



ANALYSIS OF

# **Business Climate Survey**

**Prepared by:**

**Economic Development Corporation of Sarasota County**

**In Partnership with:**

**Sarasota Herald-Tribune**

**University of South Florida Sarasota-Manatee**

**July 2005**

## TABLE OF CONTENTS

|   |           |
|---|-----------|
| <b>Objective and<br/>Methodology.....</b> | <b>3</b>  |
| <b>Key Findings.....</b>                  | <b>4</b>  |
| <b>Detailed Findings.....</b>             | <b>5</b>  |
| <b>Survey Instrument.....</b>             | <b>11</b> |

## OBJECTIVE AND METHODOLOGY

The Economic Development Corporation of Sarasota County conducted a survey of Sarasota County businesses to determine what business owners/managers think about the current business climate. The results of the survey will be used as a baseline to measure progress made toward improving the business climate over the next several years.

The Economic Development Corporation partnered with the Sarasota Herald-Tribune and the University of South Florida at Sarasota-Manatee to develop and distribute the survey and to analyze the results. The survey was made available to businesses electronically on the EDC website and in hard copy. Distribution of the survey was as follows:

- E-mail PDF and link to EDC investors (approximately 400)
- E-mail PDF and link to value-added businesses (approximately 400)
- E-mail PDF and link to all Chambers of Commerce asking them to distribute to their membership
- E-mail PDF and link to the Sarasota Convention & Visitors' Bureau and the Sarasota Manatee Area Manufacturers Association asking them to distribute to their membership
- Hard copies mailed to EDC investors
- Hard copies mailed to value-added businesses
- Hard copies provided to the Greater Sarasota Chamber of Commerce and the Venice Area Chamber of Commerce for distribution in their monthly newsletters

The survey was distributed in late June and early July of 2005 with responses requested back by July 15, 2005. A total of 150 surveys was returned. Results were tabulated and compiled by the Economic Development Corporation of Sarasota County and provided to the Sarasota Herald-Tribune and the University of South Florida for analysis.

## KEY FINDINGS FROM BUSINESS CLIMATE SURVEY

- The major concerns for business in Sarasota County appear to be affordable housing, worker availability, the overall cost of living and taxes.
- A relatively good education system and low crime rate seem to be the things about which businesses in the county feel best. They particularly seem to like the community college system.
- Businesses also seem pleased with the availability of financing, as well as the communication and transportation systems, though the latter do not matter as much as other issues. The biggest transportation concern is roads.
- While businesses may express dissatisfaction about permitting, regulations and direct costs, these issues do not rise to the level of other major concerns. Among direct costs concerns, however, health insurance far outdistances the others.
- Public transit does not seem to be an issue for most Sarasota County businesses.
- Businesses are moderately well satisfied with the county business climate, and tend to believe it is better now than two years ago. Those who believe things are getting better tended to be more satisfied with the current situation.

These views are generally held across all businesses, regardless of size, type, longevity or location, although:

- Professionals and businesses in the southern part of the county seem slightly more concerned about business conditions overall.
- Businesses in the northern part of the county tend to be more concerned about permitting; in the southern part of the county, communications systems seem to be a bigger issue.
- Professional service businesses appear more concerned about permitting and public transit, while others seem to be more concerned about taxes.
- Availability of financing seems a bigger concern for newer businesses, while more established businesses express more of a concern about crime.
- Availability of financing also tends to be a bigger problem for smaller companies, as does the regulatory environment.

- Those who say the economy is getting better still tend to express concerns about transportation and permitting, while those who think things are getting worse tend to cite the cost of living.

## **DETAILED FINDINGS**

A wide variety of business types and sizes responded to the survey, strengthening the results. The following tables show the business types, number of employees, years in operation and business locations of the businesses responding:

### Business Types

|                                   |     |
|-----------------------------------|-----|
| Accommodations & Food Service     | 3%  |
| Arts, Entertainment & Recreation  | 1%  |
| Construction                      | 5%  |
| Educational Services              | 4%  |
| Finance & Insurance               | 9%  |
| Health Care & Social Services     | 4%  |
| Information                       | 1%  |
| Manufacturing                     | 23% |
| Professional & Technical Services | 21% |
| Real Estate                       | 15% |
| Transportation/Warehousing        | 1%  |
| Wholesale/Retail Trade            | 6%  |
| Other                             | 6%  |

