



Florida Small Business Index

2016 Quarter 4 Survey Results

Presented by the Florida Chamber of Commerce Small Business Council

January 2017

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 understands 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, June 2016, and August/September 2016.

This survey is a nonscientific, random sampling of small business owners in Florida. It was conducted December 1 through December 23, 2016, and received 106 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:

- 24% of respondents employ less than 5 employees;
- 51% employ 5 to 49 employees;
- 9% employ 50 to 99 employees; and
- 16% employ 100 to 500 employees.

Additionally:

- 77% of respondents employ less than 5 part-time employees;
- 19% employ 5 to 49 part-time employees;
- 0% employ 50 to 99 part-time employees; and
- 4% employ 100 or more part-time employees.

Survey Analysis

The Florida Chamber Foundation's fourth quarter survey of 2016 shows that Florida's small businesses continue to be substantially concerned about government regulations and increasingly concerned about workforce quality. In fact, 18 percent of this survey's respondents indicated these two were their top issue, causing a tie for first place as a top Florida small business concern. "Government Regulations" has been a top concern since the introduction of new Federal Overtime Rules in May 2016. Preceding the May overtime rules change, "Government Regulations" was fourth, with only 10 percent of respondents placing it as their top issue.

"Access to Capital" was in next place in this survey, with 13 percent of respondents indicating that as their top issue, up from the 9 percent who indicated the same during the third quarter survey. "Healthcare Costs", followed with the next place on the list, with 10 percent of respondents citing it as their top issue. "Economic Uncertainty" followed closely behind as the top issue for 9 percent of survey respondents, and "Lawsuit Abuse" was also claimed by 9 percent of respondents.

The top six issues - "Government Regulations", "Workforce Quality", "Healthcare Costs", "Access to Capital", "Healthcare Costs", "Economic Uncertainty" and "Lawsuit Abuse" - cover the top concerns of 77 percent of small businesses taking the survey during the 4th quarter of 2016.

According to respondents, business demand appears to be softening, with 26 percent indicating sales were lower compared the same period last year. That is a 10 percentage point increase over the 16 percent in the Q4 2015 survey.

An indicator of the future path of Florida's economy is the percentage of respondents that expect the economy to improve over the next year – 77 percent, much higher than the 50 percent reported in last quarter's survey.

Small Business Employment Outlook:

- 51 percent of respondents expect to hire in the next six months – that includes those that plan to hire either a few (48%) or many (3%). This is up substantially from the 36 percent planning to hire in last quarter's survey.
- 62 percent of respondents indicated that "Economic Uncertainty", "Lack of Sales", and "Too Much Regulation" were obstacles to hiring new employees.
- Only two percent of respondents expect to "lay off a few" employees in the next six months, which is the same percentage as one year ago.

An indicator of further small business expansion in Florida, 45 percent of businesses plan to make investments in plants or equipment, down only slightly from 50 percent one year ago.

