



Innovative
Entrepreneurial
Experienced

FOR IMMEDIATE RELEASE:

September 14, 2015

CONTACT: Jennifer Krause
Phone: 802-878-1963
E-mail: Jennifer@dh-cpa.com

WILLISTON CPA FIRM REVEALS ECONOMIC OUTLOOK OF VERMONT BUSINESSES SURVEY RESULTS

- *Majority of Vermont business owners surveyed have considered business relocation within last 12 months*
- *20% of respondents planning to move residency out of Vermont*
- *Finding qualified employees, taxes, health care remain key issues for business owners*

WILLISTON, Vt., September 14, 2015 – Davis and Hodgdon Associates CPAs conducted its semi-annual economic survey in July regarding the outlook of Vermont-based businesses, which revealed that 51% of those surveyed would leave or make plans to leave Vermont.

Small- to medium-sized business owners were asked about their consideration of relocation outside of Vermont (as a result of overall tax burden) of both their business and residency.

A significant portion of respondents (20%) have put plans in motion during the past 12 months to move their residency outside Vermont. Nearly half (45%) of respondents have considered (but not seriously) moving, while 34% have not considered relocating. Several of those that would move their residence are in the professional/technical industry (27%). Many of those with plans in motion are small business owners with 1-10 employees (43%) or owners of larger businesses with 75+ employees (29%).

When asked if they would move their business headquarters out of state:

- **43% would not move their business.**
- **35% would move their business.** 73% of this group of Vermont business owners do business at the national and international level and a majority of this group (54%) are small businesses with less than 10 employees.
- **16% would move their business but all of their clients are in Vermont** so this prohibits them from doing so. A great majority are small business with less than 25 employees (75%).

“It’s telling that more than half (51%) of business owners surveyed would move their business out of Vermont if given the opportunity and means to do so,” said John Davis, managing partner. “Since this survey’s inception two years ago, the results have consistently demonstrated the frustration felt by Vermont businesses and the need for legislative reform.”

The primary concerns of Vermont's small- to medium-sized business owners continues to center around health insurance costs, tax law changes, and finding qualified employees. These concerns are consistent with answers to previous surveys with an emphasis on healthcare costs. As one frustrated small business owner summed it up, "Health insurance has been a failure...putting the burden on smaller companies. Our costs increased by over 40% for much poorer coverage – costing more for employees and the company."

In fact, when asked what business economic issue they want to see addressed by the state legislature, the majority of answers remained consistent in their frustration of healthcare costs and the need for tax reform.

Respondents were also consistent with the previous survey's results in their feelings about both the Vermont and U.S. economies, regardless if they did business exclusively within the state:

- 38% of businesses exclusive to Vermont believe the state's economy is declining; 19% feel it is improving and nearly half (43%) indicate there is no change.
- 38% of Vermont businesses doing business outside the state believe the state's economy is declining; 17% feel it is improving, and 33% see no change.

There is slightly more optimism within both groups when asked about the U.S. Economy:

- 52% of Vermont businesses doing business exclusively within the state, believe the U.S. economy is improving; while 15% believe it is declining.
- 57% of Vermont businesses, which also do business outside the state believe the U.S. economy is improving; while 17% believe it is declining.

The non-scientific survey, customized by Davis & Hodgdon to evaluate small- to medium-sized businesses, was completed by over 75 businesses located throughout the state, primarily in Chittenden (47%), but also in Washington (14%), Addison (7%), Rutland (5%), Windsor (5%) and Windham (5%) counties.

The industries surveyed included finance and insurance, retail, professional and technical, manufacturing, hotel and restaurant, health care and social assistance, educational services, construction, information, transportation and warehousing, wholesale trade, and agriculture, with the majority (60%) of these respondents reporting annual revenues of \$1M+ in fiscal year 2014.

For results of the most recent July 2015 survey go to:

<http://survey.constantcontact.com/survey/a07eb5io4idiay5ocht/results>

For results of the January 2015 survey go to:

<http://survey.constantcontact.com/survey/a07eadq3646i4mysxyh/results>

Davis & Hodgdon Associates CPAs is a full-service public accounting firm with locations in Williston and Rutland Vermont. The firm is a member of Vermont Businesses for Social Responsibility (VBSR), Vermont Business Environmental Partnership (VBEP), Lake Champlain Regional Chamber of Commerce (LCRCC),

and Women Business Owners Network (WBON). The firm serves its clients by providing progressive, proactive services through expert staff, high-end technology, and unparalleled efficiency.

###