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## FOR IMMEDIATE RELEASE

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### VERMONT SMALL BUSINESSES ECONOMIC OUTLOOK SURVEY RELEASED

*Attitudes about the U.S. and Vermont economies have become more neutral*

**WILLISTON, Vt., August 29, 2016** – Nearly 200 Vermont businesses completed the latest semi-annual economic survey in July regarding the outlook of Vermont’s small- to medium-sized businesses. The survey, presented by Davis and Hodgdon Associates CPAs and the Vermont Chamber of Commerce, revealed that while business owners do not see improvement in the Vermont and U.S. economies, they are less pessimistic than they were in January.

- 33% of businesses exclusive to Vermont believe the state’s economy is in decline (compared to 64% in January); 14% feel it is improving (compared to 8% previously) and 48% indicate there is no change (compared to 23% previously).
- 32% of businesses doing business outside the state believe the state’s economy is declining (compared to 51% previously); 18% feel it is improving (18% previously); and 47% see no change (23% previously).

Similarly, when asked to describe the current state of the U.S. economy, respondents in both groups appeared more positive than they did in January. Virtually the same percentage of businesses feel it is improving (35% in July, 34% in January), however only 21% believe it is declining (versus 30% in January), and 41% see no change at all (versus 30% in January).

What continues to be noteworthy within survey results is that even though 32% of respondents feel that the state’s economy is declining, 59% expect sales to increase (similar to the 54% who expected growth back in January). With that said, only 34% intend to increase hiring, and 39% intend to increase capital spending.

Respondents identified the top three key issues facing their business as health insurance costs (61%), Federal and State tax laws (50%), and finding qualified employees (50%). These are the same key issues that business owners have identified in the previous three semi-annual surveys.

Along those lines, when respondents were asked to identify one business economic issue they want to see addressed by the state legislature, a great majority of respondents continued to show frustration over increased taxes and regulations on their businesses.

“From this survey, it’s clear businesses are feeling the cumulative impact of increased taxes and mandates over the last several years and need to absorb these changes before adding more. This is consistent with voters putting the economy as their top issue in this election year,” said, Betsy Bishop, President of the Vermont Chamber of Commerce.

Business owners were once again asked if they had considered moving their residence outside of Vermont. Survey results revealed that more than half (55%) of respondents have considered or have put plans in motion to leave Vermont. As one respondent noted, “We are currently considering out of state real estate purchases for our next move within the next 2-4 years. My overall tax burden will be reduced by more than 61% by leaving Vermont. That alone is the difference between a strong future plan and a risky future in Vermont.”

Finally, respondents were asked to describe their mindset about doing business in Vermont and exactly half of those surveyed relayed that while doing business in Vermont has it’s challenges, they are committed to staying because their customers/clients/products/supply chain/environment are here.

“Since launching the semi-annual surveys in January 2012, I’ve noticed that the tone has been consistent among Vermont’s business owners. They are frustrated with the tax laws and business regulations and they want legislators to facilitate change. Many of the quotes captured in this recent survey express genuine concern for the future of the state’s economy and there’s clearly a strong desire to be heard,” said John Davis, managing partner of Davis & Hodgdon Associates.

### **About the Survey**

The non-scientific survey, customized by Davis & Hodgdon to evaluate small- to medium-sized businesses, was completed by 189 businesses located throughout the state. Full results below:

July 2016 survey results: <http://survey.constantcontact.com/survey/a07eceta4i3iluztax4/results>

January 2016 survey results: <http://survey.constantcontact.com/survey/a07ec2mlmj2ij1i5oo0/results>

### **About Davis & Hodgdon**

Davis & Hodgdon Associates CPAs is a full-service public accounting firm with locations in Williston and Rutland Vermont. The firm is a member of several diverse regional and statewide business organizations and serves its clients by providing progressive, proactive services through expert staff, high-end technology, and unparalleled efficiency.

### **About the Vermont Chamber of Commerce**

The Vermont Chamber of Commerce is the largest statewide, private, not-for-profit business organization. The Chamber represents every sector of the state’s business community. Its mission is to create an economic climate conducive to business growth and the preservation of the Vermont quality of life.

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