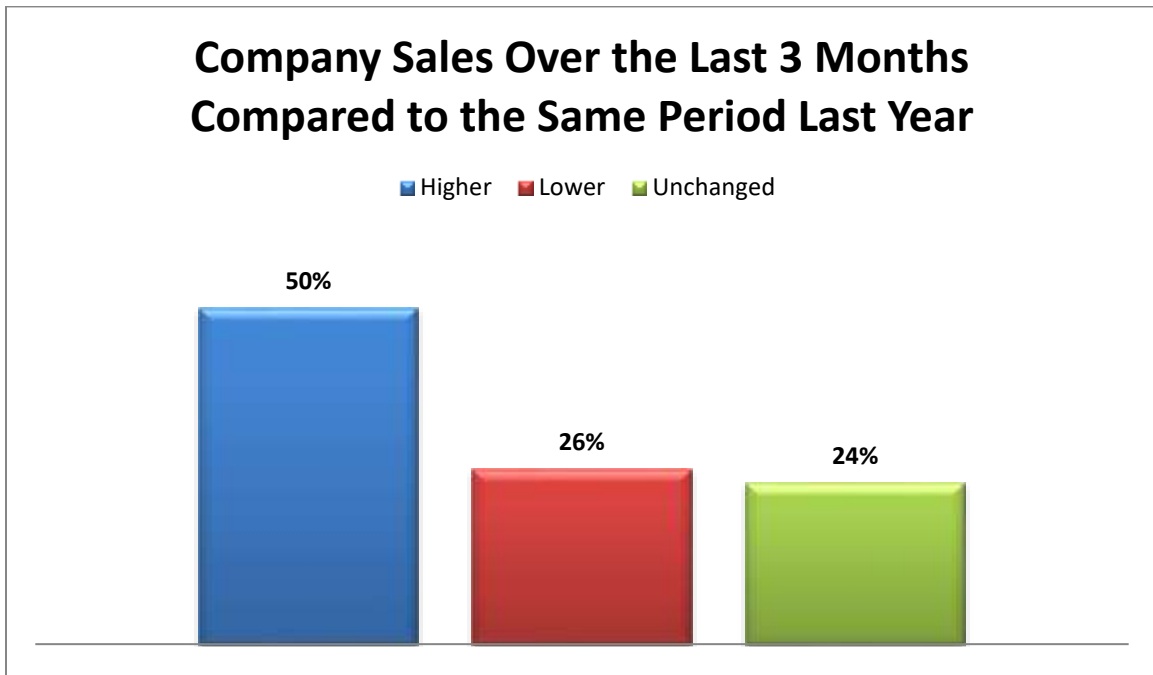
Survey Results

Comparisons

Q1: Top issues facing Florida small businesses today:

1. Government Regulations – 18% (tie)
1. Workforce Quality – 18% (tie)
2. Access to Capital – 13%
3. Healthcare Costs – 10%
4. Economic Uncertainty – 9 % (tie)
4. Lawsuit Abuse – 9 % (tie)

