



# Florida Small Business Index

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2016 Quarter 3 Survey Results

Presented by the Florida Chamber of Commerce Small Business Council

September 2016

## **About the Florida Chamber's Small Business Council**

Florida's small businesses are essential to the continuing recovery of the Florida economy. The Florida Chamber's Small Business Council works directly with state and national leaders to pass important legislation such as reducing the business rent tax and reducing the cost of healthcare.

The Florida Chamber's Small Business Council provides a unified voice for all small businesses in our mission to secure Florida's future. Participants meet with legislators, contact media, and testify before both Florida's House and Senate on issues important to small businesses.

## **Survey Overview**

Many in Florida's small business community are experiencing both challenges and successes as our economy grows. As we work to secure Florida's future, it is crucial that the Florida Chamber of Commerce understand what issues are most important to small businesses.

The purpose of the Small Business Index Survey is to track trends and issues affecting small businesses in Florida. Small business owners are surveyed in order to monitor small business trends and identify emerging issues that may be addressed by the Florida Chamber's Small Business Council. The Council's previous surveys were performed in May 2010, September 2010, February 2011, July 2011, March 2012, June 2012, September 2012, December 2012, April 2013, July 2013, September 2013, January 2014, May 2014 and August/September 2014, May 2015, September 2015, December 2015/January 2016, March 2016, and June 2016.

This survey is a nonscientific, random sampling of small business owners in Florida. It was conducted August 29 through September 19, 2016, and received 75 responses. The electronic survey was e-mailed to small businesses in Florida; and distributed by local chambers of commerce throughout the state; and posted on social media including Facebook and Twitter.

Of those responding:

- 30% of respondents employ less than 5 employees;
- 48% employ 5 to 49 employees;
- 5% employ 50 to 99 employees; and
- 17% employ 100 to 500 employees.

Additionally:

- 72% of respondents employ less than 5 part-time employees;
- 26% employ 5 to 49 part-time employees;
- 0% employ 50 to 99 part-time employees; and
- 2% employ 100 or more part-time employees.

## **Survey Analysis**

The Florida Chamber Foundation's third quarter survey of 2016 shows that Florida's small businesses continue to be substantially concerned about government regulations. In fact, 23 percent of this survey's respondents indicated "Government Regulations" was their top issue. This issue was also the top concern in the previous survey. As recently as two quarters ago, "Government Regulations" was fourth, with only 10 percent of respondents placing it as their top issue. It is likely that the effect of May's release of the Federal Overtime Rules change and other recent regulations are responsible for much of the substantial increase in ranking of this category over the past two surveys.

"Economic Uncertainty" was in second place in the survey, with 14 percent of respondents indicating that as their top issue. "Workforce Quality", was third place on the list, with 11 percent of respondents citing it as their top issue. Tied for fourth on this quarter's survey are "Healthcare Costs", "Growth Management Process" and "Access to Capital" each cited by 9 percent of respondents indicating that it was their top issue.

The top six issues - "Government Regulations", "Economic Uncertainty", "Workforce Quality", "Healthcare Costs", "Growth Management Process" and "Access to Capital" - cover the top concerns of 75 percent of small businesses taking the survey during the 3rd quarter of 2016.

According to respondents, business demand appears to be steady after softening earlier in 2016, with 48 percent indicating sales were up over the same period last year, compared to 47 percent during the past survey.

An indicator of the future path of Florida's economy is the percentage of respondents that expect the economy to weaken over the next year – 32 percent, versus only 27 percent during the past survey and 21 percent a year ago.

### **Small Business Employment Outlook:**

- 36 percent of respondents expect to hire in the next six months – that includes those that plan to hire either a few (30%) or many (6%)
- 67 percent of respondents indicated that "Economic Uncertainty", "Lack of Sales", and "Too Much Regulation" were obstacles to hiring new employees.
- 8 percent of respondents expect to "lay off a few" employees in the next six months, which is up from zero percent in the last survey, and 2 percent one year ago.

An indicator of further small business expansion in Florida, 47 percent of businesses plan to make investments in plants or equipment, down slightly from 49 percent in the previous survey.

