

Florida Small Business Confidence Index

Results for July - August of 2016

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State-Level Uncertainty & Robust Confidence in Own Small Businesses

Results from the inaugural confidence survey for clients of the Florida SBDC Network show an interesting mix of state-level uncertainty and robust confidence in their own small businesses. The first section of questions focused on the former, with about half believing (*agree/strongly agree*) the economy will grow significantly over the next year. When asked for a more specific top issue facing the state's small businesses: about a third indicated economic uncertainty, twenty percent identified workforce quality and another seventeen percent expressed concern over to access to capital (**Figure 1**).

Figure 1

What is the top issue facing Florida small businesses today?



Answer	%
Economic Uncertainty	34.35
Workforce Quality	19.85
Access to Capital	16.79
Growth Management Process	10.69
Government Regulations	9.92
Other	8.40
Total	100

In the second section, small business operators were asked about their own experience and confidence. Fifty-six percent reported sales were up (*last 3 months relative to the same period in 2015*)

and eighty-six percent expect sales to increase over the next year. We believe this mix is similar to national findings in the National Federation of Independent Business May trend report where more than 90 percent reported an optimistic outlook.

Florida business owners were more likely to report hiring plans when compared to the national report mentioned. Fifty-two percent of in-state entrepreneurs anticipated adding employees over the next year while only twelve percent indicated they would do so in the national program.

On the topic of hiring obstacles, finding quality applicants was the top reported answer in the Florida survey, just under thirty-two percent, but no growth in sales and economic uncertainty were also common (*above twenty percent, Figure 2*). For the 76 participants who reported barriers to finding quality applicants, lack of soft skills was the top answer with lack of hard skills, high wage demands and lack of experience also frequently mentioned (*above twenty percent, not shown*).

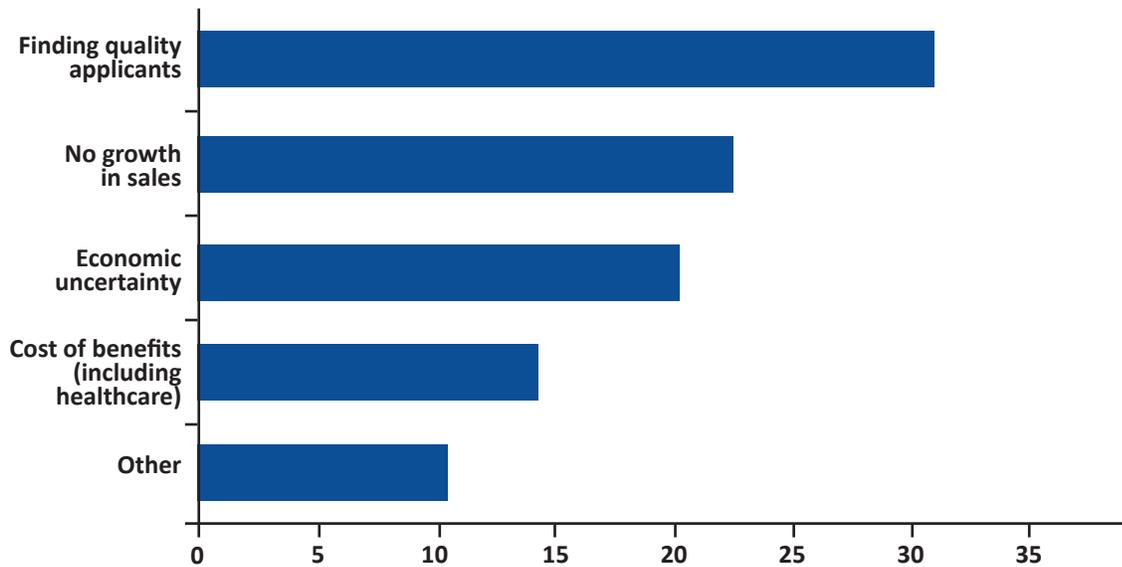
Finally, we directly asked what assistance a Florida SBDC Network office can provide in the next year. Fifty-four percent indicated affirmatively for finding additional sales in current markets and fifty-three percent did the same for accessing new markets. We do not believe this is surprising in any economy, it was the top answer in a recent Wells Fargo and Gallup national survey of small business owners when asked about the top concern (*albeit with a lower total than our differently structured assistance questions*).

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Figure 2

What is the biggest obstacle to hiring additional employees?



Answer	%
Finding Quality Applicants	31.50
No Growth in Sales	23.62
Economic Uncertainty	20.47
Cost of Benefits (including healthcare)	14.17
Other	10.24
Total	100

About the Survey

The confidence survey for clients of the Florida SBDC Network is the result of a partnership between the University of West Florida and the Network. The survey will be administered quarterly in the future with the goal of understanding entrepreneurial attitudes to the Florida business climate and using these results to improve the efficiency of the Florida SBDC Network centers across the state.

This survey was administered to a select group of Florida small business owners who utilized the services of the Florida SBDC Network in 2015. Results here are based on 137 responses. Since these are growth-minded business owners who sought assistance, the population of responses over represents Manufacturing, Arts, Entertainment, and Recreation industries and under represents Retail Trade, Health Care and Social Assistance, and Accommodation and Food Services industries relative to census information on Florida businesses.