

# CBIA's Quarterly Economic & Credit Survey Results 4q2014

231 respondents, margin of error +/-6.5%. Response rate is 12.8%

Company Performance	all in %						
	<u>1Q2013</u>	<u>2Q2013</u>	<u>3Q2013</u>	<u>4Q2013</u>	<u>2Q2014</u>	<u>3Q2014</u>	<u>4Q2014</u>
1) Current outlook for firm							
Improve significantly	7	4	6	6	4	7	6
Improve somewhat	28	36	30	32	31	28	33
Remain stable	47	49	41	48	49	47	48
Worsen somewhat	16	11	22	12	15	17	11
Worsen significantly	1	1	1	1	1	1	1
Performance Indicators							
2-a) Size of firm's workforce							
Improve significantly	2	1	1	0	0	2	2
Improve somewhat	22	23	16	20	24	23	26
Remain stable	61	60	64	67	62	59	62
Worsen somewhat	14	14	18	11	14	15	11
Worsen significantly	1	1	1	2	1	1	0
2-b) Capital investments							
Yes						57	57
No						43	43
2-c) Top areas of investment (if "yes" to 2-b)							
Production or sales increase						38	38
Operational cost reduction						15	22
Technology (e.g. IT hardware, IT software, apps)						14	52
Foreign Trade							
3) What percentage of your firm's sales are generated by exports?							
0%	61	63	52	62	63	63	68
1-5%	22	20	23	18	14	21	17
6-15%	10	9	13	11	12	9	9
16-25%	2	2	2	1	4	4	1
Over 25%	5	6	10	8	7	3	4
Credit/Financing							
4) What types of financing has your firm used in the last three months to meet your credit needs?							
Bank loan/line of credit	87.0%	82	81.0%	85.0%	84.0%	84%	81.0%
Vendor credit	15.0%	23	12.0%	23.0%	31.0%	23%	22.0%
Private loan	18.0%	9	12.0%	11.0%	7.0%	13%	11.0%
Government-sponsored loan program	4.0%	7	7.0%	8.0%	4.0%	7%	3.0%
Public issuance of stock	2.0%	0.0%	0.0%	0.0%	1.0%	0%	0.0%
Private placement of stock	0.0%	0.0%	0.0%	0.0%	0.0%	0%	0.0%
Leasing	6.0%	7.0%	17.0%	10.0%	10.0%	11%	12.0%
Private placement of debt	2.0%	2.0%	5.0%	5.0%	3.0%	2%	4.0%
Credit cards	21.0%	23.0%	17.0%	18.0%	27.0%	16%	20.0%
Earning of business	6.0%	16.0%	17.0%	16.0%	20.0%	20%	15.0%
Other	2.0%	2.0%	2.0%	0.0%	7.0%	2%	4.0%
5) What type of financing do you need most?							
Working capital (for day-to-day operations, bridge loans, etc.)	34.0%	24.0%	34.0%	32.0%	23.0%	30%	35.0%
Capital for machinery and equipment purchases	14.0%	15.0%	23.0%	19.0%	14.0%	20%	19.0%
Capital for expansion of existing plant or office space	7.0%	9.0%	7.0%	7.0%	6.0%	9%	8.0%
Capital for research and development	2.0%	1.0%	2.0%	2.0%	2.0%	3%	1.0%
Capital for new product or service development	6.0%	5.0%	8.0%	4.0%	6.0%	8%	4.0%
None/not applicable	43.0%	51.0%	41.0%	43.0%	58.0%	44%	42.0%
Other	3.0%	3.0%	3.0%	2.0%	0.0%	3%	3.0%

6) Is credit availability a problem for your firm?

Yes	21.0%	16.0%	15.0%	15.0%	18.0%	12%	15.0%
No	79.0%	84.0%	85.0%	85.0%	82.0%	88%	85.0%

7) Has your firm used financing in the last three months specifically to meet your credit needs?

Yes						34%	34
No						66%	66

8) In the last three months, has your primary lending institution changed the terms of any loan you have?

Yes	12.0%	11.0%	9.0%	10.0%	10.0%	7%	9.0%
No	88.0%	89.0%	91.0%	90.0%	90.0%	93%	91.0%

**Current Credit Conditions**

9) How would you characterize the current lending climate in Connecticut?

Excellent	2.0%	5.0%	2.0%	2.0%	5.0%	4%	6.0%
Good	15.0%	17.0%	23.0%	15.0%	15.0%	23%	24.0%
Average	50.0%	52.0%	52.0%	53.0%	53.0%	50%	50.0%
Fair	27.0%	23.0%	22.0%	23.0%	20.0%	11%	16.0%
Poor	6.0%	3.0%	1.0%	6.0%	7.0%	13%	5.0%

9A) What are your expectations for Connecticut's lending climate over the next 3 months?

Excellent							7.0%
Good							22.0%
Average							50.0%
Fair							16.0%
Poor							5.0%

9B) During the last 3 months, was your firm able to satisfy its borrowing needs?

Yes							82.0%
Partially							11.0%
No							7.0%

**Demographic Information**

10) Which best describes your firm?

	%						
Construction	9.0	8.0	6.0	6.0	7	10	11
Manufacturing	42.0	37.0	55.0	41.0	40	37	36
Retail trade	6.0	8.0	4.0	6.0	3	9	7
Wholesale trade	9.0	8.0	6.0	6.0	8	7	8
Information technology	2.0	3.0	1.0	1.0	5	3	4
Finance, insurance, and real estate	4.0	8.0	6.0	6.0	8	3	6
Business and professional services	14.0	12.0	10.0	16.0	15	13	13
Education	0.0	1.0	0.0	1.0	0	1	0
Leisure and hospitality	3.0	3.0	2.0	3.0	3	3	1
Government	0.0	0.0	1.0	0.0	0	1	0
Other	10.0	11.0	10.0	11.0	10	9	6
Medical						4	8

11) How many people are employed at your Connecticut operations?

	%						
Fewer than 10	18	14	6	16	17	17	20
10 to 49	56	58	58	59	54	61	55
50 to 99	15	13	19	14	12	12	13
100 to 249	7	8	11	9	11	8	7
250 to 499	3	3	4	1	2	2	4
500 or more	2	4	2	1	3	0	1

12) In which county is your firm's primary Connecticut location?

	%						
Fairfield	17	19	10	15	16	18	16
Hartford	36	40	40	36	40	33	35
Litchfield	8	11	8	8	7	5	7
Middlesex	11	10	9	10	11	9	9

New Haven	21	17	22	22	18	24	22
New London	4	1	6	2	2	6	6
Tolland	2	1	4	3	4	3	3
Windham	0	1	2	2	2	1	2

13) What are your sales for the current fiscal year?

	%						
Less than \$500,000	4	4	0	6	6	2	5
\$500,000 to \$999,999	10	8	6	7	8	9	7
\$1 million to \$2.9 million	30	26	17	26	25	34	31
\$3 million to \$4.9 million	15	14	17	16	15	14	14
\$5 million to \$9.9 million	17	17	24	16	19	18	16
\$10 million to \$24.9 million	10	15	17	15	15	12	15
\$25 million or more	13	15	19	13	14	11	12

QUESTION OF THE QUARTER

QQ) How important is the state's tax policy, both business and individual, in your company's investment and location decisions?

Very important	61
Somewhat Important	27
Not important	12