.1 percent of the workforce in 2005 to 15.8 percent in 2015. This increase accounts for all net US employment growth over the same period.

Workers using online platforms to locate work – online gigs such as those through Uber or Elance – account for only about 0.5 percent of the

■ ■ ■ ■

**Contingent
workforce growth
is significant**

The number of contingent workers grew much faster than the entire workforce between 2005 and 2010. These new workers accounted for all net employment growth in the US during that period.

■ ■ ■ ■

workforce. The largest group of contingent workers are those who are self-employed as an independent contractor or consultant, or freelancer. These people make up 8.9 percent of all employed persons in the US, and may be the most likely to form an incorporated business.

People AGED 55 and 75 were the most likely to be found in alternative work arrangements, followed by those in the 25 to 54 year old bracket. The percentage of contingent workers among both cohorts have grown over the decade, although growth has been fastest among the oldest workers. There has been little change among workers in the 16 to 25 year old bracket. Additionally, there is little variation by race or education level, although women are more likely to be contingent workers.

Contrary to what many people may expect, alternative work arrangements are more frequent among workers predicted to hire at higher wages, based on an analysis of education, experience, race, sex, industry, and occupation.¹

Gilbert’s predicted independent workforce

Because independent contractors, consultants, and freelancers are not identified in business data, this analysis predicts their numbers using

Table 3: Predicted Contingent Workers by Industry (Gilbert)

Industry	Workers
Total	17,299
Agriculture, forestry, hunting, fishing	108
Mining	0
Utilities	0
Construction	875
Manufacturing	1,877
Wholesale trade	546
Retail trade	1,886
Transportation and warehousing	856
Information	379
Financial services	1,806
Professional and business services	2,012
Education and health services	4,064
Leisure and hospitality	1,483
Other services (excl. public administration)	677
Public administration	729

occupational data for Gilbert’s population, and national rates of contingent work for major occupational categories. This data is weighted by factors including age, sex, race, and education.

Using 2014 data, Gilbert is predicted to have 17,299 contingent workers living in the community. Their distribution by industry and occupation is presented in tables on this, and the following page.

The estimated distribution of contingent workers by industry sector differs in several ways from the community’s business mix. The largest number of contingent workers – more

¹ “The Rise and Nature of Alternative Work Arrangements in the United States, 1995-2015”, Lawrence F. Katz and Alan B. Krueger, March 29, 2016

than twice the number in any other sector – are employed in education and health care industries. There are also a large number of contingent workers employed in manufacturing. Neither of these sectors has the same significance among startups or incorporated businesses.

Broken down by occupation, the largest numbers of workers are found in office and administrative support, sales, management, and a set of professional, scientific, and technical positions. This is consistent with the startup picture, in which administrative and support, and professional, scientific, and technical services often produced the largest annual number of startups and the most annual new employment.

Contingent workers are far less prevalent in occupations often associated with lower skill levels, such as food preparation or building and grounds cleaning and maintenance, and even within trades such as construction or production. This may seem contrary to common perceptions of contract work being concentrated in blue collar or service positions.

Table 4: Predicted Contingent Workers by Occupation

Occupation	Workers
Total	17,299
Management	2,081
Business and financial	1,165
Computer and mathematical	796
Architecture and engineering	614
Life, physical and social science	75
Community and social service	312
Legal	211
Education, training, and library	1,058
Arts, design, entertainment, sports, media	331
Healthcare practitioners and technical	1,107
Healthcare support	378
Protective service	382
Food preparation and serving related	851
Building and grounds cleaning and maintenance	272
Personal care and service	627
Sales and related	2,248
Office and administrative support	2,583
Farming, fishing, and forestry	14
Construction and extraction	482
Installation, maintenance, and repair	606
Production	552
Transportation and material moving	552

targeted industries

Gilbert has identified several target industries that it hopes to grow within the community. These industries were determined for the Greater Phoenix Economic Council for the entire region, although Gilbert has added clean technology and alternative energy as an additional target. Many of the same target industries being pursued by Gilbert are targeted by other communities in the area.

The Greater Phoenix Economic Council’s target analysis is dated in that it relies on the Standard Industrial Classification (SIC) codes that were replaced by the North American Industrial Classification System (NAICS) in 1997. The analysis presented here has translated the 1992 SIC codes to 2012 NAICS descriptions.

aerospace and defense

The proximity of Phoenix-Mesa Gateway Airport is a key advantage for Gilbert in pursuing this industry cluster, which is one of the largest and best-developed clusters in Arizona. The airport is a Foreign Trade Zone and a Military Reuse Zone, and the area around it is emerging as one of the largest employment concentrations in the state.

There are 254 establishments in this industry cluster, located within a 30-minute drive time from Gilbert. This total does not include businesses in NAICS 441228, which might include aircraft sales, but is mostly comprised of motorcycle and ATV dealers.

Aerospace SIC to NAICS Conversion

SIC	SIC industry description	NAICS
3462	Iron and steel forgings	3321
3721	Aircraft	3364
3724	Aircraft engines and engine parts	3364
3728	Aircraft parts and equipment, nec	3364
3761	Guided missiles and space vehicles	3364
3764	Space propulsion units and parts	3364
3769	Space vehicle equipment, nec	3364
3812	Search and navigation equipment	3345
4512	Air transportation, scheduled	4811
4513	Air courier services	4811
4522	Air transportation, nonscheduled	4812
4581	Airports, flying fields, and services	4881
4731	Freight transportation arrangement	4885
5599	Automotive dealers, nec	441228
7699	Repair services, nec	488190

The target is widely distributed geographically, with 25 establishments in Gilbert. Phoenix has the most at 66, followed by Mesa (52), Chandler (42), Tempe (32) and Scottsdale (26). It is important to note that the entire area of some of these nearby communities does not fall within the 30-minute drive time, so that these numbers may only reflect a part of each community’s total.

The establishments in the area include six branch establishments, 14 headquarters operations, and 234 independent businesses. While there have been a few relocations within the Phoenix area, no businesses have relocated from outside of the local market.

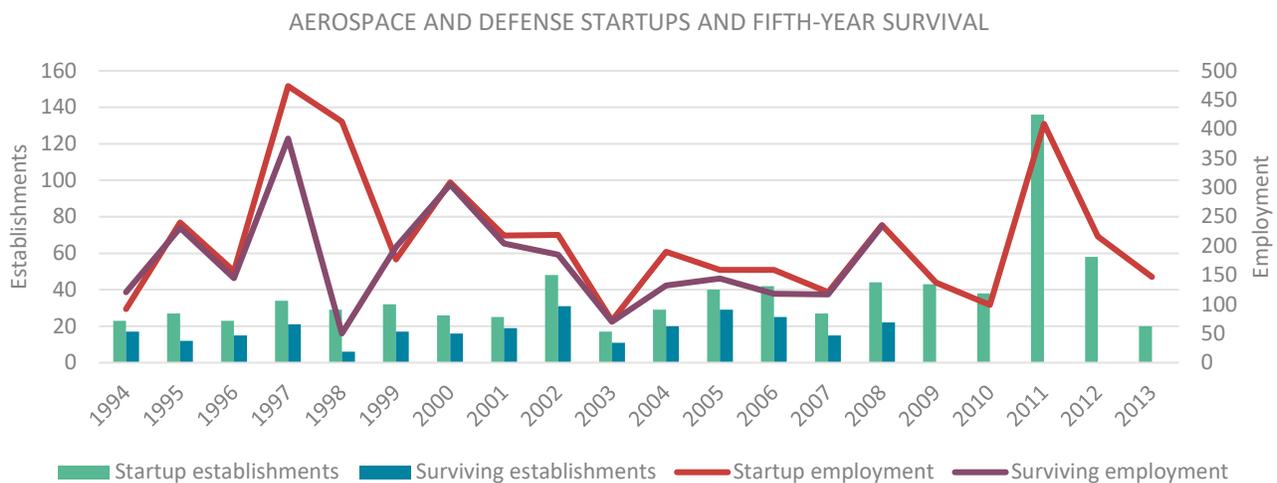
Another 934 establishments in these industry groups have existed in the area during the past 20 years, but are no longer in operation.

Table 5: Aerospace and Defense Establishments and Employment, 2013

NAICS	Description	Gilbert		30-Minute Drive Time	
		Establishments	Employment	Establishments	Employment
3321	Forging and stamping	1	3	7	260
3345	Navigational, measuring, electromedical, and control instruments manufacturing	2	7	46	380
3364	Aerospace products and parts manufacturing	2	169	6	178
4811	Scheduled air transportation	0	0	13	807
4812	Nonscheduled air transportation	0	0	0	0
4881	Support activities for air transportation	17	44	148	362
4885	Freight transportation arrangement	3	7	34	142
Totals		25	230	254	2,129

Most (92.1 percent) of the area’s establishments in these industry groups are startups, though 20 of the startups identified in the past two decades have been subsidiaries of existing companies. This group includes notable companies such as MD Helicopters and Mesa Airlines.

On average, the startup survival rate for these industry groups is similar to the overall rate, though there is a greater fluctuation between highs and lows. In most years the target industry outperformed the overall figure for employee retention, meaning that surviving firms added employees to make up for a significant part of the losses through closures.



The majority of the businesses started over the past 20 year have been in support activities for air transportation (34.3 percent), freight transportation arrangement (26.9 percent), and navigational, measuring, electromedical, and control instruments manufacturing (20.6 percent).

Table 6: Number of Aerospace and Defense Startups, 1994 to 2013

NAICS	Description	Startups
3321	Forging and stamping	29
3345	Navigational, measuring, electro-medical, and control instruments manufacturing	157
3364	Aerospace products and parts manufacturing	70
4811	Scheduled air transportation	38
4812	Nonscheduled air transportation	1
4881	Support activities for air transportation	261
4885	Freight transportation arrangement	205
	Total	761

advanced business services

This target identified activities such as accounting, financial analysis, law, design, marketing, insurance, architecture, engineering, venture capital, investment banking, real estate, and data centers, as representing the kind of high-value occupations that are easily started, often home-based, and have the potential to serve a worldwide market.

This particular target is overly broad in scope. Clusters are defined by common markets, inputs, technology, or talent. Advanced business services, as defined in the Greater Phoenix Economic Council study, ranges from all industries in the financial sector to attorneys to graphic arts to mailing list compilers and tombstone engravers. It is too unfocused to be meaningful. Future analysis conducted by the Town or a regional entity can break out related activities within this target, perhaps along with others, to provide more coherent sets of targets.

At the end of 2013, the 30-minute drive time contained 14,440 establishments in the industries and industry groups making up this target. These included 193 headquarters operations, 800 branch

establishments, and 13,447 standalone businesses. These are widely distributed throughout the area, with 1,830 in Gilbert. Mesa has the largest number (3,296), followed by the portion of Phoenix falling within the area (2,365), Scottsdale (2,095) and Chandler (2,115).

From 1994 through 2013 there have been a total of 28,658 establishments in these industries and industry groups, within the 30-minute drive time area. Somewhat over half have closed.

This is a target that has attracted companies to relocate their operations from other states. A total of 430 relocations to the study area occurred between 1994 and 2013, with the largest number of businesses coming from California (95). Colorado was a distant second, with 26 relocated businesses, followed by Illinois (22), Utah (21), and Florida and Washington, each with 20. These relocated businesses brought a total of 442 jobs to the area.

A different geographic pattern of investment emerges from among the 1,701 out-of-state parents that have opened branch establishments or subsidiaries in the area. Once again, California leads with 387 branch establishments or subsidiaries opened. It is followed by New York (246), Missouri (134), North Carolina (112), Texas (89), Minnesota (75), Florida (74), Illinois (68), and Colorado (55).

Of those target cluster businesses in existence in 2013, more than one out of every three are in management consulting. Office administrative services and legal services follow. Although having about a third the number of establishments, office administrative services offers about the same number of jobs as management consulting services. Other industries or industry groups with a relatively high number of jobs per establishment include depository credit intermediation (mostly comprised of banking), financial transactions processing, insurance carriers, engineering services, and telemarketing.

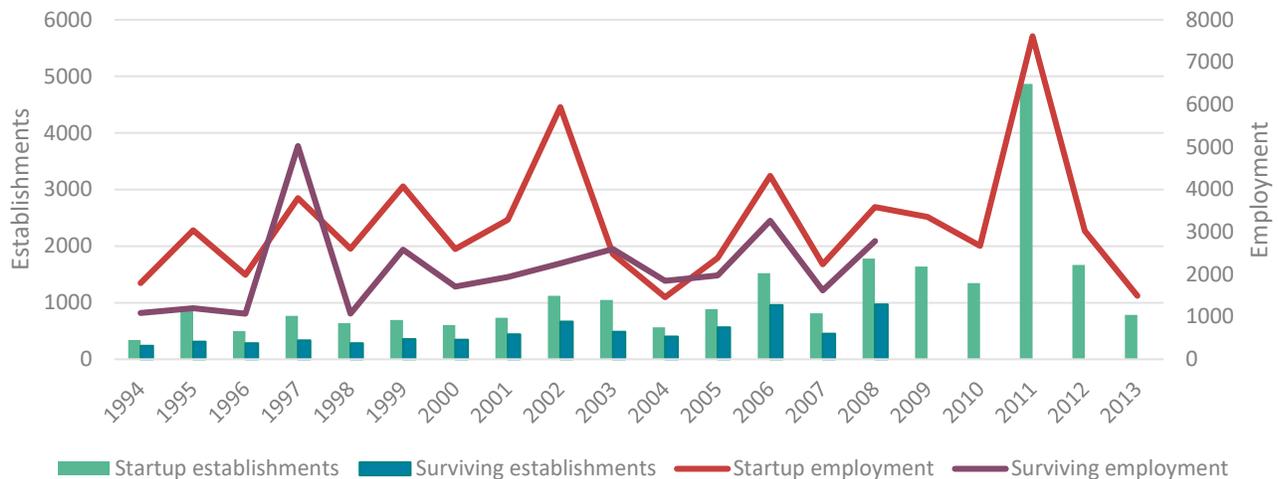
Converting SIC to NAICS

SIC	SIC industry description	NAICS
6021-91	Depository institutions	5221
6111-63	Non-depository credit institutions	5222
6211-89	Security and commodity brokers	5231
6311-99	Insurance carriers	5241
7331	Direct mail advertising services	5418
		511140
7335	Commercial photography	541922
7336	Commercial art and graphic design	541430
7383	News syndicates	519110
7389	Services, nec	5418
		561920
		541490
		522320
		561422
		561499
8111	Legal services	5411
8711	Engineering services	54133
8721	Accounting, auditing, and bookkeeping	54121
8741	Management and public relations	56111
8742		54161
8743		5418

Table 7: Advanced Business Services Establishments and Employment, 2013

NAICS	Description	Gilbert		30-Minute Drive Time	
		Establishments	Employment	Establishments	Employment
511140	Directory and mailing list publishers	0	0	0	0
519110	News syndicates	0	0	0	0
5221	Depository credit intermediation	46	661	372	11,662
5222	Nondepository credit intermediation	91	799	731	4,737
522320	Financial transactions processing, reserve, and clearinghouse activities	40	80	303	2,991
5231	Securities and commodity contracts intermediation and brokerage	24	54	238	1,211
5241	Insurance carriers	28	98	249	4,628
5411	Legal services	139	362	1,872	6,207
54121	Accounting, tax preparation, bookkeeping, and payroll services	134	358	1,112	3,571
54133	Engineering services	112	414	1,001	9,081
541430	Graphic design services	40	64	347	858
541490	Other specialized design services	0	0	9	22
54161	Management and consulting services	774	1,646	5,242	14,445
5418	Advertising, public relations, and related services	80	271	695	3,506
541922	Commercial photography	33	86	173	436
56111	Office administrative services	284	708	1,955	14,424
561422	Telemarketing bureaus and other contact centers	2	82	25	1,431
561499	All other business support services	1	1	67	832
561920	Packaging and labeling services	2	3	22	87
561920	Convention and trade show organizers	0	0	27	210
Totals		1,830	5,687	14,440	80,336

ADVANCED BUSINESS SERVICES STARTUPS AND FIFTH YEAR SURVIVAL



A total of 23,165 startups have been formed in the 30-minute study area over the past two decades. Their distribution mirrors the overall business mix, with the largest number in management consulting services, followed by office administrative services and legal services.

Table 8: Number of Advanced Business Services Startups, 1994 to 2013

NAICS	Description	Startups
511140	Directory and mailing list publishers	0
519110	News syndicates	0
5221	Depository credit intermediation	74
5222	Nondepository credit intermediation	1,610
522320	Financial transactions processing, reserve, and clearinghouse activities	529
5231	Securities and commodity contracts intermediation and brokerage	417
5241	Insurance carriers	355
5411	Legal services	2,899
54121	Accounting, tax preparation, bookkeeping, and payroll services	1,715
54133	Engineering services	1,438
541430	Graphic design services	728
541490	Other specialized design services	21
54161	Management and consulting services	8,487
5418	Advertising, public relations, and related services	1,357
541922	Commercial photography	276
56111	Office administrative services	2,923
561422	Telemarketing bureaus and other contact centers	101
561499	All other business support services	148
561920	Packaging and labeling services	45
561920	Convention and trade show organizers	42
	Total	23,165

Survival rates among establishments in this target cluster have been below the Gilbert area average through nearly all of the 15 years for which there is data. In five of these years they also trailed the national average. Fifth-year employment, as a percentage of starting employment, is also lower than the Gilbert average in all but four years. This suggests that in addition to failing at a higher rate, the survivors are not growing as quickly as in other industries.

biotechnology and life/health sciences

The Phoenix metropolitan area has a high concentration of medical research and treatment facilities, several of which are located in Gilbert. These include the M.D. Anderson Cancer Center, Celebration Stem Cell Centre, and Translational Research Institute. These and other institutions in the area are believed to drive a significant volume of innovation that could be commercialized locally.

Converting SIC to NAICS

SIC	SIC industry description	NAICS
2819	Industrial inorganic chemicals, nec	325180
2833	Medicinal chemicals and botanicals	325411
2834	Pharmaceutical preparations	325412
2836	Biological products exc. diagnostic	325414
2869	Industrial organic chemicals, nec	325199
2899	Chemical preparations, nec	325998
3821	Laboratory apparatus and furniture	337127
		333994
		333997
3826	Laboratory analytical instruments	334516
3841	Surgical and medical instruments	339112
3842	Surgical appliances and supplies	339113
3843	Dental equipment and supplies	339114
3845	Electro-medical equipment	334510
		334517
5047	Medical and hospital equipment	423450
5049	Professional equipment, nec	423490
7352	Medical equipment rental	
8731	Commercial physical research	541712
8734	Testing laboratories	541380
8733	Noncommercial research orgs.	541711

This target cluster is not particularly large, with 790 establishments (75 in Gilbert) and 8,333 employees in the 30-minute drive time (356 in Gilbert). Its largest industries, in terms of both establishments and employees, are medical, dental, and hospital equipment and supplies merchant wholesalers, and research and development in the physical, engineering, and life sciences (except biological). From 1994 to 2013 there have been 1,700 target industry establishments in the 30-minute drive time, with about 46 percent of these still operating in 2013.

Relocations appear to be more frequent among industries making up this target, with 335 moves between 1994 and 2013. While most of these (281) were in-state, 49 businesses moved into the study area from another state. Eleven of these businesses originated in California and six within New Mexico. Illinois and Ohio each contributed three. Movers brought 313 jobs to the area.

Thirty-five establishments in the area are subsidiaries of other companies. Most parent companies (19) are located elsewhere in Arizona. Only New Jersey has a significant concentration of parent companies, with five.

There have been 1,416 startups in the biotechnology cluster during the 20-year period. The percentage of startups surviving into their fifth year is roughly comparable to all industries combined, and has been higher in eight of the 15 years from 1994 to 2008. The same is true of employment among these businesses.

