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## FOR IMMEDIATE RELEASE

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### **VERMONT SMALL BUSINESSES ECONOMIC OUTLOOK SURVEY RELEASED**

*Finding qualified employees, taxes and health insurance costs remain key issues for business owners*

**WILLISTON, Vt., August 27, 2018** – Over 140 Vermont businesses from diverse industries completed the latest semi-annual economic survey in July regarding the outlook of Vermont’s small- to medium-sized businesses. 67% of those business owners who responded have fewer than 25 employees. The survey, presented by Davis and Hodgdon Associates CPAs and the Vermont Chamber of Commerce, revealed that while business owners’ attitudes about the Vermont economy have become more neutral, there is less optimism in the U.S. economy than there was just six months ago.

- 26% of businesses exclusive to Vermont believe the state’s economy is improving (compared to 27% previously); 19% feel it is in decline (compared to 27% in January) and 42% indicate there is no change (compared to 44% previously).
- For businesses with out-of-state interests, 34% believe the state’s economy is improving (25% previously); 15% of businesses believe the state’s economy is in decline (compared to 33% previously) and 32% see no change (46% previously).

Responses to the question of the Vermont economy were similar for all counties throughout the state, including Chittenden county businesses.

- 27% of Chittenden county businesses describe Vermont’s economy as improving. 32% of respondents in all other Vermont county businesses shared this level of optimism.
- 12% of Chittenden county businesses and 19% of all other counties see Vermont’s economy in decline. In January, 32% of those in Chittenden County and 34% of all other counties perceived the Vermont’s economy to be in decline.
- 52% of Chittenden county businesses believe that there has been no change in the economy versus 39% of all other county businesses.

When asked to describe the current state of the U.S. economy, 50% feel it is improving (65% in January), 18% believe it is declining (versus 10% in January), and 23% see no change at all (versus 19% in January).

While expectations for business growth have not changed significantly since January, there are fewer businesses that expect to hire additional staff in the next six months. 38% look to increase the size of their staff (versus 46% in January). 62% expect sales to increase (68% in January) and 40% intend to increase capital spending (compared to 39% previously).

Once again, respondents identified the top three key issues facing their business as finding qualified employees (59%), health insurance costs (56%), and taxes (Federal and State tax laws: 59% and Property tax: 29%). While these are the same key issues that business owners have identified in the previous seven semi-annual surveys, it's worth noting that they are much more concerned about Property tax (education funding) (29%) and Vermont tax laws (46%) than with Federal tax laws (14%).

Business owners were asked to identify one business economic issue they want to see addressed by the state legislature this year. Respondents continued frustration with high taxes and over regulation underscore the need for reform. As one respondent noted, "The permitting process/fees/taxes are making it next to impossible to develop a building. Taxes are passed onto the tenant and we have at least 10 companies in the last year leave to state to go to states that have lower taxes and less regulation." There is a strong desire to see change – lower costs for doing business in Vermont, as well as a lower cost of living to retain and attract the talent needed for business growth.

"Struggles with finding qualified employees, frustration with over regulation and excessive taxes continue to hinder growth and optimism for many of Vermont small businesses," said John Davis, managing partner of Davis & Hodgdon Associates. "With that said, it's encouraging to note that the majority of respondents remain committed to staying in Vermont despite all of those challenges."

### **About the Survey**

The non-scientific survey, customized by Davis & Hodgdon to evaluate small- to medium-sized businesses, was completed by 141 businesses located throughout the state. Full results below:

July 2018 survey results: <http://survey.constantcontact.com/survey/a07efg9mowrji1sv8y6/results>

January 2018 survey results: <http://survey.constantcontact.com/survey/a07eewxzo4pjawss057/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.

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