

Spring 2017 Sangamon County Economic Outlook Survey

*Prepared by the Survey Research Office, Center for State Policy and
Leadership*

for the Greater Springfield Chamber of Commerce

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**Survey
Research
Office**

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Executive Summary

Since 2008, the Sangamon County Economic Outlook Survey has examined the economic perceptions, expectations, and challenges businesses, nonprofit organizations, and public sector entities face. The survey asks representatives of organizations who are members of the Greater Springfield Chamber of Commerce to provide responses to a number of questions pertaining to their organizations' economic outlook over the next 12 months. Each survey contains a topical question that speaks to specific issues organizations in Sangamon County are currently facing. These questions are developed with the assistance of the survey planning committee, a group of individuals who have been involved with the project for several years. This year, the topical section examines work readiness and job training.

The spring 2017 survey results are from 282 local organizations who were contacted in March and April, 2017 via email invitations using Qualtrics Research Suite. A more detailed discussion of this project's methodology is available on the next page.

For more information about this survey, please contact SRO director Matt Case at mwcase2@uis.edu or at (217) 206-6293. Special thanks to steering committee members Richard Schuldt, Dr. Beverly Bunch and Dr. Patricia Byrnes at the University of Illinois Springfield and to Josh Collins at the Greater Springfield Chamber of Commerce for their guidance on this project.

Some key findings from the current survey include:

- *The state budget impasse continues to be a concern for employers:* Sixty-one percent, the highest percentage ever, cite "state government finances" as one the top three concerns facing their organization over the next 12 months.
- *Expectations for the health care sector are still high but down from previous years:* A smaller percentage of respondents in the 2017 survey (55%) expect the health care sector in Sangamon County to see an increase compared to the fall 2016 (68%) and spring 2016 (71%) surveys. This decline coincides with uncertainty in Washington regarding the Affordable Care Act.
- *Majorities expect to see increases in interest rates and inflation:* Over the next 12 months, 83% of respondents expect interest rates to increase and 76% expect inflation to increase.
- *Most respondents recruit from outside the local area:* Slightly over six in ten respondents (61%) indicate that their organization looks for candidates both locally and from outside the local area while 39% say they only recruit locally.
- *Survey participants have trouble recruiting and retraining employees:* Respondents indicate that recruiting employees from outside central Illinois is not easy; nearly nine in ten (89%) say that attracting candidates from outside the region is either very or somewhat difficult. Furthermore, respondents in the survey are having problems retaining the employees whom they have attracted; 84% of respondents report having a very or somewhat difficult time retaining those candidates.

Project Methodology

In 2015, the UIS Survey Research Office (SRO) became a charter member of the American Association for Public Opinions Research's Transparency Initiative (TI). By joining the TI, the SRO is supporting broader and more effective disclosure of research methods by all organizations. The Transparency Initiative provides formal public recognition by AAPOR of an organization's voluntary commitment to abide by the disclosure standards in the AAPOR Code of Professional Ethics and Practices, while benefiting the public by providing more information with which to evaluate the quality of individual surveys. As part of SRO's continued investment in this initiative, it has committed to providing a detailed methodological report of all of its survey projects. For more information on the Transparency Initiative, please visit:



<http://transparency.aapor.org/index.php/transparency/about>

SANGAMON COUNTY ECONOMIC OUTLOOK SURVEY

The project is sponsored by the Greater Springfield Chamber of Commerce with a contribution from the University of Illinois Springfield's Office of the Chancellor. It was conducted by researchers at the University of Illinois Springfield's Survey Research Office. A steering committee assisted with questionnaire development for the topical section of the project (comprised of University and Chamber representatives). The topline report (see Appendix A., pg. 21.) includes actual question wording and frequencies for each question. Open-ended responses are presented below in Appendix B (pg. 37).

SAMPLE AND METHODOLOGY

A list of local firms and organizations to be included in the Spring 2017 Sangamon County Economic Outlook Survey was generated by examining a list of Greater Springfield Chamber of Commerce members provided by the Chamber. After review, there were 3,801 individuals who were deemed eligible to participate. On March 21st, at 8:30am, SRO sent emails to all 3,801 email addresses. Reminder emails were sent to respondents on March 23rd at 2:29pm, March 27th at 8:30am, and March 29th at 10:00am. Responses were accepted until April 3rd at 11:59pm at which time the survey closed.

Of the 3,801 respondents in the sample to whom surveys were sent, 282 completed the survey while 482 individuals began the survey. Additionally, 6 emails failed to send and 210 emails bounced. The response rate for the survey is 10.7% (AAPOR Response Rate 3). The margin of error for this project is $\pm 5.6\%$. When examining subgroups, the margin of error will increase. Margins of error for this survey are not adjusted for design effect. The data in this survey are not weighted.

Table A1. Organization Statistics (N=330)

Sector	<i>Percent</i>
Private sector (for-profit)	71
Nonprofit sector	15
Public sector	14
Primary economic activity (self-described)	<i>Percent</i>
Construction	6
Manufacturing	2
Retail trade	8
Transportation/ warehousing	3
Finance/ insurance/ real estate	22
Medical/ health care	7
Education/ educational services	8
Accommodations/ food/ entertainment/ recreation	6
Information and communications systems	3
Business and professional support services	16
Personal services	10
Natural resources and mining	1
Public administration	7
Wholesale trade	2
Years in operation	<i>Years (median)</i>
Years in current location	20
Years in Sangamon County	35
Years in Illinois	40
Number of full time employees	<i>Percent</i>
20 or less	49
21 – 50	13
51 -100	12
More than 100	26

The Sangamon County Economy

As with past surveys, the current survey looks at respondents' expectations regarding different aspects of the Sangamon County economy. The survey asks respondents their expectations over the next 12 months of overall employment, capital investments, interest rates, gross sales, inflation, contributions to nonprofits, and their expectations for the overall economy. Table 1 shows the percentage of respondents who expect to see an increase in each of the areas about which the survey asks over the past three survey administrations.

Table 1. Percentage of respondents who expect to see an increase in the following aspects of the local economy			
	Spring 2017	Fall 2016	Spring 2016
Overall Employment	29	27	27
Capital Investment	34	25	28
Interest rates	83	63	46
Gross Sales/ Revenue	33	33	40
Inflation/ Price of Goods	76	66	53
Contribution to Non-Profits	14	15	11
Overall Economy	36	31	25

The survey finds that, compared to the fall of 2016, expectations for growth of the overall economy increased by 5 percentage points (from 31% in the fall of 2016 to 36% in the spring of 2017). However, a greater percentage of respondents expect to see an increase in inflation in the current survey (76%) than in the fall (66%) or spring (53%) 2016 surveys. Notably, a strong majority of respondents in the current survey (83%) expect to see an increase in interest rates. This figure may be compared with the 63% of respondents in the fall 2016 survey and 46% of respondents in the spring 2016 survey who expected to see an increase in interest rates.

The figure below illustrates expectations for Sangamon County’s economy over the next 12 months. As previously mentioned, majorities expect inflation and interest rates to increase over the next 12 months. The figure shows that 44% of respondents see a decline in contributions to nonprofits over the next 12 months while 41% believe they will stay the same and 14% believe contributions will increase. Equal numbers of respondents (29%) believe that overall employment will decline or increase while 42% believe employment will stay the same over the next year. About equal percentages see gross sales and revenue declining (38%), staying the same (30%), or increasing (33%).

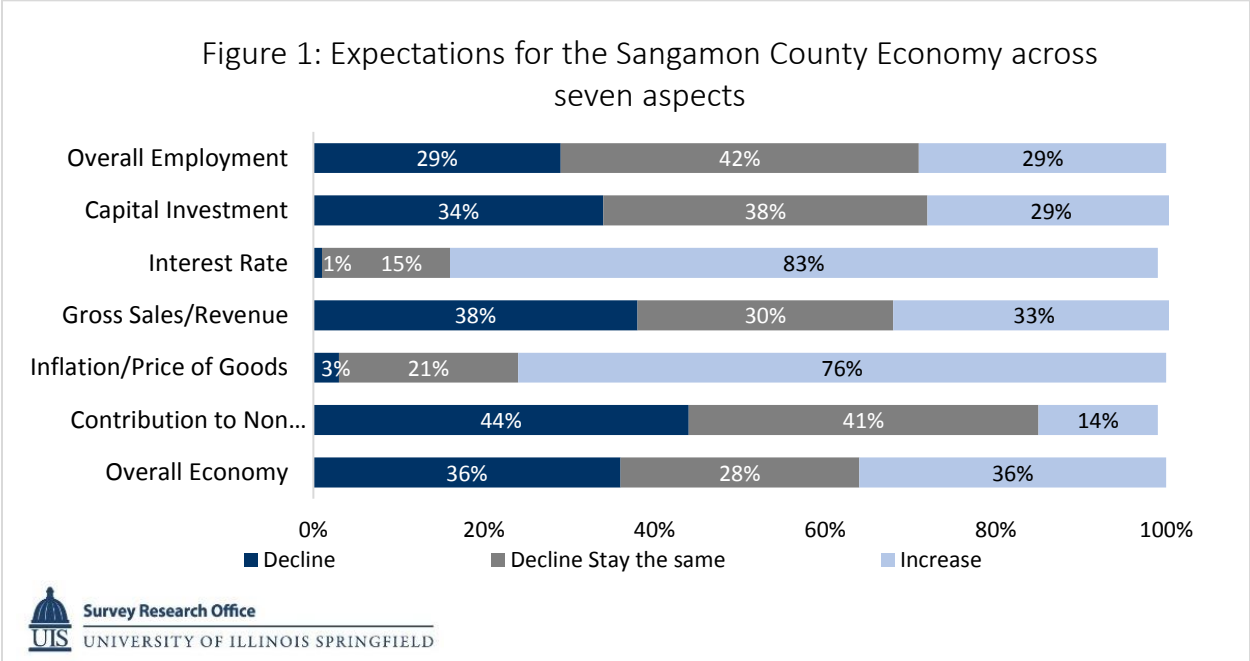


Table 2 (pg. 6) shows how respondents who work for private organizations are more optimistic about their economic outlook over the next 12 months than those who work for public or nonprofit organizations. For instance, while 32% of respondents working for private organizations expect to see an increase in overall employment over the next 12 months, just 23% of respondents from public and nonprofit organizations expect to see an increase in this area. Additionally, 38% of respondents who work for private organizations expect an increase in gross salary and revenue, compared to 21% for those who work for public or nonprofit organizations.

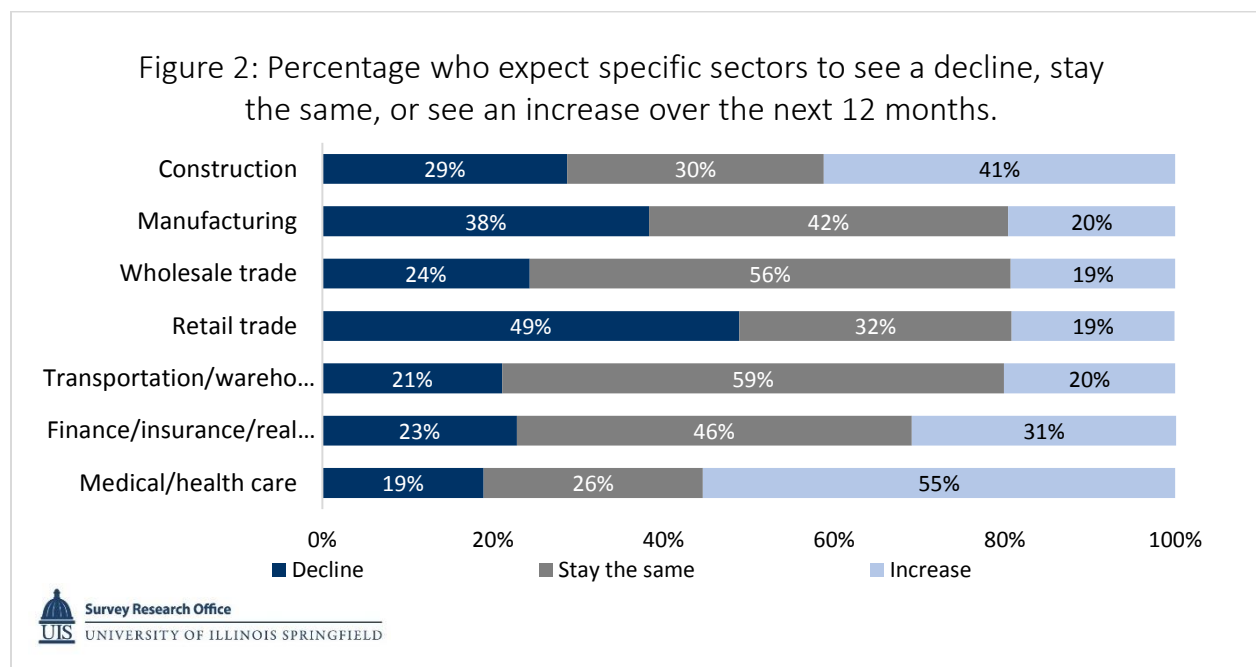
Table 2. Percentage who say that they expect an increase in _____ over the next 12 months.

	Overall Employee nt	Capital Investment	Interest Rate	Gross salary/ Revenue	Inflation/ Price of goods	Contribution to Non- Profits	The Overall Economy
Type of Organization							
Private	32	32	85	38	73	15	39
Public or Nonprofit	23	22	81	21	81	14	30
Years in Sangamon County							
15 years or less	41	34	81	43	75	24	41
16-30 years	21	23	79	30	69	6	26
30+ years	33	33	90	31	78	16	40
Number of Employees							
20 or less	30	31	81	31	76	18	38
21-50	42	27	81	46	75	15	48
51 – 100	29	42	94	53	68	10	39
More than 100	27	25	92	30	78	13	30
Goods/Services provided to state							
Yes	28	28	83	35	76	14	40
No	32	31	86	30	75	15	30
Survey Year							
Spring 2017	29	34	83	33	76	14	36
Fall 2016	27	25	63	33	66	15	31
Spring 2016	27	28	46	33	53	11	25

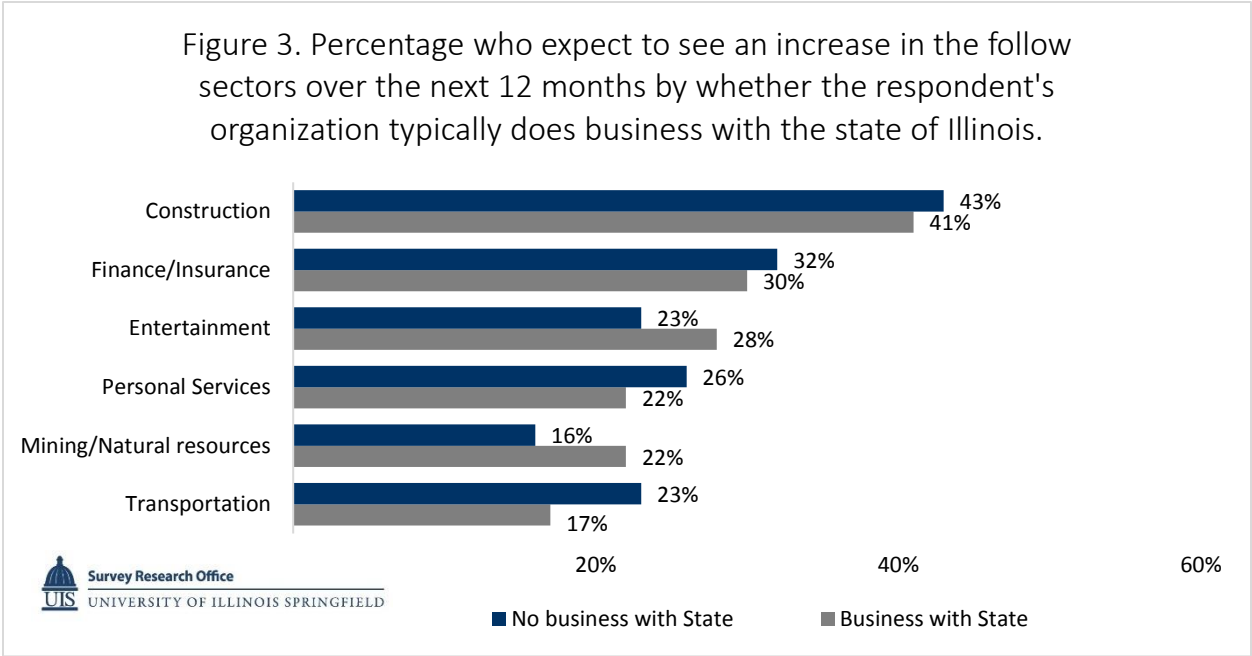
Examining Expectations for Economic Sectors

Expectations for growth in Sangamon County vary greatly between different economic sectors. For instance, just over half of respondents (55%) say they expect to see the medical or health care sector increase in the next 12 months while about four in ten (41%) expect the construction to see an increase. These differences are shown in tables 3 and 4 (pp. 9-10). For several sectors, respondents report it is unlikely an increase will be seen. For instance, just 9% of respondents expect to see an increase in education over the next 12 months and only 7% expect to see an increase in public administration. These figures are very low, even for sectors which have historically been low throughout the history of the survey.

Also of note is that, while still the sector with which respondents are most optimistic, a smaller percentage of respondents in the 2017 survey (55%) expect the health care sector to see an increase compared to the fall 2016 (68%) and spring 2017 (71%) surveys. This decline is possibility related to the uncertainty regarding health care in the wake of the 2016 United States presidential election (particularly around the possible changes being made to the Affordable Care Act).



Contrary to findings from the previous survey, the study finds there is virtually no relationship between expectations for growth and whether or not the company provides goods or services to the state of Illinois. Figure 3 shows that for a few economic sectors such as personal services and transportation, expectations for growth are greater when the company does not provide any goods or services to the state. However, in two sectors the opposite is true. For example, 23% of respondents associated with an organization that does not do business with the state say the entertainment sector will grow over the next 12 months, compared with 28% of those respondents from companies that do business with the state in a typical year.



The survey also finds some differences in expected growth by economic sector depending on whether the companies with which respondents are associated are private corporations or public or nonprofit organizations. Expectations for growth in sectors like construction or health care are slightly lower among public and non-profit institutions than among private entities (44% vs 36% in construction; 58% vs 51% in medical). In the sector of finance/insurance, there was a marked difference, with 36% of respondents from private corporations expecting an increase, compared to 19% of respondents from public and nonprofit organizations. Conversely, when it comes to economic sectors such as information/ communications systems and public administration, respondents in the public sector have slightly higher expectations for growth than those in the private sector (36% vs 34% in information/communications and 12% vs 5% in public administration).

Table 3. Percentage indicating economic activity will increase in the next 12 months for the following economic sectors (1 of 2).

	Construct -ion	Manufac uring	Wholesale trade	Retail trade	Transpor tation	Finance/ Insurance	Medical/ Health care
Type of Organization							
Private	44	21	20	21	20	36	58
Public or Nonprofit	36	17	14	14	17	19	51
Provides Goods and Services to state							
Yes	41	19	19	20	17	30	55
No	43	22	19	17	23	32	57
Years in Sangamon County							
15 Years or Less	48	23	20	18	22	45	58
16 to 30 Years	43	25	15	23	22	19	58
More than 30 years	43	19	21	17	20	33	52
Full Time Employees							
20 or less	38	21	19	13	21	33	55
21 to 50	52	27	21	27	21	33	58
51 to 100	45	23	16	26	23	39	55
More than 100	46	17	20	23	19	28	56
Survey Year							
Spring 2017	41	20	19	19	20	31	55
Fall 2016	34	6	14	28	20	28	68
Spring 2016	35	8	9	27	16	39	71

Table 4. Percentage indicating economic activity will increase in the next 12 months for the following economic sectors (2 of 2).

	Education	Entertainment	Information	Profess. Services	Personal Services	Natural Resources	Public Admin.
Type of Organization							
Private	9	28	34	26	26	20	5
Public or Nonprofit	8	21	36	26	20	18	12
Provides Goods and Services to state							
Yes	8	28	34	27	22	22	6
No	9	23	34	24	26	16	9
Years in Sangamon County							
15 Years or Less	10	28	38	25	22	22	2
16 to 30 Years	6	13	37	25	25	17	6
More than 30 years	6	32	34	25	25	22	10
Full Time Employees							
20 or less	8	25	31	28	23	23	9
21 to 50	6	30	42	21	27	18	3
51 to 100	10	35	42	29	26	13	6
More than 100	10	23	37	22	24	21	3
Survey Year							
Spring 2017	9	26	34	25	24	20	7
Fall 2016	20	33	45	24	25	6	13
Spring 2016	16	31	31	24	21	6	9

Overall Expectations for Own Firm/Organization

The Spring 2017 Economic Outlook Survey finds that respondents' views for their own firm or organization have changed relatively little since the survey conducted in the fall of 2016. In only one of the five aspects about which the survey asks do a majority of respondents indicate they expect to see an increase over the next 12 months; for gross revenue/sales, 51% expect to see an increase. However, a plurality of respondents expects to see an increase in overall status (46%), and profitability (43%). Majorities of respondents expect the total number of employees (51%) and capital investment (52%) to remain the same. In no case do a majority or a plurality indicate their own firm or organization will see a decrease over the next 12 months.

Table 5. Expectations for Own Business/ Firm/ Organization Aspects (Percentage indicating they expect to see an increase over the next 12 months)			
	Spring 2017	Fall 2016	Spring 2016
Capital Investment	31	32	33
Total Number of Employees	31	26	34
Gross Revenue/ Sales	51	49	53
Profitability	43	45	46
Overall Status	46	43	45

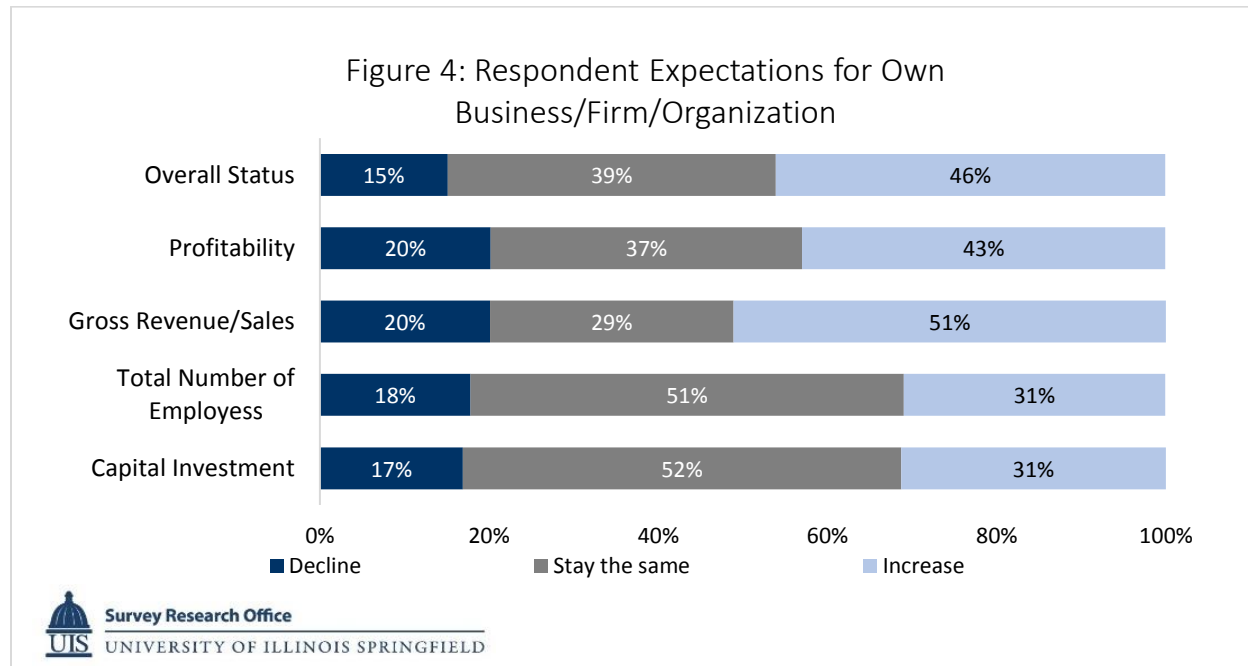


Table 6. Growth Expectations for Own Business/ Firm/ Organization by Demographics (% Increase)

	Capital Investment	Total Number of Employees	Gross Revenue/ Sales	Profitability	Overall Status
Type of Organization					
Private	38	37	60	52	55
Public or Nonprofit	15	18	27	20	22
Provide Goods and Services to state					
Yes	34	31	50	41	42
No	29	32	54	47	52
Years in Sangamon County					
15 Years or Less	36	30	68	59	59
16 to 30 Years	24	21	49	49	49
More than 30 Years	33	37	49	36	42
Number of Full Time Employees					
20 or less	25	31	53	44	50
21 to 50	36	27	61	61	52
51 to 100	42	39	65	39	45
More than 100	39	34	45	39	44
Survey Year					
Spring 2017	31	31	51	43	46
Fall 2016	32	26	49	45	43
Spring 2016	33	34	53	47	45

Biggest Challenges Facing Sangamon County Employers

The survey asks respondents to identify their three biggest challenges for their organization over the next 12 months from a list of thirteen challenges (including the option to specify some other, unlisted challenge). As with previous surveys, respondents list state government finances as one of their three biggest challenges more often than any other challenge (61%). This figure is up five percentage points from the fall survey in which 56% of respondents listed state government finance as one of the biggest challenges facing their organization.

As figure 5 shows, state government finances are more likely to be cited as a concern in the surveys conducted recently than they have been historically. This has coincided with the state budget impasse which has affected the state since the summer of 2015. Furthermore, while concern over state budget finances is high, it is, unsurprisingly, respondents in the public and nonprofit sectors (71%) who are more likely to list this issue as a top challenge than those in the private sector (57%). Those firms who do business with the state are also more likely to cite state government finances as a top challenge (70%) than those who do not (49%).

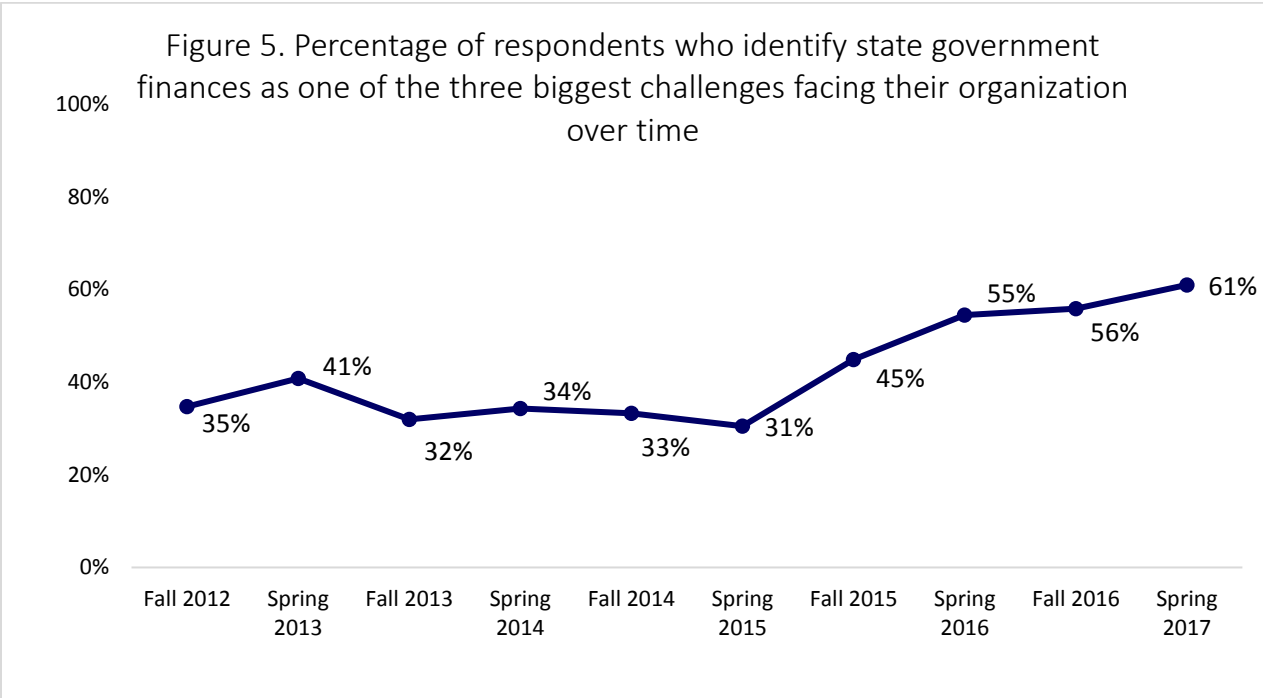


Table 7. Percentage of respondents naming challenges as the three biggest challenges facing their organization in the spring and fall

	Spring 2017	Fall 2016	Difference (%)
Inflation	8	6	+2
Interest rates	16	12	+4
State government finances	61	56	+5
Energy prices	4	7	-3
Commodity prices	7	6	+1
Availability of skilled/trained workers	28	30	-2
Employee (union and nonunion) compensation	15	16	-1
Competition from local/state/national firms	28	29	-1
Global competition	4	4	-
Consumer confidence and spending	40	44	-4
Health care for employees (e.g., affordable care act)	26	31	-5
Government regulations and taxation	45	44	+1

Table 8. Percent of respondents indicating that ____ is one of the top three challenges facing their organization (1 of 2)

	Inflation	Interest rates	State government finances	Energy prices	Commodity prices	Availability of skilled/trained workers
Type of Organization						
Private	6	19	57	4	9	30
Public or Nonprofit	12	8	71	6	3	27
Provide Goods and Services to state						
Yes	5	12	70	4	6	32
No	12	21	49	6	9	25
Years in Sangamon County						
15 Years or Less	12	15	48	2	10	27
16 to 30 Years	6	21	54	6	2	39
More than 30 Years	6	14	68	6	9	27
Number of Full Time Employees						
20 or less	11	13	57	4	5	27
21 to 50	3	18	55	0	9	39
51 to 100	3	10	61	10	6	32
More than 100	6	22	69	5	13	28

Table 9. Percent of respondents indicating that ____ is one of the top three challenges facing their organization (2 of 2)

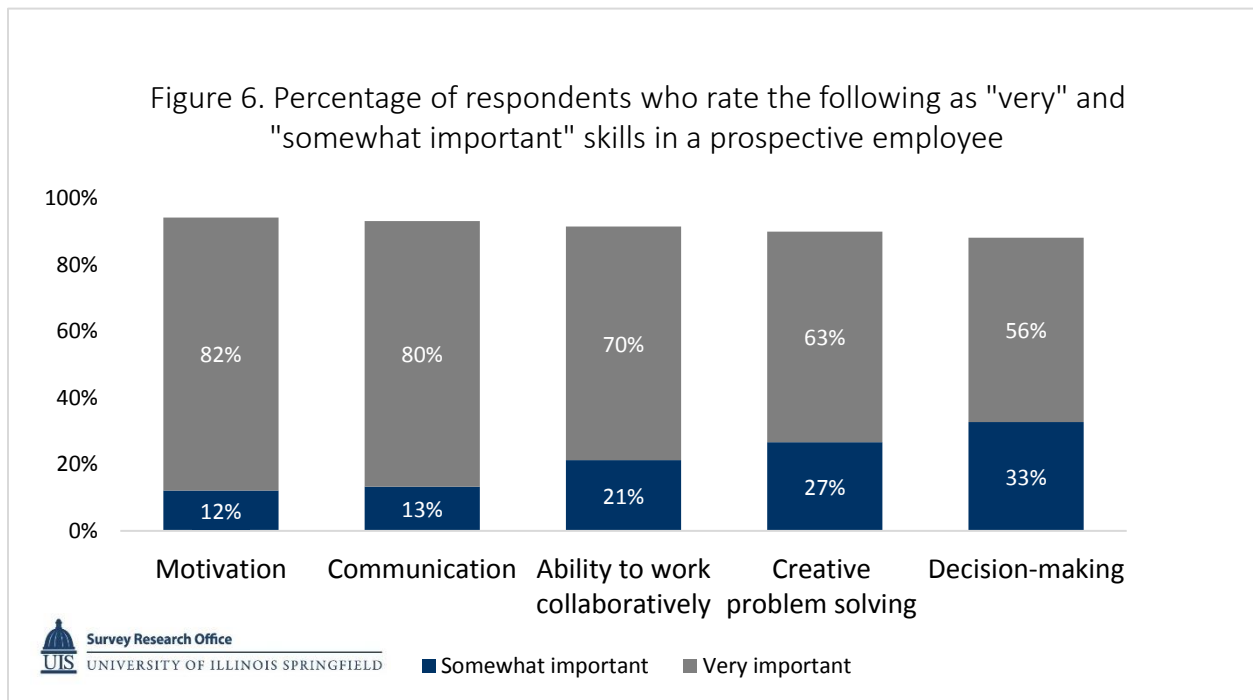
	Employee compensation and benefits	Competition from local/state/national firms	Global competition	Consumer confidence/spending	Health care for employees	Government regulations and taxation
Type of Organization						
Private	14	33	4	44	21	48
Public or Nonprofit	21	13	3	32	37	35
Provide Goods and Services to state						
Yes	14	30	1	39	24	43
No	19	23	7	44	28	45
Years in Sangamon County						
15 Years or Less	12	30	3	57	17	52
16 to 30 Years	21	23	6	40	19	50
More than 30 Years	10	29	3	38	31	38
Number of Full Time Employees						
20 or less	11	30	4	60	23	38
21 to 50	15	27	3	48	33	39
51 to 100	23	32	0	26	16	71
More than 100	14	20	5	16	28	50

Topical Section: Work Readiness and Job Training

IMPORTANCE AND AVAILABILITY OF SPECIFIC SKILLS IN SANGAMON COUNTY

Each year Bloomberg conducts a survey of MBA recruiters in order to find out which attributes are most valued by managers.¹ The survey asks recruiters both which skills are most desirable in a potential employee (here, recent MBA grads) and which skills recruiters have the most trouble finding. The Spring 2017 Economic Outlook Survey asked respondents about the importance and availability of the sixteen skills from the Bloomberg study.²

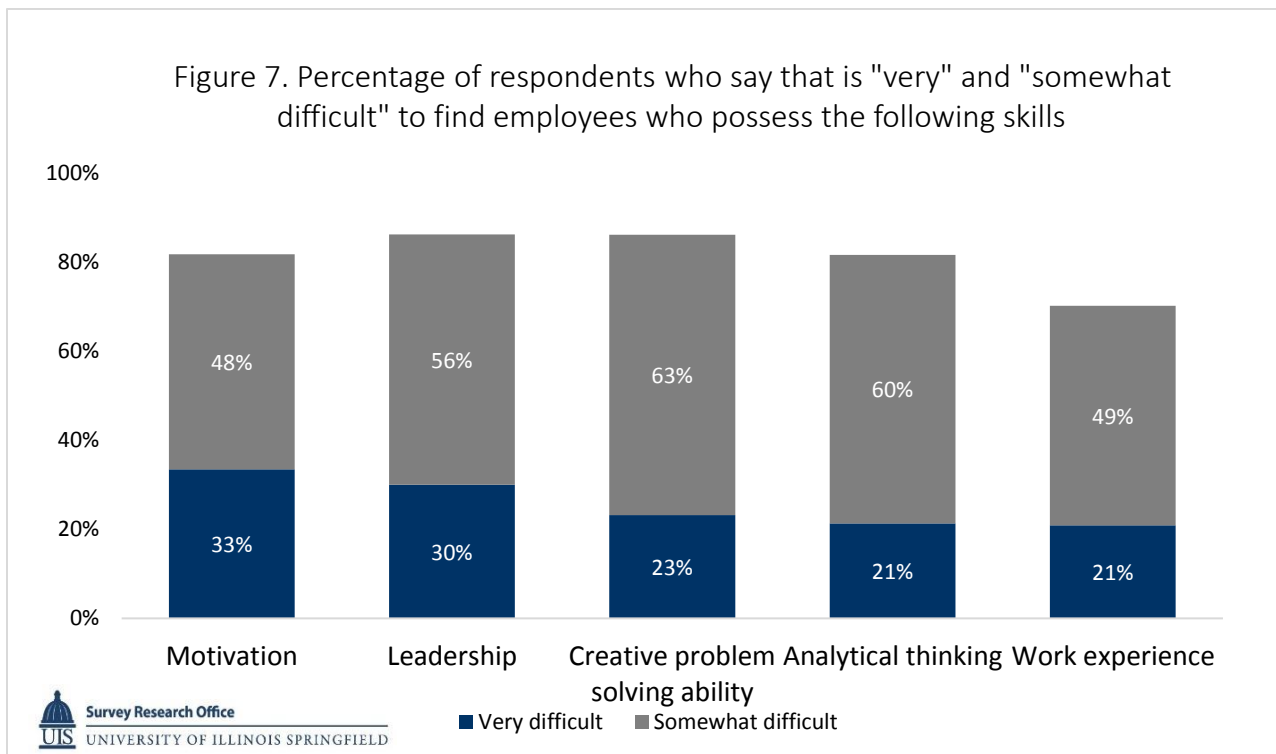
Importance: The current survey finds that respondents view most of these skills as important in prospective employees but finds that some skills are more likely to be rated as “very important” than others. For instance, 82% of respondents rate motivation or a drive to succeed as “very important,” and 80% of respondents rate communication skills as very important. Employers deem other skills to be less important. For example, only 14% say that a global mindset is very important and 12% say that risk-taking is very important. While it is difficult to draw conclusions based on these responses, it is possible that skills such as motivation, communication, and the ability to work collaboratively are so frequently cited by respondents as “very important” because these skills are applicable in nearly all positions. Thus, we would expect to see that employers from all sectors value these qualities.



¹ Levy, F. and C. Cannon. (2016, February 9). The Bloomberg job skills report 2016: What recruiters want. Retrieved from: <https://www.bloomberg.com/graphics/2015-job-skills-report/>

² For frequencies of each of questions asked about, please see the appended topline report.

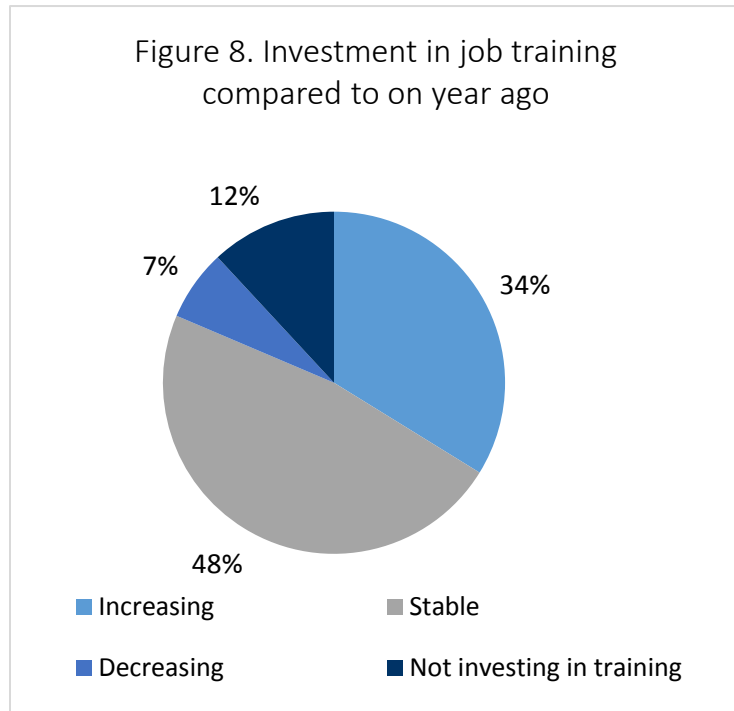
*Availability*³: With the exception of computer skills, employers indicate that it is difficult to find employees who possess any of the sixteen skills about which the survey asks. For instance, 86% of respondents indicate that it is either “very” or “somewhat difficult” to find employees who possess leadership skills and 82% report it is difficult to find employees who possess motivation or a drive to succeed. While still majorities, smaller percentages of respondents indicate it is difficult to find employees who possess a “global mindset” (52% “very” or “somewhat difficult”) or who possess risk-taking skills (60% “very” or “somewhat difficult”). In addition to leadership and motivation, survey respondents indicate it is difficult to find employees who possess strategic thinking skills (82%), analytic thinking skills (82%), and communication skills (81%).



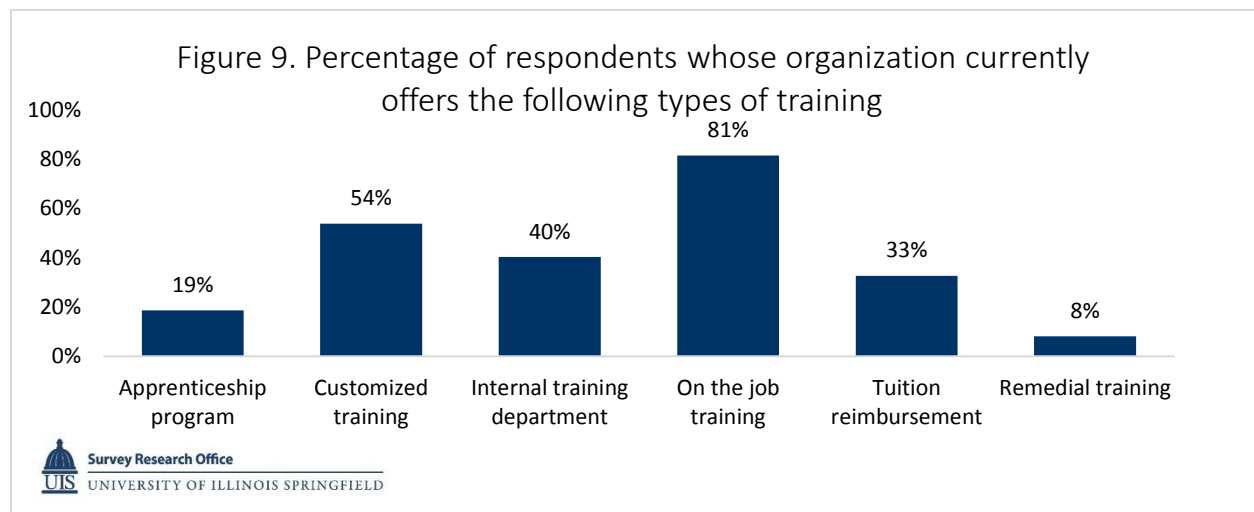
³ The survey asks, “And how difficult is it for you to find employees that possess these skills?” Respondents may replay “very difficult,” “somewhat difficult,” “not difficult at all,” or “N/A.” For this section, percentages are calculated without taking into account the N/A responses.

JOB TRAINING PROGRAMS

Nearly half of respondents (48%) indicate that their organization's investment in job training programs is stable whereas 34% report an increase. Just 7% of respondents report that their organization's investment in job training is decreasing compared to the past year while 12% say that their organization is not investing in job training. There are slight differences in investment based on number of employees and years spent in Sangamon County. For instance, 20% of respondents from organizations with 20 or less employees report that their organization is not investing in job training compared to just 3% of respondents from organizations with more than 100 employees.



Survey respondents were also asked which of six different types of training their organization currently offers. Respondents in the survey are most likely to cite that their organization offers on the job training (81%), and customized training (54%). A sizeable minority of respondents indicate their organization currently has an internal training department (40%) while a third (33%) indicate their organization offers tuition reimbursement. Smaller percentages say their organization offers an apprenticeship program (19%), remedial training (8%), or some other type of training (7%).



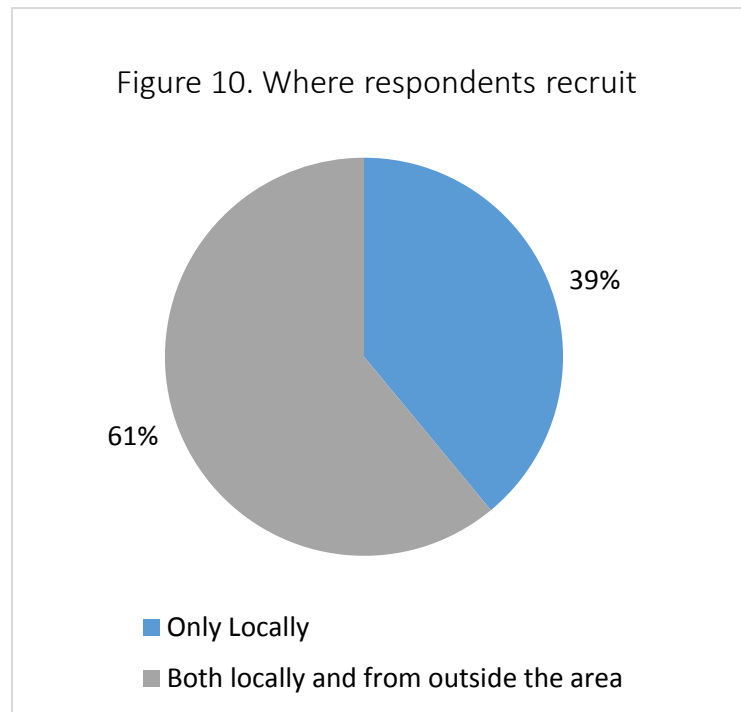
RECRUITING AND RETAINING EMPLOYEES

Slightly over six in ten respondents (61%) indicate that their organization looks for candidates both locally and from outside the local area compared to 39% who say they recruit only locally.

Interestingly, respondents from public and nonprofit organizations are more likely to indicate they recruit from outside the local area (70%) than respondents from private corporations (58%). Respondents from businesses who have been in Sangamon County for more than 30 years are also more likely to indicate their organization recruits from outside the local area (74%) than respondents from organizations who have been in Sangamon County 15

years or less (47%) or 16 to 30 years (43%). Finally, and perhaps unsurprisingly, respondents from organizations with more than 100 total employees are substantially more likely (78%) to say they recruit from outside the local area than respondents from organizations with 20 or less employees (48%).

Survey respondents indicate that recruiting employees from outside central Illinois is not easy; nearly nine in ten (89%) say that attracting candidates from outside the region is either very or somewhat difficult while just 11% report this is not difficult at all. Furthermore, respondents in the survey are having problems retaining the employees whom they have attracted. The survey finds that 84% of respondents have had a very or somewhat difficult time retaining those candidates whereas just 16% say retention is not difficult at all.



Appendix A: Topline Report⁴

Section 1: Sangamon County Economic Expectations

Over the next 12 months, do you expect the following aspects of the local economy to see a large decline, small decline, stay the same, a small increase, or a large increase?

Overall employment

	Valid percent (n)
Large decline	5% (15)
Small decline	24% (66)
Stay the same	42% (119)
Small increase	28% (79)
Large increase	1% (2)

Capital investment

	Valid percent (n)
Large decline	8% (23)
Small decline	25% (71)
Stay the same	38% (106)
Small increase	29% (80)
Large increase	0% (0)

Interest rates

	Valid percent (n)
Large decline	0% (0)
Small decline	1% (4)
Stay the same	15% (43)
Small increase	78% (219)
Large increase	5% (14)

Gross sales/ revenue

	Valid percent (n)
Large decline	5% (15)
Small decline	32% (90)
Stay the same	30% (84)
Small increase	32% (89)
Large increase	1% (2)

⁴ For this section, due to rounding the totals may not always equal 100 percent.

Inflation/ price of goods

	Valid percent (n)
Large decline	0% (0)
Small decline	3% (8)
Stay the same	21% (60)
Small increase	70% (195)
Large increase	6% (17)

Contributions to nonprofits

	Valid percent (n)
Large decline	10.8% (30)
Small decline	33.7% (94)
Stay the same	41.2% (115)
Small increase	14% (39)
Large increase	0.4% (1)

The overall economy

	Valid percent (n)
Large decline	6% (18)
Small decline	29% (82)
Stay the same	28% (79)
Small increase	34% (96)
Large increase	2% (5)

Section 2: Expectations for Sangamon County Economic Sectors

Over the next 12 months, what are your expectations for the following economic sectors in Sangamon County? Do you think each sector will see a large decline, small decline, stay the same, small increase, or large increase?

Construction

	Valid percent (n)
Large decline	4% (10)
Small decline	25% (70)
Stay the same	30% (84)
Small increase	39% (110)
Large increase	2% (5)

Manufacturing

	Valid percent (n)
Large decline	5% (15)
Small decline	33% (92)
Stay the same	42% (118)
Small increase	18% (51)
Large increase	1% (4)

Wholesale trade

	Valid percent (n)
Large decline	3% (9)
Small decline	21% (59)
Stay the same	56% (158)
Small increase	19% (52)
Large increase	1% (2)

Retail trade

	Valid percent (n)
Large decline	8% (22)
Small decline	41% (116)
Stay the same	32% (90)
Small increase	19% (54)
Large increase	0% (0)

Transportation/ warehousing

	Valid percent (n)
Large decline	3% (7)
Small decline	19% (52)
Stay the same	59% (164)
Small increase	18% (51)
Large increase	2% (5)

Finance/ Insurance/ real estate

	Valid percent (n)
Large decline	3% (9)
Small decline	20% (55)
Stay the same	46% (130)
Small increase	31% (86)
Large increase	0% (1)

Medical/ health care

	Valid percent (n)
Large decline	3% (8)
Small decline	16% (45)
Stay the same	26% (72)
Small increase	48% (134)
Large increase	8% (21)

Education/ educational services

	Valid percent (n)
Large decline	6% (16)
Small decline	32% (90)
Stay the same	53% (149)
Small increase	8% (23)
Large increase	0% (1)

Accommodations/ food/ entertainment/ recreation

	Valid percent (n)
Large decline	2% (6)
Small decline	26% (73)
Stay the same	45% (127)
Small increase	25% (71)
Large increase	1% (3)

Information and communications systems

	Valid percent (n)
Large decline	2% (5)
Small decline	9% (26)
Stay the same	55% (153)
Small increase	32% (88)
Large increase	2% (6)

Business and professional support services

	Valid percent (n)
Large decline	1% (4)
Small decline	25% (71)
Stay the same	48% (133)
Small increase	24% (68)
Large increase	1% (3)

Personal services

	Valid percent (n)
Large decline	3% (7)
Small decline	25% (69)
Stay the same	49% (136)
Small increase	23% (64)
Large increase	1% (3)

Natural resources and mining

	Valid percent (n)
Large decline	7% (19)
Small decline	24% (67)
Stay the same	49% (138)
Small increase	19% (52)
Large increase	1% (3)

Public administration

	Valid percent (n)
Large decline	4% (10)
Small decline	35% (98)
Stay the same	54% (150)
Small increase	7% (19)
Large increase	0% (0)

Which of the above economic sectors best describes your firm's primary economic activity?

	Valid percent (n)
Construction	6% (14)
Manufacturing	2% (6)
Retail Trade	8% (20)
Transportation/ warehousing	3% (8)
Finance/ insurance/ real estate	22% (55)
Medical/ health care	7% (17)
Education/ educational services	8% (19)
Accommodations/ food/ entertainment/ recreation	6% (16)
Information and communications systems	3% (7)
Business and professional support services	16% (40)
Personal services	10% (24)
Natural resources and mining	1% (2)
Public administration	7% (17)
Wholesale trade	2% (5)

Section 3: Expectations for Your Business/Firm/Organization in Sangamon County

Over the next 12 months, what are your expectations for your business/firm/ organization in Sangamon County? Do you think each aspect of your organization will see a large decline, small decline, stay the same, small increase, or a large increase?

Capital investment in firm

	Valid percent (n)
Large decline	2% (6)
Small decline	15% (41)
Stay the same	52% (144)
Small increase	28% (77)
Large increase	4% (10)

Total number of employees

	Valid percent (n)
Large decline	1% (2)
Small decline	17% (48)
Stay the same	51% (144)
Small increase	30% (83)
Large increase	1% (4)

Gross revenue/ sales

	Valid percent (n)
Large decline	2% (6)
Small decline	18% (50)
Stay the same	29% (80)
Small increase	47% (131)
Large increase	4% (11)

Profitability

	Valid percent (n)
Large decline	1% (4)
Small decline	19% (52)
Stay the same	37% (102)
Small increase	40% (110)
Large increase	3% (9)

Overall Status

	Valid percent (n)
Large decline	1% (2)
Small decline	14% (40)
Stay the same	39% (108)
Small increase	41% (114)
Large increase	5% (14)

Right now, as you look over the next 12 months, what are the three biggest challenges facing your organization?

	Valid percent (n)
Inflation	8 % (23)
Interest rates	16% (44)
State government finances	61% (170)
Energy prices	4% (12)
Commodity prices	7% (20)
Availability of skilled/trained workers	28% (79)
Employee (union and nonunion) compensation and benefits (not health care)	15% (42)
Competition from local/ state/ national firms	28% (77)
Global competition	4% (10)
Consumer confidence/ spending	40% (112)
Health care for employees (e.g., Affordable Care Act)	26% (71)
Government regulations and taxation	45% (124)
Other, specify:	9% (24)

Other: Corporate affiliations; Corporate changes specific to Springfield site; Fear based in governmental insanity; Federal budget cuts; Federal government budget plan; Federal government cuts; Federal Government funding of Medicare and Medicaid; Fundraising Competition; General governmental and economic unpredictability; Increased compliance costs with DOL fiduciary rule; Lack of a state budget and national government in disarray and not legislating anything either, or doing damage from a president who little understands the complexities of economic balance; Lack of discretionary income of our donors; Lack of State Budget; Local road construction impact on access by customers; Medical, pharmaceutical innovation; Moving office location; Nonprofit failures (IL budget), health care crash (ACA repeal); Slowing down and limiting hours; State employee strike; Visibility; We are a nonprofit organization so none apply to us

Section 4: Work readiness and job training

This section is the topical portion of the survey and changes during each survey administration.

How important would say each of the following skills are in a prospective employee? Are they very important, somewhat important, somewhat unimportant, or not very?

Communication

	Valid percent (n)
Very important	80% (223)
Somewhat important	13% (37)
Somewhat unimportant	1% (3)
Very unimportant	6% (16)

Analytical thinking

	Valid percent (n)
Very important	47% (131)
Somewhat important	38% (107)
Somewhat unimportant	11% (31)
Very unimportant	4% (11)

Leadership

	Valid percent (n)
Very important	42% (119)
Somewhat important	44% (125)
Somewhat unimportant	9% (26)
Very unimportant	4% (12)

Strategic thinking

	Valid percent (n)
Very important	47% (131)
Somewhat important	38% (107)
Somewhat unimportant	11% (31)
Very unimportant	4% (11)

Ability to work collaboratively

	Valid percent (n)
Very important	70% (198)
Somewhat important	21% (60)
Somewhat unimportant	2% (6)
Very unimportant	6% (18)

Creative problem solving ability

	Valid percent (n)
Very important	64% (178)
Somewhat important	27% (75)
Somewhat unimportant	3% (8)
Very unimportant	7% (20)

Motivation/drive to succeed

	Valid percent (n)
Very important	81% (229)
Somewhat important	12% (34)
Somewhat unimportant	1% (3)
Very unimportant	6% (16)

Adaptability

	Valid percent (n)
Very important	68% (189)
Somewhat important	23% (65)
Somewhat unimportant	4% (10)
Very unimportant	5% (15)

Quantitative skills

	Valid percent (n)
Very important	32% (89)
Somewhat important	54% (151)
Somewhat unimportant	12% (34)
Very unimportant	3% (8)

Decision-making

	Valid percent (n)
Very important	56% (156)
Somewhat important	33% (92)
Somewhat unimportant	8% (23)
Very unimportant	4% (10)

Risk-taking

	Valid percent (n)
Very important	12% (35)
Somewhat important	45% (127)
Somewhat unimportant	35% (97)
Very unimportant	8% (22)

Work experience

	Valid percent (n)
Very important	27% (75)
Somewhat important	59% (165)
Somewhat unimportant	10% (28)
Very unimportant	4% (11)

Global mindset

	Valid percent (n)
Very important	14% (38)
Somewhat important	42% (116)
Somewhat unimportant	32% (89)
Very unimportant	13% (36)

Entrepreneurship

	Valid percent (n)
Very important	21% (58)
Somewhat important	40% (112)
Somewhat unimportant	34% (97)
Very unimportant	5% (15)

Computer skills

	Valid percent (n)
Very important	44% (125)
Somewhat important	42% (118)
Somewhat unimportant	8% (23)
Very unimportant	5% (15)

Knowledge of specific technology

	Valid percent (n)
Very important	33% (94)
Somewhat important	48% (135)
Somewhat unimportant	16% (45)
Very unimportant	3% (8)

And how difficult is it for you to find employees that possess these skills? Is it very difficult, somewhat difficult, or not difficult at all?

Communication

	Valid percent (n)
Very difficult	19% (52)
Somewhat difficult	62% (166)
Not difficult at all	16% (42)
N/A	3% (8)

Analytical thinking

	Valid percent (n)
Very difficult	21% (57)
Somewhat difficult	60% (161)
Not difficult at all	13% (34)
N/A	6% (15)

Ability to work collaboratively

	Valid percent (n)
Very difficult	10% (28)
Somewhat difficult	60% (162)
Not difficult at all	26% (69)
N/A	4% (10)

Strategic thinking

	Valid percent (n)
Very difficult	20% (53)
Somewhat difficult	62% (166)
Not difficult at all	7% (20)
N/A	11% (29)

Leadership

	Valid percent (n)
Very difficult	30% (80)
Somewhat difficult	56% (150)
Not difficult at all	8% (22)
N/A	6% (15)

Creative problem solving ability

	Valid percent (n)
Very difficult	23% (62)
Somewhat difficult	63% (168)
Not difficult at all	8% (22)
N/A	6% (15)

Motivation/drive to succeed

	Valid percent (n)
Very difficult	33% (90)
Somewhat difficult	48% (130)
Not difficult at all	15% (41)
N/A	3% (8)

Adaptability

	Valid percent (n)
Very difficult	15% (41)
Somewhat difficult	68% (182)
Not difficult at all	12% (32)
N/A	5% (13)

Quantitative skills

	Valid percent (n)
Very difficult	11% (28)
Somewhat difficult	63% (166)
Not difficult at all	18% (47)
N/A	9% (23)

Decision-making

	Valid percent (n)
Very difficult	17% (46)
Somewhat difficult	64% (171)
Not difficult at all	13% (36)
N/A	5% (14)

Risk-taking

	Valid percent (n)
Very difficult	11% (30)
Somewhat difficult	49% (131)
Not difficult at all	17% (46)
N/A	23% (61)

Work experience

	Valid percent (n)
Very difficult	21% (56)
Somewhat difficult	49% (132)
Not difficult at all	26% (70)
N/A	4% (10)

Global mindset

	Valid percent (n)
Very difficult	14% (38)
Somewhat difficult	38% (101)
Not difficult at all	13% (36)
N/A	34% (92)

Entrepreneurship

	Valid percent (n)
Very difficult	19% (50)
Somewhat difficult	42% (113)
Not difficult at all	9% (25)
N/A	30% (80)

Computer skills

	Valid percent (n)
Very difficult	6% (15)
Somewhat difficult	40% (108)
Not difficult at all	50% (136)
N/A	4% (11)

Knowledge of specific technology

	Valid percent (n)
Very difficult	19% (50)
Somewhat difficult	49% (130)
Not difficult at all	25% (67)
N/A	8% (21)

**Which of the following types of training does your organization currently offer?
Please select all that apply.**

	Valid percent (n)
Apprenticeship program	44% (44)
Customized training	22% (127)
Internal training department	17% (95)
On the job training	34% (192)
Tuition reimbursement	14% (77)
Remedial training	3% (19)
Other	3% (17)

When hiring new employees does your organization look for candidates just from the local area or does the organization search for candidates outside the local area as well?

	Valid percent (n)
Recruit locally only	39% (103)
Recruit locally and from outside the area	61% (164)

How difficult is it to retain candidates recruited from outside the region?

	Valid percent (n)
Very difficult	23% (50)
Somewhat difficult	61% (99)
Not difficult at all	16% (26)

How difficult is it to attract candidates from outside the region?

	Valid percent (n)
Very difficult	31% (50)
Somewhat difficult	58% (95)
Not difficult at all	11% (18)

Section 5: Demographic Information

This last section is used for analysis purposes only and is not intended to identify respondents.

Is your organization in the private sector, nonprofit sector, or public sector?

	Valid percent (n)
Private sector (for-profit)	71% (192)
Not-profit section	15% (41)
Public sector (government)	14% (37)

In a typical year, do you provide goods or services to any state-funded entity, organization, or program? (This could be any state agency or entity or to an organization or program which typically receives state funds). If no please skip the next question.

	Valid percent (n)
Yes	60% (162)
No	40% (108)

If yes, how does your current level of business with these entities, organizations, or programs compare with your typical level of business with them?

	Valid percent (n)
You are currently doing no business with them	8% (12)
Less than a typical year	38% (60)
About the same as a typical year	51% (79)
More than a typical year	3% (5)

How many years has your organization been operating in your current location?

	Valid percent (n)
15 years or less	40% (99)
16 to 30 years	26% (63)
More than 30 years	34% (83)

How many years has your organization been operating in Sangamon County?

	Valid percent (n)
15 years or less	25% (60)
16 to 30 years	22% (53)
More than 30 years	53% (126)

How many years has your organization been operating in Illinois?

	Valid percent (n)
15 years or less	21% (50)
16 to 30 years	24% (56)
More than 30 years	55% (131)

Number of total full-time employees at your organization:

	Valid percent (n)
20 or less	49% (121)
21 to 50	13% (33)
51 to 100	12% (31)
More than 100	26% (64)

Appendix B. Answers to Open-ended Question: *Is there anything else you would to tell us about your economic outlook over the next 12 months?*

Concerned about major retail store closures due to more on-line sales. Also concerned about the continuing state budget impasse and whether state employees will go on strike.
Could be tough with the erratic leadership we have in Washington and Springfield.
DOL regulations will have significant impact. Confidence in funding for CCP is also a concern.
Expansion
Finding lower pay/lower skill workers who can pass drug, background and physicals will continue to be difficult. This difficulty could have a negative impact on manufacturers if they cannot find people to keep their lines running.
Government regulation and taxation has been our number one problem
I don't see a lot of change. state budget and national concerns will keep things status quo.
I see the most serious threat to our business and the local economy as the inability of the state to agree on and fund a state budget that is balanced. The state is essentially financing the government of the back of business by delaying the payments of EGALLY obligated payments for as long as up to one year. No business whether public or private should have to wait for the state to pay for services they have contracted for. In addition, in our business (Hospitality) the state dictates the price they will pay for lodging (which is collusion and blackmail) which in many cases is less than 50% of the value of that lodging, and then colludes to not pay for as long as possible. The state should pay the federally mandated rate for lodging which is adjusted (ach year) for inflation and local economics. In addition, the state should pay interest on unpaid bills at the same rate it charges to taxpayers who fail to pay taxes. This state is the worst in the nation in terms of economic health and threatens to destroy thousands of businesses in the process of mismanagement. Union negotiation by Politicians has left the state, have left the state with unfunded liabilities that we will never recover from. If the state of Illinois was a private business, we would be bankrupt and people would be going to jail.
I travel quite a bit and am frustrated that IL is being left in the dust by several other states where economic activity is flourishing while IL is stagnant. We need to get the budget mess straightened out before we cannot be revived.
Illinois needs a budget. Lack of a budget is hurting everyone.
It is difficult if not impossible to underestimate the effect the lack of state budget has had on the local economy, and by relation to our business. We are a B2B, and our clients are reluctant to invest too much in their businesses, which leads to a domino effect of our local purchasing power or inability to attract qualified applicants. Our local health care sector is owed so much that they are reluctant to move forward on projects budgeted. Restaurants and retail are less busy. Sales tax revenue has died leading to less dollars for infrastructure. Even if the budget was passed today, we are looking at multiple years of reverberation.
It is imperative that we advocate for a responsible state Budget. Lack of a budget is detrimental not only to the entire state, but to the services provided to constituents within the local community.
It is our hope that the legislature can find a way to collaborate on a budget as, quite unfortunately the business climate in Illinois, especially Springfield, is declining and the last remnants seem to be medical or state government in nature. With no budget in sight, the medical field is the only economic engine. This is an unsustainable business climate for not only Springfield, but eventually the entire state. Unless we are aiming to be the next Detroit, something must be done to restart the economic draw for businesses not only to Springfield, but the state of Illinois in general.

Lack of state budget continues to affect not only our business but everyone in Springfield
My top concern is what will happen in Washington. Health care reform may throw us back to the time with Emergency Rooms packed with non-emergencies, millions less with health care insurance, hospitals not being paid, and less employees. Couple that with possible trade wars and increased food cost, may cause issues. In Illinois, with no budget we are looking at some very possible worsening economics. Working in the non-profit sector, I do not think the non-profits will be able to get up with the growing demands in the next 6-12 months.
N/A
National economic outlook looks positive. Unfortunately, Illinois' economy is arguably the worst in the union. It has negatively affected businesses throughout Illinois, including ours. The benefits from new federal deregulation may be outweighed by more local, state driven policies contributing directly to the decline in Illinois' prosperity.
New Federal budget projects deep cuts to our programs.
No (4)
Optimistic, but it has not reached the tipping point yet
Our first quarter sales are down 28% and we're extremely concerned. We believe the contributing factors are the state government situation and on line sales.
Quality of Life and Tourism are strategic advantages.
Rauner and Trump are both implementing rules that hurt. Families are not getting needed resources and this affects our community. I worry that the outstanding health care resources we have in our area will suffer and we will lose doctors. Education is already \$4.5B underfunded affecting our public schools. And, our higher ed facilities aren't being funded which will reduce students and potential candidates for jobs.
Seems to get more difficult to motivate millennials
Since we are a not for profit funded by state and Federal funding grants for Low income clients our outlook for these programs looks to be an all-time low if not done away with completely.
Springfield needs help to survive. Bring back state jobs to the capital city.
State budget needs to be passed. Tax increases and pension reform will be required.
State needs to get it together
State of Illinois w/o a budget is killing business opportunities in every sector.
The city of Springfield, Sangamon County, state of Illinois, is very difficult to bring a new concept into. There are too many obstacles for a new business concept to be able to promote one's self. For Instance, restricted banner displays, IDOT will not ad extensions onto the services sign at our exit, they also with no for warning closed our exit for weeks without any notification. I as a business owner have felt anything but welcomed to Springfield or to Illinois. There is no pride in state. Everyone wants to blame past Governors or the fact that Chicago actually runs the state. I would like to see a campaign for getting pride back. When someone is new, make them feel welcome, not stupid for moving here. This is a great city with a lot of potential. This sate has a lot to offer as well, moving here from a state where there was great pride, I am now making it my goal to great each one of guests into the business, city, county and state! I wish others would start doing the same.
The financial state of Illinois is very concerning, as well as the decision making processes. Getting harder to justify working in this state.
The impact of The state of Illinois fiasco and the closing of many businesses will negatively impact our business if it is not addressed
The inability to work together, that Illinois Legislatures possess, is negatively effecting every facet of our organization's business. To clarify, it's not just one party responsible it's both and they are single

handily running this fine state into the round. In many cases, the damage they have done is irreparable and I shudder to think of the economic outlook for Illinois.
The lack of good employees is the biggest challenge in day to day operations.
The majority of our work is not Sangamon County but throughout Illinois.
The obvious one: If the state can get its budgetary "woes" in order, it will go a long way toward improving the economic outlook of local business, as well as the economic outlook of the state of Illinois.
The restrictions for doing business with the state of IL have changed for our company as we merged in 2016 and no longer are considered, Small Business. Therefore, we do not have the luxury of winning business without the specific department having to go to bid if they would like to deal with us. So many departments will simply default to the small business that is in the same industry even if their product is inferior or the pricing is higher, since they don't have to go through the bidding process, and Th company they choose doesn't offer the same level of support or services, with higher expense.
The state budget crisis has many individuals and organization's plans on hold. I believe if the state budget passed, Springfield and Sangamon County would have a slight economic boom. However, it is appearing most likely that the state budget crisis will not be solved before the next election. It's a shame our lawmakers can't get out of the way of its citizens. We've lost several pieces of business due to a wait and see attitude of clients hoping for the state to sort itself out. What small pieces of business we do with the state are not profitable for us due to the length of time it takes to receive payment. Any profit margin is eaten by interest to float their business.
The state budget crisis is doing deep and irreversible damage to the financial structure of Springfield and our state. It is similar to, and in some ways worse than, a war. The polarization that continues the crisis convinces extreme believers on both sides that they are "right," whatever that means. In the meantime, the cumulative effects to the physical and metaphorical infrastructure of our city and state are taking place so slowly, that we are becoming conditioned to them. Shootings, crumbling road, broken water mains, demolished historical structures for want of an executable plan, long lines at a national fast-food chain while independent businesses continue to fail -- these are all signs, The economy in its present form can't sustain the culture that -- for better or for worse -- took the better part of the 20th Century to create. Actor Billy Zane said it best in the 1997 movie Titanic, "It's starting to fall apart. We don't have much time."
The state budget crisis is holding us hostage
The state budget issue is hurting our business more than we can explain. If the government would get a budget together, the hotel industry would boom back up and bring in more revenue for the state to operate.
The state budget situation is an increasing concern about economic viability in the year ahead.
The state needs to get a budget together so their employees feel comfortable enough to shop.
The uptick in consumer confidence and a belief that government is heading in the "right" direction has dramatically affected, positively, revenue YOY. We serve many industries and while some will recess for another year or two (AG) the overwhelming majority feels more comfortable spending money now with an administration in the WH that they feel is "going to bat for them". Right or Wrong, confidence is up. We can all look at the black and white of situations but at the end of the day confidence is a much understated "cog" in any economic engine. The one caveat is that whatever positive affects happen nationally they will certainly be muted in Illinois due to poor management of state government for a prolonged period of time which has dug a hole that has no bottom. Collaborative work relationships have become fictional in politics but is needed the most, in a two party system anyway. Thank you for sending this to me I hope that it helps (excuse any typos, I had to get through this pretty quick).

Very disheartened by the number of residents leaving the state, which is increasingly alarming given the lack of employment growth and inability to attract young families and businesses to the community. Also concerned that the state budget impasse--should it likely continue--will result in a "gap" that will take the state of Illinois many years from which to resurface. Given the interconnected of community systems (infrastructure, etc.), I fear Illinois will find itself in comparable circumstances such as is the case with the states of Michigan and Ohio...
Very hopeful for a capital program or other transportation related funding to be distributed to Local Public Agencies and the state of Illinois to address the poor infrastructure.
Very uncertain with the state budget impasse affecting the local economic psychology of state workers and small businesses that depend on them. Add to that the uncertainty of radical federal policy changes. We plan to move forward but are seeing increased stress levels from staff and the public.
We are growing very quickly. Creation of great jobs is the most important task for any business in this area
We depend on the state business
We have difficulty finding employees educated in the Medical Imaging Field. This training is not offered in the area. Once finding candidates for the positions, it has been complicated to have these potential employees move to Springfield for the position
Who knows
Will depend a lot on interest rates employment