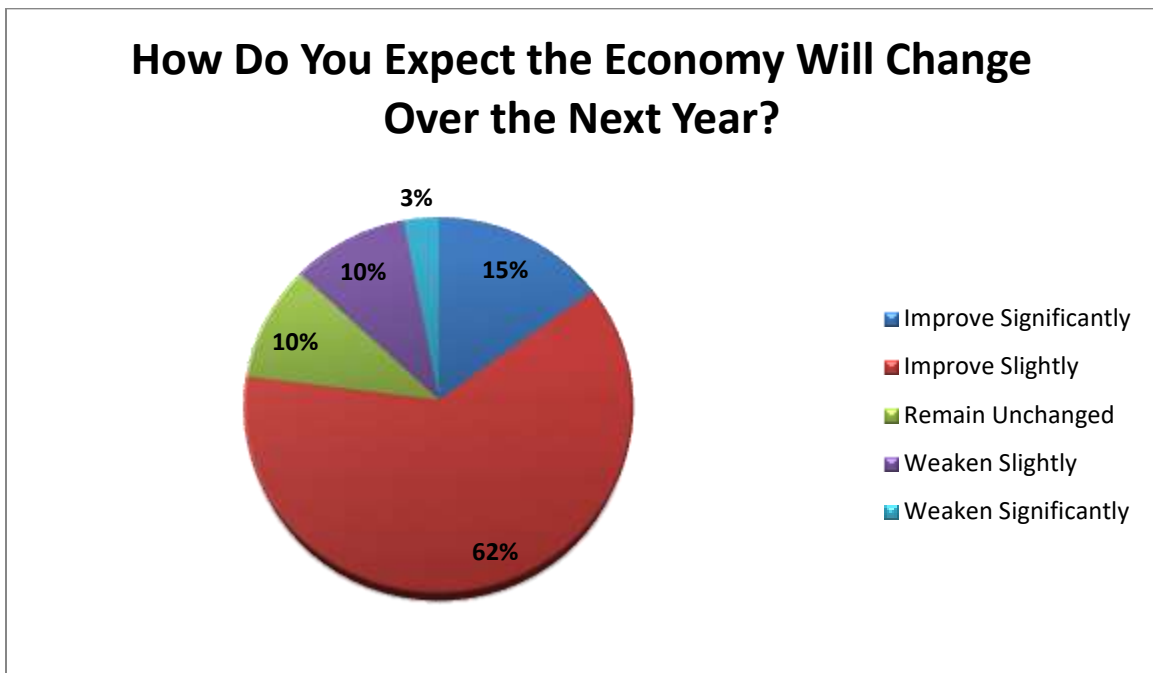
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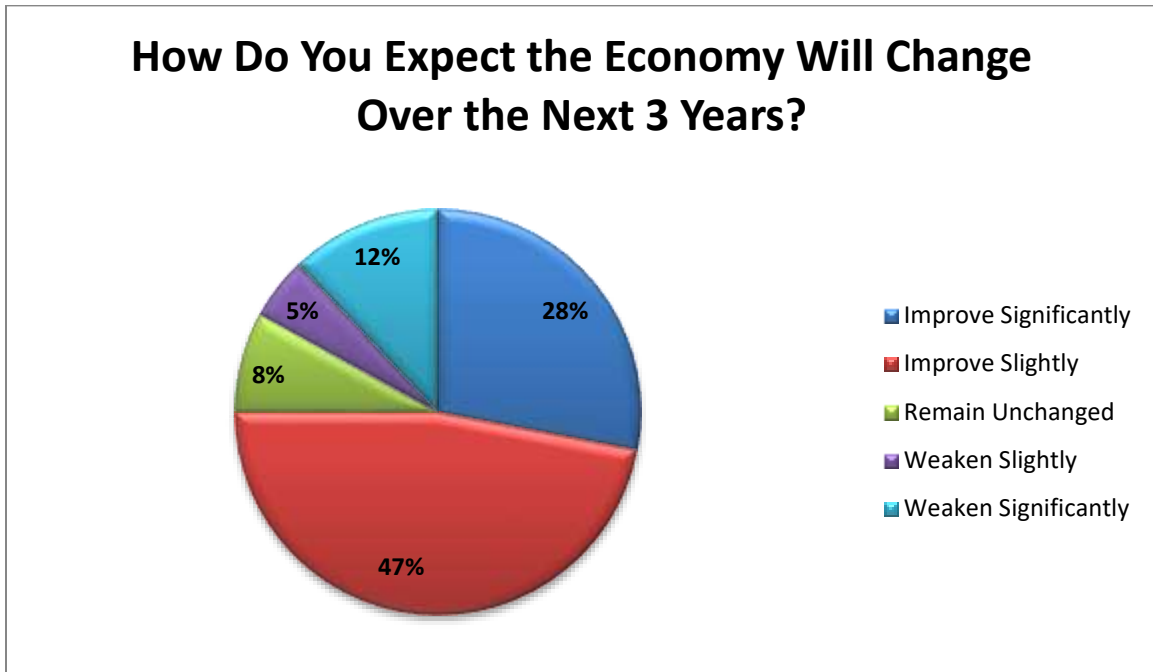