Table 9: Biotechnology Establishments and Employment, 2013

NAICS	Description	Gilbert		30-Minute Drive Time	
		Establishments	Employment	Establishments	Employment
325180	Other basic inorganic chemicals mfg.	0	0	6	154
325199	All other basic inorganic chemical mfg.	1	5	6	66
325411	Medicinal and botanical manufacturing	0	0	10	135
325412	Pharmaceutical preparation manufacturing	3	64	38	994
325414	Biological products, except diagnostic mfg.	0	0	7	47
325998	All other miscellaneous chemical product and preparation manufacturing	6	16	22	144
333994	Industrial process furnace and oven mfg.	0	0	4	68
333997	Scale and balance manufacturing	0	0	1	8
334510	Electromedical and electrotherapeutic apparatus manufacturing	1	4	17	284
334516	Analytical laboratory instrument mfg.	2	4	10	93
337127	Institutional furniture manufacturing	1	2	15	67
339112	Surgical and medical instrument mfg.	5	15	22	452
339113	Surgical appliance and supplies mfg.	5	13	44	893
339114	Dental equipment and supplies mfg.	2	4	14	48
423450	Medical, dental, and hospital equipment and supplies merchant wholesalers	13	79	161	2,186
423490	Other professional equipment and supplies merchant wholesalers	1	20	34	175
541380	Testing laboratories	7	35	86	886
541711	Research and development in biotechnology	4	13	34	195
541712	Research and development in the physical, engineering, and life sciences	24	82	259	1,468
Totals		75	356	790	8,333

BIOTECHNOLOGY STARTUPS AND FIFTH YEAR SURVIVAL

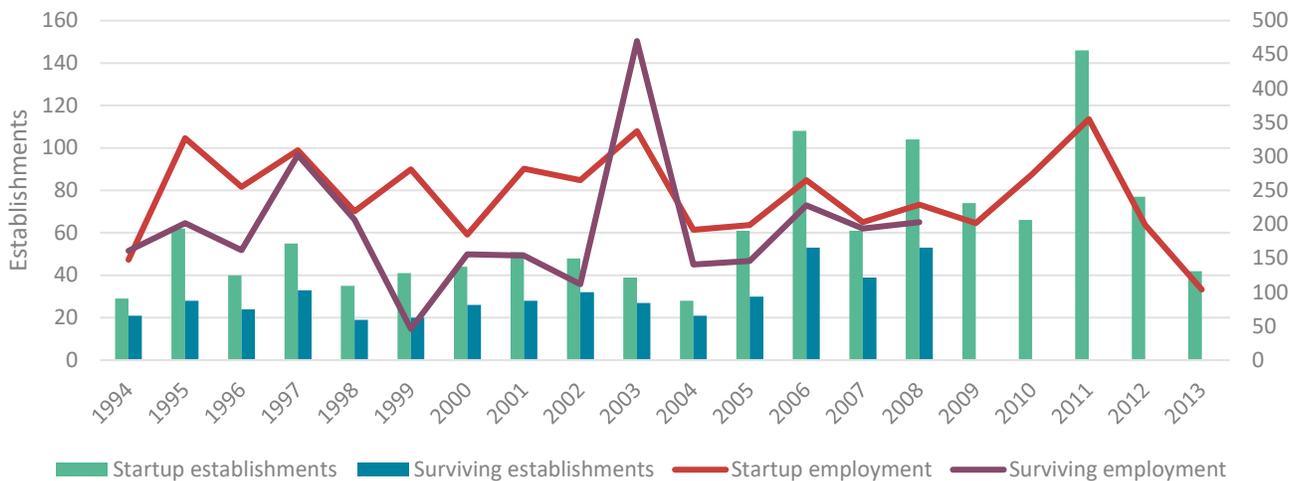


Table 10: Number of Biotechnology Startups, 1994 to 2013

NAICS	Description	Startups
325180	Other basic inorganic chemicals manufacturing	11
325199	All other basic inorganic chemical manufacturing	8
325411	Medicinal and botanical manufacturing	16
325412	Pharmaceutical preparation manufacturing	52
325414	Biological products, except diagnostic manufacturing	17
325998	All other misc. chemical product and preparation Mfg.	38
333994	Industrial process furnace and oven manufacturing	2
333997	Scale and balance manufacturing	1
334510	Electromedical and electrotherapeutic apparatus mfg.	28
334516	Analytical laboratory instrument manufacturing	15
337127	Institutional furniture manufacturing	30
339112	Surgical and medical instrument manufacturing	39
339113	Surgical appliance and supplies manufacturing	66
339114	Dental equipment and supplies manufacturing	22
423450	Medical, dental, and hospital equipment and supplies merchant wholesalers	322
423490	Other professional equipment and supplies merchant wholesalers	78
541380	Testing laboratories	137
541711	Research and development in biotechnology	54
541712	Research and development in the physical, engineering, and life sciences	480
	Total	1,416

high-tech manufacturing

Gilbert currently lags the broader region in the share of establishments and jobs within the manufacturing sector, though Gilbert shares many of the same locational and workforce advantages as neighboring communities. Longer-established municipalities have had more time to start, grow, and attract these businesses.

In 2013 there were 690 establishments in this target cluster, with a total of 25,051 employees, within the 30-minute drive time. Gilbert had less than a three percent share of the total employment, in 58 establishments.

This industry target includes some significant employment concentrations, particularly within semiconductor and other electronic component manufacturing, and instrument manufacturing for measuring and testing electricity and electrical systems manufacturing.

Between 1994 and 2013 there have been a total of 1,643 establishments within the industries and industry groups making up the target, with 690 still in operation in 2013. There were 1,079 startups during this period.

The majority of startups have been among wired telecommunications carriers. This industry is described as "establishments primarily engaged in operating and/or providing access to transmission facilities and infrastructure that they own and/or lease for the transmission of voice, data, text, sound, and video using wired telecommunications networks [that use] the facilities that they operate to provide a variety of services, such as wired telephony services, including VoIP services; wired (cable) audio and video programming distribution; and wired broadband Internet services."

Converting SIC to NAICS		
SIC	SIC industry description	NAICS
366	Communications equipment	3342
357	Computer and office equipment	3341
3672	Printed circuit boards	334412
3674	Semiconductors and related devices	334413
3675	Electronic capacitors	334416
3677	Electronic coils and transformers	334416
3678	Electronic connectors	334417
3679	Electronic components, nec	334419
3691	Storage batteries	335911
3692	Primary batteries, dry and wet	335912
3694	Electrical equipment for engines	336320
3695	Magnetic and optical recording media	334613
3822	Environmental controls	334512
3823	Process control instruments	334513
3824	Fluid meters and counting devices	334514
3825	Instruments to measure electricity	334515
3829	Measuring and controlling devices, nec	334519
4813	Telephone communications	517110

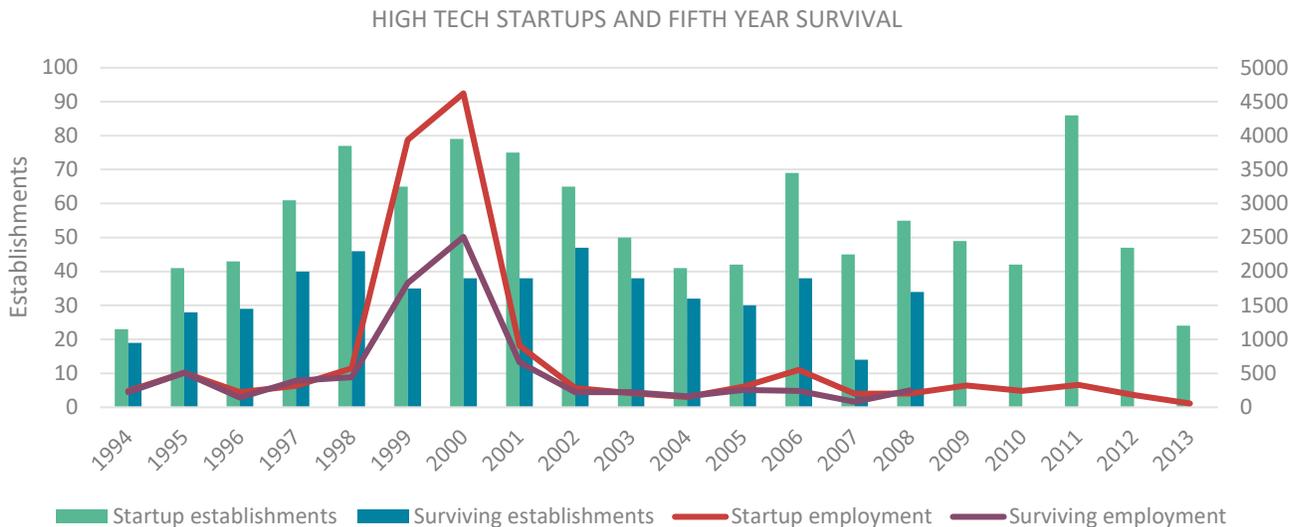
Table 11: High Tech Establishments and Employment, 2013

NAICS	Description	Gilbert		30-Minute Drive Time	
		Establishments	Employment	Establishments	Employment
3341	Computer and peripheral equipment mfg.	2	18	57	1,277
3342	Communications equipment manufacturing	9	260	87	2,847
3344	Semiconductor and other electronic component manufacturing	16	259	171	13,377
334512	Automatic environmental control mfg. Instruments and related products	0	0	13	189
334513	manufacturing for measuring, displaying, and controlling industrial process variables	1	1	13	407
334514	Totalizing fluid meters and counting devices	0	0	2	275
334515	Instrument manufacturing for measuring and testing electricity and electrical systems	1	9	24	3,598
334519	Other measuring and controlling device mfg.	0	0	3	24
334613	Magnetic and optical recording media mfg.	0	0	25	245
335911	Storage battery manufacturing	1	2	4	9
335912	Primary battery manufacturing	1	1	2	7
336320	Motor vehicle electrical and electronic equipment manufacturing	0	0	9	36
517110	Wired telecommunications carriers	23	154	280	2,760
	Totals	58	730	690	25,051

Table 12: High Tech Startups, 1994 to 2013

NAICS	Description	Startups
3341	Computer and peripheral equipment mfg.	109
3342	Communications equipment manufacturing	105
3344	Semiconductor and other electronic component manufacturing	206
334512	Automatic Environmental Control mfg.	17
334513	Instruments and related products manufacturing for measuring, displaying, and controlling industrial process variables	13
334514	Totalizing fluid meters and counting devices	0
334515	Instrument manufacturing for measuring and testing electricity and electrical systems	38
334519	Other measuring and controlling device mfg.	26
334613	Magnetic and optical recording media mfg.	2
335911	Storage battery manufacturing	3
335912	Primary battery manufacturing	4
336320	Motor vehicle electrical and electronic equipment manufacturing	11
517110	Wired telecommunications carriers	545
Total		1,079

Several of the startup establishments are among subsidiaries of larger companies, including operations related to Google, On Semiconductor Corporation, Motorola, Emerson Electric, and others. This will help to explain the large employment numbers from 1999 to 2001, which also coincided with the “Tech Bubble”. In all other years, both the number of startups and aggregate employment have been remarkably consistent.



Survival rates and the percentage of jobs retained in the fifth year of operations have tended to be above average for all industries, with the exception of two periods, during three years of the Tech Bubble, and again in the three years leading up to the Great Recession.

About 11 percent of the establishments in existence over the period from 1994 to 2013 (182) relocated at least once. The majority of the relocations occurred between Arizona locations, with 22 companies relocating from another state into the study area. Five of these originated in California.

software-related industries

There is a large presence of software and related businesses in the Phoenix market. Arguably, the industries identified in the Greater Phoenix Economic Council’s target industry analysis might be expanded beyond those identified, as both technology (ex., mobile applications) and delivery systems (ex., software as a service and the internet of things) have evolved since the study was completed.

From 1994 to 2013 there have been 5,237 establishments in the 30-minute drive time, within the industries making up this target. At the end of 2013 there were 1,929 of these establishments still in operation, consisting of 81 branch establishments with 4,273 employees, 55 headquarters operations with 4,359 employees, and 1,793 standalone businesses with 9,955 employees. In total, the 1,929 establishments in this target provide 18,587 jobs.

A total of 402 branch establishments and 78 subsidiaries have existed over the 20-year period covered in the data. Sixty of the branch establishments had a headquarters in Arizona. The largest number were headquartered in California (84), followed by Texas (21), New York (19), Illinois and Pennsylvania (17 each), Colorado (15), Massachusetts (13), and Florida, Michigan, Illinois, and New Jersey (12 each). The largest number still in operation came from Arizona (16), California, and Illinois (8).

Subsidiaries of other companies were most likely to have a parent in Arizona (35), followed by California (8), Colorado (5), and Illinois (4). In 2013 the 25 subsidiary establishments still in operation provided a total of 4,000 jobs.

SIC	SIC industry description	NAICS
5045	Computers, peripherals, and software	423430
7371	Computer programming services	541511
7372	Prepackaged software	511210
7373	Computer integrated systems design	541512
7374	Data processing and preparation	518210
7375	Information retrieval services	518210
7376	Computer facilities management	541513
7377	Computer rental and leasing	532420
7378	Computer maintenance and repair	811212
7379	Computer-related services, nec	541519

Table 13: Software-Related Establishments and Employment, 2013

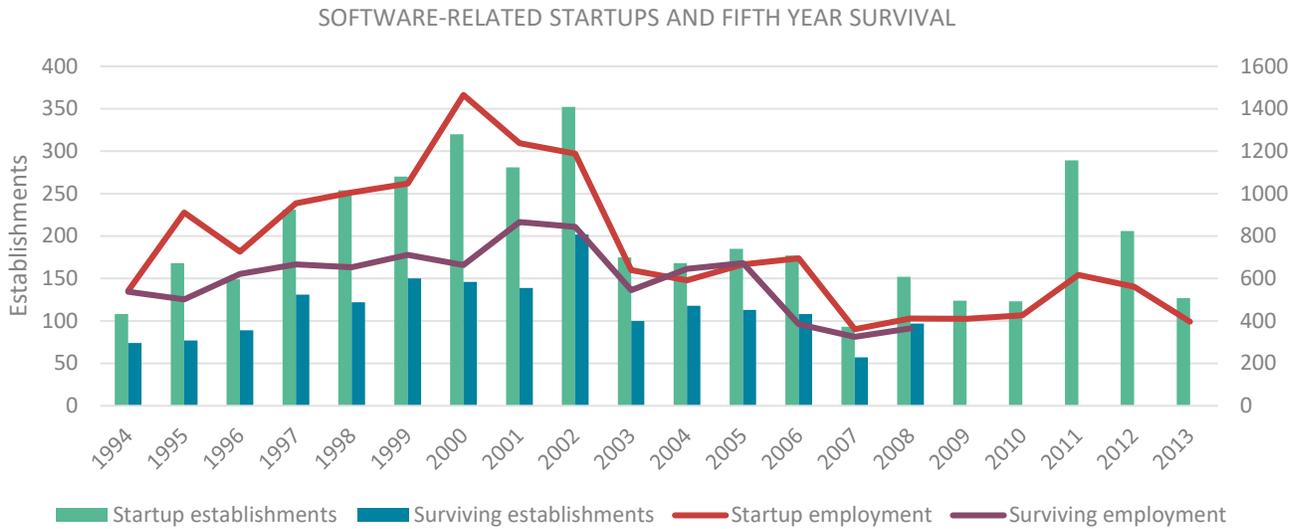
NAICS	Description	Gilbert		30-Minute Drive Time	
		Establishments	Employment	Establishments	Employment
423430	Computer and computer peripheral equipment and software merchant wholesalers	11	89	129	3,413
511210	Software publishers	57	215	259	1,631
518210	Data processing, hosting, and related services	0	0	263	4,113
541511	Custom computer programming services	61	395	543	4,150
541512	Computer systems design services	78	366	492	4,220
541513	Computer facilities management services	2	4	9	113
541519	Other computer related services	20	40	115	514
811212	Computer and office machine repair	18	43	119	433
Totals		247	1,152	1,929	18,587

Broken out by industry, the greatest number of employees are found in computer systems design services; custom computer programming services; and data processing, hosting, and related services.

Table 14: Software-Related Startups, 1994 to 2013

NAICS	Description	Startups
423430	Computer and computer peripheral equipment and software merchant wholesalers	294
511210	Software publishers	565
518210	Data processing, hosting, and related services	643
541511	Custom computer programming services	905
541512	Computer systems design services	995
541513	Computer facilities management services	17
541519	Other computer related services	276
811212	Computer and office machine repair	257
Totals		3,952

The Tech Bubble of the late 1990's and early 2000's had a clear impact on the number of startups and their employment within this target cluster. From 2003 onward, both measures recorded about half of the totals seen from 1997 to 2002. The exception to this is in 2011 and 2012, when the number of startups increased. This increase was seen across most industries, however, as many people attempted to cope with the Great Recession by going into business for themselves, when too few jobs were available.



Compared to all industries, the startups in this target were less likely to survive to their fifth year. Except for startups established in 1998 to 2000, and again in 2006, the business that do survive replace a greater than average share of the jobs lost due to business closures. This suggests that surviving businesses are growing at a faster pace than other businesses in the area.

clean technology and alternative energy

This target was not identified in the Greater Phoenix Economic Council's target industry analysis. Green technology and alternative energy are not easily defined using industry classifications. Rather, it is the materials or application that determines whether the industry is "green", as the term is commonly understood. For example, construction and energy production are two sectors in which green products or processes can be employed, yet they may be better described as markets rather than sector industries. Because of the difficulty in determining the target's composition, no industry-specific analysis was performed on this target.

startup survey and interviews

An electronic survey and several interviews were conducted to gather insight to supplement the data concerning startups and small businesses. These activities were especially aimed at exploring questions concerning impediments to business formation and growth, and what additional resources might have a positive impact on the startup community.

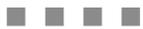
interviews with business owners

In total, 37 business owners participated in the interviews, either individually or in group sessions. These included a large number of people in professional, scientific, and technical services; administrative support and waste management and remediation services; manufacturing; information; and construction. The original sample was drawn to include representation of women-owned and minority-owned businesses and businesses that had recently ceased operation.

Nearly all of the businesses interviewed hold a positive view of Gilbert, and none indicated any negative interaction with the Town. Most were also unaware of any potential assistance the Town might provide to their business.

The area is seen as presenting opportunities for new businesses because the market is growing rapidly and there is little established competition, but not all entrepreneurs are equipped with the knowledge, skills, and resources needed to make their business succeed. Several needs were expressed:

- The largest number of people interviewed identified insufficient sales as a major challenge. This relates directly to marketing and customer acquisition (closing a deal). Several contributing factors were mentioned:
 - Not knowing the best way to market their business.
 - The strength of competitors in the market, and the need to divert customers from these competitors to their business.
 - Issues of credibility due to being a new and/or home-based business.
 - Lack of financial resources to pay for advertising or professional marketing assistance.



A financial and marketing need

Achieving the level of sales needed to continue the startup business was most often cited as a challenge to achieving success.



- Adequate cash to fund the business was also often mentioned as a challenge. Managing financial resources to cover expenses (cash flow) and having enough funds to carry the business through until it became profitable were the most critical issues identified. A small number of businesses were unable to obtain loans (or thought they would not be able to obtain a loan). Most needed funding for working capital rather than purchases.
- Among professional services, some business owners commented on the “loss of social capital in moving from a typical workplace”. This refers to the daily interaction with other professionals, and the networking, learning, and collaboration stemming from it. These same people also mentioned the loss of access to office infrastructure, usually related to technology or to professional services provided within their previous employer’s organization.
- Several business owners brought up general management issues, such as understanding regulations, tax requirements, accounting, and other administrative functions. There were concerns with both having the knowledge of what was required, and with the time it took to carry out these functions, which distracted them from the core purpose of their business.
- Real estate was an issue for only a small number of businesses, perhaps in part because many were home-based or utilizing coworking space, at least during their startup phase. Finding suitable space and the cost of commercial space were both raised as concerns.

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Going solo leads to isolation

Not having the opportunity to regularly interact with other professionals is seen as a drawback to working independently or in a small business.

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survey responses from current business owners

An electronic survey was distributed to several email lists including those maintained by the Town of Gilbert and the Gilbert Chamber of Commerce. A total of 188 responses were collected over a two-week period. A majority (136 or 72.7 percent) of those participating were current business owners. Another 28 (15.0 percent) were freelancing or otherwise self-employed in an unincorporated business. Another 14 (7.5 percent) were currently considering starting a business.

Among current business owners, the majority (49 or 30.3 percent) had started in 2006 or earlier. A similar number (46 or 28.4 percent) had started in the most recent three year period from 2014 to 2016. Professional, scientific, and technical services were disproportionately

represented in the sample, making up 24.8 percent of the total. Retail (13.0 percent) and other services (8.1 percent) followed.

Slightly less than half of the sample (47.8 percent) were home-based businesses. This is consistent with national estimates that about 52 percent of all businesses are home-based. Businesses were much more likely to be officially incorporated (86.4 percent) as opposed to being persons self-employed outside of an incorporated business.

business income

A clear majority of respondents work full-time in their business without any other employment. About one in ten (11.3 percent) worked full-time in the business while also being employed full- or part-time elsewhere. Roughly the same number (10.6 percent) worked in their own business part-time while being employed elsewhere. A small number indicated that they worked in their own business part-time while being retired or otherwise not working.

For two-thirds of those responding (65 percent), their business was their primary source of income. This is consistent with findings of the Sam's Club/Gallup Microbusiness Tracker, which finds that 31 percent of the business owners in their survey rely on a second job to provide an income greater than that generated by their business. It also reports that in the first year of operation the business is the primary income source for only 38 percent of microbusinesses, and that number increases to 71 percent for businesses in operation 20 years or more.

