

CBIA's Quarterly Economic Survey Results 4q2012

'187 responses, 10.2% response rate, Margin of error +/-7.3%

Company Performance

1) Current outlook for firm

| | <u>4q2011</u> | <u>1q2012</u> | <u>2q2012</u> | <u>3q2012</u> | <u>4q2012</u> |
|-----------------------|---------------|---------------|---------------|---------------|---------------|
| Improve significantly | 9 | 6 | 3 | 3 | 4 |
| Improve somewhat | 37 | 35 | 22 | 20 | 23 |
| Remain stable | 40 | 47 | 53 | 54 | 51 |
| Worsen somewhat | 11 | 11 | 20 | 21 | 20 |
| Worsen significantly | 3 | 1 | 2 | 2 | 2 |

Performance Indicators

2-a) Size of firm's workforce

| | | | | | |
|------------------------|----|----|----|----|----|
| Increase significantly | 0 | 1 | 0 | 1 | 1 |
| Increase somewhat | 23 | 23 | 14 | 15 | 17 |
| Remain stable | 63 | 66 | 69 | 68 | 63 |
| Decrease somewhat | 12 | 10 | 16 | 15 | 17 |
| Decrease significantly | 1 | 0 | 0 | 1 | 2 |

2-b) Wage costs

| | | | | | |
|------------------------|----|----|----|----|----|
| Increase significantly | 3 | 2 | 1 | 1 | 2 |
| Increase somewhat | 43 | 41 | 32 | 35 | 41 |
| Remain stable | 48 | 52 | 59 | 56 | 51 |
| Decrease somewhat | 6 | 5 | 7 | 9 | 6 |
| Decrease significantly | 0 | 0 | 1 | 1 | 1 |

2-c) Compensation/Benefit costs

| | | | | | |
|------------------------|----|----|----|----|----|
| Increase significantly | 4 | 7 | 6 | 5 | 8 |
| Increase somewhat | 41 | 36 | 26 | 32 | 42 |
| Remain stable | 43 | 53 | 59 | 55 | 44 |
| Decrease somewhat | 10 | 3 | 8 | 8 | 6 |
| Decrease significantly | 2 | 1 | 0 | 1 | 0 |

Performance Indicators continued

2-d) Production/Sales

| | <u>4q2011</u> | <u>1q2012</u> | <u>2q2012</u> | <u>3q2012</u> | <u>4q2012</u> |
|------------------------|---------------|---------------|---------------|---------------|---------------|
| Increase significantly | 2 | 5 | 1 | 2 | 2 |
| Increase somewhat | 45 | 41 | 28 | 23 | 32 |
| Remain stable | 38 | 39 | 47 | 54 | 45 |
| Decrease somewhat | 14 | 15 | 23 | 19 | 19 |
| Decrease significantly | 2 | 1 | 1 | 2 | 2 |

2-e) Productivity

| | | | | | |
|------------------------|----|----|----|----|----|
| Increase significantly | 2 | 4 | 1 | 1 | 2 |
| Increase somewhat | 44 | 43 | 28 | 29 | 28 |
| Remain stable | 45 | 45 | 62 | 58 | 63 |
| Decrease somewhat | 6 | 8 | 8 | 10 | 7 |
| Decrease significantly | 2 | 0 | 1 | 2 | 1 |

3) Of the above factors, which represents the most important factor in terms of your company's performance for the next quarter?

| | | | | | |
|-------------------|----|----|----|----|----|
| Size of workforce | 2 | 5 | 2 | 3 | 7 |
| Wage costs | 4 | 4 | 4 | 3 | 4 |
| Benefit costs | 7 | 8 | 9 | 11 | 13 |
| Production/Sales | 71 | 72 | 74 | 68 | 59 |
| Productivity | 15 | 12 | 12 | 15 | 17 |

Foreign Trade

4) What percentage of your firm's sales are generated from exports?

| | | | | | |
|----------|----|----|----|----|----|
| 0% | 67 | 66 | 63 | 60 | 66 |
| 1-5% | 16 | 15 | 17 | 21 | 14 |
| 6-15% | 11 | 9 | 9 | 11 | 14 |
| 16-25% | 4 | 3 | 3 | 3 | 1 |
| over 25% | 3 | 7 | 7 | 5 | 5 |

Economic Expectations

4q2011 1q2012 2q2012 3q2012 4q2012

7-a) The national economy

| | | | | | |
|-----------------------|----|----|----|----|----|
| Improve significantly | 1 | 0 | 0 | 1 | 2 |
| Improve somewhat | 36 | 34 | 12 | 24 | 22 |
| Remain stable | 44 | 41 | 33 | 39 | 36 |
| Worsen somewhat | 16 | 22 | 47 | 34 | 34 |
| Worsen significantly | 3 | 2 | 7 | 2 | 6 |

7-b) The state economy

| | | | | | |
|-----------------------|----|----|----|----|----|
| Improve significantly | 0 | 0 | 1 | 0 | 0 |
| Improve somewhat | 23 | 21 | 8 | 13 | 14 |
| Remain stable | 43 | 44 | 33 | 42 | 34 |
| Worsen somewhat | 27 | 31 | 50 | 40 | 41 |
| Worsen significantly | 7 | 4 | 8 | 4 | 11 |

7-c) Your own industry outlook

| | | | | | |
|-----------------------|----|----|----|----|----|
| Improve significantly | 2 | 2 | 1 | 1 | 2 |
| Improve somewhat | 31 | 32 | 15 | 19 | 21 |
| Remain stable | 48 | 46 | 52 | 49 | 50 |
| Worsen somewhat | 15 | 20 | 30 | 30 | 26 |
| Worsen significantly | 3 | 1 | 2 | 2 | 2 |

8) Type of business

4q2011 1q2012 2q2012 3q2012 4q2012

| | | | | | |
|------------------------------------|----|----|----|----|----|
| Manufacturing | 39 | 36 | 43 | 42 | 38 |
| Construction | 8 | 9 | 8 | 8 | 12 |
| Retail | 10 | 9 | 8 | 7 | 9 |
| Wholesale trade | 6 | 7 | 5 | 7 | 8 |
| Information | 1 | 3 | 4 | 2 | 1 |
| Finance | 3 | 4 | 8 | 2 | 5 |
| Business and Professional Services | 19 | 14 | 14 | 15 | 12 |
| Education | 2 | 1 | 0 | 0 | 1 |
| Leisure and Hospitality | 2 | 6 | 2 | 3 | 2 |
| Government | 0 | 0 | 0 | 0 | 1 |
| Other | 10 | 11 | 8 | 12 | 11 |

9) County

| | | | | | |
|------------|----|----|----|----|----|
| Fairfield | 23 | 16 | 16 | 20 | 15 |
| Hartford | 34 | 39 | 37 | 35 | 37 |
| Litchfield | 6 | 8 | 8 | 8 | 8 |
| Middlesex | 8 | 8 | 7 | 10 | 12 |
| New Haven | 22 | 21 | 24 | 20 | 21 |

| | | | | | |
|------------|---|---|---|---|---|
| New London | 2 | 6 | 2 | 3 | 3 |
| Tolland | 4 | 1 | 3 | 3 | 1 |
| Windham | 1 | 2 | 2 | 1 | 2 |

10) Number of employees

| | | | | | |
|-------------|----|----|----|----|----|
| 1 to 9 | 26 | 22 | 20 | 19 | 23 |
| 10 to 49 | 53 | 50 | 54 | 58 | 50 |
| 50 to 99 | 13 | 14 | 12 | 14 | 16 |
| 100 to 249 | 3 | 10 | 8 | 6 | 6 |
| 250 to 499 | 3 | 3 | 3 | 2 | 4 |
| 500 or more | 2 | 2 | 3 | 1 | 1 |

11) Estimated Annual Sales

| | | | | | |
|--------------------------------|----|----|----|----|----|
| Less than \$500,000 | 4 | 7 | 3 | 2 | 5 |
| \$500,000 to \$999,999 | 13 | 10 | 13 | 12 | 12 |
| \$1 million to \$2.9 million | 35 | 31 | 28 | 32 | 27 |
| \$3 million to \$4.9 million | 16 | 13 | 13 | 15 | 15 |
| \$5 million to \$9.9 million | 11 | 17 | 19 | 18 | 13 |
| \$10 million to \$24.9 million | 12 | 11 | 12 | 10 | 12 |
| Over \$25 million | 8 | 12 | 13 | 12 | 15 |