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**WILLISTON/RUTLAND CPA FIRM REVEALS ECONOMIC OUTLOOK
OF VERMONT BUSINESSES SURVEY RESULTS**

- *Confidence in U.S. and Vermont economies plummets*
- *Majority of Vermont business owners surveyed continue to ponder relocation*
- *Finding qualified employees, taxes, health care remain key issues for business owners*

WILLISTON, Vt., February 15, 2016 – Davis and Hodgdon Associates CPAs conducted its semi-annual economic survey in January regarding the outlook of Vermont’s small-to medium-sized businesses, which revealed that respondents have much less confidence in both the Vermont and U.S. economies than they did just six months ago, regardless of their scope of marketplace.

Overall more than half of respondents (54%) believe that the Vermont economy is declining as opposed to 37% previously just six months ago.

- 64% of businesses exclusive to Vermont believe the state’s economy is in decline (compared to 38% in the previous survey); 8% feel it is improving (compared to 19% previously) and 24% indicate there is no change.
- 51% of Vermont businesses doing business outside the state believe the state’s economy is declining (compared to 38% previously); 18% feel it is improving (17% previously), and 23% see no change.

While there is slightly more optimism within both groups when asked about the U.S. Economy, there is still significantly less confidence than that which was present in the July 2015 survey:

- 24% of Vermont businesses doing business exclusively within the state, believe the U.S. economy is improving (compared to 52% in July); while 36% believe it is declining (compared to only 15% in July).
- 38% of Vermont businesses, which also do business outside the state believe the U.S. economy is improving (compared to 57% in July); while 27% believe it is declining (compared to 17% in July).

What continues to be noteworthy within survey results is that even though 54% of respondents feel the economy is declining, the same percentage feel their sales will increase in 2016 (versus 65% expecting growth back in July). With that said, only 38% intend to increase hiring.

Vermont’s small- to medium-sized business owners’ feelings were consistent with the previous survey in that they identified the top three key issues facing their business as tax laws (Federal and Vermont) (57%), health insurance costs (53%), and finding qualified employees (46%).

In fact, when asked what one business economic issue they want to see addressed by the state legislature, a majority of respondents continued to voice concern over healthcare costs and the tax burden. Many comments also reflected a sense of frustration over the need for tax reform in order to attract and retain businesses and workers.

Business owners were once again asked about their consideration of relocation outside of Vermont of both their business and residency. Survey results revealed that more than half (61%) of the nearly 100 small- to medium-sized business owners responding have considered or have put plans in motion to leave Vermont.

Answers were consistent with the previous survey as 20% of respondents indicated that they have put plans in motion during the past 12 months to move their residency outside Vermont. 40% of respondents have considered (but not seriously) moving, while 35% have not considered relocating.

As one respondent noted: "I plan to retire at the end of the year and change my residence soon after. I'm a lifelong Vermonter and I hate to do this, but the politics in this state, especially concerning businesses and taxation are forcing me to."

"It's interesting because despite their obvious frustration with the state's business climate, a large percentage (40%) of business owners would not move their business even if they logistically were able to," said John Davis, managing partner. "There seems to be a strong desire to remain in Vermont and retain our enviable quality of life, strong education system, commitment to the natural environment. However, their exasperated comments reflect ongoing frustration with the legislature's lack of effort to make Vermont a more affordable place to live and do business. There is a clear intention among many to leave the state upon selling their business and/or retiring."

The non-scientific survey, customized by Davis & Hodgdon to evaluate small- to medium-sized businesses, was completed by nearly 100 businesses located throughout the state. For more information regarding demographic breakdown please refer to the survey results link below.

For results of the most recent January 2016 survey go to:
<http://survey.constantcontact.com/survey/a07ec2mlmj2ij1i5oo0/results>

For results of the July 2015 survey go to:
<http://survey.constantcontact.com/survey/a07eb5io4idiay5ocht/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 Green Business, Lake Champlain Regional Chamber of Commerce (LCRCC), Rutland Regional Chamber of Commerce, 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.

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