Nationally, most businesses require two to five years to generate the income needed to replace what the owner made prior to starting the business. Respondents to Gilbert's survey have performed somewhat better, with 41.6 percent reaching that mark within two years, 32.7 percent reaching it in two to five years, and 7.9 percent taking longer than five years. Almost one in five (17.8 percent) have not yet reached the target income. This includes seven businesses started more than five years earlier.

Of the 149 businesses reporting where they earned their income, only four did not have sales in the Phoenix metropolitan area. While the average was 70 percent of income earned within the metropolitan area, 78 businesses indicated that 90 to 100 percent of their income originated within the metropolitan area. A total of 68 businesses reported earning income elsewhere in Arizona, while 84 reported income from customers in other states. Thirty-three businesses (about one out of five in the

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Generating income takes time

Just 41.6 percent of Gilbert's startups achieved their income goals in two years or less. This is comparable to national statistics showing that the majority need three to five years to produce their desired income.

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sample) reported foreign income, this exceeded ten percent of the business's income for only ten respondents.

startup impediments

The survey sought to understand conditions that might present challenges to starting a business. Surprisingly, none of the common issues cited in research into startups was singled out as a significant problem identified by Gilbert business owners. Understanding state or federal tax and regulatory requirements was marked as a definite or severe problem by 31.8 percent, followed by problems finding or keeping employees, or with the quality of the workforce (27.3 percent), finding affordable commercial space to lease (28.2 percent), and identifying customers and the most effective marketing strategies (26.1 percent).

Although this question asked respondents to reflect back to when they started their business, it is possible that the low scores resulted from people responding to how significant these issues are in their business today. Since a majority of businesses have been in operation for several years, it can be expected that these issues would not be as significant as a current problem for the business.

The written responses help to clarify some issues of concern. Several relate to the overall economy and the challenges of the recent recession. The effort needed to obtain or renew a Town business license was also frequently mentioned. Lastly, a number of responses may be grouped around the need for mentoring or similar assistance in helping to understand tax, regulatory, and other requirements.

Most business owners have not experienced difficulties in working with the Town of Gilbert. Only about one in five (19.5 percent) stated that they had experienced some challenge. These overwhelmingly related to either signage or the length of time it took to obtain approvals related to building and development issues or inspections. These are the same issues most commonly cited in similar surveys in other communities.

The survey contained an open-ended question asking participants what issues they may have wanted understanding better when they started their business. Several responses provided helpful insight, and can be grouped as follows:

- The need for better startup education, particularly with regard to legal and regulatory requirements and the logistics of running a business (accounting, insurance, people management).

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***Gilbert businesses
serve a large
market***

Slightly more than half of the existing businesses responding to the survey indicated that they made at least a portion of their sales to clients outside of Arizona. About one in five has international sales.

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- Better knowledge of marketing and marketing strategies, including online marketing.
- Systems and technology for automation and business management.

startup financing

More than half of business owners started with an investment of under \$25,000. Overall, most businesses in the Town were started with a relatively small investment. Only 22.7 percent required \$100,000 or more, with only 8.8 percent requiring over \$500,000.

The greatest number of people (109) reported spending startup capital on computers, software, and other technology used in their business. On average, this amounted to 23 percent of the total spent. This was followed by furniture, fixtures, and equipment (98 responses averaging 19 percent), advertising and promotional expenses (92 responses averaging 13 percent), professional services such as legal and accounting (92 responses averaging 9 percent), and working capital (91 responses averaging 21 percent). Many of these costs can be difficult fund through conventional lending or government programs.

Overwhelmingly, personal savings were used to finance startup costs, with 111 responses averaging 68.1 percent of the total. Again, this closely tracks national survey research showing that two-thirds of new business owners rely on non-retirement, personal savings as the lead source of funding for their businesses.

Income from a second job (35 responses averaging 41.7 percent of costs), credit cards (33 responses averaging 30.7 percent of costs), and loans from financial institutions (20 responses averaging 55.1 percent of costs) follow in significance. Only ten businesses secured funds from investors. Two received federal, state, or local grants or loans. Most of these figures are comparable to national averages, with the exception that higher credit card usage is reported at the national level (43 percent of businesses).

growth

A small number of business owners (15.2 percent) have no intention of growing the business beyond its current size. These may be considered Gilbert's "lifestyle entrepreneurs"; people who prefer to work independently in their own business. The greatest number, however, or 55.3 percent of the total, are actively working to grow the business. The



A startup financing dilemma

Businesses report that the largest share of their startup costs were for uses such as marketing, professional fees, working capital, and purchases of computers, software, and other technology. These uses are difficult to fund through most conventional or government loan programs.



remainder will expand as sales dictate, but have not made growth a priority.

Another open-ended question asked survey participants to identify issues that may hold them back from opening new locations or adding employees. Similar responses can be clustered:

- Obtaining financing for expansion, or working capital and cash flow concerns.
- Finding a location or the cost of space.
- General concerns about the economy.
- Impacts of the Affordable Care Act, or the cost of providing employee benefits.
- Finding qualified employees and the quality of the workforce.
- Adding overhead costs by moving from a home-based business to an office location.
- The desire to stay small or to be a one-person establishment.
- The need to generate sufficient and consistent sales, often linked to the need to cover employee expenses.

Two concerns appearing in national surveys should be discussed here. Neither health insurance nor retirement savings were often cited in the responses. Retirement savings is a concern often raised in national surveys on small business. None of the responses in Gilbert's survey raised this issue. While there were two concerns about the Affordable Care Act and three more related to the general cost of health insurance in the Gilbert survey, these concerns have declined in national surveys. As an example, the Sam's Club/Gallup Microbusiness Tracker reported a drop in those expressing concern about health care, from 48 percent in 2013 to 36 percent in 2015.

Obtaining owner, as well as employee health coverage has been among the greatest impediments to entrepreneurship in the past, and small businesses have benefitted as more reasonably-priced coverage is now available. Conversely, the Affordable Care Act's requirement that businesses with 50 or more full-time employees offer a health insurance plan to their full-time employees, may be seen as a burden to some expanding businesses.



***Business owners
are aware of the
resources
available***

A definite majority of existing business owners are aware of the resources available to them in the area. This awareness is not so widespread among potential entrepreneurs. While Small Business Development Centers are the best-known resource, they are also the least used.



startup and small business resources

Survey participants were asked about their awareness and utilization of various startup and small business assistance programs in the East Valley. While knowledge about the programs was relatively widespread, utilization trailed.

The most interesting result was that the Small Business Development Center (SBDC) was the best-known of the area's resources, but also among the least used, by only nine respondents. Written comments and interviews did not give the SBDC favorable reviews. The greatest number of survey participants used the Service Corps of Retired Executives (SCORE), even though only Mesa THINKSpot was less well-known. Coworking spaces, state and local grant or loan programs, and SBA loan guarantees were also among the more widely used resources, however, comments suggest that respondents may have looked into grants, loans, and guarantees, while not actually receiving them. Mesa THINKSpot or makerspaces were the least-used resources in the area.

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Are potential entrepreneurs being naïve?

The survey raises a red flag when it comes to expectations of how long it will take to achieve the income desired by its founder. Compared to the actual experience of existing businesses, twice as many potential entrepreneurs think they will achieve their target in two years or less.

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survey responses from prospective business owners

Several survey participants did not already own, but were considering starting a business. Asked to rate how likely they were to start a business, on a scale from one to ten, the average came out to 4.7. The industries in which these businesses may be formed differed slightly from the responses of those already in business, with arts, entertainment, and recreation having the most responses, followed by retail. Two-thirds of these will be home-based businesses, and a similar number expect to work full-time in the business.

business income

Two-thirds of prospective business owners expect to have their business as their primary income source, and to achieve their target income in less than two years. This is higher than the 40 percent of existing business owners in Gilbert that reached their target within two years.

Most expect to derive the majority of their income from within Arizona. Only one is anticipating selling goods or services internationally.

startup impediments

In written comments, financial stability is seen as the greatest potential impediment to starting the business, along with funding business costs,

knowledge of how to run a business, and lack of familiarity with the process of starting a business.

When asked about the degree to which specific issues may be an impediment, as with current business owners, none received a strong reaction. Understanding state and federal tax and regulatory requirements came out on top, followed by obtaining funding for major purchases, working capital for ongoing expenses, and generating the sales needed to sustain the business.

startup financing

Most businesses will be started with a small investment of under \$25,000. The uses are comparable to those indicated by actual business owners, with purchases of computers and technology, furniture and fixtures, professional services, advertising and promotions, and working capital comprising the majority of expected costs.

Most of these costs will be funded through personal savings, followed by income from a second job worked as the business is forming. Only one is anticipating using a bank to obtain a loan, and none indicate that they will be using credit cards to finance purchases for their businesses.

growth

Growth is not a high priority for those considering starting a new business. Most expect to grow the business only as sales warrant expansion, without the goal to actively work at growing it. Most of the prospective business owners responding to the survey have not yet taken any concrete steps to form their business. Only two have begun or completed a business plan. One attended a startup training program and one has begun marketing.

startup and small business resources

Most of the prospective business owners in this sample were unaware of the resources available to help them with their startup. Only Mesa THINKSpot and state or local grant and loan programs have been utilized, each by one person.

survey questions for all respondents

The final questions in the survey were directed to all respondents, including current and past business owners and potential startups.



One need stands out from the rest

Nine out of ten survey respondents identified assistance with marketing as a service that would be valuable to startups and small businesses.





What do existing business owners see as the key to success?

Existing business owners would be likely to advise startups to have adequate financial capacity to carry them through their initial years, and the persistence to continue their business until it can achieve success.



The first question asked about the value of nine possible programs to help startups and small businesses. A majority of people indicated that all of these would be either valuable or highly valuable. Assistance with marketing and customer acquisition stood out as the most highly regarded potential resource. It was followed by educational programs to teach business administration skills, such as startup basics, or topics like accounting, tax filings, or human resources compliance. Networking opportunities to meet and learn from other business owners was ranked almost equally highly.

Three topics were clustered below the top three. These included low interest loans or other financial assistance; one-on-one assistance with business administration issues related to accounting, human resources, marketing, or other topics; and matchmaking assistance to help businesses find local businesses to collaborate in pursuing larger contract opportunities.

A majority, but still fewer people saw value in programs to offer assistance to owners to understand and implement technology in their business; free or low cost access to shared office space, meeting rooms, mailboxes, etc.; or free or low cost access to expensive, but infrequently used technology such as software, wide format printers, 3D printers, folding and binding machines, audiovisual resources, etc. The availability of existing coworking and makerspaces in the area may factor into the lower ratings of these last two resources.

Survey participants were asked what advice they would give to prospective business owners. Recurring themes included:

- Choose the right location for the business.
- Startups need to be prepared financially. They need the cash reserves to carry them through until the business begins to generate a sufficient income to cover expenses and generate a profit.
- Entrepreneurs need to understand that it will take a long time to get the business established. They need to persevere and work hard. The key to survival is being able to last.
- Network both to develop mentors and people who can provide help and advice. Networking can also help to develop customers.
- Entrepreneurs need to test the concept before committing to it. They need to research the market to understand if the idea is viable, what is the competition, and what is the market.

- Startups need realistic about the sales they expect to generate and how long it will take.

Lastly, there was an opportunity to provide any final thoughts concerning the environment for startups and small business in Gilbert. Opinions were more or less evenly split as to whether Gilbert is a good place to do business, with comments related to the business community, the presence of competition, and support from the Town government. Aside from these, other comments centered on:

- The need to understand customers; what they want and why they may go to competitors.
- Home-based businesses may be every bit as capable as other businesses, but face a challenge of credibility because they are not in a typical office environment. Coworking helps to overcome this.
- Programs focused on a particular industry will have more relevance to potential users.
- Training programs need to be oriented to more advanced levels. Existing classes are too basic, especially for experienced professionals transitioning from corporate environment.

issues and opportunities

This chapter summarizes the issues and opportunities drawn from a lengthy analysis of data and the insight provided by entrepreneurs through the survey and personal interviews. These issues and opportunities provide a framework for assessing current entrepreneurial support programs and designing a strategy for Gilbert to maximize the impact it can have on its own business community.

characteristics of the East Valley

The East Valley is generally seen to be a good place to conduct business, though some survey respondents held a more negative review which may be tied to the success of their own business. It is a market that continues to expand rapidly, so that there are constantly new consumers and businesses – often without pre-existing loyalty to another provider – seeking out places where they can purchase goods or services.

Issues

- Key demographic groups with high rates of entrepreneurship (persons 55 and over, veterans, and immigrants) are under-represented in the population.
- Competition for skilled workers, and the lack of a large local workforce for lower-wage service jobs may stifle business growth.

Opportunities

- The East Valley is a large, rapidly-growing market with above average incomes and education levels.
- Several anchor institutions and businesses, in sectors such as aerospace, health care, and software, are located in the Town or nearby.
- Some business owners perceive that there is little well-established competition, which makes it easier for a new business to enter the market.

The area population tends to be relatively homogenous. It is younger, it is better educated, and it earns more than average for the Phoenix metropolitan area, Arizona, or the nation. At the same time, key demographic groups with higher than average rates of new business formation are under-represented in the area. These include people 55 and older, veterans, and immigrants, who are twice as likely as the general

population to start a business. The area's higher housing costs and lower percentage of rentals also impact the availability of workers in lower-wage jobs offered by many industries in the area.

startup and small business community

Gilbert has a large startup community, and in fact, most of the businesses in the Town were started locally and recently. These businesses are focused on growth and their survival rates are higher than national averages. A large number of them are selling outside of the immediate area, which has a positive impact on wealth creation in the Town.

Issues

- Gilbert has fewer businesses and jobs in traded sectors, compared to the larger area.
- The average employment among startups and survivors is falling.
- Many of the most common startup capital needs, such as computers and software, professional services, and working capital, are difficult to fund through conventional programs.
- Prospective entrepreneurs may be unrealistic about the time required to reach income goals.
- Confidence in having a consistent income is a barrier to growth. This concern ties into marketing.
- Home-based businesses have a credibility issue caused by not being located in a professional office.

Opportunities

- Gilbert has a strong startup community with nearly nine out of ten businesses started locally in the prior decade.
- Survival rates for Gilbert businesses are higher than the national average.
- A large number of Gilbert-area businesses are selling to a national or international market.
- A majority of the area's businesses (55.3 percent) have growth as a top priority.
- Most businesses require little capital to get started, often under \$25,000.
- A large contingent workforce, estimated at 17,299 people in Gilbert, is a potential pipeline of entrepreneurs.

Perhaps due to its more recent development, Gilbert has fewer businesses and especially, employment, in traded industry sectors. Not only Gilbert, but also the larger market area is experiencing a decrease in the size of startups and surviving firms. This mirrors national trends.

Although the startup capital required by most businesses is under \$25,000, concerns about generating the income needed to cover business and personal expenses is an impediment to business formation and growth. Furthermore, the uses most often cited for startup funds can be difficult to finance. It seems likely that at least some potential startups underestimate the time needed to establish their business and earn the income they desire. Compared to the experiences of actual startups, twice as many expect to reach their income targets in less than two years.

targeted industry sectors

Advanced business services and software-related industries appear to be the established industry targets with the best startup potential, while High tech (especially manufacturing) may respond to programs to accelerate growth. Gilbert will need to pull more meaningful or focused clusters from the business services grouping. Examples might include architecture, engineering, interior design and landscape design, or marketing, public relations, and graphic design.

Issues

- The majority of aerospace establishments provide servicing, rather than anchor the industry.
- Survival rates and growth among advanced business services firms are lower than average.
- Gilbert has fewer high tech firms, and they are smaller than the regional average.
- Fewer software-related businesses survive to their fifth year.

Opportunities

- Aerospace establishments have a higher survival rate and grow faster than average.
- High tech startups have a better than average survival rate.
- Software-related businesses that survive are more likely to grow faster than survivors in other sectors.

The smaller numbers of advanced business services and software-related industries surviving into their fifth year is a concern that might be addressed through economic development programming.

community and regulatory environment

Few concrete concerns emerged related to the community or the regulatory environment. Town-related issues included references to signage regulation, the length of time needed to secure development approvals, scheduling and the results of inspections, and problems obtaining or renewing a business license. These are identical to the issues consistently appearing in similar surveys conducted elsewhere. The degree to which they are actual problems, instead of issues resulting from the business owner's (or their contractor, etc.) lack of understanding or preparation.

Issues

- Some entrepreneurs have reported issues with Town of Gilbert functions including licensing, permitting, signage, and inspections.

Opportunities

- Generally, business owners have had few negative experiences with Town government.
- On balance, more people are inclined to say that Gilbert is a good place to conduct business.

existing or needed programming

Survey responses and comments from entrepreneurs and business owners identified the need or desire for several forms of assistance, some of which are already provided to some extent within the region.

Technical assistance and training are the most valued services that can be provided by economic developers. Assistance is needed ranging from understanding business basics to advanced topics. There is a desire for these programs to be offered with an industry-specific focus and also at more advanced levels than programs already available.

One-on-one assistance is also highly valued. Marketing is the issue that needs to be addressed most often. This ties back to business problems in generating consistent, as well as sufficient sales to continue or to enable it to grow and add employees.

There is also quite a bit of support for networking. This can be both general and industry-specific. Networking events are opportunities to

socialize among peers, create connections for mentoring and collaboration, and provide opportunities for learning.

existing resources for entrepreneurs

There are a great number of resources for entrepreneurs and small businesses within the Phoenix metropolitan area. The following is a summary of some of these resources.

- Town of Gilbert

The Town of Gilbert provides assistance indirectly through its support of regional organizations serving the business community. Directly, it provides a number of services including assistance with permitting, referrals to regional programs, support for SPARK Spot and its training, market information and technical assistance, and low-interest loans to qualified businesses.

The Town supports an economic gardening program, although it has not had much participation from the business community. The composition of industries in the Town, along with the small size of most businesses, suggest that most will not meet the requirement of a minimum of ten employees and sales of \$1 million or more.

- Arizona Small Business Development Centers (SBDC)

Small Business Development Centers provide business training and counseling to support startups and small businesses with fewer than 500 employees. Much of the assistance is in the form of classes teaching business topics such as business planning, marketing, cash flow and management, and other basic skills.

A common criticism of SBDC training is that it is too basic, formulaic, and does a poor job of addressing the specific needs of business owners. Some one-on-one counseling may be available.

- Arizona Procurement Technical Assistance Centers (PTAC)

Affiliated with Arizona SBDCs, the Procurement Technical Assistance Centers help businesses seeking federal, state and local contracting opportunities. A great deal of the assistance provided is through workshops and training programs addressing issues such as how to find procurement opportunities, obtain contracting certifications, prepare a bid, and pursue subcontracting opportunities.

- Business incubators and accelerators

Business incubation got its start in the 1950's. The concept of incubation is to identify startups with the potential to grow, provide them with low-cost space and technical assistance to assure their growth, and "graduate" them to conventional space, usually within a three to five year time frame. Accelerators are a more recent variation of the concept, intended to focus on growth companies as opposed to startups.

Incubators often require a substantial capital outlay to develop (an average of about \$3 million) and another \$500,000 in annual operating costs. Most require an operating subsidy, as fees do not fully cover costs. Recent academic research calls into the question of merit of this approach, as there is no difference in survival rates among participating and non-participating firms. The best conclusion to draw from the data and research is that while some incubators do perform very well, most others lack some combination of the market, expertise, or resources to execute a successful incubation program.

Several incubators and accelerators can be found within the region. LaunchPoint - the Mesa Technology Accelerator (Mesa), is a partnership with ASU launched in 2015. It has struggled to find tenants. Innovations Science and Technology Incubator (Chandler) was launched in 2012 with a \$6.3 million capital cost and has required an additional annual subsidy averaging about \$500,000, not including salaries. It has attracted several notable tech companies. The Center for Entrepreneurial Innovation (Phoenix) is a business incubator that supports technology-based start-up companies in the medical device, bio and life-science, renewable energy, and software development industries.

■ Coworking spaces

Coworking originated within the private sector to address for social interaction among solo business owners, as much as to address the need for professional office space. Coworking brings many solo workers, small businesses, and even workers from large companies into a shared office environment where they have access to typical business resources and can interact with other professionals. Coworking has been noted for increase interactions that lead to collaboration, and for improving the performance of businesses utilizing the space.

Private and publicly-supported coworking spaces in the area include EZ Spaces (Gilbert), Gangplank (Chandler), Co+Hoots (Phoenix), DeskHub (Phoenix), and others. Several incubator spaces or makerspaces also function as coworking spaces. Chandler provides financial support to Gangplank in order to make it free for anyone willing to participate. Privately-operated coworking spaces charge fees based on usage, from daily to annual rates.

■ Makerspaces

Makerspaces are facilities that provide training and access to equipment used to design and produce tangible products. They are targeted to small businesses, entrepreneurs, and hobbyists who are thought to have the potential to become entrepreneurs. Among business users, they are valued for their contribution to prototype development and even in small batch production.