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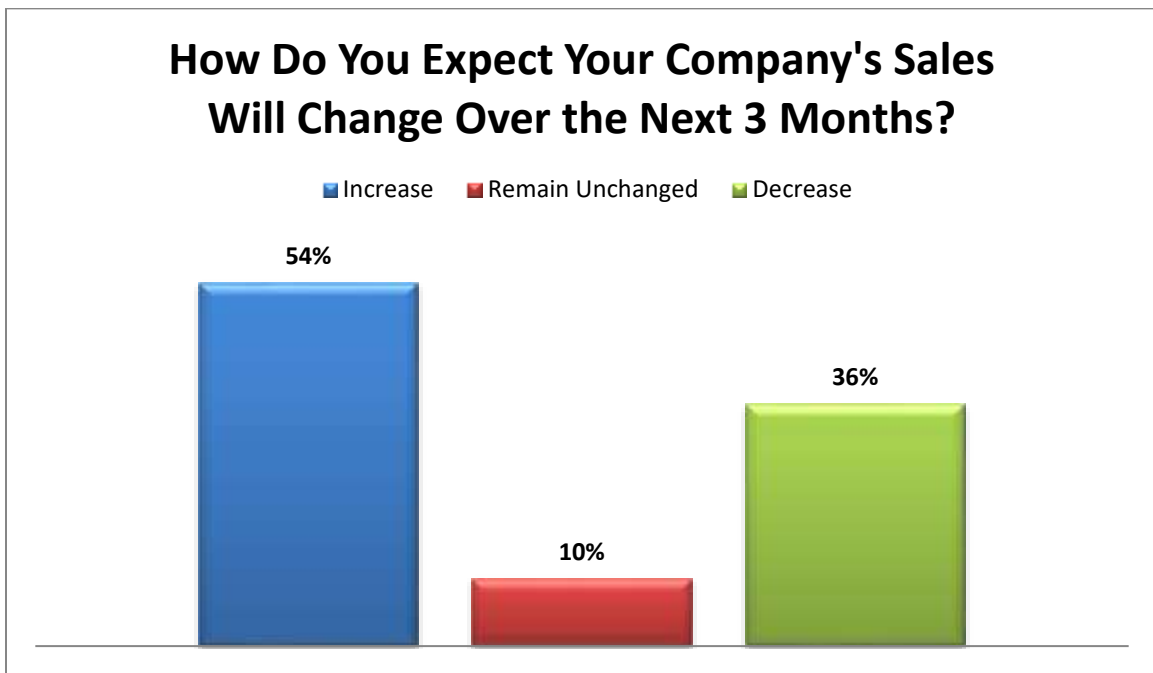
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Q7:



Q8:



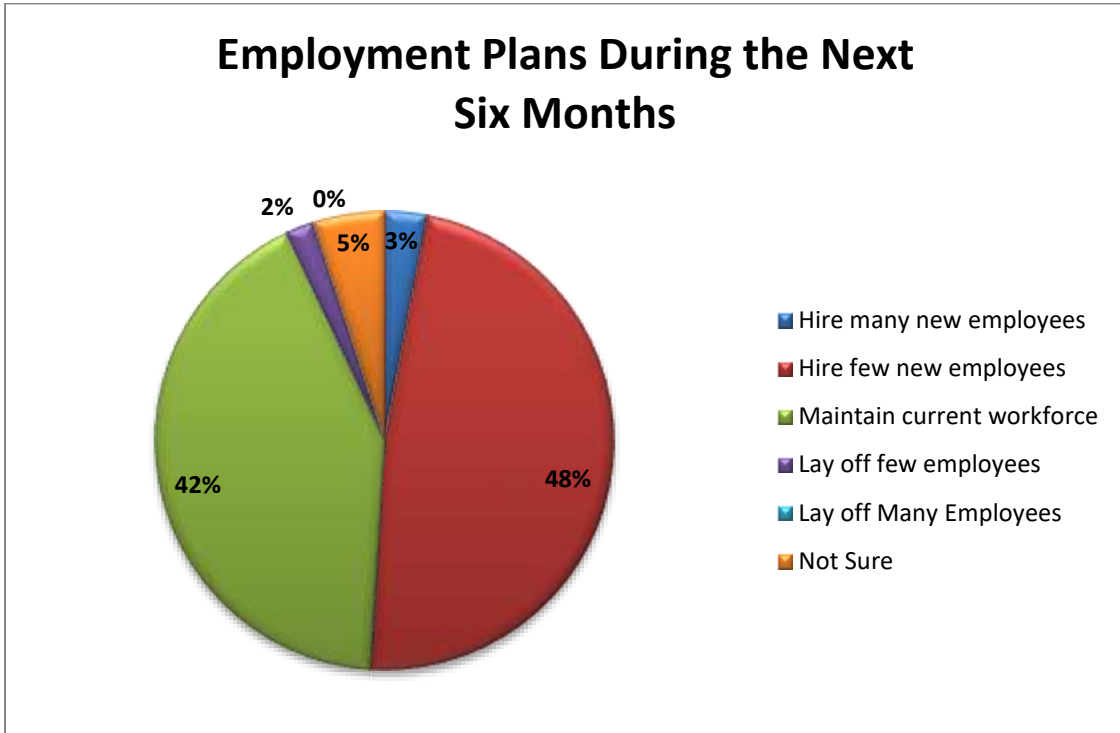
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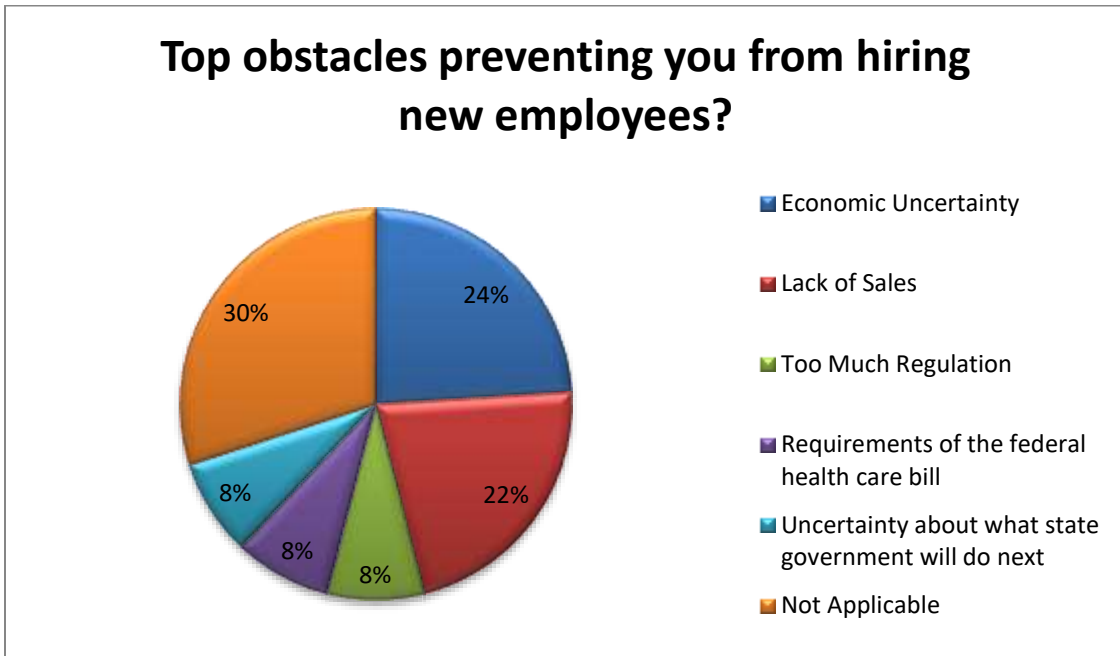
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