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VERMONT SMALL BUSINESSES ECONOMIC OUTLOOK SURVEY RELEASED

Results indicate increased level of optimism in the U.S. and Vermont economies.

WILLISTON, Vt., August 14, 2017 – Nearly 150 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 business owners inside and outside of Chittenden county share a slightly increased level of optimism about the state’s economy. There is also a continued desire to see improvement in Vermont’s business climate and tax laws.

- 34% of businesses exclusive to Vermont believe the state’s economy is improving (compared to 18% previously); 14% feel it is in decline (compared to 18% in January) and 37% indicate there is no change (compared to 61% previously).
- For businesses with out-of-state interests, the responses were nearly identical to those in January. 19% of businesses believe the state’s economy is improving (19% previously); 21% of businesses believe the state’s economy is in decline (compared to 24% previously) and 46% see no change (46% previously).

Interestingly, responses to the question of the Vermont economy were similar for Chittenden county businesses and all other counties.

- 20% of Chittenden county businesses describe Vermont’s economy as improving. 24% of respondents in all other Vermont county businesses shared this level of optimism.
- 17% of Chittenden county businesses and 19% of all other counties see Vermont’s economy in decline.
- 51 % of Chittenden county businesses believe that there has been no change in the economy versus 42% of all other county businesses.

When asked to describe the current state of the U.S. economy, 42% feel it is improving (49% in January), 18% believe it is declining (versus 12% in January), and 32% see no change at all (versus 31% in January).

Respondents' expectations for business growth is similar to those from the January survey. 59% expect sales to increase (similar to the 56% who expected growth back in January), 46% intend to increase capital spending (compared to 42% previously), and 38% look to increase the size of their staff (versus 40% in January).

Respondents identified the top three key issues facing their business as health insurance costs (63%), taxes (Federal and State tax laws: 47% and Property tax: 19%), and finding qualified employees (57%). These are the same key issues that business owners have identified in the previous five semi-annual surveys, however it is noteworthy that they are more concerned about Vermont tax laws (31%) than with Federal tax laws (16%).

When asked to identify one business economic issue they want to see addressed by the state legislature this year, business owners voiced concerns over the high cost of healthcare, lack of state economic development initiatives, and continued concerns with high taxes and the high cost of doing business in Vermont.

"The results indicate that Vermont businesses are optimistic about the near future, but also want a greater focus on economic development strategies," said, Betsy Bishop, President of the Vermont Chamber of Commerce.

"Somewhat surprisingly, it's the same key issues for all Vermont businesses regardless of size and location," said John Davis, managing partner of Davis & Hodgdon Associates. "We often hear about 'two Vermonts', however the survey responses reflect a very similar outlook regarding the state's economy across all represented counties."

About the Survey

The non-scientific survey, customized by Davis & Hodgdon to evaluate small- to medium-sized businesses, was completed by 149 businesses located throughout the state. Full results below:

July 2017 survey results: <http://survey.constantcontact.com/survey/a07ee6a5mrhj2q77j0i/results>

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