Area economic development agencies have played a role in bringing several of these facilities to the region, including HeatSync Labs (Mesa), TechShop (Chandler), and THINKSpot at Red Mountain Library (Mesa). Gilbert provides support for THINKSpot, which offers 3D printers, sound and video recording studios, collaboration spaces, and limited design software. TechShop and HeatSync labs provide access to more advanced machinery for production, including woodworking and metalworking tools and machinery, laser cutters and CNC mills, and electronics. TechShop is affiliated with the ASU Chandler Innovation Center, extending university resources to small businesses and entrepreneurs.

The majority of users at these facilities are hobbyists rather than entrepreneurs or small businesses. The facilities are still rated as useful assets by a majority of business owners participating in the survey conducted for this report.

■ Programs creating a supportive environment

Several area programs are aimed at creating a supportive environment and spurring innovative entrepreneurship. Gilbert participates in the SPARK App League, a two-day competition in which students learn coding and compete by developing an application. The Arizona Innovation Challenge is a business plan competition sponsored by the Arizona Commerce Authority, in

which promising technology ventures can receive awards from \$100,000 to \$250,000. The BioAccel Solutions Challenge is a similar competition targeting medical technology startups.

One Million Cups is a program developed by the Kauffmann Foundation in which entrepreneurs gather weekly to present their business to mentors, advisors, and other entrepreneurs.

- Invest Southwest

Invest Southwest is an organization intended to improve the fundability of ventures and connect them with mentors and investors. The organization has a technology focus. In addition to its annual Venture Madness competition, it partners with local organizations to host workshops and networking events.

- Networking groups

Networking is invaluable to entrepreneurs and small businesses as a means to learn, find mentors and collaborators, and market their business. Several of the area's economic development organizations, coworking and makerspaces, and business associations host networking events. Additionally, there are many for-profit businesses and informal groups offering networking.

Many of these events are designed as referral groups to help generate marketing leads for participants. Less common are activities intended to promote interaction, foster collaboration, or provide relevant and valued education. The weekly hack night at Gangplank is an example of such a program.

recommended strategies

The practice of economic development has confronted an essential choice in crafting programs to assist the business community. While there are a great number of businesses that might make use of the programs, there are limited resources with which to provide them. This has traditionally led organizations to invest the majority of their resources in a small number of businesses through programs such as loans and grants, business incubators, and similar capital-intensive strategies. Alternatively, they may seek to spread their resources through more general efforts to create a better business environment.

The former approach requires economic developers to “pick winners” from among industries and businesses. Most have not done very well in this regard, and other businesses have been bypassed that may have had a more beneficial outcome. The latter approach can produce programming so general as to be of little value to the business community.

This strategy attempts to address the challenge by offering resources tiered from general to specific, establishing preferences for higher-impact businesses (in terms of industry, markets, and wages) and through customization to recipient needs.

recommended initiatives

Entrepreneurial development programs can be assigned to one of four categories addressing different needs: 1) initiatives intending to develop a supportive environment; 2) activities to promote networking, mentoring, and collaboration; 3) training and technical assistance; and 4) improving access to capital.

supportive environment

Gilbert places among, to slightly ahead of its peers in providing an environment that is supportive of entrepreneurship. In particular, its rapid growth is creating a large and expanding market where competitors may not be well established. Initiatives addressing the environment for entrepreneurs typically focus on the quality of place (to provide “third places” where interactions occur and to attract and retain talent), entrepreneurial education, institutional assets, infrastructure, the regulatory environment, and community culture (openness to innovation and change). Recommended approaches for Gilbert include:

1. Expand activities that promote innovation and entrepreneurship.

The SPARK App League is an example of a hands-on activity that encourages people to explore innovation and entrepreneurship. Two more programs will expand this approach to younger students and into the business community.

a. Grade school entrepreneurial education

Programs such as Lemonade Day are a simple way to introduce younger students to concepts of business ownership. Whether using Lemonade Day or an alternate framework, Gilbert will benefit by exposing students to the idea of entrepreneurship at a young age.

This program will require some time to develop, in collaboration with area schools. Its timeline will require one or two years for planning, with a launch in the third year.

b. Applied software and technology challenge

This is similar to the Arizona Technology Challenge, with notable distinctions. The intent of the challenge is to foster collaboration to tackle challenges and opportunities presented by Gilbert businesses. In concept, the contest would work as follows:

- The Town will solicit issues – concerns or opportunities that may be addressed by software applications or technology – from networking groups across a diverse set of industries. A panel of business leaders will select a number of these, based on factors such as the likely market, impact of potential solutions, whether the issue is already addressed in the market, etc.
- The Town will issue the challenge to create teams that will develop solutions to one of the issues that has been presented. Each team must be a partnership with at least one “technology expert” and one “industry expert” from the targeted industry. The teams will be challenged to detail their solution and a plan for its development.
- A panel of business leaders will review the proposals and presentations to select winners. Recipients can

receive cash awards along with technical assistance (such as intellectual property advice) and access to coworking space to develop the idea. Businesses may be willing to donate expertise (legal, accounting, etc.) to winning teams.

This is a complex program that will take time to develop, particularly with regard to the need to interact with the business community to identify issues for the competition. Planning can occur in the first two years, with the first competition held in the third year.

The annual cost to implement these programs will likely approach \$30,000, though more funding could certainly go into the software and technology challenge. It may be possible to secure corporate sponsorships to defray these costs.

2. Create a buzz around business formation and innovation.

The Town of Gilbert can produce a newsletter (eight to twelve editions annually) recognizing new business starts and business achievements, and promoting resources and events for entrepreneurs and small businesses. This can be distributed electronically through email lists already maintained by the Town, such as through its licensing applications.

This is an activity that can be contracted out to a public relations professional to minimize demands on economic development staff, or assigned to an intern. It can be initiated within the first year. If contracted to a professional, this activity might have an annual cost of \$5,000 to \$8,000.

3. Assess the regulatory environment.

A number of survey comments suggested concerns about the process for business licensing, issues with sign codes, length of time required and difficulty obtaining permits and development approvals, and issues with building inspection. At the same time, the Town has a number of initiatives addressing these same issues, such as at-risk plan review, expedited permitting, and 60-day plan review. Additionally, the issues raised in the survey are identical to those encountered in many communities, and may also indicate a lack of preparation on the part of the business owner or their contractor.

This concern can be addressed by tracking and review of new applications to identify if there are recurring issues. Solutions or improvements may already be available, such as mobile applications that have been developed that allow users to easily schedule and confirm building inspections.

This is an ongoing activity of Town staff and does not require additional budgeting.

4. Expand the shared resources available to businesses and entrepreneurs.

The area's makerspaces, such as SPARKSpot, Mesa THINKSpot, and Tech Shop, all offer access to a variety of machinery, software, and training. There are still some gaps, where certain needs are not being met.

- a. Access to additional software programs and training in their use. The Town can work with SPARKSpot, at the Southeast Regional Library, to acquire equipment and deliver training that is unique in the area, differentiating the facility from its competitors.

The facility currently does not offer access to many software programs that would support activities often found in makerspaces. Corresponding training programs should be offered to teach introductory to intermediate skills in these software packages. Some companies offer discounted licenses for libraries and educational institutions. Some open source programs can be installed at no cost. The following would be topical areas to consider:

- Computer-aided design (CAD) – AutoCAD is the most widely used and capable commercial program, and might be supplemented with specialized programs.
- Graphic design – Adobe and Corel both produce suites for vector and raster design, document preparation, animation, and web design. Sketch Up and Vectorworks are widely used in rendering.
- Geographic information systems (GIS) – While ESRI is the commercial leader, QGIS is a free, open source program with nearly identical functionality.

- Software/application development – Many software packages might be considered for users to develop code.
- b. Additional hardware/peripherals supporting design and creative activities.

Among area makerspaces, there are two resources that are notably missing. None of the area facilities provides wide format printers that could be used by hobbyists as well as businesses such as solo and small engineers, who often need to provide oversized drawings. Also, no area facilities have bookmaking machinery, whether single machines to both print and bind books, or separate binding machines.

- c. Beginner and advanced training workshops

SPARKSpot can expand upon the instruction it already provides to target software and design applications tied to Gilbert's targeted industries, such as the programs identified above.

Costs associated with this initiative include one-time costs for hardware and equipment, and ongoing costs for software maintenance and training. One-time costs of \$5,000 may recur every three or four years to upgrade or add equipment. Annual software and training costs may total \$25,000.

It may be worthwhile to begin implementing this strategy by conducting a brief survey of SPARKSpot and THINKSpot users, and the business community, to identify specific hardware, programs, or training that is not provided and would be desired. Implementation can begin in the first year, building upon the training offered in subsequent years.

- 5. Create a program to assist entrepreneurs and small businesses in product development and commercialization.

Northern Michigan University has developed an entrepreneurial assistance program that has been highly successful, and will soon be replicated throughout Michigan's university system. Invent@NMU is a shop set up to provide students with real world experience assisting entrepreneurs in all stages of product development, from ideation through validation, prototype design, and production.

Under the guidance of the program director and faculty, students work in multi-disciplinary teams to conduct intellectual property research, examine market opportunities, design, fabricate and test prototypes, research production and distribution partners, and perform other tasks related to taking new product to market.

Arizona State University may be a partner in bringing a similar approach to Gilbert. This is a potential long-term project, involving multiple partners and taking time to devise, as well as to program through public budgets. Up to three years of planning should be expected, with roll-out in the fourth year.

networking and mentoring

Coworkers often use the term “accelerated serendipity” to describe one of the most powerful benefits of the environment they create. Serendipity, in this sense, is the chance interaction that occur when people come together and learn, spark ideas, make breakthroughs, find mentors, build alliances, or even form new ventures. The goal of Gilbert’s networking efforts should be to foster more of the kinds of events that lead to “accelerated serendipity”. These are distinctly different from instructional workshops, lead/referral networking groups, or purely social activities.

Groups centered on specific industries will help to acquaint economic development staff with the companies, people, and issues in the local area. They will also be a place where economic development staff can prospect for mentors to connect with emerging businesses. These groups can help set the agenda for industry cluster initiatives.

6. Foster a greater number of targeted and valued networking opportunities for entrepreneurs and small businesses.

Successful networking programs will generally follow a set of guidelines:

- Networking groups should be formed around targeted industry groups, or subsets of these. They can also be formed around topical issues such as big data or green building technologies. These groups can be a resource for innovators and entrepreneurs in the industry.
- Networking groups need to have a defined set of goals.

The groups that are successful will have a mission and goals that they want to accomplish. Ideally, these will be action-oriented and well-defined.

- The best networking groups tend to be formed by champions from within the business community.

Research by the Kauffman Foundation has shown that groups formed from within the business community tend to have better participation and are more valued than those resulting from governmental efforts. Essentially, there is more interest in participating when the agenda is driven by the members.

Gilbert should provide support, rather than manage these groups. The Town's role can include nurturing champions to form networking groups, providing financial and logistical support for activities, and participate as a member.

The coordination and assistance required can be delivered using Town staff, or more cost-effectively, by an intern. An additional sum should be budgeted for expenses related to helping develop the networking groups. An annual budget of \$2,500 is recommended.

training and technical assistance

Training and technical assistance can be among the most complicated or costly services to be provided. Here is where it will be necessary to craft a program of graduated assistance, from general training, to more advanced and industry-specific training, and one-on-one assistance. Higher levels of assistance should be reserved for businesses in targeted clusters, traded industries, or with higher paying jobs.

7. Customize introductory entrepreneurial education to common and targeted industries.

A criticism of many entrepreneurial education classes (such as those offered by SBDCs in the Phoenix area and elsewhere) is they are too basic and generic to really provide the guidance first-time entrepreneurs need to start their business. This training can be modified (or new programs developed) to tailor it to specific industries. Programs may address industries with a high frequency of startups (ex., retail or food service) or targeted clusters (ex., engineering and design or software).

8. Create advanced training programs for experienced entrepreneurs and existing business owners who need to acquire higher-level skills and knowledge.

Aside from issues of whether the content is relevant to their industry, business owners and entrepreneurs have found that the content of training programs is often presented at too basic a level. Rates of entrepreneurship are highest among older workers, who bring decades of experience with them to their ventures. Training programs should reflect this fact.

The Town will need to seek the ideal partner for each of these initiatives. Arizona State University, technical colleges, industry groups (ex., the National Retail Federation or National Restaurant Association), economic development organizations (such as the SBDC), and others should be considered. Some funding may be required.

The most effective approach will be to identify two or three new training needs to tackle in any given year, building a more complete list of programs over time. One year of planning will be required, with the program delivered in the second year, and the frequency with which it is repeated determined by demand.

The required funding will vary for each program, and whether participants pay a fee to attend. An initial budget can be set at \$10,000, and adjusted as the programs require.

9. Provide one-on-one technical assistance to entrepreneurs and growing businesses to address their specific needs.

Entrepreneurs often have very specific questions or need someone with expertise to advise them as they complete a task. These issues can't always be answered by enrolling in a training class or referring the business to an economic development program. Two approaches can be used to provide one-on-one counseling:

- a. Scheduled hours with a subject expert.

Many of the issues entrepreneurs and businesses will have questions about are going to relate to common topics like marketing, bookkeeping, taxes, human resources, legal issues, or general management. The Town can bring in professionals to spend a block of hours at a location where people needing assistance can schedule a 30 to 60 minute block of time discussing their issues.

The total budget for this activity will vary based on billing rates and demand. A sum of \$10,000 can be budgeted for the first year, as it will take some time to establish the program and for it to become known. In subsequent years the budget can be increased if there is higher demand, or it can be limited to a subset of high-impact industries.

b. Mini-grants to pay for professional services.

Entrepreneurs will occasionally need assistance with advanced issues that require a higher commitment of time and greater expertise that is often only provided by a consulting professional. Examples might include issues relating to intellectual property, foreign trade, or implementation of new technology. In these cases, the Town can provide mini grants to share the cost of professional services, where the likely impact will be significant.

The Town will need to determine the maximum award and terms, such as whether the applicant needs to provide matching funds. As with the scheduled hours discussed above, this program will take some time to establish and for it to be known. Again, a budget of \$10,000 for the first year will be sufficient, and can be adjusted in subsequent years.

The first step in implementing this strategy will be to identify a pool of qualified consultants who can provide technical assistance to startup and small businesses. Many of these professionals will be willing to offer some free time or discounted rates.

10. Develop programs to help entrepreneurs and small businesses with their marketing needs at all business stages.

Startups live and die by knowing their customer and their competition; by offering a desired product or service that is differentiated from others in the market, and by effectively communicating to build awareness a solid reputation among potential consumers. Entrepreneurs often lack these skills and the knowledge required to market effectively.

Marketing assistance programs should address needs at four distinct stages:

- Pre-launch or business planning.

Businesses at this stage should be concerned with market research to determine the size, needs, and price sensitivity of their target market. They should be assessing their competition to determine vulnerabilities and strategies to exploit them. Finally, they should be testing their product or service with potential buyers to assess how it is received.

- Business formation or launch.

As the business approaches its launch it needs to develop messaging and collateral materials, and plan and execute a marketing strategy that will enable it to reach its targeted customers.

- Business growth.

After a successful start, a business needs to continue its efforts to market to new clients, but also build a following among existing customers. The strategies it uses differ from a launch as it engages in customer relationship management and public relations to build its reputation.

- Expansion into new product or geographic markets.

Some businesses will grow to a point where they add new locations, reach out to new markets, or add product lines. This, again, requires a different type of marketing approach.

Marketing was singled out for discussion as an issue because it is so widely identified as the most pressing need for Gilbert's businesses. There are existing programs through the SBDC and Commerce Department to assist in foreign trade and government procurement. Local organizations such as the Chamber of Commerce offer collaborative marketing opportunities and host business expos or other events that help create exposure for businesses selling locally.

The Town already takes actions such as making Size Up available on its website (supplementing resources available at the library) and compiling a business directory from its licensing applications and renewals. Training classes and counseling provided under recommendation No. 8 can supplement this. Other strategies include:

- a. Product and market sounding boards.

Aimed at entrepreneurs in the planning stage, the intent of this program is to give the entrepreneur the opportunity to present their business concept to a panel of marketing experts and successful entrepreneurs who can raise questions or offer advice based on their experience. The intent is to help identify “red flags” and shape product and marketing approaches.

This is an activity that can be launched in the first year. It can be coordinated by existing staff or an intern. Minimal funding is required.

b. Focus group and survey research.

The Town can help to develop resources supporting focus group and market research, and extend these services to businesses opening in Gilbert.

The Town can use its existing mailing lists and web site to recruit residents willing to participate in focus groups or online survey research. Additionally, it can maintain a subscription to a survey tool (such as Survey Monkey), through which surveys can be sent to qualified respondents on their list. Professional assistance is recommended in designing surveys and conducting focus groups, and might be obtained using a cost-sharing grant program developed by the Town.

This activity might also be conducted by an intern. The cost to subscribe to a site like Survey Monkey is less than \$500 per year, although there is an additional cost to send surveys to their respondent pool. The additional cost might be covered by the applicant or through the mini-grant program recommended to be created

c. “Opening Day” package of marketing resources.

Many businesses simply do not know where to market, or have significant financial resources for marketing. To offer assistance during a business’s launch, the Town should assemble a guide intended for businesses that sell within the local market. This can include information about local print, radio, and television media markets and costs, direct mail, web, and social media. Many of these businesses will offer introductory pricing.

The guide should cover the essential need to develop an online presence using Google, Bing, Yahoo, and online review sites like Yelp, TripAdvisor, Foursquare, Manta, Facebook, and other sites that post customer reviews.

This project could be accomplished using Town staff and/or an intern at no additional cost, to produce an electronic guide. It can be developed within the first year and periodically updated.

11. "Economic seeding" to lift businesses to the stage where they are able to participate in economic gardening.

Although Gilbert has an economic gardening program, participation has been minimal. The business mix analysis reveals why. There are few businesses in the community that meet the programs requirements to have annual revenue or working capital of between \$1 and \$50 million, employ between 10 and 99 full-time employees, demonstrate growth in employment and/or revenue during two of the past five years, and deliver products or services to customers outside the company's local market area or demonstrate the capacity to do so.

Economic gardening is a comprehensive program that has success in spurring the growth of small businesses. Core areas in which it concentrates are related to market intelligence and management. It seeks to help a business transition from stage 2 in its development (a business that had become established and has consistent sales) to stage 3, in which the business enters a growth phase with respect to products and/or markets.

The young age of most Gilbert businesses has not given them the time necessary to enter stage 2 and sustain the revenue necessary to prepare them for stage 3. Town staff can interact with businesses in targeted industries to identify those that are on the path toward stage 3, directing them to existing programs along with initiatives recommended in this plan, to prepare them to enter the economic gardening program.

The Town will need to identify a partner to collaborate with in developing a program. It is likely that the Edward Lowe Foundation (which created the Economic Gardening Program) has already conducted some research into why businesses do not meet the threshold for admission. In addition to providing this

insight, the foundation may be a potential partner. Arizona State University may be another.

The process of identifying partners and creating a program can be expected to require up to three years of effort. This will initially consist of a commitment of staff time. An unknown amount of funding will also be required as the project progresses. The state or other organizations may consider financial support for the effort, as it can be replicated elsewhere.

access to capital

The Town of Gilbert and the State of Arizona offer loans and financial incentives that will be attractive to small businesses and startups needing financing for capital purchases. Promising startups in a small number of sectors (such as IT or health) have access to angel and venture funds. The financing gap, or challenge, is among the majority of small startups that do not need to make capital purchases. Most of Gilbert's startup business have a low investment threshold, but the most common uses of funds are for costs that are not easily financed.

12. Seek means to reduce costs for startup businesses.

Any loan pool established to address the common funding needs of Gilbert's startups would be at high risk, as there is little or no securitization available. Rather than take this approach, the Town can put its effort into reducing costs for startup businesses.

As an example, the Town can negotiate with suppliers to create a purchasing pool for Gilbert businesses. Suppliers will often offer discounted rates in anticipation of receiving multiple orders from businesses in the pool. Computers and peripherals, and furniture and fixtures are examples of the items that might be included.

Existing staff or an intern can take on the task of compiling this information.

implementation recommendations

Additional recommendations do not relate directly to programs, but rather, to how the entrepreneurial development strategy can be best executed. These include:

13. Develop a startup-oriented business retention program

Startups, under five years old, are different from other businesses. Creating a business retention program targeting these newer businesses will help the Town to keep better track of issues faced by this unique group. These are also the businesses most at risk of failure, and a retention program can enable the Town to identify at-risk businesses that may benefit from its services or referrals to other providers. The retention program should include a combination of visits and an annual survey.

Organizations such as the Chamber of Commerce can be partners in executing the program. New businesses can be identified from businesses registered with the Town. This program can be started immediately.

14. Have a presence within the startup community.

Economic development staff can better promote the resources that are available, increase interactions with entrepreneurs and small businesses, and more quickly learn about concerns by having a regular presence in the community. Staff can commit to working remotely – as do many of its target businesses – by regularly holding office hours at a location such as EZ Spaces, perhaps once a week. A location such as EZ Spaces, the only coworking space in Gilbert, already has an entrepreneurial community in it, and is more accessible to other business owners.