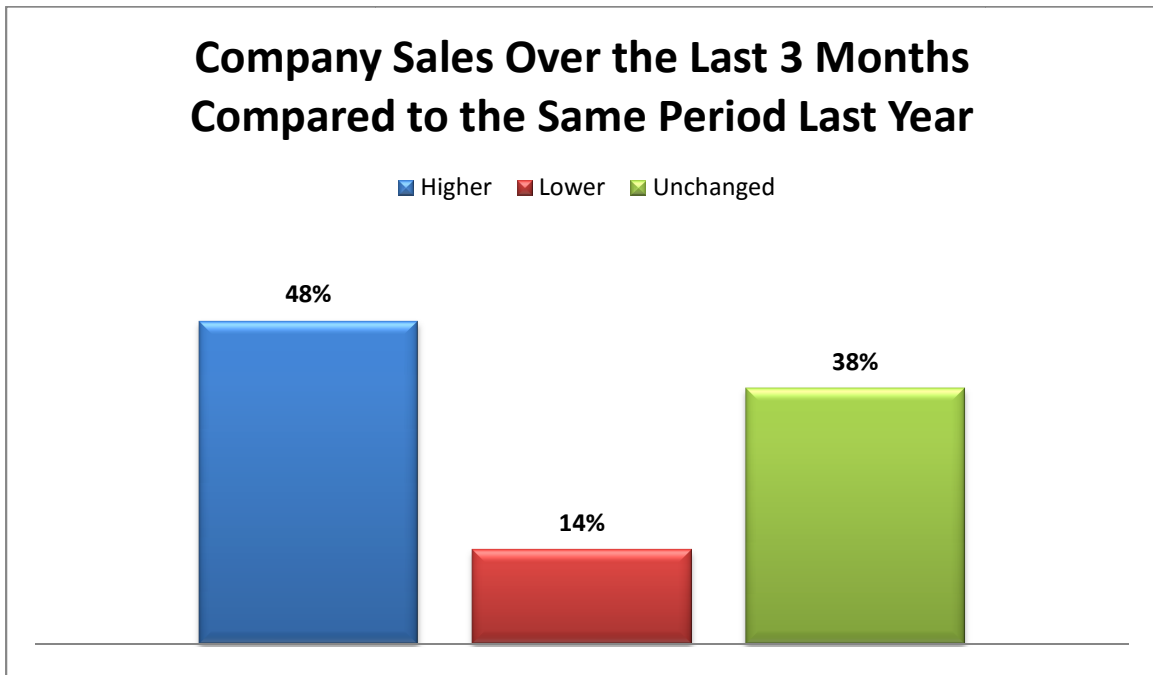
## **Survey Results**

### **Comparisons**

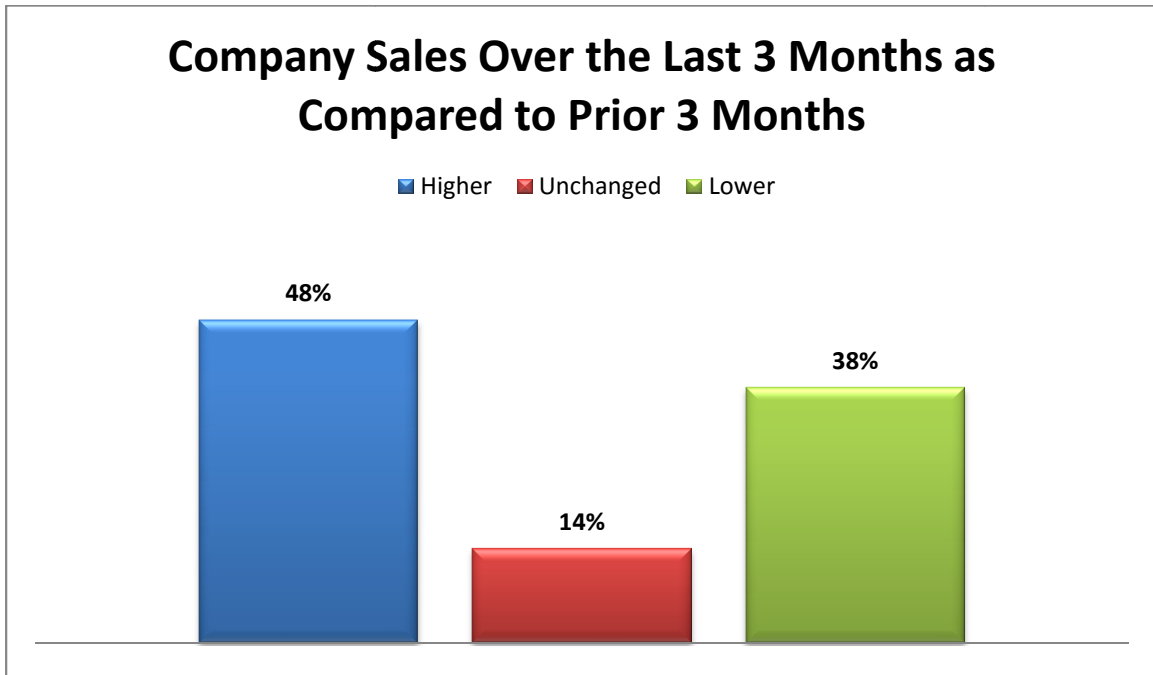
#### **Q1: Top issues facing Florida small businesses today:**

1. Government Regulations – 23%
2. Economic Uncertainty – 14%
3. Workforce Quality – 11%
4. Healthcare Costs – 9%
5. Growth Management Process – 9%
6. Access to Capital – 9%

