

CBIA's Quarterly Economic & Credit Survey Results 4q2015

175 respondents, margin of error +/- 7.5%. Response rate is 10.2% In the field 12/27/15 to 1/14, 2016

all in %

Company Performance

2Q2014 3Q2014 4Q2014 1Q2015 2Q2015 3Q2015 4Q2015

1) Current outlook for firm

Improve significantly	4	7	6	6	3	3	6
Improve somewhat	31	28	33	33	31	31	24
Remain stable	49	47	48	51	52	48	57
Worsen somewhat	15	17	11	8	13	15	11
Worsen significantly	1	1	1	3	0	2	2

Performance Indicators

2-a) Size of firm's workforce

Improve significantly	0	2	2	1	1	1	1
Improve somewhat	24	23	26	27	22	22	23
Remain stable	62	59	62	58	67	60	63
Worsen somewhat	14	15	11	12	10	16	13
Worsen significantly	1	1	0	2	0	0	1

2-b) Capital investments

Yes			57	57	56	59	62
No			43	43	44	41	38

2-c) Top areas of investment (if "yes" to 2-b)

Production or sales increase			38	39	53	48	31
Operational cost reduction			22	38	19	38	25
Technology (e.g. IT hardware, IT software, apps)			52	39	28	34	26

Foreign Trade

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

0%	63	63	68	65	57	62	63
1-5%	14	21	17	18	19	20	18
6-15%	12	9	9	9	16	9	12
16-25%	4	4	1	3	3	4	2
Over 25%	7	3	4	5	6	5	5

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%	81.0%	84.0%	84.0%	81.0%	83.0%
Vendor credit	31.0%	23%	22.0%	31.0%	23.0%	17.0%	21.0%
Private loan	7.0%	13%	11.0%	13.0%	23.0%	16.0%	10.0%
Government-sponsored loan program	4.0%	7%	3.0%	8.0%	10.0%	5.0%	6.0%
Public issuance of stock	1.0%	0%	0.0%	0.0%	0.0%	0.0%	2.0%
Private placement of stock	0.0%	0%	0.0%	0.0%	0.0%	0.0%	0.0%
Leasing	10.0%	11%	12.0%	19.0%	9.0%	17.0%	10.0%
Private placement of debt	3.0%	2%	4.0%	4.0%	0.0%	2.0%	2.0%
Credit cards	27.0%	16%	20.0%	25.0%	22.0%	24.0%	19.0%
Earning of business	20.0%	20%	15.0%	16.0%	10.0%	11.0%	27.0%
Other	7.0%	2%	4.0%	1.0%	6.0%	5.0%	6.0%

5) What type of financing do you need most?

Working capital (for day-to-day operations, b)	23.0%	30%	35.0%	29.0%	31.0%	31.0%	28.0%
Capital for machinery and equipment purchas	14.0%	20%	19.0%	19.0%	17.0%	18.0%	22.0%
Capital for expansion of existing plant or offic	6.0%	9%	8.0%	6.0%	7.0%	7.0%	7.0%
Capital for research and development	2.0%	3%	1.0%	1.0%	2.0%	1.0%	1.0%
Capital for new product or service developme	6.0%	8%	4.0%	4.0%	4.0%	4.0%	5.0%

None/not applicable	58.0%	44%	42.0%	49.0%	47.0%	44.0%	45.0%
Other	0.0%	3%	3.0%	1.0%	3.0%	2.0%	2.0%

6) Is credit availability a problem for your firm?

Yes	18.0%	12%	15.0%	15.0%	13.0%	17.0%	14.0%
No	82.0%	88%	85.0%	85.0%	87.0%	83.0%	86.0%

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

Yes		34%	34	41	35	31	29
No		66%	66	59	65	69	71

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

Yes	10.0%	7%	9.0%	6.0%	9.0%	6.0%	6.0%
No	90.0%	93%	91.0%	94.0%	91.0%	94.0%	94.0%

Current Credit Conditions

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

Excellent	5.0%	4%	6.0%	9.0%	4.0%	7.0%	7.0%
Good	15.0%	23%	24.0%	27.0%	24.0%	24.0%	28.0%
Average	53.0%	50%	50.0%	50.0%	51.0%	50.0%	48.0%
Fair	20.0%	11%	16.0%	11.0%	15.0%	13.0%	12.0%
Poor	7.0%	13%	5.0%	3.0%	6.0%	6.0%	4.0%

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

Excellent		7.0%	9	4	7.0%	6.0%
Good		22.0%	26	23	24.0%	25.0%
Average		50.0%	47	53	49.0%	48.0%
Fair		16.0%	14	14	15.0%	17.0%

Poor	5.0%	4	6	4.0%	4.0%
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9B) During the last 3 months, was your firm able to satisfy its borrowing needs?

Yes	82.0%	85	80	79.0%	87.0%
Partially	11.0%	9	14	15.0%	6.0%
No	7.0%	6	5	6.0%	6.0%

Demographic Information

10) Which best describes your firm?

	%						
Construction	7	10	11	10	6	5	9
Manufacturing	40	37	36	37	46	44	42
Retail trade	3	9	7	7	6	8	6
Wholesale trade	8	7	8	8	4	5	8
Information technology	5	3	4	3	3	2	4
Finance, insurance, and real estate	8	3	6	5	7	6	6
Business and professional services	15	13	13	14	9	13	13
Education	0	1	0	0	1	0	1
Leisure and hospitality	3	3	1	1	3	2	2
Government	0	1	0	0	0	0	0
Other	10	9	6	9	11	9	7
Medical		4	8	6	4	5	3

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

	%						
Fewer than 10	17	17	20	19	20	22	19
10 to 49	54	61	55	56	55	55	53
50 to 99	12	12	13	13	13	13	17
100 to 249	11	8	7	6	7	4	6
250 to 499	2	2	4	3	2	4	2

500 or more	3	0	1	3	4	2	2
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12) In which county is your firm's primary Connecticut location?

	%						
Fairfield	16	18	16	16	13	15	15
Hartford	40	33	35	38	37	33	38
Litchfield	7	5	7	6	7	7	5
Middlesex	11	9	9	7	10	12	9
New Haven	18	24	22	22	26	24	25
New London	2	6	6	5	4	4	3
Tolland	4	3	3	2	3	3	3
Windham	2	1	2	3	1	1	1

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

	%						
Less than \$500,000	6	6	2	5	6	2	1
\$500,000 to \$999,999	7	8	9	7	9	9	4
\$1 million to \$2.9 million	26	25	34	31	30	31	30
\$3 million to \$4.9 million	16	15	14	14	11	13	17
\$5 million to \$9.9 million	16	19	18	16	17	18	23
\$10 million to \$24.9 million	15	15	12	15	14	16	12
\$25 million or more	13	14	11	12	13	11	12

QUESTION OF THE QUARTER

What do you expect will happen to the size of your workforce in 2016?

Increase significantly	2
Increase somewhat	34
Remain Stable	52
Decrease somewhat	10
Decrease significantly	1