15. Hire an intern to coordinate entrepreneurial and small business programs.

Many of the strategies require considerable coordination, but do not require a great deal of technical capability. The Town can most efficiently use its staff and funding by hiring a graduate-level intern to take on tasks such as producing a newsletter, coordinating networking groups, and conducting research to support the entrepreneurial development strategy. An intern should be hired beginning in the first year, and will have a cost of \$15,000 to \$20,000, depending on wages and hours.

Measurement

There are multiple difficulties in measuring the effectiveness of entrepreneurial development programs. The first of these would be the challenge of demonstrating that there is an actual cause and effect relationship between the economic development activities and the

IMPLEMENTATION AND BUDGET MATRIX

ACTIVITY	2017	2018	2019	2020	2021	COMMENT
Expand activities to promote innovation and entrepreneurship.		\$5,000	\$30,000	\$30,000	\$30,000	Corporate sponsors
Create a buzz around business formation and innovation.	\$500	\$500	\$500	\$500	\$500	Intern
Assess the regulatory environment.						Ongoing activity
Expand shared resources available to businesses.	\$15,000	\$25,000	\$25,000	\$25,000	\$25,000	Intern
Create a program for product development and commercialization.				TBD	TBD	partners, outside funds
Foster targeted and valued industry networking.	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	Intern
Customize entrepreneurial training to specific industries.	\$5,000	\$10,000	\$10,000	TBD	TBD	Adjust based on demand
Create advanced training programs for seasoned entrepreneurs.	\$5,000	\$10,000	\$10,000	TBD	TBD	Adjust based on demand
Provide one-on-one sessions and mini-grants for technical assistance.	\$5,000	\$10,000	\$10,000	TBD	TBD	Adjust based on demand
Develop programs to help with all aspects of marketing.	\$500	\$500	\$500	\$500	\$500	Intern
Create an "entrepreneurial seeding" program.				TBD	TBD	partners, outside funds
Package resources to reduce business expenses.						Intern
Implement a startup-oriented retention program.						Existing staff
Have a presence in the startup community.	\$500	\$500	\$500	\$500	\$500	Existing staff
Hire an intern to help execute the strategy.	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	
TOTALS	\$54,000	\$84,000	\$109,000	\$109,000	\$109,000	

Strategy implemented
 Strategy researched/developed

measures used. Aside from this, there is very little data for quantitative analysis. What is available is often not released until two or three years after it is collected, and may come with a considerable cost. In fact, the outcomes of an entrepreneurial development program do require a

considerable time to be assessed, as the ultimate success of a new venture is usually measured by its survival to its fifth year.

In general, there are three types of measures that can be assessed to measure the impact of the programs enacted by the Town:

- Activity-based metrics simply report actions taken, or statistics concerning the utilization of resources, such as the number of seminars offered and number of people attending, the number of hours of counseling services utilized, or the number and dollar value of loans or grants provided.
- Outcome-based metrics are the more difficult to measure impacts of programs and investment. Examples of measures that might be used include the number of annual startups, startup employment, and survival rates.
- Assessment metrics attempt to determine the value placed on services by those receiving them. These are usually collected through surveys, such as may be provided to people who have taken a class or attended a workshop.

Expand activities to promote innovation and entrepreneurship.

- Creation of a program for K-12 entrepreneurial education.
- Number of students participating in K-12 entrepreneurial education programs.
- Qualitative feedback from educators, parents, and students.

Create a buzz around business formation and innovation.

- Production of a newsletter promoting entrepreneurship and innovation (number of issues and distribution).

Assess the regulatory environment.

- New issues identified that are addressed by Town departments.
- Participation in existing programs such as at-risk plan review.
- Qualitative feedback from customers.

Expand shared resources available to businesses.

- New equipment and software made available.
- Number of training programs provided and attendance.

- Qualitative feedback from users and class participants (class evaluations and annual user survey).

Create a program for product development and commercialization.

- Establishment of a product development and commercialization program.
- Number of participants in the program.
- New products successfully launched.
- Business formation, job creation, and sales resulting from the new product.

Foster targeted and valued industry networking.

- Number of networking functions supported or attended.
- Industry needs identified through participation in networking events.
- Leads generated or initiatives launched as a result of participation.

Customize entrepreneurial training to specific industries.

- Number of customized training programs offered.
- Number of attendees at training programs.
- Number of new businesses started among those receiving training.
- Qualitative feedback from participants (course evaluations).

Create advanced training programs for seasoned entrepreneurs.

- Number of customized training programs offered.
- Number of attendees at training programs.
- Number of new businesses started among those receiving training.
- Qualitative feedback from participants (course evaluations).

Provide one-on-one sessions and mini-grants for technical assistance.

- Number of providers signed up to offer services.
- Number of businesses receiving one-o-one assistance.
- Number of mini-grants awarded.
- Qualitative feedback from participants.

Develop programs to help with all aspects of marketing.

- Number of participants in sounding boards.
- Number of entrepreneurs taking ideas before sounding boards.
- Number of businesses receiving market research assistance.
- Preparation of an “opening day” marketing resource guide for businesses.
- Qualitative feedback from participants.

Create an “entrepreneurial seeding” program.

- Development of an entrepreneurial seeding program.
- Number of participants in the program.
- Number of participants who reach the threshold for being admitted to Economic Gardening programs.
- Qualitative feedback from participants.

Package resources to reduce business expenses.

- Activities taken to help businesses reduce costs.
- Number of businesses participating.
- Estimated savings through participation in the programs.

Implement a startup-oriented business retention program.

- Number of businesses visited.
- Qualitative feedback from visits and surveys.
- Issues identified and responses to them.

Have a presence in the business community.

- Number of days/hours spent in the business community setting.

General program measures.

- Annual number of startups (from Town business registration).
- Number of businesses continuing in subsequent years.

appendix a: business mix

Distribution of Establishments and Employment by Industry Sector, 2013

NAICS	Industry description	Town of Gilbert			30-Minute Drive Time			US average industry wage
		Establishments	Employees	Employees per establishment	Establishments	Employees	Employees per establishment	
	Total	18,978	62,290	3.28	145,968	959,548	6.57	
11	Agriculture, Forestry, Fishing and Hunting	183	364	1.99	1,131	3,096	2.74	\$10.52
21	Mining, Quarrying, and Oil and Gas Extraction	8	27	3.38	83	980	11.81	\$23.83
22	Utilities	14	58	4.14	105	4,840	46.10	\$33.66
23	Construction	1,567	4,595	2.93	11,456	75,276	6.57	\$20.84
31-33	Manufacturing	457	2,956	6.47	4,970	84,550	17.01	\$18.61
42	Wholesale Trade	602	1,685	2.80	6,081	45,643	7.51	\$19.70
44-45	Retail Trade	1,487	9,727	6.54	12,716	102,244	8.04	\$11.38
48-49	Transportation and Warehousing	306	887	2.90	3,122	23,358	7.48	\$19.31
51	Information	376	1,348	3.59	3,328	24,320	7.31	\$27.82
52	Finance and Insurance	1,343	3,538	2.63	9,443	47,165	4.99	\$23.60
53	Real Estate and Rental and Leasing	1,312	3,263	2.49	9,536	35,689	3.74	\$16.74
54	Professional, Scientific, and Technical Services	2,633	5,204	1.98	20,854	70,212	3.37	\$30.12
55	Management of Companies and Enterprises	328	662	2.02	2,046	4,885	2.39	\$30.59
56	Administrative and Support & Waste Management and Remediation	4,991	9,213	1.85	29,866	91,386	3.06	\$13.43
61	Educational Services	168	2,620	15.60	1,839	60,351	32.82	\$21.89
62	Health Care and Social Assistance	1,219	5,966	4.89	9,875	91,588	9.27	\$17.72
71	Arts, Entertainment, and Recreation	335	1,367	4.08	2,719	18,285	6.72	\$11.99
72	Accommodation and Food Services	229	4,033	17.61	3,237	64,196	19.83	\$9.49
81	Other Services (except Public Administration)	1,398	3,644	2.61	12,999	48,097	3.70	\$14.30
92	Public Administration	16	1,118	69.88	456	63,032	138.23	\$22.92
99	Unclassified	6	15	2.50	106	355	3.35	

Distribution of Establishments and Employment by Industry Subsector, 2013

NAICS	Industry description	Town of Gilbert			30-Minute Drive Time		
		Establishments	Employees	Employees per establishment	Establishments	Employees	Employees per establishment
111	Crop Production	75	130	1.73	475	1,186	2.50
112	Animal Production and Aquaculture	82	163	1.99	481	1,381	2.87
113	Forestry and Logging	1	3	3.00	7	45	6.43
114	Fishing, Hunting and Trapping			0.00	7	65	9.29
115	Support Activities for Agriculture and Forestry	25	68	2.72	161	419	2.60
211	Oil and Gas Extraction	1	9	9.00	4	31	7.75
212	Mining (except Oil and Gas)	3	6	2.00	28	629	22.46
213	Support Activities for Mining	4	12	3.00	51	320	6.27
221	Utilities	14	58	4.14	105	4,840	46.10
236	Construction of Buildings	676	1,631	2.41	4,605	19,302	4.19
237	Heavy and Civil Engineering Construction	103	452	4.39	880	8,638	9.82
238	Specialty Trade Contractors	788	2,512	3.19	5,971	47,336	7.93
311	Food Manufacturing	47	163	3.47	385	2,625	6.82
312	Beverage and Tobacco Product Manufacturing	3	3	1.00	30	881	29.37
313	Textile Mills	6	15	2.50	55	1,169	21.25
314	Textile Product Mills	13	19	1.46	105	671	6.39
315	Apparel Manufacturing	9	23	2.56	90	337	3.74
316	Leather and Allied Product Manufacturing	11	18	1.64	66	438	6.64
321	Wood Product Manufacturing	17	74	4.35	159	1,863	11.72
322	Paper Manufacturing	4	15	3.75	45	962	21.38
323	Printing and Related Support Activities	31	72	2.32	462	3,147	6.81
324	Petroleum and Coal Products Manufacturing	2	26	13.00	33	450	13.64
325	Chemical Manufacturing	22	144	6.55	246	2,980	12.11
326	Plastics and Rubber Products Manufacturing	4	6	1.50	104	3,308	31.81
327	Nonmetallic Mineral Product Manufacturing	16	38	2.38	163	1,169	7.17

Distribution of Establishments and Employment by Industry Subsector, 2013 (continued)

NAICS	Industry description	Town of Gilbert			30-Minute Drive Time		
		Establishments	Employees	Employees per establishment	Establishments	Employees	Employees per establishment
331	Primary Metal Manufacturing	3	212	70.67	64	2,059	32.17
332	Fabricated Metal Product Manufacturing	34	424	12.47	524	8,690	16.58
333	Machinery Manufacturing	23	78	3.39	376	6,572	17.48
334	Computer and Electronic Product Manufacturing	32	409	12.78	480	25,954	54.07
335	Electrical Equipment, Appliance, and Component Manufacturing	8	23	2.88	140	2,017	14.41
336	Transportation Equipment Manufacturing	18	611	33.94	203	11,205	55.20
337	Furniture and Related Product Manufacturing	27	256	9.48	230	2,594	11.28
339	Miscellaneous Manufacturing	127	327	2.57	1,010	5,459	5.40
423	Merchant Wholesalers, Durable Goods	322	1,042	3.24	3,774	34,056	9.02
424	Merchant Wholesalers, Nondurable Goods	280	643	2.30	2,307	11,587	5.02
441	Motor Vehicle and Parts Dealers	85	621	7.31	1,159	13,782	11.89
442	Furniture and Home Furnishings Stores	113	255	2.26	898	3,676	4.09
443	Electronics and Appliance Stores	95	315	3.32	852	4,131	4.85
444	Building Material and Garden Equipment and Supplies Dealers	103	1,098	10.66	885	7,912	8.94
445	Food and Beverage Stores	105	1,359	12.94	1,160	16,845	14.52
446	Health and Personal Care Stores	114	588	5.16	953	7,607	7.98
447	Gasoline Stations	14	58	4.14	227	3,048	13.43
448	Clothing and Clothing Accessories Stores	218	1,034	4.74	1,792	9,339	5.21
451	Sporting Goods, Hobby, Musical Instrument, and Book Stores	144	412	2.86	1,018	4,713	4.63
452	General Merchandise Stores	70	2,675	38.21	305	17,885	58.64
453	Miscellaneous Store Retailers	286	1,027	3.59	2,633	10,458	3.97
454	Nonstore Retailers	140	285	2.04	834	2,848	3.41
481	Air Transportation	1	2	2.00	63	3,098	49.17
482	Rail Transportation	1	2	2.00	12	41	3.42
483	Water Transportation	101	192	1.90	2	66	33.00

Distribution of Establishments and Employment by Industry Subsector, 2013 (continued)

NAICS	Industry description	Town of Gilbert			30-Minute Drive Time		
		Establishments	Employees	Employees per establishment	Establishments	Employees	Employees per establishment
484	Truck Transportation	22	88	4.00	815	3,143	3.86
485	Transit and Ground Passenger Transportation	0	0	0.00	329	3,324	10.10
486	Pipeline Transportation	0	0	0.00	3	6	2.00
487	Scenic and Sightseeing Transportation	0	0	0.00	5	12	2.40
488	Support Activities for Transportation	129	293	2.27	1,273	6,319	4.96
491	Postal Service	1	170	170.00	38	2,900	76.32
492	Couriers and Messengers	29	94	3.24	328	2,313	7.05
493	Warehousing and Storage	22	46	2.09	254	2,136	8.41
511	Publishing Industries (except Internet)	82	573	6.99	727	4,391	6.04
512	Motion Picture and Sound Recording Industries	120	222	1.85	900	2,071	2.30
515	Broadcasting (except Internet)	4	30	7.50	54	804	14.89
517	Telecommunications	145	458	3.16	1,318	5,896	4.47
518	Data Processing, Hosting, and Related Services	21	51	2.43	263	4,113	15.64
519	Other Information Services	4	14	3.50	66	7,045	106.74
521	Monetary Authorities-Central Bank	0	0	0.00	0	0	0.00
522	Credit Intermediation and Related Activities	188	1,072	5.70	1,759	21,382	12.16
523	Securities, Commodity Contracts, and Other Financial Investments and Related Activities	932	1,912	2.05	5,805	14,007	2.41
524	Insurance Carriers and Related Activities	209	521	2.49	1,772	11,287	6.37
525	Funds, Trusts, and Other Financial Vehicles	14	33	2.36	107	489	4.57
531	Real Estate	1,169	2,850	2.44	8,328	28,301	3.40
532	Rental and Leasing Services	139	383	2.76	1,184	7,217	6.10
533	Lessors of Nonfinancial Intangible Assets (except Copyrighted Works)	4	30	7.50	24	171	7.13
541	Professional, Scientific, and Technical Services	2,633	5,204	1.98	20,854	70,212	3.37
551	Management of Companies and Enterprises	328	662	2.02	2,046	4,885	2.39
561	Administrative and Support Services	4,970	9,144	1.84	29,648	88,701	2.99

Distribution of Establishments and Employment by Industry Subsector, 2013 (continued)

NAICS	Industry description	Town of Gilbert			30-Minute Drive Time		
		Establishments	Employees	Employees per establishment	Establishments	Employees	Employees per establishment
562	Waste Management and Remediation Services	21	69	3.29	218	2,685	12.32
611	Educational Services	168	2,620	15.60	1,839	60,351	32.82
621	Ambulatory Health Care Services	930	4,136	4.45	7,468	48,369	6.48
622	Hospitals	9	602	66.89	101	18,582	183.98
623	Nursing and Residential Care Facilities	28	205	7.32	285	7,765	27.25
624	Social Assistance	252	1,023	4.06	2,021	16,872	8.35
711	Performing Arts, Spectator Sports, and Related Industries	142	290	2.04	1,315	3,992	3.04
712	Museums, Historical Sites, and Similar Institutions	3	6	2.00	148	715	4.83
713	Amusement, Gambling, and Recreation Industries	190	1,071	5.64	1,256	13,578	10.81
721	Accommodation	29	229	7.90	643	12,758	19.84
722	Food Services and Drinking Places	200	3,804	19.02	2,594	51,438	19.83
811	Repair and Maintenance	508	1,065	2.10	4,551	14,045	3.09
812	Personal and Laundry Services	456	1,002	2.20	3,677	11,865	3.23
813	Religious, Grantmaking, Civic, Professional, and Similar Organizations	434	1,577	3.63	4,771	22,187	4.65
814	Private Households	0	0	0.00	0	0	0.00
921	Executive, Legislative, and Other General Government Support	3	303	101.00	112	20,202	180.38
922	Justice, Public Order, and Safety Activities	7	452	64.57	111	19,695	177.43
923	Administration of Human Resource Programs	3	257	85.67	63	8,618	136.79
924	Administration of Environmental Quality Programs	1	3	3.00	59	2,956	50.10
925	Administration of Housing Programs, Urban Planning, and Community Development	0	0	0.00	23	516	22.43
926	Administration of Economic Programs	2	103	51.50	40	2,919	72.98
927	Space Research and Technology	0	0	0.00	0	0	0.00
928	National Security and International Affairs	0	0	0.00	48	8,126	169.29
999	Unclassified	6	15	2.50	106	355	3.35

Distribution of Establishments and Employment by Industry Group, 2013

NAICS	Industry description	Town of Gilbert			30-Minute Drive Time		
		Establishments	Employees	Employees per establishment	Establishments	Employees	Employees per establishment
1111	Oilseed and Grain Farming	1	1	1.00	32	54	1.69
1112	Vegetable and Melon Farming	0	0	0.00	6	8	1.33
1113	Fruit and Tree Nut Farming	5	9	1.80	36	116	3.22
1114	Greenhouse, Nursery, and Floriculture Production	4	32	8.00	34	336	9.88
1119	Other Crop Farming	65	88	1.35	367	672	1.83
1121	Cattle Ranching and Farming	10	21	2.10	77	553	7.18
1122	Hog and Pig Farming	0	0	0.00	2	4	2.00
1123	Poultry and Egg Production	0	0	0.00	2	3	1.50
1124	Sheep and Goat Farming	0	0	0.00	0	0	0.00
1125	Aquaculture	1	2	2.00	5	13	2.60
1129	Other Animal Production	71	140	1.97	395	808	2.05
1131	Timber Tract Operations	0	0	0.00	1	20	20.00
1132	Forest Nurseries and Gathering of Forest Products	0	0	0.00	1	1	1.00
1133	Logging	1	2	2.00	5	24	4.80
1141	Fishing	0	0	0.00	1	3	3.00
1142	Hunting and Trapping	0	0	0.00	6	62	10.33
1151	Support Activities for Crop Production	6	15	2.50	37	150	4.05
1152	Support Activities for Animal Production	15	48	3.20	106	233	2.20
1153	Support Activities for Forestry	4	5	1.25	18	36	2.00
2111	Oil and Gas Extraction	0	0	0.00	4	31	7.75
2121	Coal Mining	0	0	0.00	3	5	1.67
2122	Metal Ore Mining	0	0	0.00	4	93	23.25
2123	Nonmetallic Mineral Mining and Quarrying	0	0	0.00	21	531	25.29
2131	Support Activities for Mining	0	0	0.00	51	320	6.27
2211	Electric Power Generation, Transmission and Distribution	3	27	9.00	41	3,314	80.83

Distribution of Establishments and Employment by Industry Group, 2013 (continued)

NAICS	Industry description	Town of Gilbert			30-Minute Drive Time		
		Establishments	Employees	Employees per establishment	Establishments	Employees	Employees per establishment
2212	Natural Gas Distribution	0	0	0.00	3	617	205.67
2213	Water, Sewage and Other Systems	11	31	2.82	61	909	14.90
2361	Residential Building Construction	598	1,278	2.14	3,911	11,165	2.85
2362	Nonresidential Building Construction	78	353	4.53	694	8,137	11.72
2371	Utility System Construction	8	113	14.13	96	2,129	22.18
2372	Land Subdivision	65	137	2.11	530	2,350	4.43
2373	Highway, Street, and Bridge Construction	27	118	4.37	211	3,553	16.84
2379	Other Heavy and Civil Engineering Construction	3	14	4.67	43	606	14.09
2381	Foundation, Structure, and Building Exterior Contractors	118	627	5.31	980	10,513	10.73
2382	Building Equipment Contractors	316	1,120	3.54	2,433	22,479	9.24
2383	Building Finishing Contractors	198	409	2.07	1,600	10,592	6.62
2389	Other Specialty Trade Contractors	155	354	2.28	958	3,752	3.92
3111	Animal Food Manufacturing	2	9	4.50	8	45	5.63
3112	Grain and Oilseed Milling	1	1	1.00	9	32	3.56
3113	Sugar and Confectionery Product Manufacturing	3	11	3.67	12	133	11.08
3114	Fruit and Vegetable Preserving and Specialty Food Manufacturing	3	12	4.00	12	115	9.58
3115	Dairy Product Manufacturing	3	16	5.33	26	530	20.38
3116	Animal Slaughtering and Processing	0	0	0.00	5	55	11.00
3117	Seafood Product Preparation and Packaging	0	0	0.00	2	6	3.00
3118	Bakeries and Tortilla Manufacturing	28	98	3.50	250	1,320	5.28
3119	Other Food Manufacturing	7	16	2.29	61	389	6.38
3121	Beverage Manufacturing	3	3	1.00	29	880	30.34
3122	Tobacco Manufacturing	0	0	0.00	1	1	1.00
3131	Fiber, Yarn, and Thread Mills	1	2	2.00	1	2	2.00
3132	Fabric Mills	4	12	3.00	29	96	3.31

