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VERMONT SMALL BUSINESSES ECONOMIC OUTLOOK SURVEY RELEASED

Confidence in the U.S. and Vermont economies climbs

WILLISTON, Vt., February 20, 2017 – Over 100 Vermont businesses completed the latest semi-annual economic survey in January 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 opinions about the Vermont and U.S. economies are moving in a positive direction, there is still a great desire to see improvement in the state’s business climate and tax laws.

- 18% of businesses exclusive to Vermont believe the state’s economy is in decline (compared to 33% in July); 18% feel it is improving (compared to 14% previously) and 61% indicate there is no change (compared to 48% previously).
- 24% of businesses doing business outside the state believe the state’s economy is declining (compared to 32% previously); 19% feel it is improving (18% previously); and 46% see no change (47% previously).

When asked to describe the current state of the U.S. economy, respondents in both groups appeared more positive than they did in July. 49% feel it is improving (35% in July), only 12% believe it is declining (versus 21% in July), and 31% see no change at all (versus 41% in July).

Respondents’ expectations for business growth is similar to those from the July survey. 56% expect sales to increase (similar to the 59% who expected growth back in July), 42% intend to increase capital spending (compared to 39% previously), and 40% look to increase the size of their staff (versus 36% in July).

Respondents identified the top three key issues facing their business as taxes (Federal and State tax laws: 50% and Property tax: 33%), health insurance costs (60%), and finding qualified employees (49%). These are the same key issues that business owners have identified in the previous four semi-annual surveys, however it is noteworthy that they are much more concerned about Vermont tax laws (34%) and Property tax (33%) than with Federal tax laws (20%).

Similarly, when asked to identify one business economic issue they want to see addressed by the state legislature this year, most respondents expressed continued concern with high taxes, too much (over) regulation, and an overall lack of economic development efforts.

As noted by one respondent, “Vermont is the most difficult operating environment (cost of doing business) of the five states we operate factories in (MA, MD, AZ, ID).”

“The results indicate that Vermont needs greater focus on economic development strategies while paying close attention to costly taxes, fees and regulations that curtail further investment,” 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 half (50%) of respondents (comparable to the 54% in July) have considered or have put plans in motion to leave Vermont.

Finally, business owners were asked to describe their mindset about doing business in Vermont and 67% of those surveyed relayed that while doing business in Vermont has its challenges, they are committed to staying because their customers/clients/products/supply chain/environment are here. This is a considerable improvement since July, when only 50% of respondents expressed this same commitment.

“These results are very much in line with those from the Vermont Business Roundtable (VBR) – Economic & Policy Resources (EPR) quarterly *Business Conditions Survey which was also done in January,” said John Davis, managing partner of Davis & Hodgdon Associates. “In their survey of the state’s larger businesses, slightly less than half of responses to the question about the state’s overall business climate outlook were positive (46%). The remaining responses were split between neutral (32%) and negative (22%). Just over half of respondents (51%) shared negative outlooks specifically with ease of hiring for available positions, compared to 60% in the previous survey.”

About the Survey

The non-scientific survey, customized by Davis & Hodgdon to evaluate small- to medium-sized businesses, was completed by 102 businesses located throughout the state. Full results below:

January 2017 survey results: <http://survey.constantcontact.com/survey/a07edkwpr3aiwmfsa3c/results>

July 2016 survey results: <http://survey.constantcontact.com/survey/a07eceta4j3iluztax4/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 Vermont Chamber mission is to create an economic climate conducive to business growth and the preservation of the Vermont quality of life.

*VBR-EPR Business Conditions Survey Results: <http://vtroundtable.org/1qtr-business-conditions-survey-shows-growing-positivity-1-31-17/>

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