

Howard County Chamber of Commerce Economic Forecast Breakfast Survey Results December 16, 2011

Type of Business:	2010		2011	
	Total Respondents		Total Respondents	
	#	%	#	%
	94		89	
Manufacturing	3	3.2%	5	5.6%
Construction	3	3.2%	6	6.7%
Technology	7	7.4%	6	6.7%
Retail	4	4.3%	2	2.2%
Business & Professional Services	33	35.1%	33	37.0%
Hospitality	4	4.3%	3	3.3%
Education	7	7.4%	2	2.2%
Government	5	5.3%	0	0.0%
Utilities	0	0.0%	0	0.0%
Transportation	1	1.1%	2	2.2%
Not for Profit	6	6.4%	4	4.4%
Other	17	18.1%	25	28.0%
No Responses	4	4.3%	1	1.1%

What is your annual revenue?	94		89	
\$500,000 or less	16	17.0%	22	24.7%
\$500,000 - \$2,500,000	12	12.8%	21	23.5%
\$2,500,000 - \$10,000,000	12	12.8%	17	19.1%
\$10,000,000 or More	14	14.9%	10	11.2%
No Responses	40	42.6%	19	21.3%

** Asked for "Annual Sales Volume" in 2010

In 2012, what do you expect for revenues	93		89	
Increase	48	51.6%	72	80.8%
Decrease	1	1.1%	2	2.2%
Remain flat	16	17.2%	13	14.6%
No Responses	28	30.1%	2	2.2%

** Asked for "sales" in 2010

What do you expect for capital investments ?	95		89	
Increase	29	30.5%	38	42.6%
Decrease	4	4.2%	2	2.2%
Remain Flat	33	34.7%	44	49.4%
No Responses	29	30.5%	5	5.6%

What do you expect for space needs?	93		89	
Increase	14	15.1%	22	24.7%
Decrease	4	4.3%	11	12.3%
Remain the Same	46	49.5%	55	61.7%
No Responses	29	31.2%	1	1.1%

	2010		2011	
	Total Respondents		Total Respondents	
	#	%	#	%
Current employee count	94		89	
Sole Proprietor	10	10.6%	8	8.9%
2 - 5	7	7.4%	17	19.1%
6 - 25	23	24.5%	29	32.5%
26 - 50	5	5.3%	11	12.3%
51 - 100	5	5.3%	6	6.7%
101 - 400	7	7.4%	10	11.2%
401 plus	8	8.5%	6	6.7%
No responses	29	30.9%	2	2.2%

	94		89	
Have you had to layoff workers?				
Yes	11	11.7%	12	13.4%

	94		89	
Have you had to furlough workers?				
Yes	7	7.4%	2	2.2%
No, neither	51	54.3%	73	82.0%
No responses	25	26.6%	2	2.2%

	94		89	
Do you anticipate layoffs or furloughs in the coming year?				
Yes, continue layoffs	4	4.3%	3	3.3%
Yes, continue furloughs	5	5.3%	1	1.1%
Yes, will start layoffs	n/a	n/a	1	1.1%
Yes, will start furloughs	n/a	n/a	1	1.1%
No, do not anticipate either	n/a	n/a	81	91.0%
No responses	37	39.4%	2	2.2%

* Asked if *continuing* layoffs or furloughs in 2010

	94		89	
In 2012, what do you expect for your employee count?				
Will increase	32	34.0%	47	52.8%
Will decrease	5	5.3%	1	1.1%
Remain flat	30	31.9%	39	43.8%
No responses	5	5.3%	2	2.2%

Most important factors in deciding to hire or downsize (sample of answers from open-ended question)

Overall economy; revenues; adding customers, contracts, territory or projects; grants and donations; regulations

	93		89	
Do you participate in Government contracting bids?				
Yes	14	15.1%	29	32.5%
No	37	39.8%	49	55.0%
No, but would like to	11	11.8%	8	8.9%
No responses	31	33.3%	3	3.3%

	2010		2011	
	Total Respondents		Total Respondents	
	#	%	#	%
Do you provide health care benefits?	--		187	
Yes	n/a	n/a	65	73.0%
No	n/a	n/a	22	24.7%
No responses	n/a	n/a	2	2.2%

	2010		2011	
	#	%	#	%
You anticipate the cost of providing health care benefits will	--		89	
Increase	n/a	n/a	60	67.4%
Decrease	n/a	n/a	2	2.2%
Stay the same	n/a	n/a	20	22.4%
No responses	n/a	n/a	7	7.8%

	2010		2011	
	#	%	#	%
Do you anticipate passing health benefit costs increases on to employees	--		89	
Yes, entirely	n/a	n/a	9	10.1%
Yes, partially	n/a	n/a	38	42.6%
No	n/a	n/a	33	37.0%
No Response	n/a	n/a	9	10.1%

	2010		2011	
	#	%	#	%
What is your position on a gas tax increase?	--		89	
Oppose	n/a	n/a	48	53.9%
Support	n/a	n/a	7	7.8%
Support if used for trust fund	n/a	n/a	26	29.2%
No responses	n/a	n/a	8	8.9%

89 surveys were completed.

All chamber members were given the opportunity to complete this survey. An electronic version was sent to members. Those who did not complete the survey on line were given the opportunity to complete the survey during the Economic Forecast Breakfast held December 16, 2011.

Summary of Member Responses to Questions 18-16.

Question #18: What do you anticipate would be the effect of a gas tax increase on your business if it were enacted?

- None/ Negligible
- Increased costs / passed on to consumers
- Increased expenses / cost of supplies/ shipping and receiving
- Lost ability to reinvest and grow
- It will affect everyone in the transportation business and force some businesses to re-visit their logistics models.
- Less activity / lower revenues

- Increase travel costs for sales and delivery / appointments / mileage reimbursement
- Some staff will work remotely
- Adversely affect the overall economy
- May reduce the pool of employees that we would be able to hire from, as they may not be as willing to travel
- Reduction in compensation, benefits or unneeded labor

Question #19: What issues give you the most concern regarding the success of your business and Question #20: are there political issues that are having a negative effect on your business? (Answers to Question 20 largely overlapped those to Question 19)

- Slow job growth
- Government regulations
- Rent in Howard County very high
- Strength of construction industry
- State and federal tax policy
- Decreased donations
- Hiring and keeping the right people
- Government spending on defense and other projects
- Ability to generate new sales, heavy pressure on margins
- Availability of marketing funds to purchase advertising/marketing services
- Taxes
- Flat revenues
- Rising health care costs
- Land use regulations
- Tight credit market
- Contentious political climate
- Overall economic instability
- Commodity prices
- Increase in operating costs

Question #21: What issues would you like the Chamber to keep a watchful eye on in 2012?

- Environmental issues / sustainability
- Cost of Chamber Events
- Increased education costs for illegal immigrants
- Everything that affects small businesses
- Buy local efforts
- Governor O'Malley's spending plans.
- SEC reporting
- Local transportation
- Lower taxes, liberal lending practices

- Regulation, workman's compensation and unemployment taxes
- Ability to compete with neighboring states.
- Sales Tax on services
- Contributory negligence legislation
- Health care exchanges
- Gas tax
- Plan Maryland
- Howard County Growth