Distribution of Establishments and Employment by Industry Group, 2013 (continued)

NAICS	Industry description	Town of Gilbert			30-Minute Drive Time		
		Establishments	Employees	Employees per establishment	Establishments	Employees	Employees per establishment
3133	Textile and Fabric Finishing and Fabric Coating Mills	1	1	1.00	25	1,071	42.84
3141	Textile Furnishings Mills	1	2	2.00	15	138	9.20
3149	Other Textile Product Mills	12	17	1.42	90	533	5.92
3151	Apparel Knitting Mills	0	0	0.00	5	8	1.60
3152	Cut and Sew Apparel Manufacturing	9	23	2.56	74	307	4.15
3159	Apparel Accessories and Other Apparel Manufacturing	0	0	0.00	11	22	2.00
3161	Leather and Hide Tanning and Finishing	4	6	1.50	7	14	2.00
3162	Footwear Manufacturing	1	1	1.00	12	185	15.42
3169	Other Leather and Allied Product Manufacturing	6	11	1.83	47	239	5.09
3211	Sawmills and Wood Preservation	0	0	0.00	5	130	26.00
3212	Veneer, Plywood, and Engineered Wood Product Manufacturing	1	1	1.00	10	762	76.20
3219	Other Wood Product Manufacturing	16	73	4.56	144	971	6.74
3221	Pulp, Paper, and Paperboard Mills	3	14	4.67	18	213	11.83
3222	Converted Paper Product Manufacturing	1	1	1.00	27	749	27.74
3231	Printing and Related Support Activities	31	72	2.32	462	3,147	6.81
3241	Petroleum and Coal Products Manufacturing	2	26	13.00	33	450	13.64
3251	Basic Chemical Manufacturing	3	29	9.67	36	780	21.67
3252	Resin, Synthetic Rubber, and Artificial Synthetic Fibers and Filaments Manufacturing	2	4	2.00	16	152	9.50
3253	Pesticide, Fertilizer, and Other Agricultural Chemical Manufacturing	0	0	0.00	15	65	4.33
3254	Pharmaceutical and Medicine Manufacturing	3	64	21.33	56	1,180	21.07
3255	Paint, Coating, and Adhesive Manufacturing	3	7	2.33	31	182	5.87
3256	Soap, Cleaning Compound, and Toilet Preparation Manufacturing	5	22	4.40	60	370	6.17
3259	Other Chemical Product and Preparation Manufacturing	7	18	2.57	32	251	7.84
3261	Plastics Product Manufacturing	2	3	1.50	83	2,942	35.45
3262	Rubber Product Manufacturing	2	3	1.50	21	366	17.43

Distribution of Establishments and Employment by Industry Group, 2013 (continued)

NAICS	Industry description	Town of Gilbert			30-Minute Drive Time		
		Establishments	Employees	Employees per establishment	Establishments	Employees	Employees per establishment
3271	Clay Product and Refractory Manufacturing	0	0	0.00	17	180	10.59
3272	Glass and Glass Product Manufacturing	5	10	2.00	29	143	4.93
3273	Cement and Concrete Product Manufacturing	5	18	3.60	52	353	6.79
3274	Lime and Gypsum Product Manufacturing	4	6	1.50	30	126	4.20
3279	Other Nonmetallic Mineral Product Manufacturing	2	4	2.00	35	367	10.49
3311	Iron and Steel Mills and Ferroalloy Manufacturing	2	98	49.00	26	285	10.96
3312	Steel Product Manufacturing from Purchased Steel	0	0	0.00	3	112	37.33
3313	Alumina and Aluminum Production and Processing	0	0	0.00	6	1,068	178.00
3314	Nonferrous Metal (except Aluminum) Production and Processing	1	114	114.00	6	142	23.67
3315	Foundries	0	0	0.00	23	452	19.65
3321	Forging and Stamping	4	297	74.25	21	1,026	48.86
3322	Cutlery and Handtool Manufacturing	5	10	2.00	39	189	4.85
3323	Architectural and Structural Metals Manufacturing	6	26	4.33	140	2,590	18.50
3324	Boiler, Tank, and Shipping Container Manufacturing	1	7	7.00	7	136	19.43
3325	Hardware Manufacturing	0	0	0.00	11	579	52.64
3326	Spring and Wire Product Manufacturing	2	25	12.50	15	189	12.60
3327	Machine Shops; Turned Product; and Screw, Nut, and Bolt Manufacturing	6	22	3.67	148	2,035	13.75
3328	Coating, Engraving, Heat Treating, and Allied Activities	3	7	2.33	62	954	15.39
3329	Other Fabricated Metal Product Manufacturing	7	30	4.29	81	992	12.25
3331	Agriculture, Construction, and Mining Machinery Manufacturing	6	18	3.00	56	871	15.55
3332	Industrial Machinery Manufacturing	1	1	1.00	41	1,552	37.85
3333	Commercial and Service Industry Machinery Manufacturing	5	13	2.60	81	1,023	12.63
3334	Ventilation, Heating, Air-Conditioning, and Commercial Refrigeration Equip. Mfg.	2	5	2.50	42	1,334	31.76
3335	Metalworking Machinery Manufacturing	3	25	8.33	76	666	8.76
3336	Engine, Turbine, and Power Transmission Equipment Manufacturing	0	0	0.00	5	425	85.00

Distribution of Establishments and Employment by Industry Group, 2013 (continued)

NAICS	Industry description	Town of Gilbert			30-Minute Drive Time		
		Establishments	Employees	Employees per establishment	Establishments	Employees	Employees per establishment
3339	Other General Purpose Machinery Manufacturing	6	16	2.67	75	701	9.35
3341	Computer and Peripheral Equipment Manufacturing	1	15	15.00	57	1,277	22.40
3342	Communications Equipment Manufacturing	8	185	23.13	87	2,847	32.72
3343	Audio and Video Equipment Manufacturing	3	23	7.67	25	832	33.28
3344	Semiconductor and Other Electronic Component Manufacturing	13	161	12.38	171	13,377	78.23
3345	Navigational, Measuring, Electromedical, and Control Instruments Manufacturing	6	23	3.83	131	7,573	57.81
3346	Manufacturing and Reproducing Magnetic and Optical Media	1	2	2.00	9	48	5.33
3351	Electric Lighting Equipment Manufacturing	4	16	4.00	33	656	19.88
3352	Household Appliance Manufacturing	0	0	0.00	6	12	2.00
3353	Electrical Equipment Manufacturing	0	0	0.00	36	901	25.03
3359	Other Electrical Equipment and Component Manufacturing	4	7	1.75	65	448	6.89
3361	Motor Vehicle Manufacturing	1	1	1.00	11	26	2.36
3362	Motor Vehicle Body and Trailer Manufacturing	1	2	2.00	14	127	9.07
3363	Motor Vehicle Parts Manufacturing	3	9	3.00	64	1,367	21.36
3364	Aerospace Product and Parts Manufacturing	9	572	63.56	66	9,452	143.21
3365	Railroad Rolling Stock Manufacturing	0	0	0.00	1	2	2.00
3366	Ship and Boat Building	1	3	3.00	12	67	5.58
3369	Other Transportation Equipment Manufacturing	3	24	8.00	35	164	4.69
3371	Household and Institutional Furniture and Kitchen Cabinet Manufacturing	22	66	3.00	187	1,843	9.86
3372	Office Furniture (including Fixtures) Manufacturing	2	11	5.50	25	487	19.48
3379	Other Furniture Related Product Manufacturing	3	179	59.67	18	264	14.67
3391	Medical Equipment and Supplies Manufacturing	27	57	2.11	201	1,949	9.70
3399	Other Miscellaneous Manufacturing	100	270	2.70	809	3,510	4.34
4231	Motor Vehicle and Motor Vehicle Parts and Supplies Merchant Wholesalers	17	61	3.59	269	2,800	10.41
4232	Furniture and Home Furnishing Merchant Wholesalers	31	84	2.71	341	1,811	5.31

Distribution of Establishments and Employment by Industry Group, 2013 (continued)

NAICS	Industry description	Town of Gilbert			30-Minute Drive Time		
		Establishments	Employees	Employees per establishment	Establishments	Employees	Employees per establishment
4233	Lumber and Other Construction Materials Merchant Wholesalers	32	124	3.88	346	3,047	8.81
4234	Professional and Commercial Equipment and Supplies Merchant Wholesalers	45	112	2.49	567	6,800	11.99
4235	Metal and Mineral (except Petroleum) Merchant Wholesalers	23	115	5.00	188	1,039	5.53
4236	Household Appliances and Electrical and Electronic Goods Merchant Wholesalers	25	76	3.04	423	7,400	17.49
4237	Hardware, Plumbing and Heating Equipment and Supplies Merchant Wholesalers	14	71	5.07	202	1,826	9.04
4238	Machinery, Equipment, and Supplies Merchant Wholesalers	55	169	3.07	724	6,770	9.35
4239	Miscellaneous Durable Goods Merchant Wholesalers	80	230	2.88	714	2,563	3.59
4241	Paper and Paper Product Merchant Wholesalers	5	10	2.00	85	570	6.71
4242	Drugs and Druggists' Sundries Merchant Wholesalers	5	9	1.80	85	1,355	15.94
4243	Apparel, Piece Goods, and Notions Merchant Wholesalers	26	70	2.69	187	704	3.76
4244	Grocery and Related Product Merchant Wholesalers	45	132	2.93	474	4,377	9.23
4245	Farm Product Raw Material Merchant Wholesalers	24	51	2.13	178	399	2.24
4246	Chemical and Allied Products Merchant Wholesalers	6	15	2.50	89	519	5.83
4247	Petroleum and Petroleum Products Merchant Wholesalers	10	29	2.90	44	365	8.30
4248	Beer, Wine, and Distilled Alcoholic Beverage Merchant Wholesalers	2	5	2.50	69	484	7.01
4249	Miscellaneous Nondurable Goods Merchant Wholesalers	157	322	2.05	1,096	2,814	2.57
4251	Wholesale Electronic Markets and Agents and Brokers	0	0	0.00	0	0	0.00
4411	Automobile Dealers	20	346	17.30	324	8,457	26.10
4412	Other Motor Vehicle Dealers	30	63	2.10	332	1,918	5.78
4413	Automotive Parts, Accessories, and Tire Stores	35	212	6.06	503	3,407	6.77
4421	Furniture Stores	46	106	2.30	388	1,714	4.42
4422	Home Furnishings Stores	67	149	2.22	510	1,962	3.85
4431	Electronics and Appliance Stores	95	315	3.32	852	4,131	4.85
4441	Building Material and Supplies Dealers	96	1,057	11.01	818	7,616	9.31
4442	Lawn and Garden Equipment and Supplies Stores	7	41	5.86	67	296	4.42

Distribution of Establishments and Employment by Industry Group, 2013 (continued)

NAICS	Industry description	Town of Gilbert			30-Minute Drive Time		
		Establishments	Employees	Employees per establishment	Establishments	Employees	Employees per establishment
4451	Grocery Stores	64	1,210	18.91	708	15,111	21.34
4452	Specialty Food Stores	34	111	3.26	364	1,416	3.89
4453	Beer, Wine, and Liquor Stores	7	38	5.43	88	318	3.61
4461	Health and Personal Care Stores	114	588	5.16	953	7,607	7.98
4471	Gasoline Stations	14	58	4.14	227	3,048	13.43
4481	Clothing Stores	166	850	5.12	1,217	6,939	5.70
4482	Shoe Stores	20	106	5.30	209	1,169	5.59
4483	Jewelry, Luggage, and Leather Goods Stores	32	78	2.44	366	1,231	3.36
4511	Sporting Goods, Hobby, and Musical Instrument Stores	136	383	2.82	901	3,924	4.36
4512	Book Stores and News Dealers	8	29	3.63	117	789	6.74
4521	Department Stores	60	1,937	32.28	158	15,090	95.51
4529	Other General Merchandise Stores	10	738	73.80	147	2,795	19.01
4531	Florists	12	35	2.92	150	601	4.01
4532	Office Supplies, Stationery, and Gift Stores	65	245	3.77	627	2,809	4.48
4533	Used Merchandise Stores	16	27	1.69	236	988	4.19
4539	Other Miscellaneous Store Retailers	193	720	3.73	1,620	6,060	3.74
4541	Electronic Shopping and Mail-Order Houses	18	106	5.89	147	1,171	7.97
4542	Vending Machine Operators	47	78	1.66	243	537	2.21
4543	Direct Selling Establishments	75	101	1.35	444	1,140	2.57
4811	Scheduled Air Transportation	1	2	2.00	46	3,037	66.02
4812	Nonscheduled Air Transportation	0	0	0.00	17	61	3.59
4821	Rail Transportation	1	2	2.00	12	41	3.42
4831	Deep Sea, Coastal, and Great Lakes Water Transportation	0	0	0.00	2	66	33.00
4832	Inland Water Transportation	0	0	0.00	0	0	0.00
4841	General Freight Trucking	96	181	1.89	721	2,576	3.57

Distribution of Establishments and Employment by Industry Group, 2013 (continued)

NAICS	Industry description	Town of Gilbert			30-Minute Drive Time		
		Establishments	Employees	Employees per establishment	Establishments	Employees	Employees per establishment
4842	Specialized Freight Trucking	5	11	2.20	94	567	6.03
4851	Urban Transit Systems	2	6	3.00	35	439	12.54
4852	Interurban and Rural Bus Transportation	1	5	5.00	3	856	285.33
4853	Taxi and Limousine Service	16	65	4.06	232	984	4.24
4854	School and Employee Bus Transportation	0	0	0.00	0	0	0.00
4855	Charter Bus Industry	0	0	0.00	12	554	46.17
4859	Other Transit and Ground Passenger Transportation	3	12	4.00	47	491	10.45
4861	Pipeline Transportation of Crude Oil	0	0	0.00	0	0	0.00
4862	Pipeline Transportation of Natural Gas	0	0	0.00	1	3	3.00
4869	Other Pipeline Transportation	0	0	0.00	2	3	1.50
4871	Scenic and Sightseeing Transportation, Land	0	0	0.00	0	0	0.00
4872	Scenic and Sightseeing Transportation, Water	0	0	0.00	3	5	1.67
4879	Scenic and Sightseeing Transportation, Other	0	0	0.00	2	7	3.50
4881	Support Activities for Air Transportation	20	54	2.70	201	2,941	14.63
4882	Support Activities for Rail Transportation	7	13	1.86	80	346	4.33
4883	Support Activities for Water Transportation	1	1	1.00	19	65	3.42
4884	Support Activities for Road Transportation	6	15	2.50	141	473	3.35
4885	Freight Transportation Arrangement	10	25	2.50	129	675	5.23
4889	Other Support Activities for Transportation	85	186	2.19	703	1,819	2.59
4911	Postal Service	1	170	170.00	38	2,900	76.32
4921	Couriers and Express Delivery Services	0	0	0.00	21	1,049	49.95
4922	Local Messengers and Local Delivery	29	94	3.24	307	1,264	4.12
4931	Warehousing and Storage	22	46	2.09	254	2,136	8.41
5111	Newspaper, Periodical, Book, and Directory Publishers	50	507	10.14	468	2,760	5.90
5112	Software Publishers	32	66	2.06	259	1,631	6.30

Distribution of Establishments and Employment by Industry Group, 2013 (continued)

NAICS	Industry description	Town of Gilbert			30-Minute Drive Time		
		Establishments	Employees	Employees per establishment	Establishments	Employees	Employees per establishment
5121	Motion Picture and Video Industries	109	204	1.87	818	1,892	2.31
5122	Sound Recording Industries	11	18	1.64	82	179	2.18
5151	Radio and Television Broadcasting	0	0	0.00	34	1,197	35.21
5152	Cable and Other Subscription Programming	4	30	7.50	54	804	14.89
5171	Wired Telecommunications Carriers	17	135	7.94	280	2,760	9.86
5172	Wireless Telecommunications Carriers (except Satellite)	24	155	6.46	227	1,641	7.23
5174	Satellite Telecommunications	0	0	0.00	1	2	2.00
5179	Other Telecommunications	104	168	1.62	810	1,493	1.84
5182	Data Processing, Hosting, and Related Services	21	51	2.43	263	4,113	15.64
5191	Other Information Services	4	14	3.50	66	7,045	106.74
5211	Monetary Authorities-Central Bank	0	0	0.00	0	0	0.00
5221	Depository Credit Intermediation	42	620	14.76	372	11,662	31.35
5222	Nondepository Credit Intermediation	54	271	5.02	731	4,737	6.48
5223	Activities Related to Credit Intermediation	62	181	2.92	656	4,983	7.60
5231	Securities and Commodity Contracts Intermediation and Brokerage	22	48	2.18	316	1,607	5.09
5232	Securities and Commodity Exchanges	0	0	0.00	3	4	1.33
5239	Other Financial Investment Activities	910	1,864	2.05	5,486	12,396	2.26
5241	Insurance Carriers	21	75	3.57	249	4,628	18.59
5242	Agencies, Brokerages, and Other Insurance Related Activities	188	446	2.37	1,523	6,659	4.37
5251	Insurance and Employee Benefit Funds	2	10	5.00	11	56	5.09
5259	Other Investment Pools and Funds	12	23	1.92	96	433	4.51
5311	Lessors of Real Estate	683	1,627	2.38	4,980	15,915	3.20
5312	Offices of Real Estate Agents and Brokers	419	1,070	2.55	2,819	10,252	3.64
5313	Activities Related to Real Estate	67	153	2.28	529	2,134	4.03
5321	Automotive Equipment Rental and Leasing	19	101	5.32	229	2,167	9.46

Distribution of Establishments and Employment by Industry Group, 2013 (continued)

NAICS	Industry description	Town of Gilbert			30-Minute Drive Time		
		Establishments	Employees	Employees per establishment	Establishments	Employees	Employees per establishment
5322	Consumer Goods Rental	13	37	2.85	210	1,361	6.48
5323	General Rental Centers	96	209	2.18	628	2,183	3.48
5324	Commercial and Industrial Machinery and Equipment Rental and Leasing	11	36	3.27	117	1,506	12.87
5331	Lessors of Nonfinancial Intangible Assets (except Copyrighted Works)	4	30	7.50	24	171	7.13
5411	Legal Services	131	239	1.82	1,872	6,204	3.31
5412	Accounting, Tax Preparation, Bookkeeping, and Payroll Services	111	247	2.23	1,460	4,542	3.11
5413	Architectural, Engineering, and Related Services	278	665	2.39	2,442	15,840	6.49
5414	Specialized Design Services	383	575	1.50	2,562	4,981	1.94
5415	Computer Systems Design and Related Services	141	592	4.20	1,159	8,997	7.76
5416	Management, Scientific, and Technical Consulting Services	763	1,422	1.86	5,504	15,344	2.79
5417	Scientific Research and Development Services	35	103	2.94	400	2,144	5.36
5418	Advertising, Public Relations, and Related Services	69	148	2.14	695	3,506	5.04
5419	Other Professional, Scientific, and Technical Services	722	1,173	1.62	4,760	8,654	1.82
5511	Management of Companies and Enterprises	328	662	2.02	2,046	4,885	2.39
5611	Office Administrative Services	279	661	2.37	1,955	14,424	7.38
5612	Facilities Support Services	0	0	0.00	10	64	6.40
5613	Employment Services	36	100	2.78	524	4,532	8.65
5614	Business Support Services	26	52	2.00	382	4,357	11.41
5615	Travel Arrangement and Reservation Services	75	181	2.41	597	2,061	3.45
5616	Investigation and Security Services	67	190	2.84	653	4,570	7.00
5617	Services to Buildings and Dwellings	276	1,001	3.63	2,050	18,379	8.97
5619	Other Support Services	4,211	6,959	1.65	23,477	40,314	1.72
5621	Waste Collection	1	3	3.00	28	707	25.25
5622	Waste Treatment and Disposal	4	17	4.25	34	591	17.38
5629	Remediation and Other Waste Management Services	16	49	3.06	156	1,387	8.89