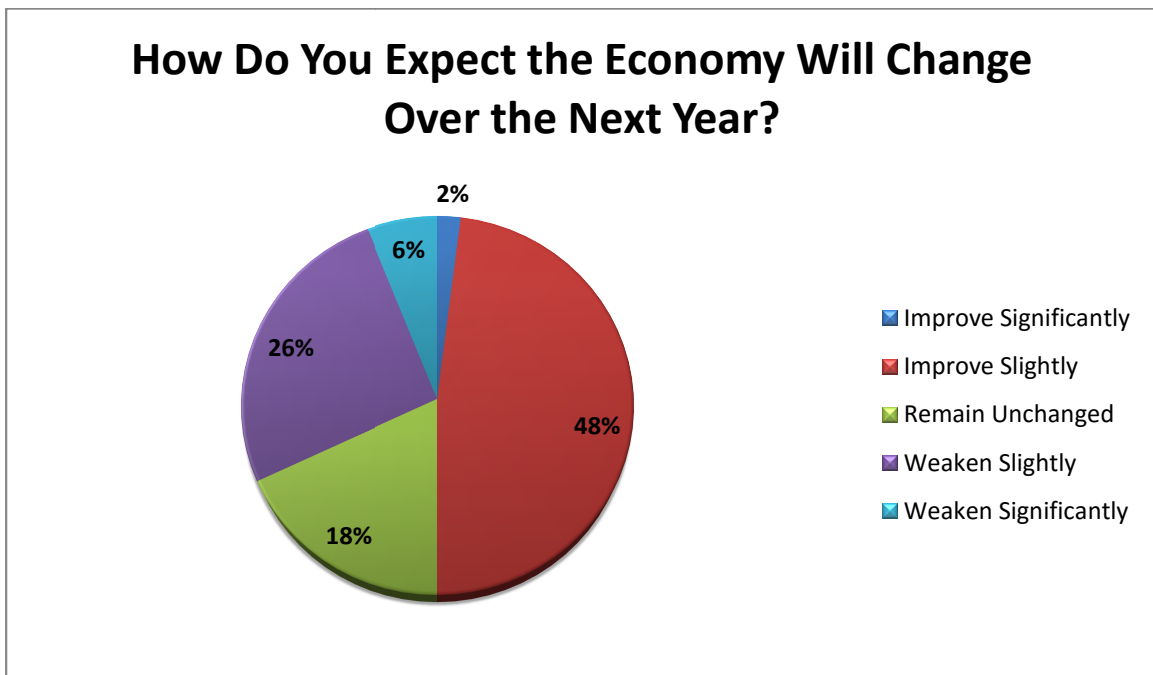
#### **Q4:**



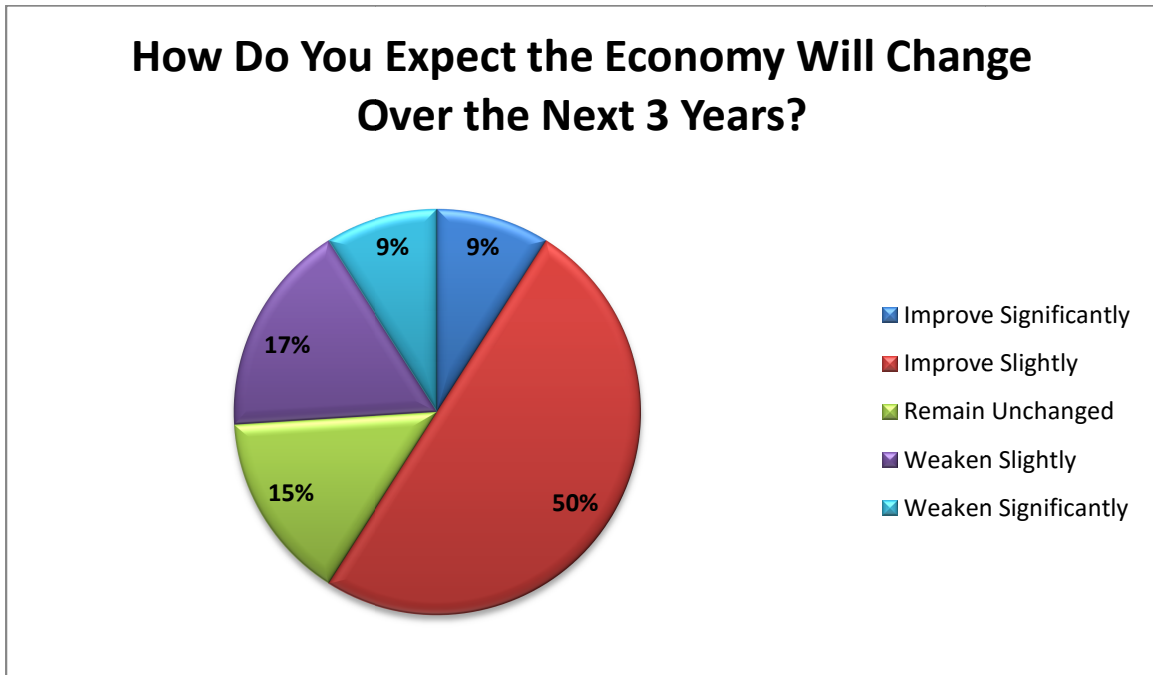
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