### Number of Employees:

|         |     |           |     |
|---------|-----|-----------|-----|
| 0 – 5   | 29% | 51 – 100  | 8%  |
| 6 – 10  | 15% | 101 – 500 | 15% |
| 11 – 25 | 15% | 500+      | 3%  |
| 26 – 50 | 14% |           |     |

### Years in Operations

|                    |     |
|--------------------|-----|
| Less than one year | 1%  |
| 1 – 5 years        | 21% |
| 6 – 10 years       | 8%  |
| More than 10 years | 67% |

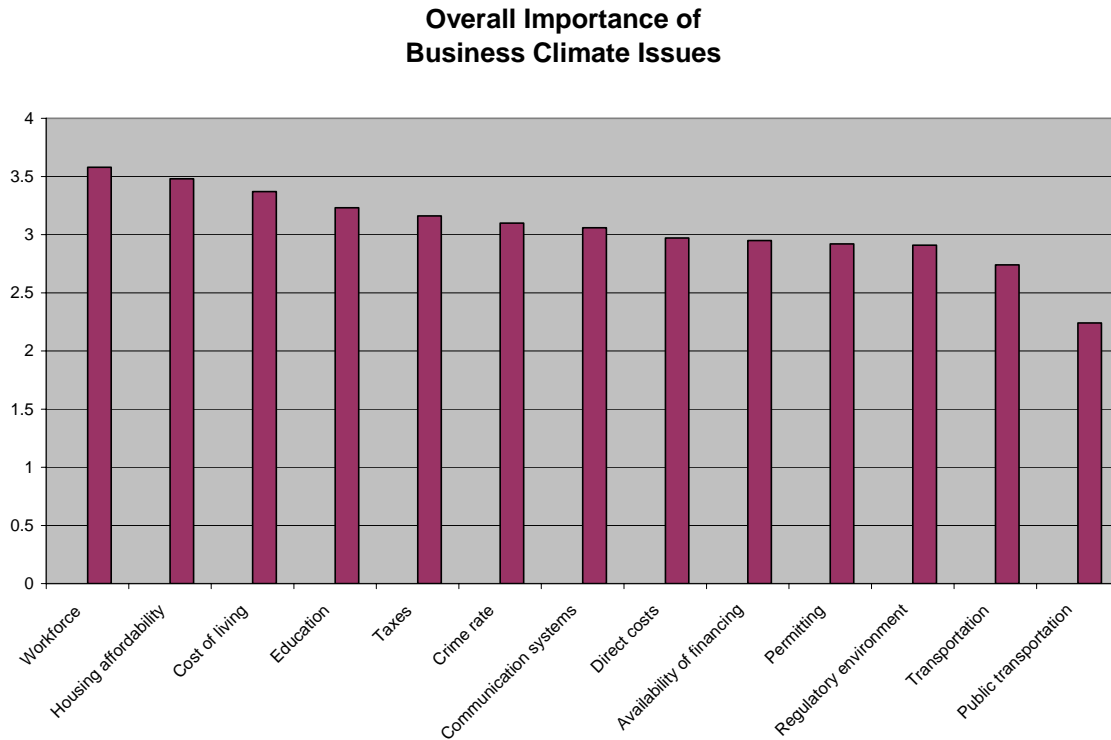
### Location

|                  |     |
|------------------|-----|
| North of Osprey  | 70% |
| Osprey and south | 27% |
| Unknown          | 3%  |

Businesses were asked to rate the overall importance of certain business climate issues. The scale used is as follows:

- 4 = Very Important
- 3 = Important
- 2 = Somewhat Important
- 1 = Not Important
- 0 = No Opinion

