

CBIA's Quarterly Economic & Credit Survey Results 3q2016

176 respondents, margin of error +/- 7.5%. Response rate is 10.3 % In the field 10/25-11/15, 2016

all in %

Company Performance

1Q2015 2Q2015 3Q2015 4Q2015 1Q2016 2Q2016 3Q2016

1) Current outlook for firm

Improve significantly	6	3	3	6	6	6	3
Improve somewhat	33	31	31	24	24	29	23
Remain stable	51	52	48	57	49	49	49
Worsen somewhat	8	13	15	11	18	16	22
Worsen significantly	3	0	2	2	1	1	2

Performance Indicators

2-a) Size of firm's workforce

Improve significantly	1	1	1	1	3	2	1
Improve somewhat	27	22	22	23	26	30	18
Remain stable	58	67	60	63	58	53	59
Worsen somewhat	12	10	16	13	14	14	18
Worsen significantly	2	0	0	1	0	1	5

Foreign Trade

3) What percentage of your firm's sales are generated by exports?

0%	65	57	62	63	61	62	63
1-5%	18	19	20	18	18	16	15
6-15%	9	16	9	12	14	15	9
16-25%	3	3	4	2	3	0	5
Over 25%	5	6	5	5	5	7	8

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	84.0%	84.0%	81.0%	83.0%	84.0%	94.0%	78.0%
Vendor credit	31.0%	23.0%	17.0%	21.0%	24.0%	15.0%	20.0%
Private loan	13.0%	23.0%	16.0%	10.0%	18.0%	18.0%	16.0%
Government-sponsored loan program	8.0%	10.0%	5.0%	6.0%	2.0%	9.0%	6.0%
Public issuance of stock	0.0%	0.0%	0.0%	2.0%	0.0%	0.0%	0.0%
Private placement of stock	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.0%
Leasing	19.0%	9.0%	17.0%	10.0%	11.0%	12.0%	5.0%
Private placement of debt	4.0%	0.0%	2.0%	2.0%	2.0%	0.0%	0.0%
Credit cards	25.0%	22.0%	24.0%	19.0%	20.0%	12.0%	17.0%
Earning of business	16.0%	10.0%	11.0%	27.0%	24.0%	21.0%	8.0%
Other	1.0%	6.0%	5.0%	6.0%	0.0%	6.0%	9.0%

5) What type of financing do you need most?

Working capital (for day-to-day operations, bridge loans, etc.)	29.0%	31.0%	31.0%	28.0%	26.0%	25.0%	39.0%
Capital for machinery and equipment purchases	19.0%	17.0%	18.0%	22.0%	13.0%	14.0%	32.0%
Capital for expansion of existing plant or office space	6.0%	7.0%	7.0%	7.0%	8.0%	7.0%	16.0%
Capital for research and development	1.0%	2.0%	1.0%	1.0%	0.0%	0.0%	6.0%
Capital for new product or service development	4.0%	4.0%	4.0%	5.0%	3.0%	7.0%	3.0%
None/not applicable	49.0%	47.0%	44.0%	45.0%	48.0%	46.0%	2.0%
Other	1.0%	3.0%	2.0%	2.0%	2.0%	1.0%	2.0%

6) Is credit availability a problem for your firm?

Yes	15.0%	13.0%	17.0%	14.0%	12.0%	13.0%	14.0%
No	85.0%	87.0%	83.0%	86.0%	88.0%	87.0%	86.0%

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

Yes	41	35	31	29	30	30	38
No	59	65	69	71	70	70	63

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

Yes	6.0%	9.0%	6.0%	6.0%	5.0%	8.0%	12.0%
No	94.0%	91.0%	94.0%	94.0%	95.0%	92.0%	88.0%

Current Credit Conditions

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

Excellent	9.0%	4.0%	7.0%	7.0%	5.0%	10.0%	8.0%
Good	27.0%	24.0%	24.0%	28.0%	20.0%	25.0%	22.0%
Average	50.0%	51.0%	50.0%	48.0%	56.0%	49.0%	49.0%
Fair	11.0%	15.0%	13.0%	12.0%	13.0%	13.0%	16.0%
Poor	3.0%	6.0%	6.0%	4.0%	6.0%	3.0%	5.0%

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

Excellent	9	4	7.0%	6.0%	5.0%	6.0%	6.0%
Good	26	23	24.0%	25.0%	19.0%	28.0%	23.0%
Average	47	53	49.0%	48.0%	49.0%	48.0%	43.0%
Fair	14	14	15.0%	17.0%	21.0%	15.0%	24.0%
Poor	4	6	4.0%	4.0%	6.0%	3.0%	4.0%

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

Yes	85	80	79.0%	87.0%	80.0%	95.0%	79.0%
Partially	9	14	15.0%	6.0%	13.0%	2.0%	11.0%
No	6	5	6.0%	6.0%	7.0%	3.0%	10.0%

Demographic Information

10) Which best describes your firm?

	%						
Construction	10	6	5	9	8	7	9

Manufacturing	37	46	44	42	42	52	43
Retail trade	7	6	8	6	5	7	8
Wholesale trade	8	4	5	8	7	7	8
Information technology	3	3	2	4	3	1	2
Finance, insurance, and real estate	5	7	6	6	6	5	5
Business and professional services	14	9	13	13	10	12	9
Education	0	1	0	1	2	0	1
Leisure and hospitality	1	3	2	2	2	1	2
Government	0	0	0	0	0	0	0
Other	9	11	9	7	10	5	8
Medical	6	4	5	3	6	4	5

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

	%						
Fewer than 10	19	20	22	19	16	15	18
10 to 49	56	55	55	53	57	56	56
50 to 99	13	13	13	17	14	20	16
100 to 249	6	7	4	6	5	5	6
250 to 499	3	2	4	2	6	4	2
500 or more	3	4	2	2	2	0	2

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

	%						
Fairfield	16	13	15	15	14	12	15
Hartford	38	37	33	38	39	42	36
Litchfield	6	7	7	5	5	5	8
Middlesex	7	10	12	9	11	12	10
New Haven	22	26	24	25	23	23	25
New London	5	4	4	3	1	0	1
Tolland	2	3	3	3	4	3	3
Windham	3	1	1	1	3	3	2

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

Less than \$500,000	5	6	2	1	6	2	3
\$500,000 to \$999,999	7	9	9	4	7	5	9
\$1 million to \$2.9 million	31	30	31	30	29	19	27
\$3 million to \$4.9 million	14	11	13	17	13	22	14
\$5 million to \$9.9 million	16	17	18	23	20	21	20
\$10 million to \$24.9 million	15	14	16	12	12	22	18
\$25 million or more	12	13	11	12	13	10	10

QUESTION OF THE QUARTER

What impact to your firm, if any, do you expect from Brexit?

						%	
Positive							3
No impact							89
Negative							8