

OVER 360 BUSINESSES RESPOND TO SURVEY

Each January for the past four years the Alliance has conducted a business survey where hundreds of Stanislaus County businesses provide information about their company's prospects for the upcoming year. The companies respond to questions on revenue, employment and profitability and also report on forces impacting their profitability and growth.

Back in 2005, over 96% of respondents predicted business volume equal to or better than 2004. While the business community remains overall positive about the economy, there has been a downward trend reported in businesses' expectations since 2005. In 2008, 69% of the respondents projected business activity to be the same or better than 2007. In 2005 government regulations and taxes ranked as the most significant negative factors impacting business. In 2008, concern about the economy was the chief concern of nearly two-thirds of the businesses.

While the survey is not intended to be a scientific measure of the economy, it does provide an interesting look into how local business leaders view their prospects for 2008. Congratulations and thanks to all participants in this record breaking survey. By publication time, 364 surveys were compiled, up more than 28% from the 283 responses received last year.



RESPONSE TRACKING - 2008 STANISLAUS ECONOMIC FORECAST SURVEY

Please mark the single category that best describes your business:

(30) Manufacturing	(72) Retail	(32) Health	(13) Real Estate	(3) Information
(11) Food Processing	(32) Finance & Insurance	(3) Technology	(89) Services	(26) Agriculture
(32) Construction	(11) Transport & Logistics	(10) Other		(364) TOTAL

How much do you expect your **sales or revenues** to change in 2008:

(121) Increase	(131) Remain about the same	(110) Decrease	Average: (-1.4%)
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In 2008, do you expect your **workforce** to:

(49) Increase	(232) Remain about the same	(80) Decrease	Average (-1.7%)
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Do you expect your **profitability** to:

(89) Increase	(154) Remain about the same	(116) Decrease	Average (-2.2%)
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Please mark the main factor(s) restricting your profitability and growth:

(122) Taxes/Fees	(108) Energy Costs	(99) Regulations	(76) Workers' Comp
(54) Workforce Skills	(111) Labor Costs	(107) Insurance	(72) Competition
(16) Road Issues	(2) Technology	(230) The Economy	(6) Other

Which general area of Stanislaus is your business located in?

(163) North	(96) South	(50) East	(36) West	(19) Other
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Topical question (responses are Countywide):

Are you in favor of the proposed development of the Crows Landing air facility, including a rail connection to the Port of Oakland?

(170) Yes	(51) No	(143) Undecided or no answer
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Responses by area of County:

North	(75) Yes	(18) No	(70) Undecided or no answer
South	(41) Yes	(13) No	(42) Undecided or no answer
East	(31) Yes	(4) No	(15) Undecided or no answer
West	(14) Yes	(14) No	(8) Undecided or no answer
Other/Multi-location	(9) Yes	(2) No	(8) Undecided or no answer

2008 Stanislaus Economic Survey Responses by Sector												
Sector Responses	All 364	Agriculture 26	Construction 32	Finance & Insurance 32	Food Processing 11	Health Care 32	Manuf'g 30	Retail 72	Real Estate 13	Service 89	Transport Logistics 11	Other 16
Revenues												
Increase	33.2%	46.2%	12.5%	46.9%	54.5%	34.4%	36.7%	20.8%	30.8%	39.3%	36.4%	25.0%
Same	36.0%	38.5%	37.5%	31.3%	36.4%	50.0%	36.7%	29.2%	30.8%	36.0%	45.5%	37.5%
Decrease	30.2%	15.4%	50.0%	21.9%	9.1%	12.5%	26.7%	50.0%	38.5%	23.6%	18.2%	37.5%
N/A	0.5%	0.0%	0.0%	0.0%	0.0%	3.1%	0.0%	0.0%	0.0%	1.1%	0.0%	0.0%
Average Expected	-1.4%	4.1%	-15.9%	0.6%	3.1%	6.8%	0.1%	-4.6%	-4.8%	0.2%	-0.5%	-0.1%
Workforce												
Increase	13.5%	7.7%	9.4%	18.8%	18.2%	28.1%	16.7%	2.8%	15.4%	16.9%	18.2%	6.3%
Same	63.7%	84.6%	46.9%	65.6%	72.7%	56.3%	60.0%	62.5%	61.5%	62.9%	81.8%	75.0%
Decrease	22.0%	7.7%	43.8%	15.6%	9.1%	15.6%	23.3%	33.3%	15.4%	19.1%	0.0%	18.8%
N/A	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.4%	7.7%	1.1%	0.0%	0.0%
Average Expected	-1.7%	-0.7%	-12.2%	1.8%	0.1%	9.9%	-3.5%	-4.2%	-2.3%	-2.0%	1.4%	-1.0%
Profitability												
Increase	24.5%	34.6%	12.5%	37.5%	45.5%	28.1%	16.7%	12.5%	30.8%	27.0%	36.4%	25.0%
Same	42.3%	53.8%	40.6%	28.1%	36.4%	43.8%	60.0%	48.6%	15.4%	39.3%	45.5%	31.3%
Decrease	31.9%	11.5%	46.9%	34.4%	18.2%	28.1%	23.3%	37.5%	46.2%	30.3%	18.2%	43.8%
N/A	1.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.4%	7.7%	3.4%	0.0%	0.0%
Average Expected	-2.2%	0.0%	-15.2%	0.2%	2.2%	8.8%	2.3%	-5.3%	-1.5%	-2.2%	-0.5%	-1.8%
Negative factors impacting profitability and growth												
Taxes/Fees	33.5%	42.3%	43.8%	15.6%	36.4%	28.1%	40.0%	34.7%	38.5%	36.0%	27.3%	12.5%
Energy Costs	29.7%	53.8%	31.3%	9.4%	54.5%	25.0%	36.7%	34.7%	15.4%	18.0%	72.7%	31.3%
Regulations	27.2%	69.2%	31.3%	12.5%	72.7%	31.3%	33.3%	15.3%	15.4%	21.3%	45.5%	12.5%
Workers' Comp	20.9%	23.1%	21.9%	6.3%	9.1%	25.0%	26.7%	25.0%	0.0%	23.6%	36.4%	6.3%
Workforce Skills	14.8%	15.4%	12.5%	18.8%	36.4%	25.0%	20.0%	6.9%	7.7%	16.9%	0.0%	6.3%
Labor Costs	30.5%	53.8%	21.9%	18.8%	54.5%	37.5%	26.7%	27.8%	0.0%	37.1%	9.1%	25.0%
Insurance	29.4%	23.1%	31.3%	6.3%	45.5%	46.9%	50.0%	29.2%	15.4%	30.3%	27.3%	6.3%
Competition	19.8%	19.2%	15.6%	34.4%	9.1%	18.8%	23.3%	22.2%	7.7%	19.1%	9.1%	12.5%
Road Issues	4.4%	3.8%	6.3%	0.0%	9.1%	0.0%	6.7%	2.8%	15.4%	1.1%	36.4%	6.3%
Technology	0.5%	0.0%	0.0%	3.1%	0.0%	3.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
The Economy	63.2%	23.1%	78.1%	68.8%	45.5%	56.3%	56.7%	70.8%	92.3%	61.8%	45.5%	87.5%

Stanislaus Economic Survey 4-Year Trends				
	2005	2006	2007	2008
Responses	250	279	283	364
Revenues				
Increase	71.2%	64.5%	53.0%	33.2%
Same	25.6%	28.0%	33.6%	36.0%
Decrease	3.2%	6.8%	13.4%	30.2%
N/A	0.0%	0.7%	0.0%	0.5%
Average Expected	13.0%	10.4%	6.2%	-1.4%
Workforce				
Increase	34.4%	38.0%	24.0%	13.5%
Same	62.4%	57.0%	64.7%	63.7%
Decrease	2.8%	5.0%	10.2%	22.0%
N/A	0.4%	0.0%	1.1%	0.8%
Average Expected	4.7%	4.4%	2.5%	-1.7%
Profitability				
Increase	54.8%	48.0%	40.3%	24.5%
Same	36.8%	41.9%	42.4%	42.3%
Decrease	8.0%	9.3%	16.3%	31.9%
N/A	0.4%	0.7%	1.1%	1.4%
Average Expected	9.2%	6.7%	4.5%	-2.2%
Negative factors impacting profitability and growth				
Taxes/Fees	47.6%	42.3%	33.2%	33.5%
Energy Costs	22.8%	41.9%	21.2%	29.7%
Regulations	49.6%	37.3%	27.6%	27.2%
Workers' Comp	N/A	46.6%	25.1%	20.9%
Workforce Skills	N/A	33.3%	23.0%	14.8%
Labor Costs	N/A	35.1%	27.9%	30.5%
Insurance	N/A	37.6%	32.5%	29.4%
Competition	N/A	24.0%	22.3%	19.8%
Road Issues	N/A	N/A	4.2%	4.4%
Technology	5.6%	3.2%	5.3%	0.5%
The Economy	N/A	N/A	26.9%	63.2%