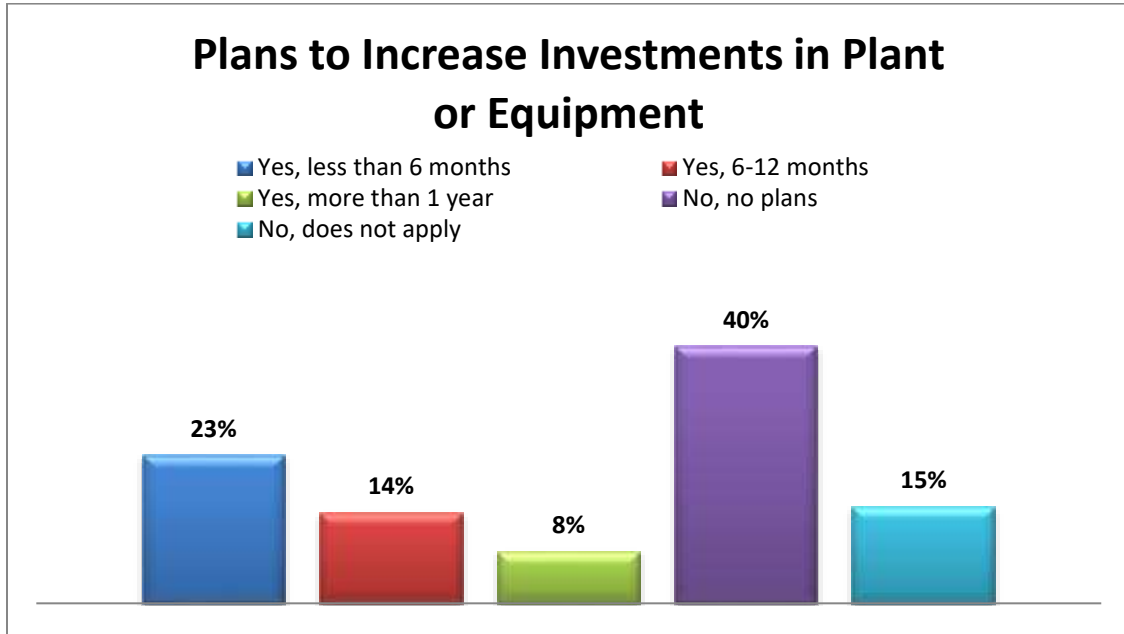
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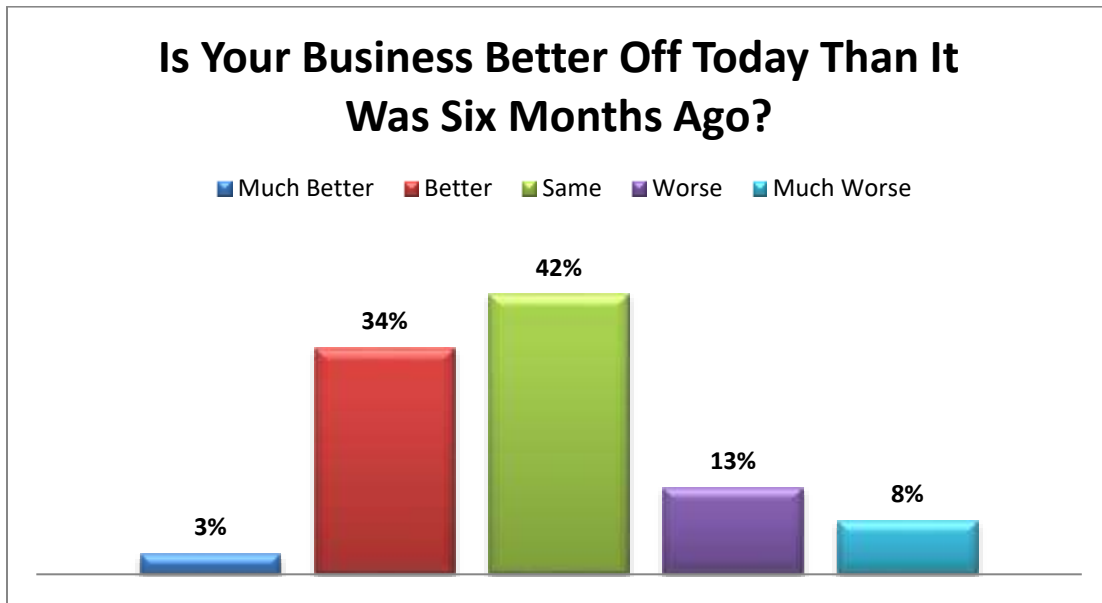
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