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### **WILLISTON CPA FIRM SHOWS 2015 ECONOMIC OUTLOOK RESULTS OF VERMONT BUSINESSES**

- *Confidence in U.S. economy climbs, while confidence in VT economy drops*
- *VT businesses doing business outside of VT more optimistic than those exclusive to VT*
- *Finding qualified employees, taxes, health care remain as key issues for 2015*

**WILLISTON, Vt., March 16, 2015** –Davis and Hodgdon Associates CPAs conducted its semi-annual economic survey in January regarding the outlook of Vermont-based businesses.

Business owners are primarily concerned about what they will face in 2015 which include health insurance costs, tax law changes, and finding qualified employees. These concerns are consistent with last year's answers to the survey. Across the board, business owners are reporting that high taxes and rising costs of health care are making it difficult to stay competitive with neighboring states.

"Frustrated business owners see the correlation between increased taxes on individuals and the lack of qualified employees", said John Davis, managing partner of the firm. "The existing tax structure in the state of Vermont makes it difficult for employees to stay put in the state and just as challenging for qualified employees to relocate to our state. Interestingly, it also appears that those businesses headquartered in Vermont, but also doing business outside the state are more optimistic about the Vermont economy than those who are exclusively doing business in Vermont."

- 52% of businesses exclusive to VT believe the state's economy is declining; 17% feel it is improving.
- Only 25% of VT businesses doing business outside the state believe the state's economy is declining; 24% feel it is improving.

There was a marginal difference between the two groups in their feelings for the US economy:

- 57% of Vermont businesses doing business exclusively within the state, believe the US economy is improving; while 17% believe it is declining.
- 64% of VT businesses that also do business outside the state believe the US economy is improving; while only 7% believe it is declining.

One survey respondent noted, "Spending and taxes are out of control... This prompted us to relocate to Iowa at the end of 2014. Vermont probably won't notice the loss of our \$500,000 of revenues, but put together with others it will add up. It strikes us that Vermont wants to have a subsistence economy that depends upon tourists, services, and starving artists."

Additional responses reflect a more optimistic attitude among business owners in regards to the growth of their business. A full 66% expect an increase in company sales over the next six months compared to 57% in July 2014 and 56% in January 2014.

When asked what business economic issue they want to see addressed by the state legislature this year, the majority of respondents were unanimous in saying they want health care cost and other taxing of businesses to be reevaluated. As one respondent summed it up: "legislators need to do anything to make Vermont a more business friendly environment for employers; without them we have no employees."

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, primarily in Chittenden (59%), but also in Addison (7%), Washington (7%) and Windham (6%) 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 (54%) of these respondents reporting annual revenues of \$1M+ in fiscal year 2014.

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

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

For results of the July 2013 survey go to:

<http://survey.constantcontact.com/survey/a07e7uhtd3lhj7biz32/results>

For results of the January 2014 survey go to:

<http://www.dh-cpa.com/assets/files/pdf/JANUARY2014.pdf>

For results of the July 2014 survey go to:

<http://survey.constantcontact.com/survey/a07e96u192bhu1dnpc8/results>

Davis & Hodgdon Associates CPAs is a full-service public accounting firm and members of the 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.

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