Distribution of Establishments and Employment by Industry Group, 2013 (continued)

NAICS	Industry description	Town of Gilbert			30-Minute Drive Time		
		Establishments	Employees	Employees per establishment	Establishments	Employees	Employees per establishment
6111	Elementary and Secondary Schools	44	2,325	52.84	562	33,535	59.67
6112	Junior Colleges	0	0	0.00	22	2,542	115.55
6113	Colleges, Universities, and Professional Schools	1	2	2.00	119	18,629	156.55
6114	Business Schools and Computer and Management Training	3	6	2.00	71	507	7.14
6115	Technical and Trade Schools	6	18	3.00	133	1,109	8.34
6116	Other Schools and Instruction	74	138	1.86	539	1,955	3.63
6117	Educational Support Services	40	131	3.28	393	2,074	5.28
6211	Offices of Physicians	310	1,753	5.65	2,919	18,742	6.42
6212	Offices of Dentists	185	909	4.91	1,319	6,914	5.24
6213	Offices of Other Health Practitioners	401	1,106	2.76	2,778	8,644	3.11
6214	Outpatient Care Centers	7	99	14.14	108	2,666	24.69
6215	Medical and Diagnostic Laboratories	8	63	7.88	120	3,177	26.48
6216	Home Health Care Services	10	121	12.10	110	4,816	43.78
6219	Other Ambulatory Health Care Services	9	85	9.44	114	3,410	29.91
6221	General Medical and Surgical Hospitals	6	504	84.00	45	13,594	302.09
6222	Psychiatric and Substance Abuse Hospitals	1	15	15.00	18	2,245	124.72
6223	Specialty (except Psychiatric and Substance Abuse) Hospitals	2	83	41.50	38	2,743	72.18
6231	Nursing Care Facilities (Skilled Nursing Facilities)	5	103	20.60	117	5,756	49.20
6232	Residential Intellectual and Developmental Disability, Mental Health, and Substance Abuse Facilities	0	0	0.00	13	60	4.62
6233	Continuing Care Retirement Communities and Assisted Living Facilities for the Elderly	13	56	4.31	76	698	9.18
6239	Other Residential Care Facilities	10	46	4.60	79	1,251	15.84
6241	Individual and Family Services	80	185	2.31	935	9,534	10.20
6242	Community Food and Housing, and Emergency and Other Relief Services	0	0	0.00	17	158	9.29
6243	Vocational Rehabilitation Services	7	15	2.14	79	456	5.77

Distribution of Establishments and Employment by Industry Group, 2013 (continued)

NAICS	Industry description	Town of Gilbert			30-Minute Drive Time		
		Establishments	Employees	Employees per establishment	Establishments	Employees	Employees per establishment
6244	Child Day Care Services	165	823	4.99	990	6,724	6.79
7111	Performing Arts Companies	61	67	1.10	552	958	1.74
7112	Spectator Sports	11	23	2.09	113	768	6.80
7113	Promoters of Performing Arts, Sports, and Similar Events	4	37	9.25	57	380	6.67
7114	Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures	21	36	1.71	232	1,021	4.40
7115	Independent Artists, Writers, and Performers	45	127	2.82	361	865	2.40
7121	Museums, Historical Sites, and Similar Institutions	3	6	2.00	148	715	4.83
7131	Amusement Parks and Arcades	0	0	0.00	12	108	9.00
7132	Gambling Industries	0	0	0.00	6	4,254	709.00
7139	Other Amusement and Recreation Industries	190	1,071	5.64	1,238	9,216	7.44
7211	Traveler Accommodation	76	222	2.92	521	12,243	23.50
7212	RV (Recreational Vehicle) Parks and Recreational Camps	1	4	4.00	106	460	4.34
7213	Rooming and Boarding Houses	1	3	3.00	16	55	3.44
7223	Special Food Services	5	7	1.40	66	985	14.92
7224	Drinking Places (Alcoholic Beverages)	24	261	10.88	374	3,159	8.45
7225	Restaurants and Other Eating Places	171	3,536	20.68	2,154	47,294	21.96
8111	Automotive Repair and Maintenance	203	624	3.07	2,143	8,026	3.75
8112	Electronic and Precision Equipment Repair and Maintenance	87	128	1.47	676	1,457	2.16
8113	Commercial and Industrial Machinery and Equipment (except Automotive and Electronic) Repair and Maintenance	187	263	1.41	1,228	2,818	2.29
8114	Personal and Household Goods Repair and Maintenance	31	50	1.61	504	1,744	3.46
8121	Personal Care Services	348	751	2.16	2,689	7,133	2.65
8122	Death Care Services	8	19	2.38	95	494	5.20
8123	Drycleaning and Laundry Services	25	81	3.24	231	1,441	6.24
8129	Other Personal Services	75	151	2.01	662	2,797	4.23
8131	Religious Organizations	165	490	2.97	1,590	7,525	4.73

Distribution of Establishments and Employment by Industry Group, 2013 (continued)

NAICS	Industry description	Town of Gilbert			30-Minute Drive Time		
		Establishments	Employees	Employees per establishment	Establishments	Employees	Employees per establishment
8132	Grantmaking and Giving Services	20	67	3.35	441	1,644	3.73
8133	Social Advocacy Organizations	10	273	27.30	114	1,899	16.66
8134	Civic and Social Organizations	71	236	3.32	804	4,063	5.05
8139	Business, Professional, Labor, Political, and Similar Organizations	168	511	3.04	1,822	7,056	3.87
8141	Private Households	0	0	0.00	0	0	0.00
9211	Executive, Legislative, and Other General Government Support	3	303	101.00	112	20,202	180.38
9221	Justice, Public Order, and Safety Activities	7	452	64.57	111	19,695	177.43
9231	Administration of Human Resource Programs	3	257	85.67	63	8,618	136.79
9241	Administration of Environmental Quality Programs	1	3	3.00	59	2,956	50.10
	Administration of Housing Programs, Urban Planning, and Community						
9251	Development	0	0	0.00	23	516	22.43
9261	Administration of Economic Program	2	103	51.50	40	2,919	72.98
9271	Space Research and Technology	0	0	0.00	0	0	0.00
9281	National Security and International Affairs	0	0	0.00	48	8,126	169.29
9999	Unclassified	6	15	2.50	106	355	3.35

Distribution of Establishments and Employment by Industry Group, Traded Sector Ranked, 2013

NAICS	Industry description	Town of Gilbert			30-Minute Drive Time		
		Establishments	Employees	Employees per establishment	Establishments	Employees	Employees per establishment
Top Quartile							
5232	Securities and Commodity Exchanges	0	0	0.00	3	4	1.33
5211	Monetary Authorities-Central Bank	0	0	0.00	0	0	0.00
2121	Coal Mining	0	0	0.00	3	5	1.67
3122	Tobacco Manufacturing	0	0	0.00	1	1	1.00
2122	Metal Ore Mining	0	0	0.00	4	93	23.25
3151	Apparel Knitting Mills	0	0	0.00	5	8	1.60
4879	Scenic and Sightseeing Transportation, Other	0	0	0.00	2	7	3.50
3221	Pulp, Paper, and Paperboard Mills	3	14	4.67	18	213	11.83
3162	Footwear Manufacturing	1	1	1.00	12	185	15.42
3365	Railroad Rolling Stock Manufacturing	0	0	0.00	1	2	2.00
3161	Leather and Hide Tanning and Finishing	4	6	1.50	7	14	2.00
3131	Fiber, Yarn, and Thread Mills	1	2	2.00	1	2	2.00
1132	Forest Nurseries and Gathering of Forest Products	0	0	0.00	1	1	1.00
3117	Seafood Product Preparation and Packaging	0	0	0.00	2	6	3.00
3274	Lime and Gypsum Product Manufacturing	4	6	1.50	30	126	4.20
1142	Hunting and Trapping	0	0	0.00	6	62	10.33
3352	Household Appliance Manufacturing	0	0	0.00	6	12	2.00
3361	Motor Vehicle Manufacturing	1	1	1.00	11	26	2.36
4832	Inland Water Transportation	0	0	0.00	0	0	0.00
3311	Iron and Steel Mills and Ferroalloy Manufacturing	2	98	49.00	26	285	10.96
3313	Alumina and Aluminum Production and Processing	0	0	0.00	6	1,068	178.00
4831	Deep Sea, Coastal, and Great Lakes Water Transportation	0	0	0.00	2	66	33.00
1141	Fishing	0	0	0.00	1	3	3.00
4861	Pipeline Transportation of Crude Oil	0	0	0.00	0	0	0.00

Distribution of Establishments and Employment by Industry Group, Traded Sector Ranked, 2013 (continued)

NAICS	Industry description	Town of Gilbert			30-Minute Drive Time		
		Establishments	Employees	Employees per establishment	Establishments	Employees	Employees per establishment
5152	Cable and Other Subscription Programming	4	30	7.50	54	804	14.89
1131	Timber Tract Operations	0	0	0.00	1	20	20.00
3346	Manufacturing and Reproducing Magnetic and Optical Media	1	2	2.00	9	48	5.33
5174	Satellite Telecommunications	0	0	0.00	1	2	2.00
6222	Psychiatric and Substance Abuse Hospitals	1	15	15.00	18	2,245	124.72
3312	Steel Product Manufacturing from Purchased Steel	0	0	0.00	3	112	37.33
4871	Scenic and Sightseeing Transportation, Land	0	0	0.00	0	0	0.00
3343	Audio and Video Equipment Manufacturing	3	23	7.67	25	832	33.28
4852	Interurban and Rural Bus Transportation	1	5	5.00	3	856	285.33
6223	Specialty (except Psychiatric and Substance Abuse) Hospitals	2	83	41.50	38	2,743	72.18
3112	Grain and Oilseed Milling	1	1	1.00	9	32	3.56
4872	Scenic and Sightseeing Transportation, Water	0	0	0.00	3	5	1.67
3341	Computer and Peripheral Equipment Manufacturing	1	15	15.00	57	1,277	22.40
3325	Hardware Manufacturing	0	0	0.00	11	579	52.64
3379	Other Furniture Related Product Manufacturing	3	179	59.67	18	264	14.67
3159	Apparel Accessories and Other Apparel Manufacturing	0	0	0.00	11	22	2.00
3132	Fabric Mills	4	12	3.00	29	96	3.31
3366	Ship and Boat Building	1	3	3.00	12	67	5.58
4851	Urban Transit Systems	2	6	3.00	35	439	12.54
3364	Aerospace Product and Parts Manufacturing	9	572	63.56	66	9,452	143.21
4869	Other Pipeline Transportation	0	0	0.00	2	3	1.50
3336	Engine, Turbine, and Power Transmission Equipment Manufacturing	0	0	0.00	5	425	85.00
3314	Nonferrous Metal (except Aluminum) Production and Processing Resin, Synthetic Rubber, and Artificial Synthetic Fibers and Filaments	1	114	114.00	6	142	23.67
3252	Manufacturing	2	4	2.00	16	152	9.50
4883	Support Activities for Water Transportation	1	1	1.00	19	65	3.42

Distribution of Establishments and Employment by Industry Group, Traded Sector Ranked, 2013 (continued)

NAICS	Industry description	Town of Gilbert			30-Minute Drive Time		
		Establishments	Employees	Employees per establishment	Establishments	Employees	Employees per establishment
3169	Other Leather and Allied Product Manufacturing	6	11	1.83	47	239	5.09
6112	Junior Colleges	0	0	0.00	22	2,542	115.55
3342	Communications Equipment Manufacturing	8	185	23.13	87	2,847	32.72
4811	Scheduled Air Transportation	1	2	2.00	46	3,037	66.02
5259	Other Investment Pools and Funds	12	23	1.92	96	433	4.51
3351	Electric Lighting Equipment Manufacturing	4	16	4.00	33	656	19.88
3253	Pesticide, Fertilizer, and Other Agricultural Chemical Manufacturing	0	0	0.00	15	65	4.33
3315	Foundries	0	0	0.00	23	452	19.65
3133	Textile and Fabric Finishing and Fabric Coating Mills	1	1	1.00	25	1,071	42.84
3369	Other Transportation Equipment Manufacturing	3	24	8.00	35	164	4.69
2111	Oil and Gas Extraction	0	0	0.00	4	31	7.75
3326	Spring and Wire Product Manufacturing	2	25	12.50	15	189	12.60
3271	Clay Product and Refractory Manufacturing	0	0	0.00	17	180	10.59
3254	Pharmaceutical and Medicine Manufacturing	3	64	21.33	56	1,180	21.07
3322	Cutlery and Handtool Manufacturing	5	10	2.00	39	189	4.85
7213	Rooming and Boarding Houses	1	3	3.00	16	55	3.44
3115	Dairy Product Manufacturing	3	16	5.33	26	530	20.38
1153	Support Activities for Forestry	4	5	1.25	18	36	2.00
3255	Paint, Coating, and Adhesive Manufacturing	3	7	2.33	31	182	5.87
7114	Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures	21	36	1.71	232	1,021	4.40
6113	Colleges, Universities, and Professional Schools	1	2	2.00	119	18,629	156.55
3324	Boiler, Tank, and Shipping Container Manufacturing	1	7	7.00	7	136	19.43
7132	Gambling Industries	0	0	0.00	6	4,254	709.00

Distribution of Establishments and Employment by Industry Group, Traded Sector Ranked, 2013 (continued)

NAICS	Industry description	Town of Gilbert			30-Minute Drive Time		
		Establishments	Employees	Employees per establishment	Establishments	Employees	Employees per establishment
Second Quartile							
3114	Fruit and Vegetable Preserving and Specialty Food Manufacturing	3	12	4.00	12	115	9.58
3272	Glass and Glass Product Manufacturing	5	10	2.00	29	143	4.93
4882	Support Activities for Rail Transportation Ventilation, Heating, Air-Conditioning, and Commercial Refrigeration Equipment Manufacturing	7	13	1.86	80	346	4.33
3334	Manufacturing	2	5	2.50	42	1,334	31.76
3362	Motor Vehicle Body and Trailer Manufacturing	1	2	2.00	14	127	9.07
3321	Forging and Stamping	4	297	74.25	21	1,026	48.86
3344	Semiconductor and Other Electronic Component Manufacturing	13	161	12.38	171	13,377	78.23
3212	Veneer, Plywood, and Engineered Wood Product Manufacturing	1	1	1.00	10	762	76.20
3262	Rubber Product Manufacturing	2	3	1.50	21	366	17.43
3359	Other Electrical Equipment and Component Manufacturing	4	7	1.75	65	448	6.89
4854	School and Employee Bus Transportation	0	0	0.00	0	0	0.00
3251	Basic Chemical Manufacturing	3	29	9.67	36	780	21.67
3111	Animal Food Manufacturing	2	9	4.50	8	45	5.63
5122	Sound Recording Industries	11	18	1.64	82	179	2.18
3222	Converted Paper Product Manufacturing	1	1	1.00	27	749	27.74
4855	Charter Bus Industry	0	0	0.00	12	554	46.17
3256	Soap, Cleaning Compound, and Toilet Preparation Manufacturing	5	22	4.40	60	370	6.17
4889	Other Support Activities for Transportation	85	186	2.19	703	1,819	2.59
3333	Commercial and Service Industry Machinery Manufacturing	5	13	2.60	81	1,023	12.63
3353	Electrical Equipment Manufacturing	0	0	0.00	36	901	25.03
5331	Lessors of Nonfinancial Intangible Assets (except Copyrighted Works)	4	30	7.50	24	171	7.13
3141	Textile Furnishings Mills	1	2	2.00	15	138	9.20
4862	Pipeline Transportation of Natural Gas	0	0	0.00	1	3	3.00

Distribution of Establishments and Employment by Industry Group, Traded Sector Ranked, 2013 (continued)

NAICS	Industry description	Town of Gilbert			30-Minute Drive Time		
		Establishments	Employees	Employees per establishment	Establishments	Employees	Employees per establishment
3211	Sawmills and Wood Preservation	0	0	0.00	5	130	26.00
3259	Other Chemical Product and Preparation Manufacturing	7	18	2.57	32	251	7.84
3331	Agriculture, Construction, and Mining Machinery Manufacturing	6	18	3.00	56	871	15.55
2131	Support Activities for Mining	0	0	0.00	51	320	6.27
5112	Software Publishers	32	66	2.06	259	1,631	6.30
3345	Navigational, Measuring, Electromedical, and Control Instruments Manufacturing	6	23	3.83	131	7,573	57.81
3113	Sugar and Confectionery Product Manufacturing	3	11	3.67	12	133	11.08
4812	Nonscheduled Air Transportation	0	0	0.00	17	61	3.59
3363	Motor Vehicle Parts Manufacturing	3	9	3.00	64	1,367	21.36
3119	Other Food Manufacturing	7	16	2.29	61	389	6.38
3152	Cut and Sew Apparel Manufacturing	9	23	2.56	74	307	4.15
3332	Industrial Machinery Manufacturing	1	1	1.00	41	1,552	37.85
1133	Logging	1	2	2.00	5	24	4.80
1151	Support Activities for Crop Production	6	15	2.50	37	150	4.05
3241	Petroleum and Coal Products Manufacturing	2	26	13.00	33	450	13.64
3335	Metalworking Machinery Manufacturing	3	25	8.33	76	666	8.76
4245	Farm Product Raw Material Merchant Wholesalers	24	51	2.13	178	399	2.24
3372	Office Furniture (including Fixtures) Manufacturing	2	11	5.50	25	487	19.48
5182	Data Processing, Hosting, and Related Services	21	51	2.43	263	4,113	15.64
7112	Spectator Sports	11	23	2.09	113	768	6.80
3328	Coating, Engraving, Heat Treating, and Allied Activities	3	7	2.33	62	954	15.39
3339	Other General Purpose Machinery Manufacturing	6	16	2.67	75	701	9.35
3279	Other Nonmetallic Mineral Product Manufacturing	2	4	2.00	35	367	10.49
4248	Beer, Wine, and Distilled Alcoholic Beverage Merchant Wholesalers	2	5	2.50	69	484	7.01
1152	Support Activities for Animal Production	15	48	3.20	106	233	2.20

Distribution of Establishments and Employment by Industry Group, Traded Sector Ranked, 2013 (continued)

NAICS	Industry description	Town of Gilbert			30-Minute Drive Time		
		Establishments	Employees	Employees per establishment	Establishments	Employees	Employees per establishment
3116	Animal Slaughtering and Processing	0	0	0.00	5	55	11.00
7131	Amusement Parks and Arcades	0	0	0.00	12	108	9.00
4243	Apparel, Piece Goods, and Notions Merchant Wholesalers	26	70	2.69	187	704	3.76
5622	Waste Treatment and Disposal	4	17	4.25	34	591	17.38
4853	Taxi and Limousine Service	16	65	4.06	232	984	4.24
5612	Facilities Support Services	0	0	0.00	10	64	6.40
5179	Other Telecommunications	104	168	1.62	810	1,493	1.84
3329	Other Fabricated Metal Product Manufacturing	7	30	4.29	81	992	12.25
4859	Other Transit and Ground Passenger Transportation	3	12	4.00	47	491	10.45
2212	Natural Gas Distribution	0	0	0.00	3	617	205.67
3261	Plastics Product Manufacturing	2	3	1.50	83	2,942	35.45
4242	Drugs and Druggists' Sundries Merchant Wholesalers	5	9	1.80	85	1,355	15.94
5191	Other Information Services	4	14	3.50	66	7,045	106.74
6117	Educational Support Services	40	131	3.28	393	2,074	5.28
6114	Business Schools and Computer and Management Training	3	6	2.00	71	507	7.14
6239	Other Residential Care Facilities	10	46	4.60	79	1,251	15.84
5417	Scientific Research and Development Services	35	103	2.94	400	2,144	5.36
7111	Performing Arts Companies	61	67	1.10	552	958	1.74
4542	Vending Machine Operators	47	78	1.66	243	537	2.21
3121	Beverage Manufacturing	3	3	1.00	29	880	30.34
3149	Other Textile Product Mills	12	17	1.42	90	533	5.92
5323	General Rental Centers	96	209	2.18	628	2,183	3.48
4922	Local Messengers and Local Delivery	29	94	3.24	307	1,264	4.12
4921	Couriers and Express Delivery Services	0	0	0.00	21	1,049	49.95
2372	Land Subdivision	65	137	2.11	530	2,350	4.43

Distribution of Establishments and Employment by Industry Group, Traded Sector Ranked, 2013 (continued)