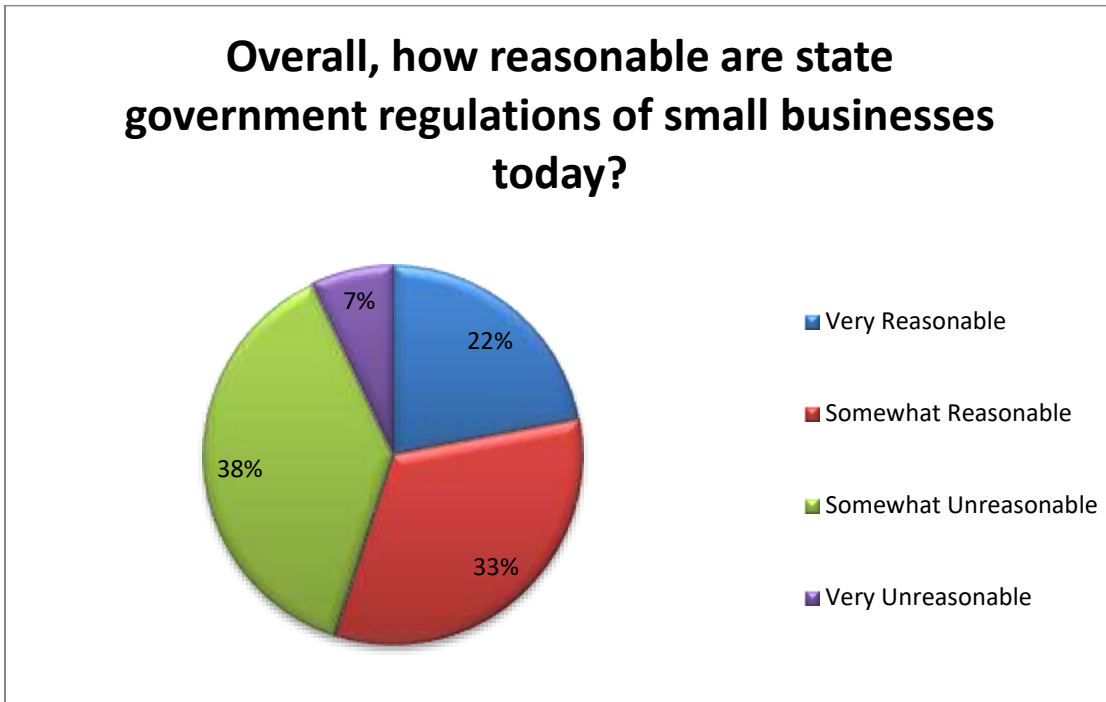
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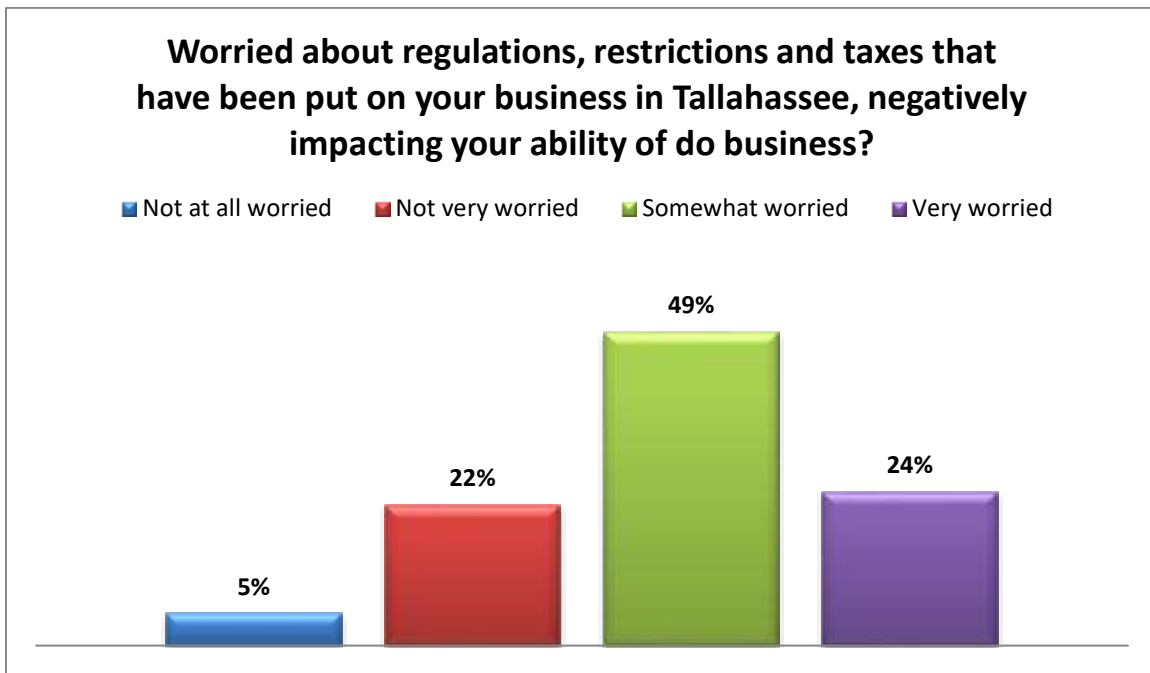
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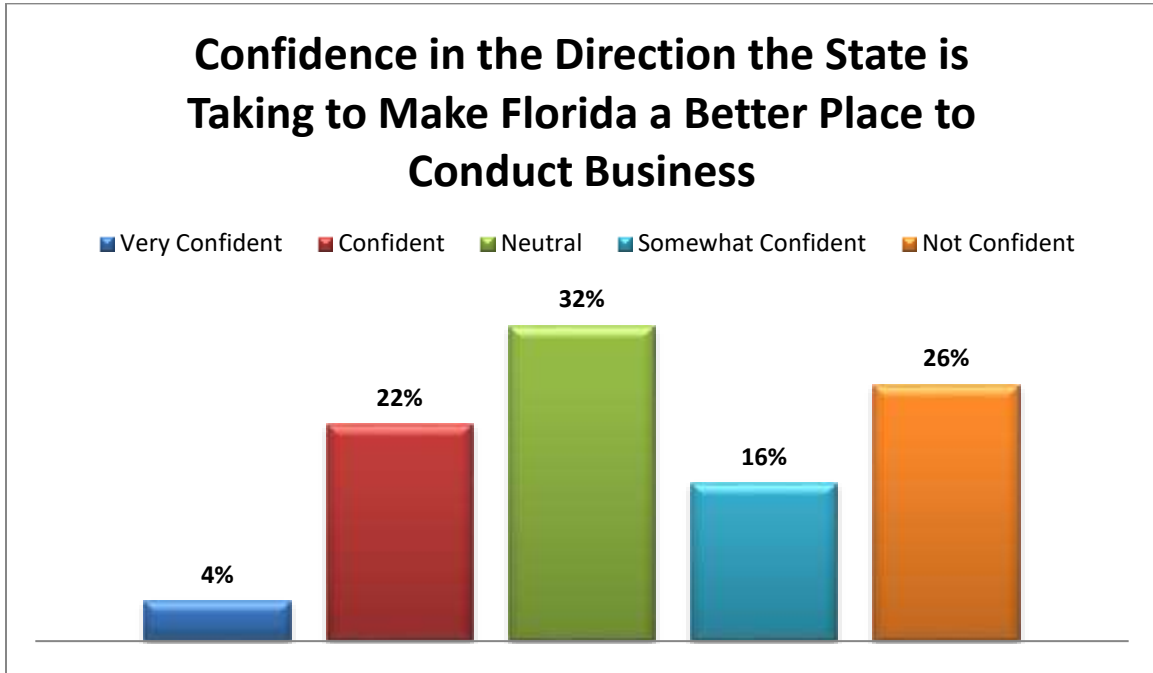
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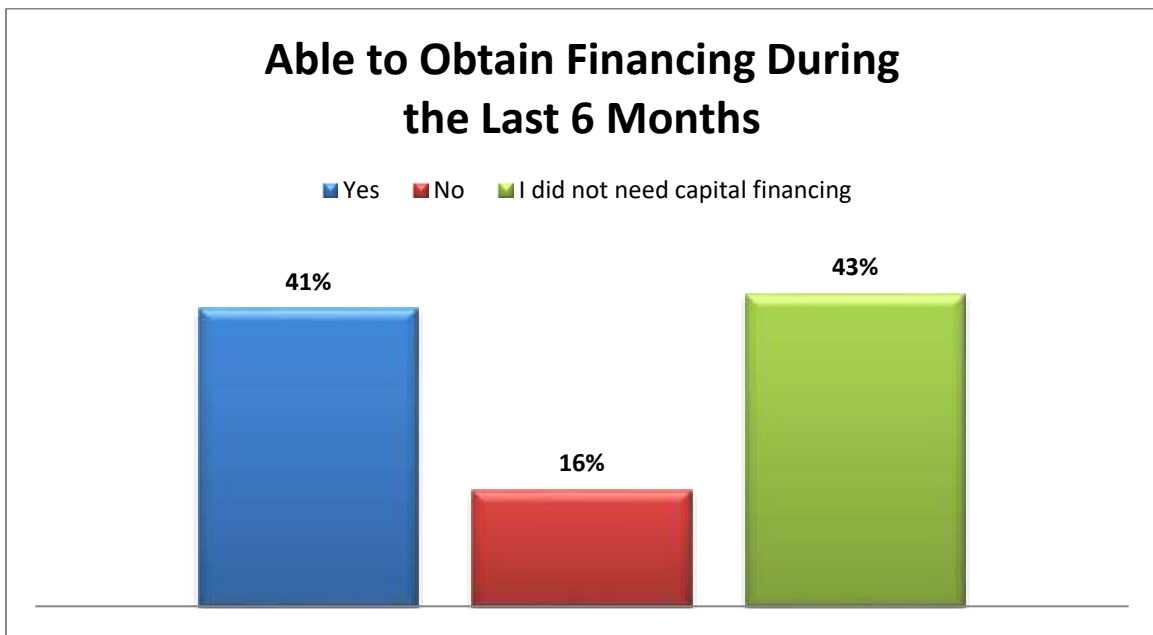
Q17:



Q19:



Q21:



Q22:

