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## **Vermont Business Roundtable and Economic & Policy Resources**

### **3rd Quarter 2015 Business Conditions Survey Results Show Neutral Outlook**

(South Burlington, Vt.) Today, Lisa Ventriss, President of Vermont Business Roundtable (VBR) and Jeffrey Carr, President, Economic & Policy Resources (EPR), announced the 3rd Quarter results of their joint initiative, the VBR-EPR Business Conditions Survey.

The survey of Roundtable CEO members, who represent all economic sectors and geographic regions of Vermont, is conducted quarterly and provides both a look back at the previous quarter and a predictive index going forward. The data for both the backward and forward-looking questions are weighted to the Vermont economy by sector employment and turned into “diffusion indices”,<sup>1</sup> which provide a tool for analyzing and presenting insight into the Vermont economy.

The raw survey data can be easily compared to the Business Roundtable CEO Survey, a quarterly survey of national and multi-national companies, which contains similar questions to the VBR/EPR Survey in terms of employment and capital spending.

The latest survey, which was conducted during the first two weeks of October 2015, achieved a response rate of 69 percent overall, and included a 50 percent or greater response rate from all sectors

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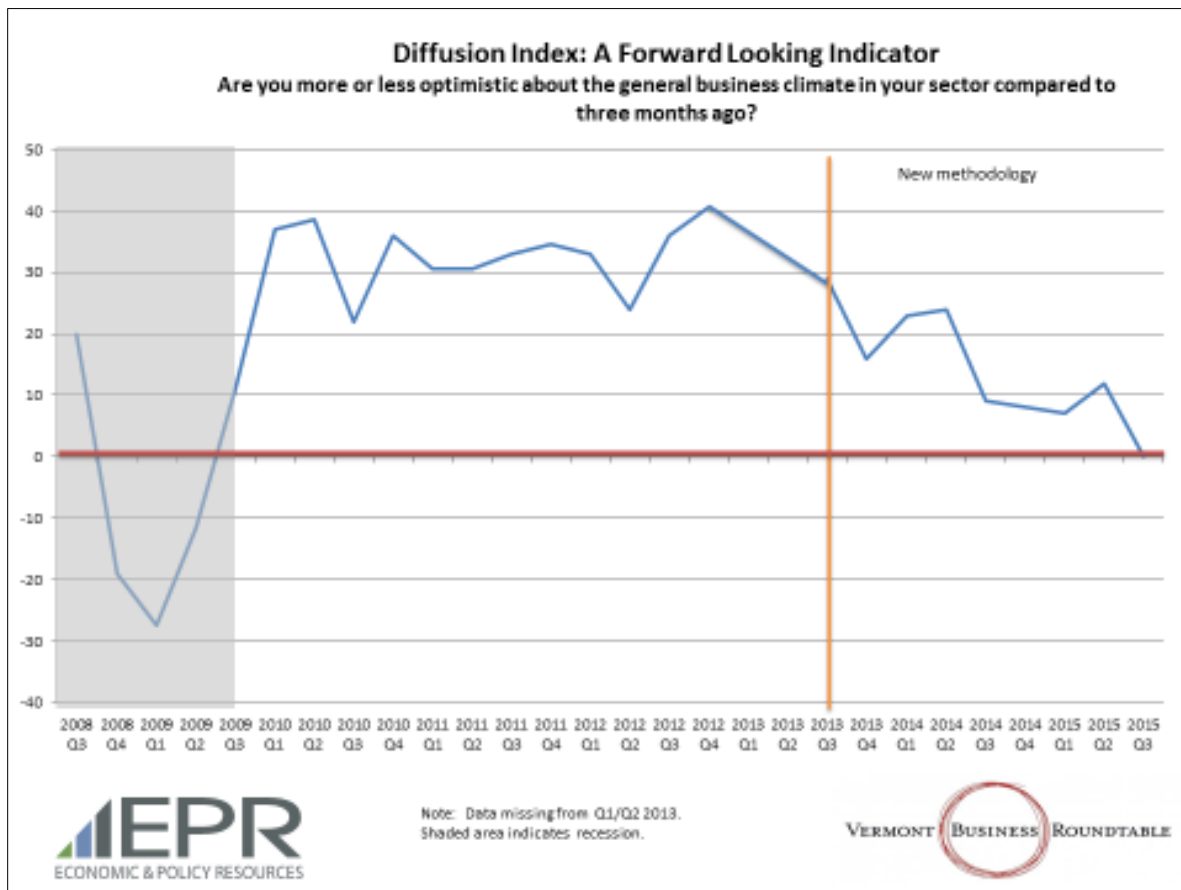
<sup>1</sup> Each question on the survey is weighted by sector employment and the diffusion number is formulated by giving each “strong positive” answer a numerical value of 1.0, “mild positive” answers a numerical value of 0.5, neutral answers a value of 0, “mild negative” answers a value of -0.5, and strong negative values of -1.0. The diffusion index numbers are then formulated based on these numerical values. A value of 100 would mean that every respondent answered “strong positive”, a value of 0 would mean that every respondent answered neutrally, and a value of -100 would mean that every respondent answered “strong negatively.”

within the membership. The survey asked eight retrospective and prospective questions about the economic outlook, demand, capital spending, and employment. Survey results show that:

- For the sixth quarter in a row, CEOs attitudes about the state’s business climate outlook continue to deteriorate from mildly optimistic to neutral.
- More than half of respondents (58 percent) continued to express negative outlooks with regard to the ease of hiring for available positions; and,
- The Information sector expressed the most optimistic outlooks on the general business climate.
- Compared with their national counterparts, Vermont companies demonstrated similar caution with near-term prospects and plans for capital outlays.

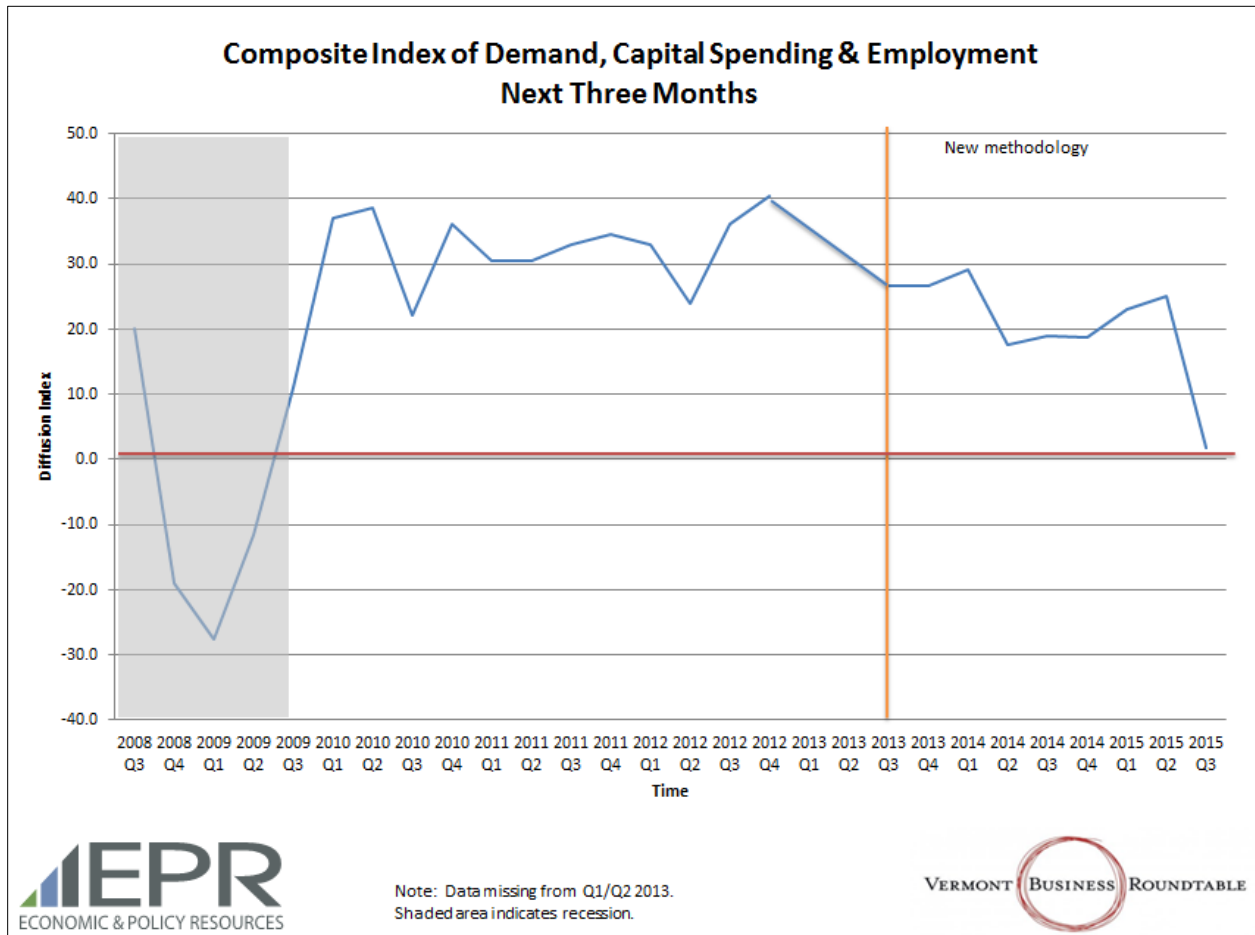
Graph #1 below shows the Diffusion Index of overall economic outlook, which measures the level of confidence (optimism or pessimism) respondents have about different aspects of the economy, and can range from 100 (“strong positive”) to -100 (“strong negative”). For this reporting period, the results show a continued decline in optimism from Q2 2015 to Q3 2015, indicating that Vermont CEOs are solidly neutral in their attitude about the general business climate for the coming three months.

**Graph #1**



Graph #2 below shows the Composite Index<sup>2</sup> for the questions relating to specifically to businesses' demand, capital spending, and employment in the next three months. The majority of responses continued to trend from mildly optimistic toward neutral.

Graph #2



Also included in the survey was the opportunity for Roundtable members to express their opinions on other topics affecting their businesses. The greatest frequency of their responses expressed concern with the state’s general business climate, high taxes/high cost of doing business, lack of skilled workers, cost of living, and healthcare.

The next survey will be conducted in January of 2016.

<sup>2</sup> The aggregated diffusion indices for the questions regarding demand, capital spending, and employment in the next three months.

**The Vermont Business Roundtable (VBR)** is a nonprofit, nonpartisan organization of chief executive officers of Vermont's leading private and nonprofit employers, representing geographic diversity and all major sectors of the Vermont economy. The Roundtable is committed to sustaining a sound economy and preserving Vermont's unique quality of life by studying and making recommendations on statewide public policy issues. [www.vtroundtable.org](http://www.vtroundtable.org).

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