**GRAPH 1**

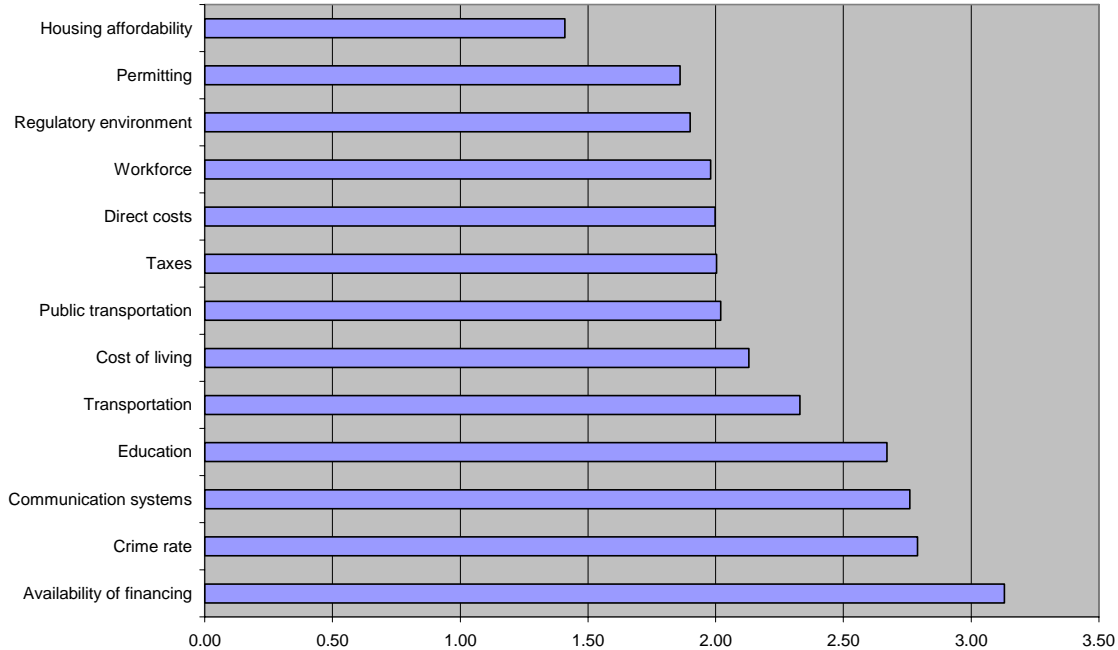


The three most important issues for local businesses are workforce, housing affordability and cost of living. Public transportation, transportation and the regulatory environment, while still important to local businesses, did not rank as high in importance.

Businesses were also asked to rate how satisfied they were with these same business climate issues. The scale used is as follows:

- 4 = Very Satisfied
- 3 = Satisfied
- 2 = Somewhat Satisfied
- 1 = Not at all Satisfied
- 0 = No opinion

**Overall Satisfaction  
with Business Climate Issues**



Businesses are least satisfied with housing affordability, permitting, the regulatory environment and workforce. They appear to be most satisfied with the availability of financing, the crime rate, the communication system and education.

On some business climate issues, respondents were asked to further specify what caused them to be satisfied or dissatisfied. For example, for education, which had an overall satisfaction rating of 2.67, Community Colleges rated 2.88; Colleges/Universities rated 2.73, K-12 system rated 2.60 and Technical schools rated 2.47. See Table 1 below.

**Table 1**

| <b>Business Climate Issue</b> | <b>Rating</b> |
|-------------------------------|---------------|
| <b>Education (overall)</b>    | <b>2.67</b>   |
| Community colleges            | 2.88          |
| Colleges/Universities         | 2.73          |
| K-12 system                   | 2.60          |
| Technical schools             | 2.47          |

Similar tables follow for Transportation (Table 2), Taxes (Table 3), Direct Costs (Table 4) and Workforce (Table 5)

**Table 2**

| <b>Business Climate Issue</b>   | <b>Rating</b> |
|---------------------------------|---------------|
| <b>Transportation (overall)</b> | 2.33          |
| Port                            | 2.61          |
| Airport                         | 2.24          |
| Roads                           | 2.14          |

**Table 3**

| <b>Business Climate Issue</b> | <b>Rating</b> |
|-------------------------------|---------------|
| <b>Taxes (overall)</b>        | 2.00          |
| Corporate income tax          | 2.20          |
| Real property taxes           | 1.93          |
| Intangible property taxes     | 1.88          |

**Table 4**

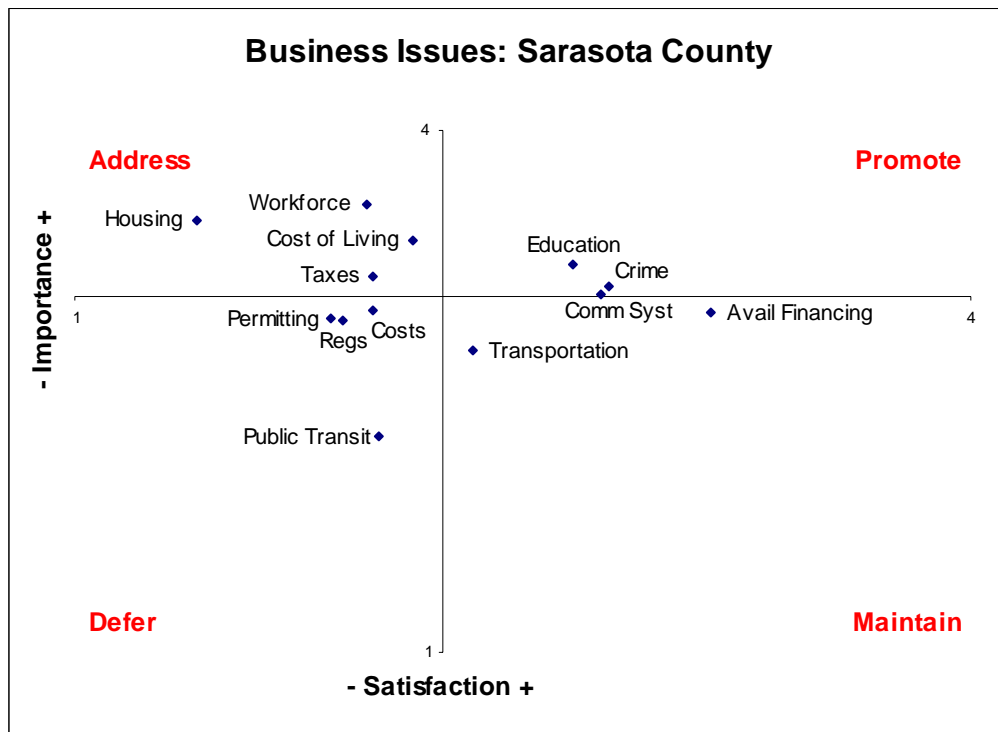
| <b>Business Climate Issue</b> | <b>Rating</b> |
|-------------------------------|---------------|
| <b>Direct Costs (overall)</b> | 2.00          |
| Cost of labor                 | 2.42          |
| Energy costs                  | 2.19          |
| Workers' compensation         | 1.82          |
| Health insurance              | 1.56          |

**Table 5**

| <b>Business Climate Issue</b> | <b>Rating</b> |
|-------------------------------|---------------|
| <b>Workforce (overall)</b>    | 1.98          |
| Quality of workforce          | 2.14          |
| Availability of workforce     | 1.82          |

It is also important to consider the correlation between the importance of a business climate issue and how satisfied local businesses are with the issue. In order to show this correlation a quadrant graph was prepared that clearly identifies the issues that businesses believe are important, but with which they are not particularly satisfied. See Graph 3 below.

Graph 3



This graph suggests that in order to improve the business climate, the issues the community should address are housing, workforce, cost of living and taxes.

Finally, businesses were asked to rate their overall satisfaction with the business climate in Sarasota County and to compare the business climate today with two years ago. Using the same rating scale as used above for the business climate issues, the overall business climate received a current rating of 2.56 or about mid-point between Satisfied and Somewhat Satisfied. The percentage of businesses rating the current business climate in each category is as follows:

| <u>Rating Category</u> | <u>Score</u> | <u>% of businesses</u> |
|------------------------|--------------|------------------------|
| Very Satisfied         | 4            | 7%                     |
| Satisfied              | 3            | 47%                    |
| Somewhat satisfied     | 2            | 41%                    |
| Not at all satisfied   | 1            | 5%                     |

In comparing the current business climate to two years ago, the majority of businesses believe it is better or about the same. The overall score for the comparison is 3.0 out of a possible 4.0.

| <b>Rating Category</b>  | <b>Score</b> | <b>% of businesses</b> |
|-------------------------|--------------|------------------------|
| Better than 2 years ago | 4            | 41%                    |
| Same as 2 years ago     | 3            | 35%                    |
| Worse than 2 years ago  | 2            | 15%                    |
| No opinion              | 1            | 8%                     |

Sponsored By



**Sarasota County  
 Business Climate Survey  
 Summer 2005**

Dear Sarasota County Business Owner, CEO or Manager,

Thank you for taking a few minutes to complete this short survey. Your opinion is important to us as we assess the business climate in our community. You may print this survey and fax it to the number given below or you may complete it online at [www.edcsarasotacounty.com](http://www.edcsarasotacounty.com).  
 Please respond no later than July 15, 2005.

Your individual responses are confidential. Survey results will be posted on the Economic Development Corporation's web site by the end of September 2005. Thank you again for your participation.

1. The zip code for your business location is \_\_\_\_\_.

2. What is your business type? (check one)

- Construction
- Manufacturing
- Wholesale Trade/Retail Trade
- Transportation & Warehousing
- Information
- Finance & Insurance
- Real Estate
- Professional, Scientific & Technical Services
- Administrative Support & Waste Mgt. & Remediation
- Educational Services
- Health Care & Social Services
- Arts, Entertainment and Recreation
- Accommodations & Food Service
- Other \_\_\_\_\_ NAICS Code: \_\_\_\_\_

3. Number of Employees: (check one)

- 0 - 5     6 - 10     11 - 25     26 - 50
- 51-100     101 - 500     500+

4. Years in Operation in Sarasota County: (check one)

- Less than one year     1 to 5 years     6 to 10 years     More than 10 years

5. In your opinion, how important are each of these business climate issues?

| Issue                     | Very Important | Important | Somewhat Important | Not Important | No Opinion |
|---------------------------|----------------|-----------|--------------------|---------------|------------|
| Availability of financing |                |           |                    |               |            |
| Communications systems    |                |           |                    |               |            |
| Cost of living            |                |           |                    |               |            |
| Crime rate                |                |           |                    |               |            |
| Direct costs              |                |           |                    |               |            |
| Education                 |                |           |                    |               |            |
| Housing affordability     |                |           |                    |               |            |
| Permitting                |                |           |                    |               |            |
| Public transportation     |                |           |                    |               |            |
| Regulatory environment    |                |           |                    |               |            |
| Taxes                     |                |           |                    |               |            |
| Transportation            |                |           |                    |               |            |
| Workforce                 |                |           |                    |               |            |

6. Please rate your satisfaction with the following business climate issues in Sarasota County:

| Issue                         | Very Satisfied | Satisfied | Somewhat Satisfied | Not at all Satisfied | No Opinion |
|-------------------------------|----------------|-----------|--------------------|----------------------|------------|
| Availability of financing     |                |           |                    |                      |            |
| Communications systems        |                |           |                    |                      |            |
| Cost of living                |                |           |                    |                      |            |
| Crime rate                    |                |           |                    |                      |            |
| Direct costs                  |                |           |                    |                      |            |
| Cost of labor                 |                |           |                    |                      |            |
| Health insurance              |                |           |                    |                      |            |
| Energy costs                  |                |           |                    |                      |            |
| Worker's compensation         |                |           |                    |                      |            |
| Education                     |                |           |                    |                      |            |
| K-12 system                   |                |           |                    |                      |            |
| Community college             |                |           |                    |                      |            |
| Technical schools             |                |           |                    |                      |            |
| Colleges/Universities         |                |           |                    |                      |            |
| Housing affordability         |                |           |                    |                      |            |
| Permitting                    |                |           |                    |                      |            |
| Public transportation         |                |           |                    |                      |            |
| Regulatory environment        |                |           |                    |                      |            |
| Taxes                         |                |           |                    |                      |            |
| Corporate income tax          |                |           |                    |                      |            |
| Real property taxes           |                |           |                    |                      |            |
| Intangible property taxes     |                |           |                    |                      |            |
| Transportation                |                |           |                    |                      |            |
| Airport                       |                |           |                    |                      |            |
| Roads                         |                |           |                    |                      |            |
| Port                          |                |           |                    |                      |            |
| Workforce                     |                |           |                    |                      |            |
| Overall quality of workforce  |                |           |                    |                      |            |
| Overall quantity of workforce |                |           |                    |                      |            |

7. How would you rate your satisfaction with the overall business climate in Sarasota County? (check one)

- Very satisfied   
 Satisfied   
 Somewhat satisfied   
 Not at all satisfied   
 No opinion

8. Generally speaking, how would you rate the current business climate in Sarasota County compared to two years ago? (check one)

- Better than two years ago   
 Same as two years ago   
 Worse than two years ago   
 No opinion

***Thank you for your response.***

**Please complete this survey by July 15, 2005 and return it to:**

Economic Development Corporation of Sarasota County  
 2601 Cattlemen Road, Suite 201  
 Sarasota, FL 34232  
 Fax: 941.309.1209