NAICS	Industry description	Town of Gilbert			30-Minute Drive Time		
		Establishments	Employees	Employees per establishment	Establishments	Employees	Employees per establishment
Third Quartile							
2379	Other Heavy and Civil Engineering Construction	3	14	4.67	43	606	14.09
4232	Furniture and Home Furnishing Merchant Wholesalers	31	84	2.71	341	1,811	5.31
4881	Support Activities for Air Transportation	20	54	2.70	201	2,941	14.63
2213	Water, Sewage and Other Systems	11	31	2.82	61	909	14.90
6243	Vocational Rehabilitation Services	7	15	2.14	79	456	5.77
7212	RV (Recreational Vehicle) Parks and Recreational Camps	1	4	4.00	106	460	4.34
7115	Independent Artists, Writers, and Performers	45	127	2.82	361	865	2.40
4241	Paper and Paper Product Merchant Wholesalers	5	10	2.00	85	570	6.71
3391	Medical Equipment and Supplies Manufacturing	27	57	2.11	201	1,949	9.70
5613	Employment Services	36	100	2.78	524	4,532	8.65
7113	Promoters of Performing Arts, Sports, and Similar Events	4	37	9.25	57	380	6.67
4931	Warehousing and Storage	22	46	2.09	254	2,136	8.41
2123	Nonmetallic Mineral Mining and Quarrying	0	0	0.00	21	531	25.29
3118	Bakeries and Tortilla Manufacturing	28	98	3.50	250	1,320	5.28
3219	Other Wood Product Manufacturing	16	73	4.56	144	971	6.74
6115	Technical and Trade Schools	6	18	3.00	133	1,109	8.34
4521	Department Stores	60	1,937	32.28	158	15,090	95.51
4235	Metal and Mineral (except Petroleum) Merchant Wholesalers	23	115	5.00	188	1,039	5.53
6215	Medical and Diagnostic Laboratories	8	63	7.88	120	3,177	26.48
4885	Freight Transportation Arrangement	10	25	2.50	129	675	5.23
4234	Professional and Commercial Equipment and Supplies Merchant Wholesalers	45	112	2.49	567	6,800	11.99
5151	Radio and Television Broadcasting	0	0	0.00	34	1,197	35.21
5616	Investigation and Security Services	67	190	2.84	653	4,570	7.00
4246	Chemical and Allied Products Merchant Wholesalers	6	15	2.50	89	519	5.83

Distribution of Establishments and Employment by Industry Group, Traded Sector Ranked, 2013 (continued)

NAICS	Industry description	Town of Gilbert			30-Minute Drive Time		
		Establishments	Employees	Employees per establishment	Establishments	Employees	Employees per establishment
3371	Household and Institutional Furniture and Kitchen Cabinet Manufacturing	22	66	3.00	187	1,843	9.86
5172	Wireless Telecommunications Carriers (except Satellite)	24	155	6.46	227	1,641	7.23
3323	Architectural and Structural Metals Manufacturing	6	26	4.33	140	2,590	18.50
7121	Museums, Historical Sites, and Similar Institutions	3	6	2.00	148	715	4.83
5414	Specialized Design Services	383	575	1.50	2,562	4,981	1.94
8112	Electronic and Precision Equipment Repair and Maintenance	87	128	1.47	676	1,457	2.16
6219	Other Ambulatory Health Care Services	9	85	9.44	114	3,410	29.91
4512	Book Stores and News Dealers	8	29	3.63	117	789	6.74
6233	Continuing Care Retirement Communities and Assisted Living Facilities for the Elderly	13	56	4.31	76	698	9.18
6232	Residential Intellectual and Developmental Disability, Mental Health, and Substance Abuse Facilities	0	0	0.00	13	60	4.62
5614	Business Support Services	26	52	2.00	382	4,357	11.41
5418	Advertising, Public Relations, and Related Services	69	148	2.14	695	3,506	5.04
5324	Commercial and Industrial Machinery and Equipment Rental and Leasing	11	36	3.27	117	1,506	12.87
3327	Machine Shops; Turned Product; and Screw, Nut, and Bolt Manufacturing	6	22	3.67	148	2,035	13.75
3399	Other Miscellaneous Manufacturing	100	270	2.70	809	3,510	4.34
4236	Household Appliances and Electrical and Electronic Goods Merchant Wholesalers	25	76	3.04	423	7,400	17.49
4237	Hardware, and Plumbing and Heating Equipment and Supplies Merchant Wholesalers	14	71	5.07	202	1,826	9.04
2373	Highway, Street, and Bridge Construction	27	118	4.37	211	3,553	16.84
4247	Petroleum and Petroleum Products Merchant Wholesalers	10	29	2.90	44	365	8.30
5615	Travel Arrangement and Reservation Services	75	181	2.41	597	2,061	3.45
5511	Management of Companies and Enterprises	328	662	2.02	2,046	4,885	2.39
5241	Insurance Carriers	21	75	3.57	249	4,628	18.59
5321	Automotive Equipment Rental and Leasing	19	101	5.32	229	2,167	9.46
4541	Electronic Shopping and Mail-Order Houses	18	106	5.89	147	1,171	7.97

Distribution of Establishments and Employment by Industry Group, Traded Sector Ranked, 2013 (continued)

NAICS	Industry description	Town of Gilbert			30-Minute Drive Time		
		Establishments	Employees	Employees per establishment	Establishments	Employees	Employees per establishment
4233	Lumber and Other Construction Materials Merchant Wholesalers	32	124	3.88	346	3,047	8.81
5611	Office Administrative Services	279	661	2.37	1,955	14,424	7.38
6111	Elementary and Secondary Schools	44	2,325	52.84	562	33,535	59.67
5629	Remediation and Other Waste Management Services	16	49	3.06	156	1,387	8.89
8132	Grantmaking and Giving Services	20	67	3.35	441	1,644	3.73
8133	Social Advocacy Organizations	10	273	27.30	114	1,899	16.66
4231	Motor Vehicle and Motor Vehicle Parts and Supplies Merchant Wholesalers	17	61	3.59	269	2,800	10.41
5239	Other Financial Investment Activities	910	1,864	2.05	5,486	12,396	2.26
7224	Drinking Places (Alcoholic Beverages)	24	261	10.88	374	3,159	8.45
4244	Grocery and Related Product Merchant Wholesalers	45	132	2.93	474	4,377	9.23
5223	Activities Related to Credit Intermediation	62	181	2.92	656	4,983	7.60
6216	Home Health Care Services	10	121	12.10	110	4,816	43.78
5121	Motion Picture and Video Industries	109	204	1.87	818	1,892	2.31
3231	Printing and Related Support Activities	31	72	2.32	462	3,147	6.81
4884	Support Activities for Road Transportation	6	15	2.50	141	473	3.35
4412	Other Motor Vehicle Dealers	30	63	2.10	332	1,918	5.78
7223	Special Food Services	5	7	1.40	66	985	14.92
4251	Wholesale Electronic Markets and Agents and Brokers	0	0	0.00	0	0	0.00
2211	Electric Power Generation, Transmission and Distribution	3	27	9.00	41	3,314	80.83
5621	Waste Collection	1	3	3.00	28	707	25.25
5619	Other Support Services	4,211	6,959	1.65	23,477	40,314	1.72
5415	Computer Systems Design and Related Services	141	592	4.20	1,159	8,997	7.76
4482	Shoe Stores	20	106	5.30	209	1,169	5.59
4249	Miscellaneous Nondurable Goods Merchant Wholesalers	157	322	2.05	1,096	2,814	2.57

Distribution of Establishments and Employment by Industry Group, Traded Sector Ranked, 2013 (continued)

NAICS	Industry description	Town of Gilbert			30-Minute Drive Time		
		Establishments	Employees	Employees per establishment	Establishments	Employees	Employees per establishment
Bottom Quartile							
4452	Specialty Food Stores	34	111	3.26	364	1,416	3.89
6116	Other Schools and Instruction	74	138	1.86	539	1,955	3.63
8129	Other Personal Services	75	151	2.01	662	2,797	4.23
6242	Community Food and Housing, and Emergency and Other Relief Services	0	0	0.00	17	158	9.29
8114	Personal and Household Goods Repair and Maintenance	31	50	1.61	504	1,744	3.46
4481	Clothing Stores	166	850	5.12	1,217	6,939	5.70
4511	Sporting Goods, Hobby, and Musical Instrument Stores	136	383	2.82	901	3,924	4.36
3273	Cement and Concrete Product Manufacturing	5	18	3.60	52	353	6.79
8134	Civic and Social Organizations	71	236	3.32	804	4,063	5.05
4483	Jewelry, Luggage, and Leather Goods Stores	32	78	2.44	366	1,231	3.36
4238	Machinery, Equipment, and Supplies Merchant Wholesalers	55	169	3.07	724	6,770	9.35
2371	Utility System Construction	8	113	14.13	96	2,129	22.18
4841	General Freight Trucking	96	181	1.89	721	2,576	3.57
5222	Nondepository Credit Intermediation	54	271	5.02	731	4,737	6.48
4422	Home Furnishings Stores	67	149	2.22	510	1,962	3.85
4533	Used Merchandise Stores	16	27	1.69	236	988	4.19
4239	Miscellaneous Durable Goods Merchant Wholesalers	80	230	2.88	714	2,563	3.59
8123	Drycleaning and Laundry Services	25	81	3.24	231	1,441	6.24
8113	Commercial and Industrial Machinery and Equipment (except Automotive and Electronic) Repair and Maintenance	187	263	1.41	1,228	2,818	2.29
5413	Architectural, Engineering, and Related Services	278	665	2.39	2,442	15,840	6.49
5416	Management, Scientific, and Technical Consulting Services	763	1,422	1.86	5,504	15,344	2.79
4442	Lawn and Garden Equipment and Supplies Stores	7	41	5.86	67	296	4.42
5313	Activities Related to Real Estate	67	153	2.28	529	2,134	4.03

Distribution of Establishments and Employment by Industry Group, Traded Sector Ranked, 2013 (continued)

NAICS	Industry description	Town of Gilbert			30-Minute Drive Time		
		Establishments	Employees	Employees per establishment	Establishments	Employees	Employees per establishment
7211	Traveler Accommodation	76	222	2.92	521	12,243	23.50
4453	Beer, Wine, and Liquor Stores	7	38	5.43	88	318	3.61
4529	Other General Merchandise Stores	10	738	73.80	147	2,795	19.01
5231	Securities and Commodity Contracts Intermediation and Brokerage	22	48	2.18	316	1,607	5.09
4532	Office Supplies, Stationery, and Gift Stores	65	245	3.77	627	2,809	4.48
6211	Offices of Physicians	310	1,753	5.65	2,919	18,742	6.42
5322	Consumer Goods Rental	13	37	2.85	210	1,361	6.48
6214	Outpatient Care Centers	7	99	14.14	108	2,666	24.69
6241	Individual and Family Services	80	185	2.31	935	9,534	10.20
4421	Furniture Stores	46	106	2.30	388	1,714	4.42
2362	Nonresidential Building Construction	78	353	4.53	694	8,137	11.72
8121	Personal Care Services	348	751	2.16	2,689	7,133	2.65
4842	Specialized Freight Trucking	5	11	2.20	94	567	6.03
4411	Automobile Dealers	20	346	17.30	324	8,457	26.10
7139	Other Amusement and Recreation Industries	190	1,071	5.64	1,238	9,216	7.44
6231	Nursing Care Facilities (Skilled Nursing Facilities)	5	103	20.60	117	5,756	49.20
5111	Newspaper, Periodical, Book, and Directory Publishers	50	507	10.14	468	2,760	5.90
4431	Electronics and Appliance Stores	95	315	3.32	852	4,131	4.85
4531	Florists	12	35	2.92	150	601	4.01
5617	Services to Buildings and Dwellings	276	1,001	3.63	2,050	18,379	8.97
2383	Building Finishing Contractors	198	409	2.07	1,600	10,592	6.62
4539	Other Miscellaneous Store Retailers	193	720	3.73	1,620	6,060	3.74
5312	Offices of Real Estate Agents and Brokers	419	1,070	2.55	2,819	10,252	3.64
6221	General Medical and Surgical Hospitals	6	504	84.00	45	13,594	302.09
4543	Direct Selling Establishments	75	101	1.35	444	1,140	2.57

Distribution of Establishments and Employment by Industry Group, Traded Sector Ranked, 2013 (continued)

NAICS	Industry description	Town of Gilbert			30-Minute Drive Time		
		Establishments	Employees	Employees per establishment	Establishments	Employees	Employees per establishment
2381	Foundation, Structure, and Building Exterior Contractors	118	627	5.31	980	10,513	10.73
8139	Business, Professional, Labor, Political, and Similar Organizations	168	511	3.04	1,822	7,056	3.87
5171	Wired Telecommunications Carriers	17	135	7.94	280	2,760	9.86
2389	Other Specialty Trade Contractors	155	354	2.28	958	3,752	3.92
2361	Residential Building Construction	598	1,278	2.14	3,911	11,165	2.85
2382	Building Equipment Contractors	316	1,120	3.54	2,433	22,479	9.24
6244	Child Day Care Services	165	823	4.99	990	6,724	6.79
4441	Building Material and Supplies Dealers	96	1,057	11.01	818	7,616	9.31
5311	Lessors of Real Estate	683	1,627	2.38	4,980	15,915	3.20
8122	Death Care Services	8	19	2.38	95	494	5.20
6213	Offices of Other Health Practitioners	401	1,106	2.76	2,778	8,644	3.11
7225	Restaurants and Other Eating Places	171	3,536	20.68	2,154	47,294	21.96
5412	Accounting, Tax Preparation, Bookkeeping, and Payroll Services	111	247	2.23	1,460	4,542	3.11
5419	Other Professional, Scientific, and Technical Services	722	1,173	1.62	4,760	8,654	1.82
6212	Offices of Dentists	185	909	4.91	1,319	6,914	5.24
5411	Legal Services	131	239	1.82	1,872	6,204	3.31
5242	Agencies, Brokerages, and Other Insurance Related Activities	188	446	2.37	1,523	6,659	4.37
8111	Automotive Repair and Maintenance	203	624	3.07	2,143	8,026	3.75
4461	Health and Personal Care Stores	114	588	5.16	953	7,607	7.98
4451	Grocery Stores	64	1,210	18.91	708	15,111	21.34
8131	Religious Organizations	165	490	2.97	1,590	7,525	4.73
5221	Depository Credit Intermediation	42	620	14.76	372	11,662	31.35
4413	Automotive Parts, Accessories, and Tire Stores	35	212	6.06	503	3,407	6.77
4471	Gasoline Stations	14	58	4.14	227	3,048	13.43

appendix b: startup data

Startup and Survival Statistics for All Industries, Town of Gilbert

Year started	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
Startups	253	198	389	282	480	472	465	514	693	1198	981	613	1491	2729	1325	3108	3283	2072	7541	2040	832	
Survivors (5 Years)	150	139	204	181	271	236	290	325	421	768	491	445	1098	2032	878	1536						
Initial Employment	998	950	1602	996	1861	1650	1678	1788	2520	5443	2238	1975	3212	5363	2809	5570	5921	3990	12335	4007	2005	
Employment (5 Years) Gilbert	768	677	1016	811	1288	1236	1223	1441	1615	2481	1438	1827	2826	4839	2224	3124						
Survival Rate US Average	59.3%	70.2%	52.4%	64.2%	56.5%	50.0%	62.4%	63.2%	60.8%	64.1%	50.1%	72.6%	73.6%	74.5%	66.3%	49.4%						
Survival Rate Avg. Startup		54.3%	54.1%	53.4%	53.0%	53.0%	52.7%	52.8%	52.3%	54.8%	55.3%	54.5%	52.6%	49.8%	50.2%	51.7%						
Employment Avg. Survivor	3.9	4.8	4.1	3.5	3.9	3.5	3.6	3.5	3.6	4.5	2.3	3.2	2.2	2.0	2.1	1.8	1.8	1.9	1.6	2.0	2.4	
Employment Employment	5.1	4.9	5.0	4.5	4.8	5.2	4.2	4.4	3.8	3.2	2.9	4.1	2.6	2.4	2.5	2.0						
Retained	77.0%	71.3%	63.4%	81.4%	69.2%	74.9%	72.9%	80.6%	64.1%	45.6%	64.3%	92.5%	88.0%	90.2%	79.2%	56.1%						

appendix c: target industry data

The following tables present the number of annual startups and survivors, and annual survival rates for establishments in Gilbert's targeted sectors. These figures are for all businesses within a 30-minute drive time centered on Gilbert's civic center.

Aerospace and Defense

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Startup establishments	23	27	23	34	29	32	26	25	48	17	29	40	42	27	44	43	38	136	58	20
Startup employment	92	240	157	474	413	177	309	218	219	72	190	159	159	121	236	137	99	409	216	147
Surviving establishments	17	12	15	21	6	17	16	19	31	11	20	29	25	15	22					
Survival rate (%)	73.9	44.4	65.2	61.8	20.7	53.1	61.5	76.0	64.6	64.7	69.0	72.5	59.5	55.6	50.0					
US Avg. Survival Rate	54.3	54.1	53.4	53.0	53.0	52.7	52.8	52.3	54.8	55.3	54.5	52.6	49.8	50.2	51.7					
Surviving employment	121	231	145	384	50	198	305	204	185	70	132	144	118	117	234					
Survival rate (%)	131.5	96.3	92.4	81.0	12.1	111.9	98.7	93.6	84.5	97.2	69.5	90.6	74.2	96.7	99.2					

Biotechnology

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Startup establishments	29	62	40	55	35	41	44	51	48	39	28	61	108	61	104	74	66	146	77	42
Startup employment	148	327	255	309	219	281	185	282	265	337	192	199	265	203	229	202	274	355	199	104
Surviving establishments	21	28	24	33	19	20	26	28	32	27	21	30	53	39	53					
Survival rate (%)	72.4	45.2	60.0	60.0	54.3	48.8	59.1	54.9	66.7	69.2	75.0	49.2	49.1	63.9	51.0					
US Avg. Survival Rate	54.3	54.1	53.4	53.0	53.0	52.7	52.8	52.3	54.8	55.3	54.5	52.6	49.8	50.2	51.7					
Surviving employment	161	202	162	302	207	46	156	154	112	470	141	146	228	194	203					
Survival rate (%)	108.8	61.8	63.5	97.7	94.5	16.4	84.3	54.6	42.3	139.5	73.4	73.4	86.0	95.6	88.6					

Advanced Business Services

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Startup establishments	337	865	497	765	636	693	606	734	1122	1047	562	885	1521	811	1780	1638	1344	4866	1667	785
Startup employment	1795	3042	1992	3793	2601	4074	2598	3284	5941	2477	1462	2385	4325	2235	3588	3358	2673	7612	3021	1492
Surviving establishments	236	313	284	334	281	359	346	438	668	488	402	562	957	454	970					
Survival rate (%)	70.0	36.2	57.1	43.7	44.2	51.8	57.1	59.7	59.5	46.6	71.5	63.5	62.9	56.0	54.5					
US Avg. Survival Rate	54.3	54.1	53.4	53.0	53.0	52.7	52.8	52.3	54.8	55.3	54.5	52.6	49.8	50.2	51.7					
Surviving employment	1089	1200	1073	5024	1078	2582	1711	1939	2261	2597	1850	1973	3264	1620	2784					
Survival rate (%)	60.7	39.4	53.9	132.5	41.4	63.4	65.9	59.0	38.1	104.8	126.5	82.7	75.5	72.5	77.6					

High Tech

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Startup establishments	23	41	43	61	77	65	79	75	65	50	41	42	69	45	55	49	42	86	47	24
Startup employment	242	510	222	316	573	3936	4623	907	281	207	154	303	550	197	201	320	239	332	182	56
Surviving establishments	19	28	29	40	46	35	38	38	47	38	32	30	38	14	34					
Survival rate (%)	82.6	68.3	67.4	65.6	59.7	53.8	48.1	50.7	72.3	76.0	78.0	71.4	55.1	31.1	61.8					
US Avg. Survival Rate	54.3	54.1	53.4	53.0	53.0	52.7	52.8	52.3	54.8	55.3	54.5	52.6	49.8	50.2	51.7					
Surviving employment	224	509	143	393	440	1830	2509	663	221	223	159	255	242	80	249					
Survival rate (%)	92.6	99.8	64.4	124.4	76.8	46.5	54.3	73.1	78.6	107.7	103.2	84.2	44.0	40.6	123.9					

software-related industries

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Startup establishments	108	168	149	231	254	270	320	281	352	175	168	185	177	93	152	124	123	289	206	127
Startup employment	542	911	726	954	1005	1047	1465	1238	1188	640	591	667	695	361	412	410	427	617	562	396
Surviving establishments	74	77	89	131	122	150	146	139	202	100	118	113	108	57	97					
Surviving employment	538	501	621	666	653	712	663	866	844	545	645	672	385	325	365					
Survival rate (%)	68.5	45.8	59.7	56.7	48.0	55.6	45.6	49.5	57.4	57.1	70.2	61.1	61.0	61.3	63.8					
Survival rate (%)	99.3	55.0	85.5	69.8	65.0	68.0	45.3	70.0	71.0	85.2	109.1	100.7	55.4	90.0	88.6					
US Avg. Survival Rate	54.3	54.1	53.4	53.0	53.0	52.7	52.8	52.3	54.8	55.3	54.5	52.6	49.8	50.2	51.7					