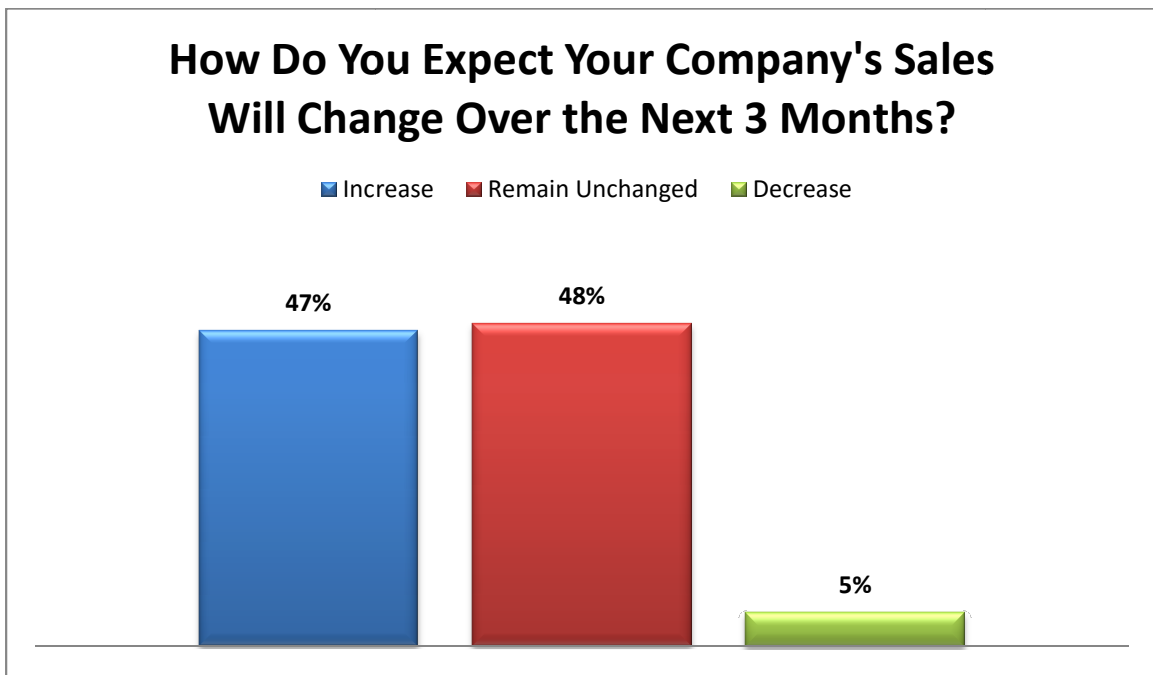
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Q7:



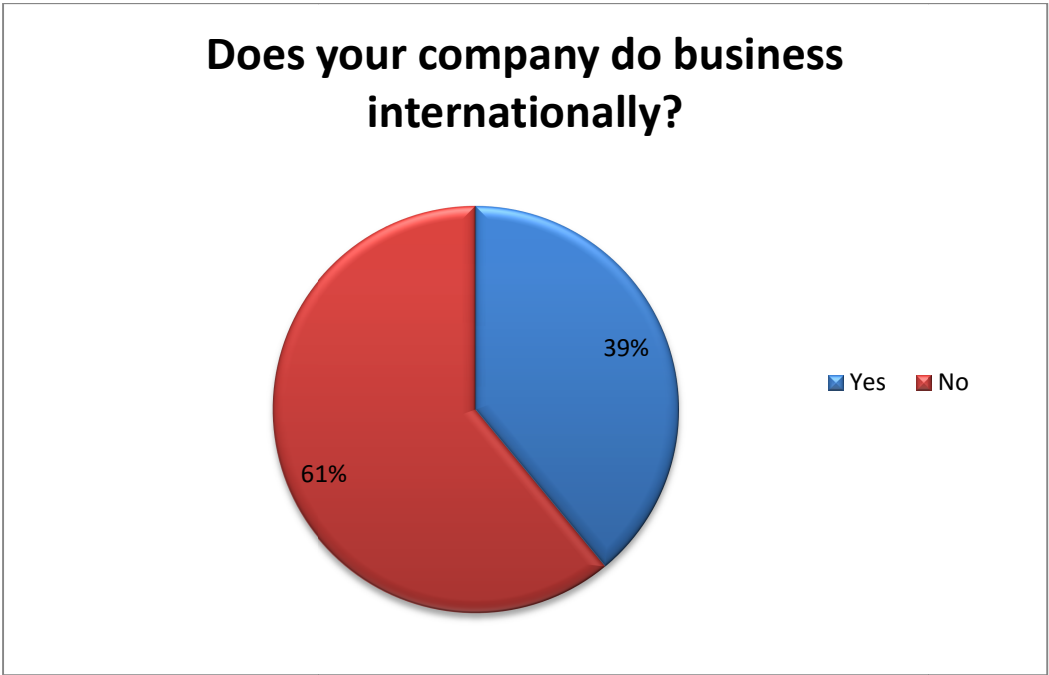
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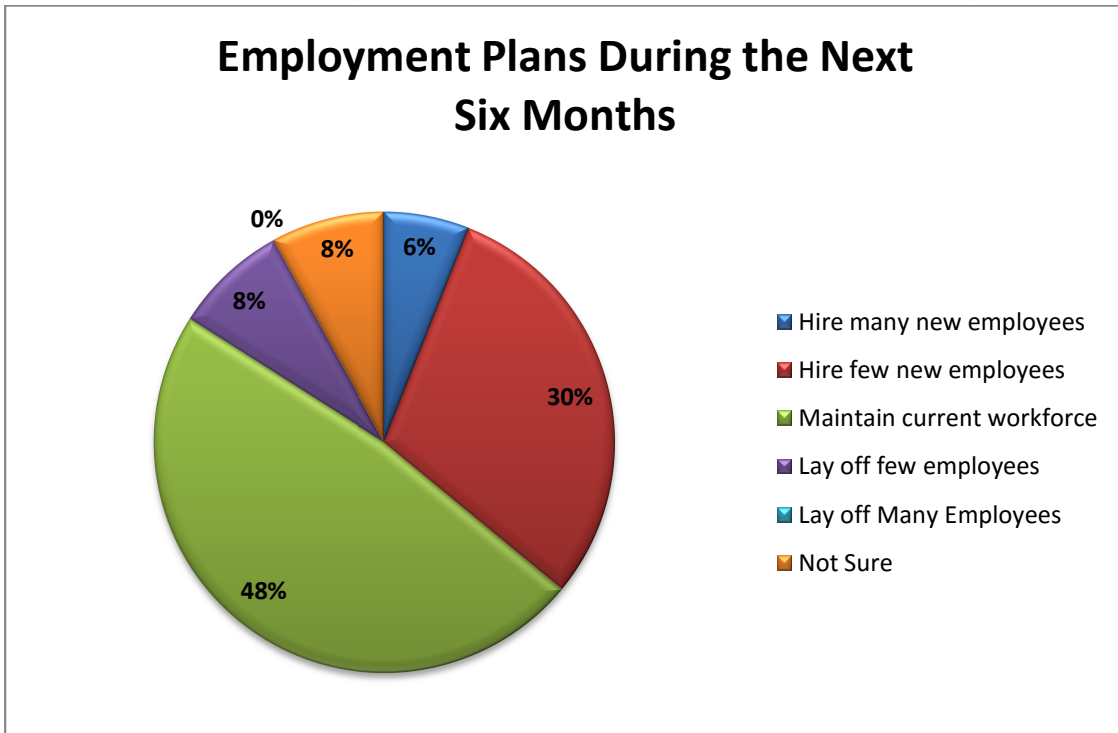
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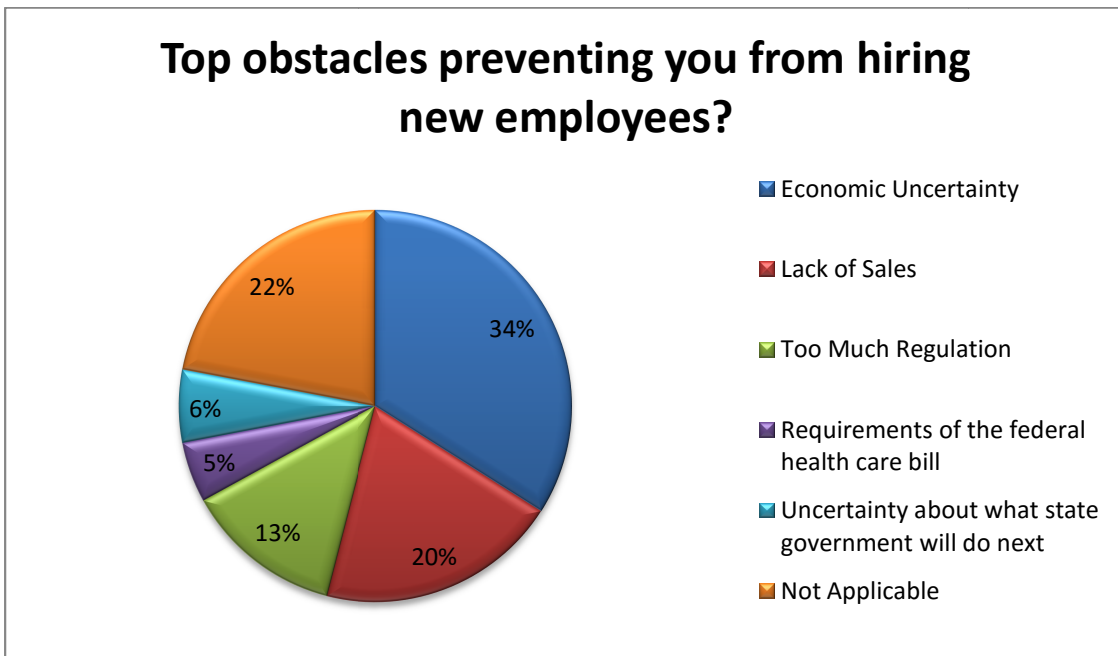
Q10:



Q12:

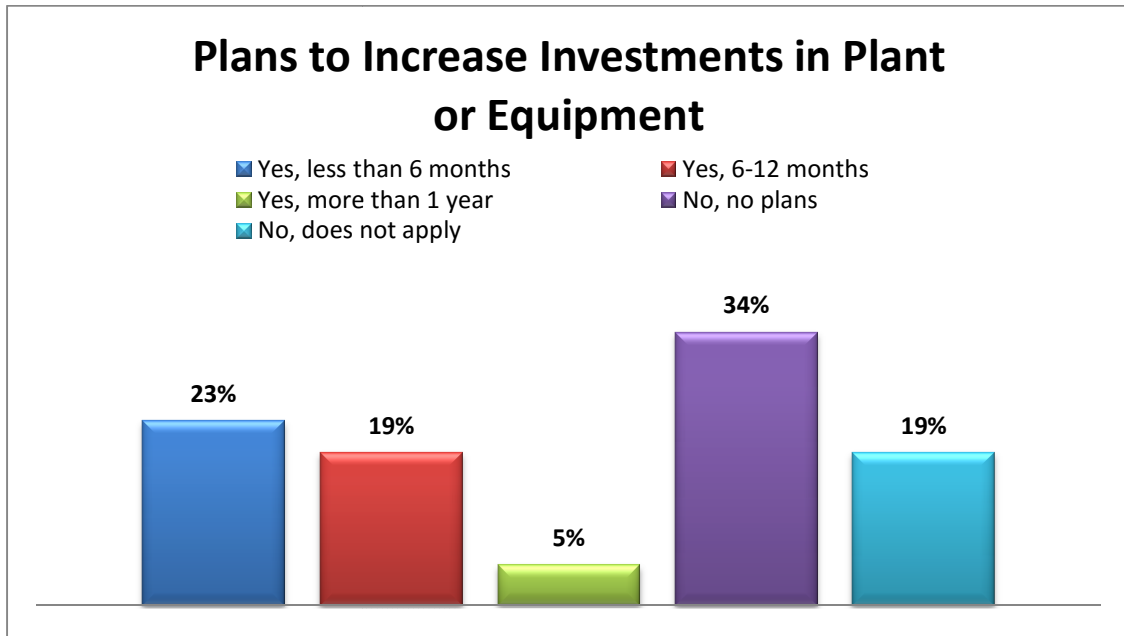


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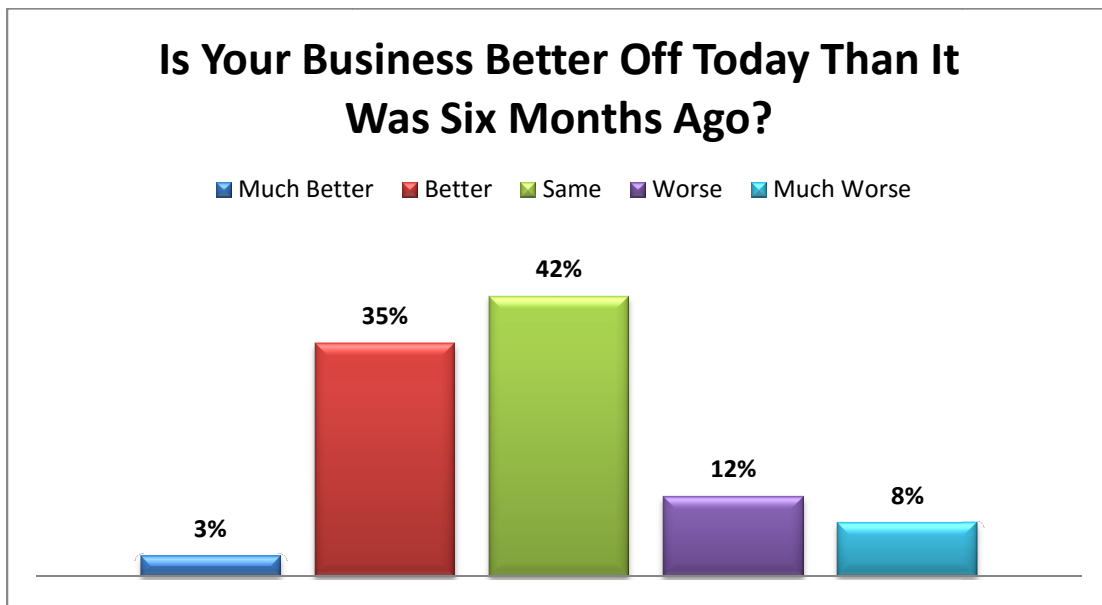




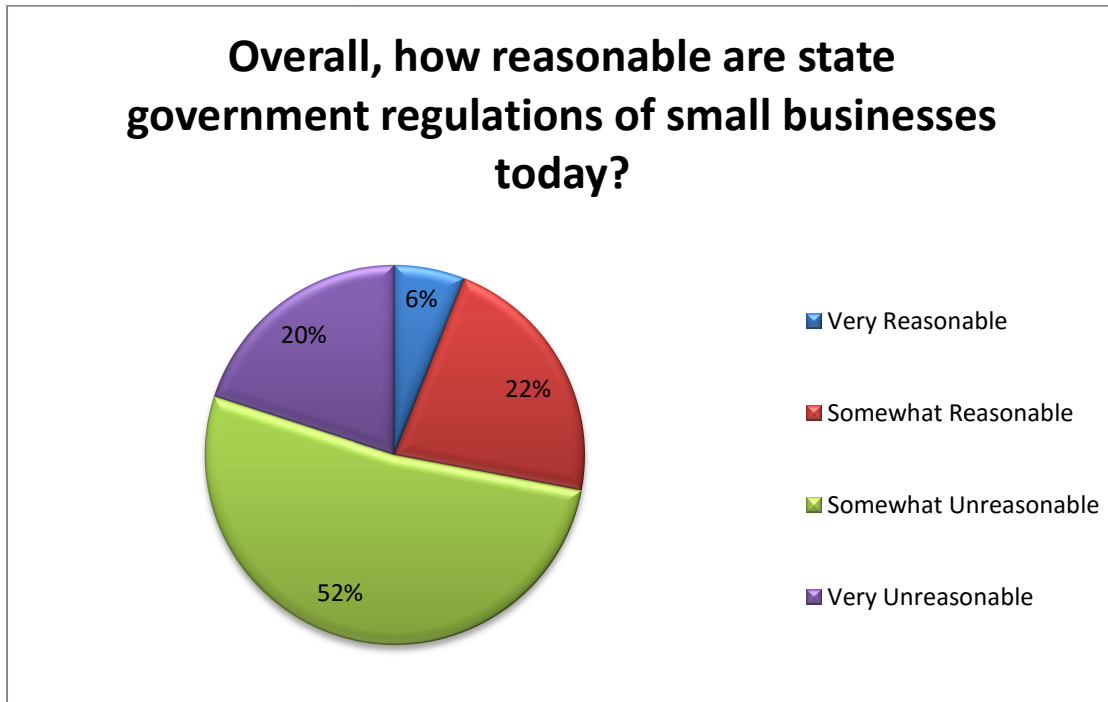
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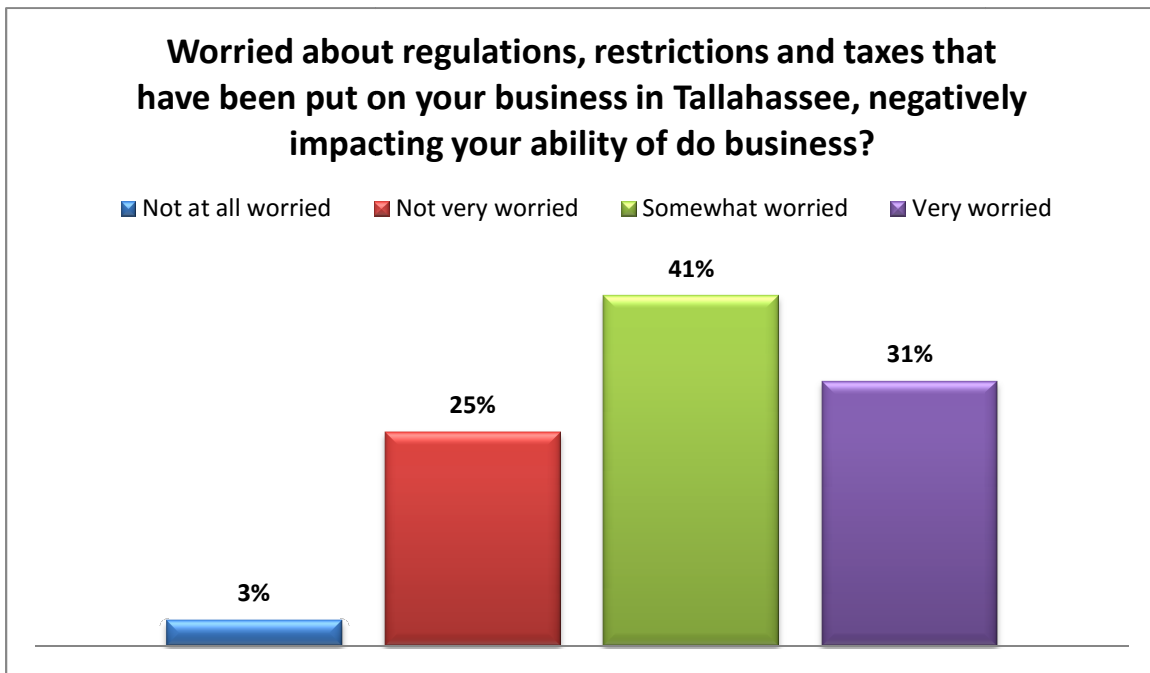
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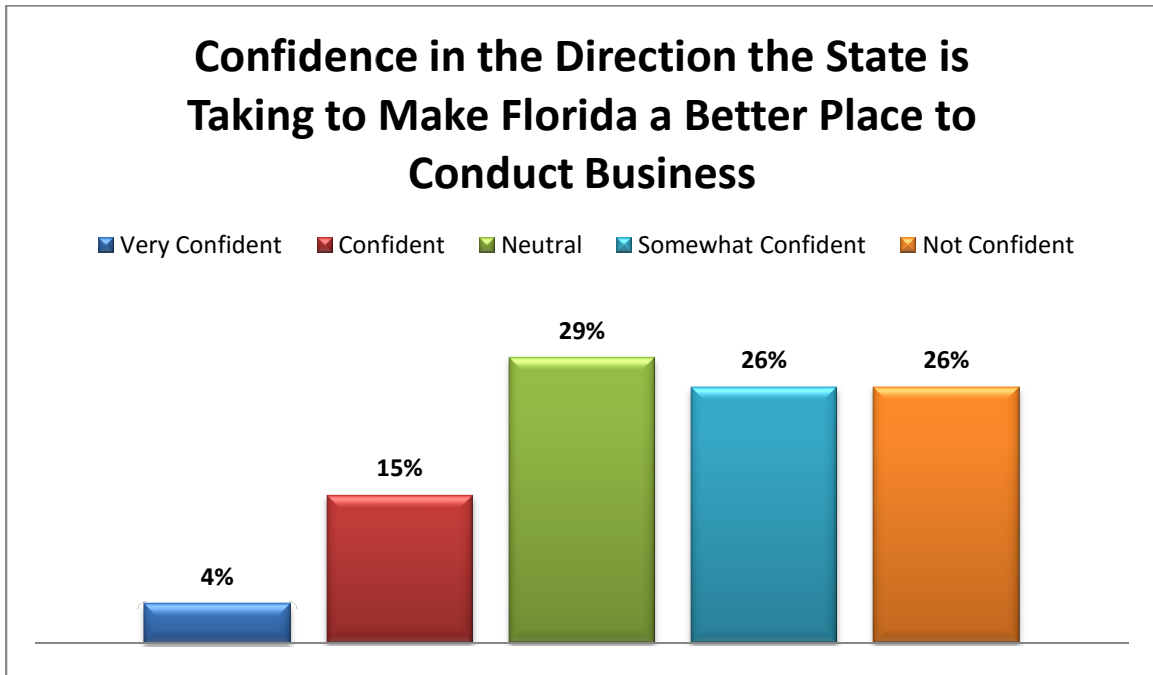
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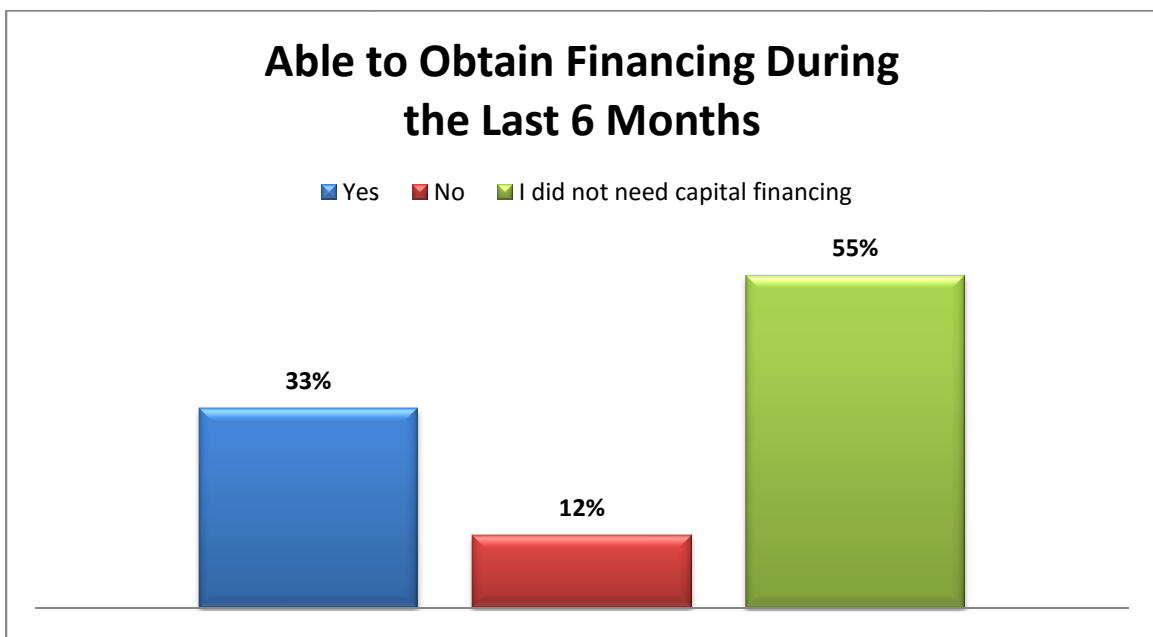
Q17:



Q19:



Q21:



Q22:

