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First Quarter 2022

EXECUTIVE BUSINESS CLIMATE SURVEY

Collier County

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About the Regional Economic Research Institute

The Regional Economic Research Institute studies, analyzes and reports on the regional economy encompassing Collier, Lee, Charlotte, Hendry, and Glades counties. Established in 2005, it serves as a public service and economic development unit of the Lutgert College of Business' Dean's Office and strives to connect Southwest Florida to the resources of Florida Gulf Coast University.

In its many regular and occasional publications, and custom economic research, the RERI focuses on areas such as economic development and forecasting, economic impact analysis, secondary data analysis and surveys. The RERI often partner with different economic development organizations and chambers of commerce in our region, and works closely with the Lucas Institute for Real Estate Development and Finance, the Small Business Development Center, the Southwest Florida Leadership Institute, all of which are housed in the Lutgert College of Business at FGCU, as well as the Institute for Entrepreneurship.

Project Information

The Institute's Business Climate Survey group specializes in sampling design and analysis, including program evaluation, policy research, and needs assessment. The Business Climate Survey group involves FGCU students in every stage of survey development, allowing them to develop professional skills and networks that add value to their degrees and, by extension, to their future employers.

This report is conducted quarterly by Florida Gulf Coast University's Regional Economic Research Institute. This work would not be possible without the RERI's student researchers. We would also like to thank both Collier County Government and the Greater Naples Chamber for their sponsorship of the report.

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Introduction

The Collier County Business Climate Survey Report, published in partnership between Collier County Government, the Greater Naples Chamber, and Florida Gulf Coast University, provides primary research to the business community, elected officials, and other concerned citizens in an effort to gauge the state of Collier County's economy over time as well as impressions and concerns about it in the future.

The business climate survey is comprised of three areas of focus. The first area—encompassed in the first seven questions of the survey—examines Collier County business executives' impressions of economic conditions and trends with respect to hiring and investment. The second area has been the calculation of an Executive Business Climate Index (EBCI). The EBCI provides a summary number which will allow one to quickly gauge whether the business climate in Collier County is improving or declining. Finally, the third area is comprised of various questions that change from survey to survey.

The EBCS also allows respondents to voice concerns, kudos, and criticisms of Collier County's economic environment. Every effort is made to include these comments in each survey.

The Collier County FGCU Business Climate Survey is administered, written, and published by the staff and students working with the Regional Economic Research Institute in the Lutgert College of Business. We very much welcome your comments and suggestions regarding the report, including suggestions for special topics questions for future editions.

This survey would not have been possible without the many busy business owners and executives who took the time to respond to it. I also thank Sean Callahan at Collier County Government, along with Michael Dalby and Melanie Schmees from the Greater Naples Chamber.

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Executive Summary

The Executive Business Climate Survey provides a view of the local economy that is based on responses from senior executives from a range of industries across the county. An invitation to complete the internet survey was sent to 456 executives and business owners in Collier County. Four reminders were sent during the survey period. Fifty-one executives completed the survey from January 3, 2022, through January 18, 2022, giving the survey a margin of error of 13.7 percent.

This survey provides a key economic indicator for Collier County, the Executive Business Climate Index. This index value is computed each quarter and released to the public as a way to provide an established economic indicator on the state of the local economy. The index is computed using the two questions concerning the current and future economic conditions and a third question concerning the expected industry economic conditions. The index is an average of the responses, with substantially better equal to 100, moderately better equal to 75, same equal to 50, moderately worse equal to 25 and substantially worse equal to zero. The index value ranges from 0 to 100. The present survey shows the index measured at 64.7 in the first quarter of 2022, the second decline since peaking at 74.8 in the third quarter of 2021. All three components of the index (current economic conditions, future economic conditions, future industry conditions) showed declines in the first quarter of 2022. A complete graphical representation of each of these questions since 2020 can be found in Appendix A.

Results from the recurring questions revealed:

- 61 percent of the surveyed business executives indicated economic conditions in Collier County were better compared to a year ago; 20 percent stated that overall economic conditions were worse than a year ago.
- 63 percent of business executives were optimistic about economic conditions in the upcoming year, down from 73 percent the previous quarter; 12 percent of the surveyed business executives felt pessimistic about future economic conditions.
- 49 percent of the surveyed business executives reported current industry conditions as better when compared to last year, while 20 percent of executives reported conditions getting worse.
- 53 percent of respondents believe industry conditions will improve over the next 12 months compared to 69 percent in the last quarter, with 12 percent expecting conditions to be worse.
- 53 percent of the surveyed executives reported increased hiring in the current quarter compared to 44 percent in the last quarter; 4 percent reported reducing employment.
- 63 percent of executives expect to increase hiring at their companies over the next year, 31 percent plan to remain at the same level while just 6 percent of the surveyed respondents plan to reduce employment.
- 65 percent of the surveyed executives expect to increase investment over the next year, similar to the previous quarter; 31 percent expect to keep it the same and just 4 percent of the surveyed respondents plan to reduce investment levels.

Each Executive Business Climate Survey contains a set of questions not asked on a recurring basis. These special topic questions highlight areas of importance to the economic development of our region with the intention of accessing the business community's input and feedback to development officials, industry agents, and government officials. The present survey includes questions regarding inflation.

- 59 percent of the respondents indicated that the cost of supplies increased by less than 20 percent since the beginning of the pandemic, while 38 percent indicated costs have increased over 20 percent.
- 35 percent of the respondents indicated no change in their prices of goods and services since the beginning of the pandemic, and about 56 percent indicated some price increases ranging from 1 to 25 percent.
- Inflationary pressures have caused about 30 percent of the surveyed executives to be concerned about the financial health of their business while 42 percent were not concerned.

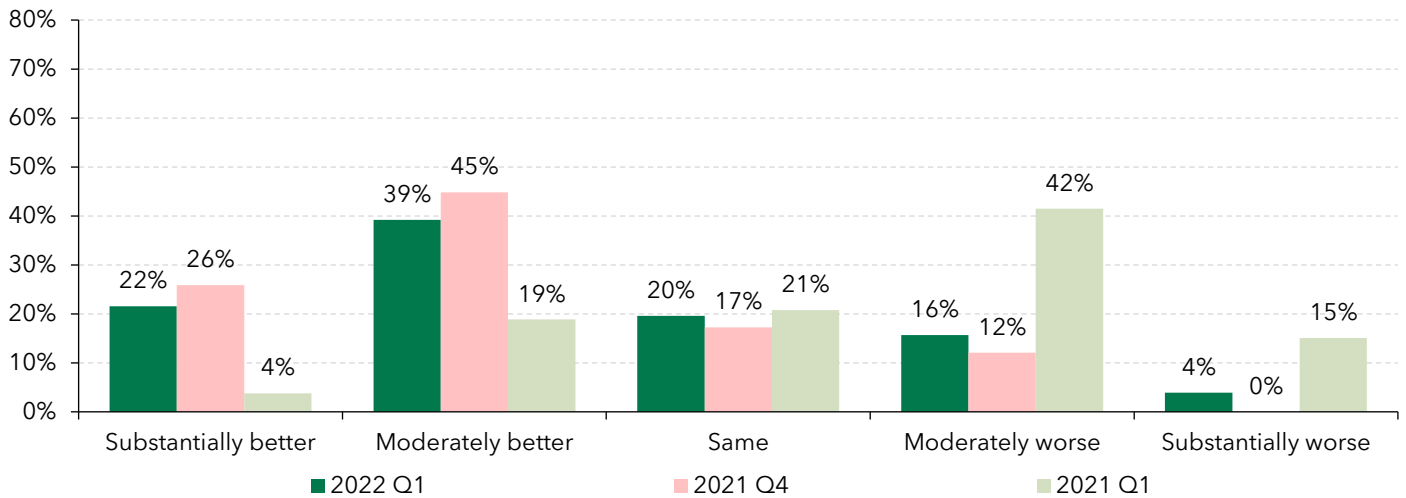
- 26 percent were concerned about customer complaints from higher prices while 45 percent were not concerned.
- 26 percent of the respondents were concerned that higher prices would lead to a loss of customer demand while 44 percent were not too concerned.
- The top measures planned by businesses to reduce overhead include reducing marketing costs (14 percent of respondents), reducing inventory (10 percent), and reducing the number of employees (8 percent).

Recurring Questions

The Executive Business Climate Survey asks Collier County’s business leaders about the state of Collier County’s economy. These seven questions are designed to provide a snapshot of short-term trends and perceptions regarding the state of the local economy, employment, and capital investment. Asking the same recurring questions allows for a side-by-side comparison of the economy during each quarter. The results from these questions for the first quarter of 2022 can be found in Figures 1 through 7 below.

Figure 1: Current Economic Conditions

How are the current Collier County economic conditions compared to a year ago?



Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 3rd, 2022 and January 18th, 2022.

Prepared by the Regional Economic Research Institute

How are the current Collier County economic conditions compared to a year ago?

Figure 1 reflects the responses of business executives during the first half of January for the first quarter of 2022. Sixty-one percent of the surveyed executives indicated economic conditions in Collier County were better compared to a year ago. This was less than last quarter when 71 percent felt conditions were better than a year ago. Twenty percent stated that overall economic conditions were worse than a year ago, more than the 12 percent in the fourth quarter but much lower than the 57 percent recorded a year ago. About 20 percent of responding executives said current Collier County economic conditions were about the same compared to a year ago, higher than the 17 percent in the previous quarter. Complete response counts are found in Table 1.

Table 1: Current Economic Conditions

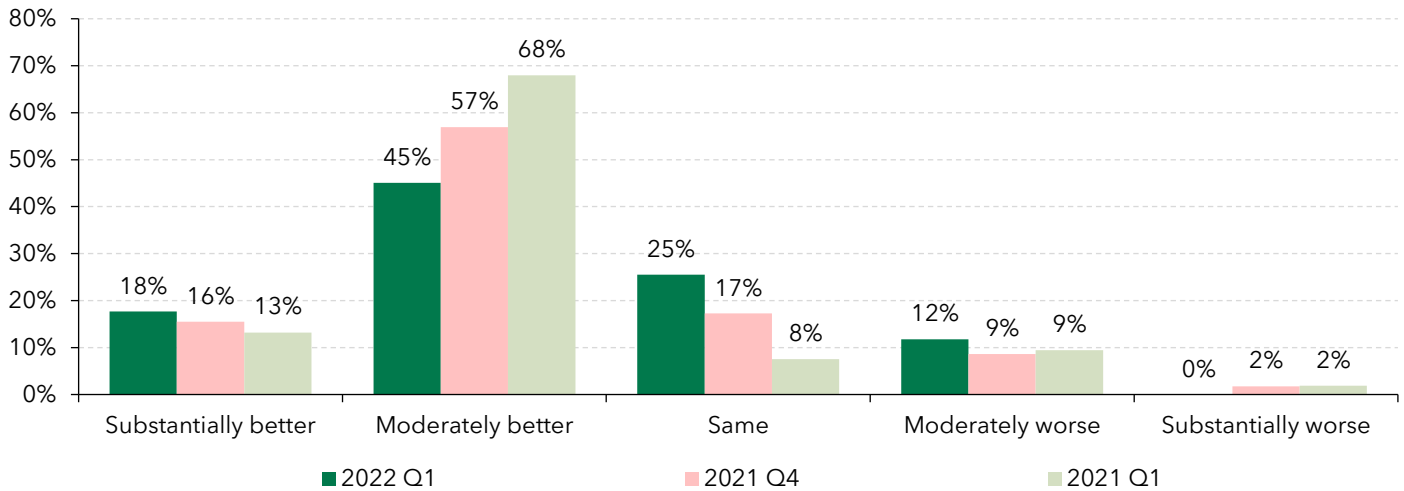
How are the current Collier County economic conditions compared to a year ago?

Response	2022 Q1		2021 Q4		2021 Q1	
	Count	Percentage	Count	Percentage	Count	Percentage
Substantially better	11	21.6%	15	25.9%	2	3.8%
Moderately better	20	39.2%	26	44.8%	10	18.9%
Same	10	19.6%	10	17.2%	11	20.8%
Moderately worse	8	15.7%	7	12.1%	22	41.5%
Substantially worse	2	3.9%	0	0.0%	8	15.1%
Total Responses	51	100.0%	58	100.0%	53	100.0%

Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 3rd, 2022 and January 18th, 2022.

Figure 2: Future Economic Conditions

What are your expectations for the Collier County economy one year ahead?



Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 3rd, 2022 and January 18th, 2022.

Prepared by the Regional Economic Research Institute

What are your expectations for the Collier County economy one year ahead?

Figure 2 tracks business leaders’ expectations about economic conditions in the year ahead. The first quarter results indicated that 63 percent of business executives are optimistic about economic conditions in the upcoming year, compared to the 73 percent in the previous quarter. In contrast, 12 percent of executives indicated some pessimism about the future of the economy. Twenty-five percent expect economic conditions to remain the same. This was higher than the 17 percent in the previous quarter. Complete response counts can be found in Table 2.

Table 2: Future Economic Conditions

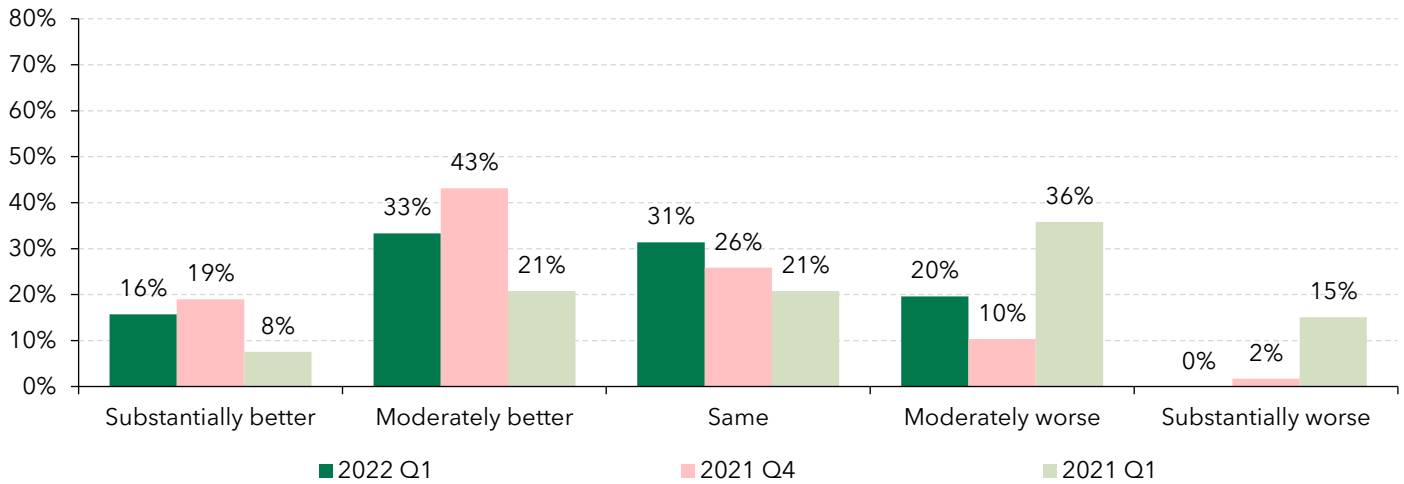
What are your expectations for the Collier County economy one year ahead?

Response	2022 Q1		2021 Q4		2021 Q1	
	Count	Percentage	Count	Percentage	Count	Percentage
Substantially better	9	17.6%	9	15.5%	7	13.2%
Moderately better	23	45.1%	33	56.9%	36	67.9%
Same	13	25.5%	10	17.2%	4	7.5%
Moderately worse	6	11.8%	5	8.6%	5	9.4%
Substantially worse	0	0.0%	1	1.7%	1	1.9%
Total Responses	51	100.0%	58	100.0%	53	100.0%

Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 3rd, 2022 and January 18th, 2022.

Figure 3: Current Industry Conditions

What are the current conditions in your industry in Collier County compared to one year ago?



Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 3rd, 2022 and January 18th, 2022.
Prepared by the Regional Economic Research Institute

What are the current conditions in your industry in Collier County compared to one year ago?

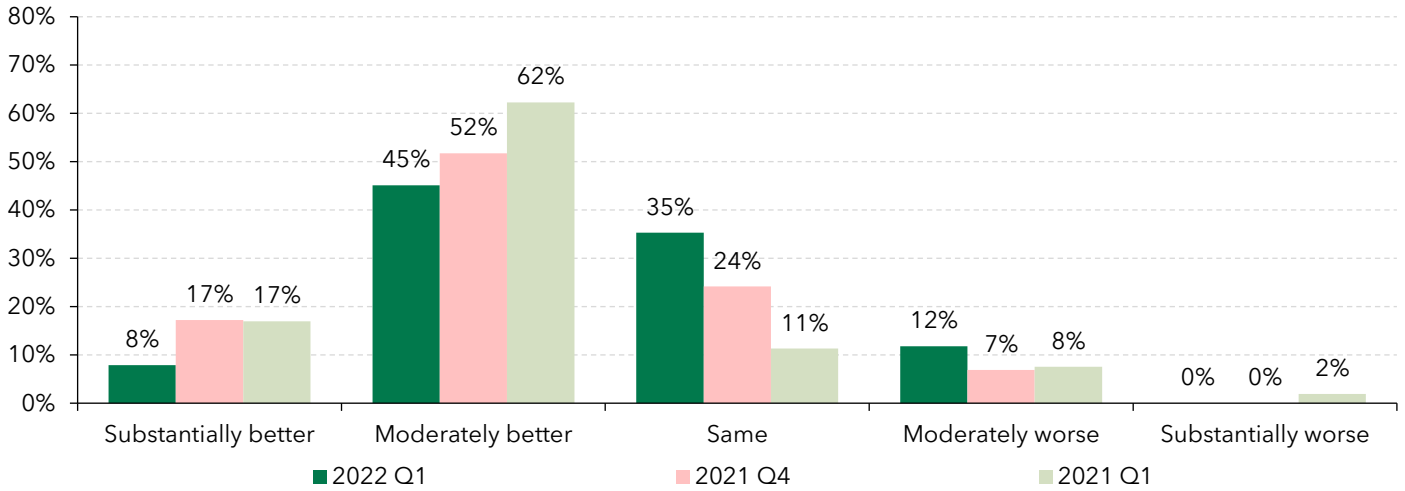
Figure 3 reports on executives’ perceptions about their industry and is more narrowly focused. The percentage of the surveyed executives who felt current conditions in their industry were better compared to a year ago was 49 percent compared to 62 percent in the previous quarter but higher than the 29 percent a year ago. The percentage of business executives reporting worsening industry conditions in the first quarter of 2022 rose to 20 percent from 12 percent in the previous quarter, but still lower than the 51 percent a year ago. About 31 percent of executives noted conditions remained the same in the first quarter compared to 26 percent in the previous quarter of last year. Complete response counts can be found in Table 3.

Table 3: Current Industry Conditions						
What are the current conditions in your industry in Collier County compared to one year ago?						
Response	2022 Q1		2021 Q4		2021 Q1	
	Count	Percentage	Count	Percentage	Count	Percentage
Substantially better	8	15.7%	11	19.0%	4	7.5%
Moderately better	17	33.3%	25	43.1%	11	20.8%
Same	16	31.4%	15	25.9%	11	20.8%
Moderately worse	10	19.6%	6	10.3%	19	35.8%
Substantially worse	0	0.0%	1	1.7%	8	15.1%
Total Responses	51	100.0%	58	100.0%	53	100.0%

Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 3rd, 2022 and January 18th, 2022.

Figure 4: Future Industry Conditions

What are your expectations for your own industry in Collier County one year ahead?



Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 3rd, 2022 and January 18th, 2022.

Prepared by the Regional Economic Research Institute

What are your expectations for your own industry in Collier County one year ahead?

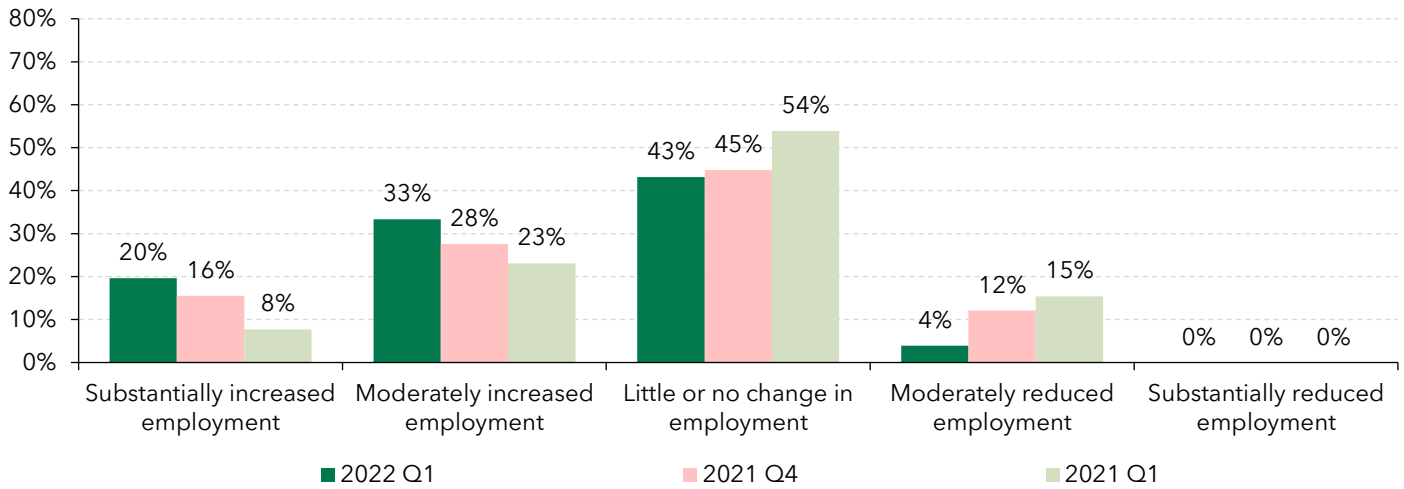
Figure 4 reports the expectations business executives have for the conditions in their own industry one year from now. The percent of surveyed executives who expect conditions in their industry to be moderately or substantially better in the next year was 53 percent compared to 69 percent in the last quarter and 79 percent a year ago. About 35 percent of the surveyed executives expected conditions to remain the same, up from 24 percent in the previous quarter. The proportion of executives expecting conditions to worsen was 12 percent, up from 7 percent the previous quarter. This was higher than the 10 percent recorded a year ago. Complete response counts can be found in Table 4.

Table 4: Future Industry Conditions						
What are your expectations for your own industry in Collier County one year ahead?						
Response	2022 Q1		2021 Q4		2021 Q1	
	Count	Percentage	Count	Percentage	Count	Percentage
Substantially better	4	7.8%	10	17.2%	9	17.0%
Moderately better	23	45.1%	30	51.7%	33	62.3%
Same	18	35.3%	14	24.1%	6	11.3%
Moderately worse	6	11.8%	4	6.9%	4	7.5%
Substantially worse	0	0.0%	0	0.0%	1	1.9%
Total Responses	51	100.0%	58	100.0%	53	100.0%

Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 3rd, 2022 and January 18th, 2022.

Figure 5: Current Hiring Trend

What has been your hiring trend over the last year?



Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 3rd, 2022 and January 18th, 2022.

Prepared by the Regional Economic Research Institute

What has been your hiring trend over the last year?

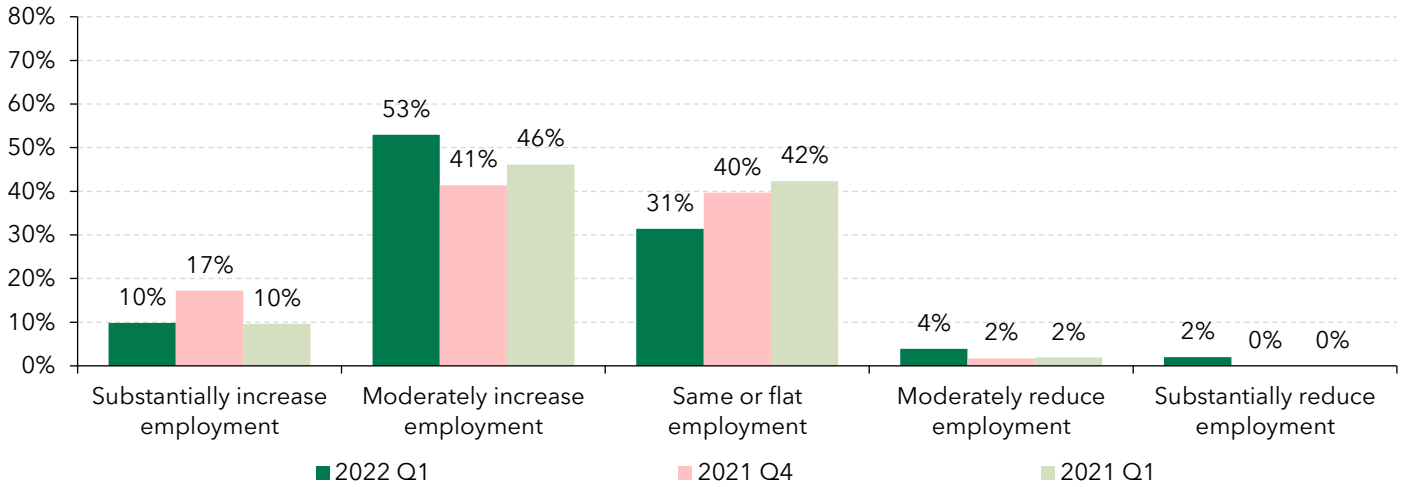
Figure 5 focuses on the current hiring trends of the surveyed executives. Survey responses of our executives showed an increase in the percentage of respondents that indicated they had increased employment. About 53 percent indicated employment increased, compared to 44 percent in the last quarter. About 43 percent of the business executives indicated little or no change in employment over the last year, slightly lower than the 45 percent in the previous quarter and lower than the 54 percent a year ago. The proportion of surveyed firms that said they reduced employment over the last year fell to 4 percent from 12 percent in the previous quarter. Complete response counts can be found in Table 5.

Table 5: Current Hiring Trend						
What has been your hiring trend over the last year?						
Response	2022 Q1		2021 Q4		2021 Q1	
	Count	Percentage	Count	Percentage	Count	Percentage
Substantially increased employment	10	19.6%	9	15.5%	4	7.7%
Moderately increased employment	17	33.3%	16	27.6%	12	23.1%
Little or no change in employment	22	43.1%	26	44.8%	28	53.8%
Moderately reduced employment	2	3.9%	7	12.1%	8	15.4%
Substantially reduced employment	0	0.0%	0	0.0%	0	0.0%
Total Responses	51	100.0%	58	100.0%	52	100.0%

Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 3rd, 2022 and January 18th, 2022.

Figure 6: Future Hiring Trend

What hiring trends do you see for your business over the next year?



Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 3rd, 2022 and January 18th, 2022.
 Prepared by the Regional Economic Research Institute

What hiring trends do you see for your business over the next year?

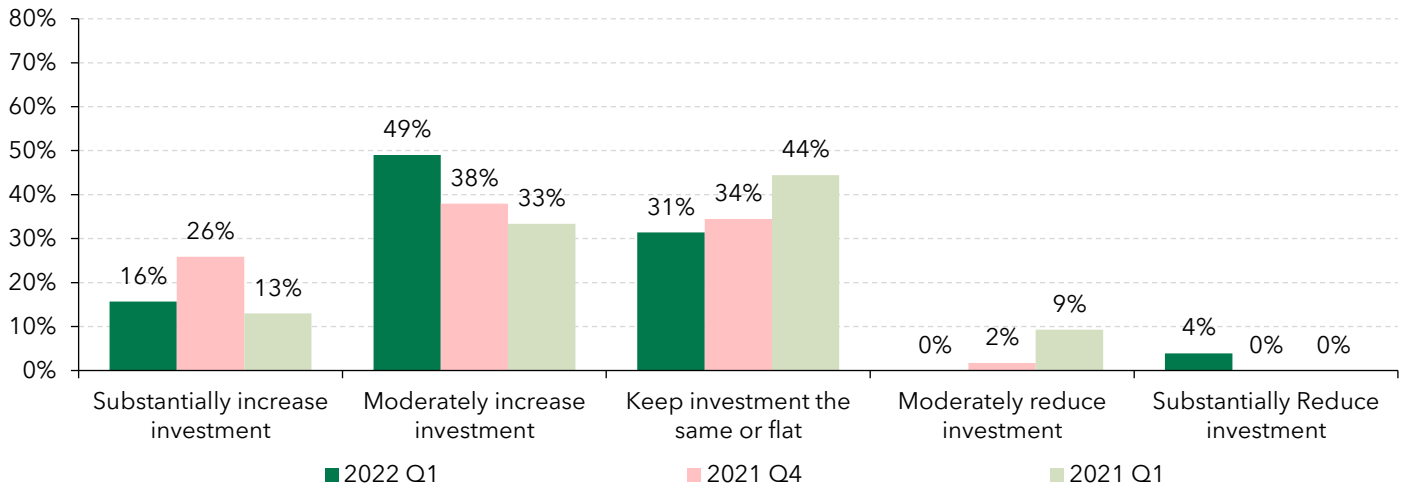
Figure 6 focuses on future hiring trends by the surveyed businesses. Overall, the response outcome indicates that about 63 percent of the surveyed business executives plan to increase employment over the next year, compared to 58 percent in the previous quarter. This was also higher than the 56 percent last year. About 31 percent of the executives plan to keep employment flat over the next year, compared to 40 percent of the respondents in the fourth quarter of last year and 42 percent a year ago. Just 6 percent of the respondents indicated that they were planning to reduce employment, compared to 2 percent in the previous quarter as well as 2 percent a year ago. Complete response counts can be found in Table 6.

Table 6: Future Hiring Trend						
What hiring trends do you see for your business over the next year?						
Response	2022 Q1		2021 Q4		2021 Q1	
	Count	Percentage	Count	Percentage	Count	Percentage
Substantially increase employment	5	9.8%	10	17.2%	5	9.6%
Moderately increase employment	27	52.9%	24	41.4%	24	46.2%
Same or flat employment	16	31.4%	23	39.7%	22	42.3%
Moderately reduce employment	2	3.9%	1	1.7%	1	1.9%
Substantially reduce employment	1	2.0%	0	0.0%	0	0.0%
Total Responses	51	100.0%	58	100.0%	52	100.0%

Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 3rd, 2022 and January 18th, 2022.

Figure 7: Future Investment Trend

Do you plan to increase investment in your business during the next year?



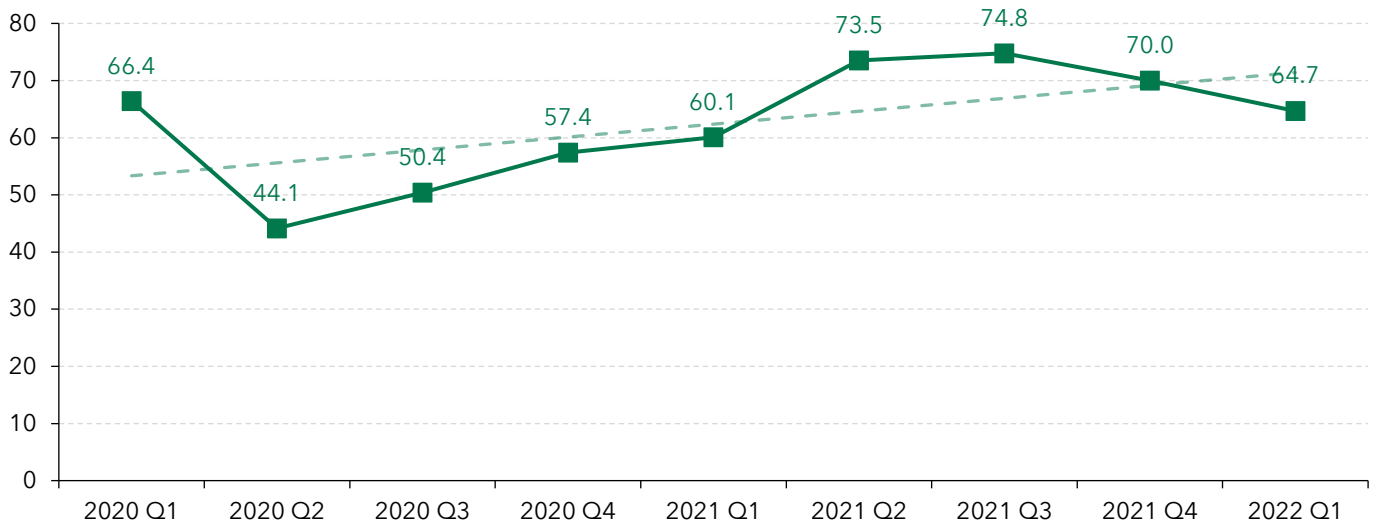
Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 3rd, 2022 and January 18th, 2022.
 Prepared by the Regional Economic Research Institute

Do you plan to increase investment in your business during the next year?

Figure 7 focuses on planned future investment by the surveyed respondents. Close to 65 percent of the surveyed executives expect to increase investment, moderately or substantially, over the next year, similar to the previous quarter and greater than the 46 percent reported a year ago. Thirty-one percent of the executives planned to keep their investment levels flat or the same over the next year, lower than the 34 percent in the previous quarter and lower than the 44 percent a year ago. Just 4 percent of respondents said they planned to reduce investment during the next 12 months, slightly higher than the 2 percent in the previous quarter but lower than the 9 percent in the first quarter of 2021. Complete response counts can be found in Table 7.

Table 7: Future Investment Trend						
Do you plan to increase investment in your business during the next year?						
Response	2022 Q1		2021 Q4		2021 Q1	
	Count	Percentage	Count	Percentage	Count	Percentage
Substantially increase investment	8	15.7%	15	25.9%	7	13.0%
Moderately increase investment	25	49.0%	22	37.9%	18	33.3%
Keep investment the same or flat	16	31.4%	20	34.5%	24	44.4%
Moderately reduce investment	0	0.0%	1	1.7%	5	9.3%
Substantially Reduce investment	2	3.9%	0	0.0%	0	0.0%
Total Responses	51	100.0%	58	100.0%	54	100.0%

Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 3rd, 2022 and January 18th, 2022.

Figure 8: Executive Business Climate Index

Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 3rd, 2022 and January 18th, 2022.

Prepared by the Regional Economic Research Institute

Executive Business Climate Index

One of the key features of this survey is the calculation of an *Executive Business Climate Index (EBCI)*. This index value measures the current business climate in Collier County and is released quarterly to provide an economic indicator allowing one to gauge whether the business climate in Collier County is improving or declining. The *EBCI* is computed using the two questions concerning the current and future economic conditions (reported in Tables 1 and 2) and a third question concerning the expected industry economic conditions (reported in Table 4). The index is an average of the responses, with substantially better equal to 100, moderately better equal to 75, same equal to 50, moderately worse equal to 25 and substantially worse equal to zero. The index value can range from 0 to 100.

The index measured at 64.7 in the first quarter of 2022, the second decline since peaking at 74.8 in the third quarter of 2021. All three components of the index showed declines in the first quarter of 2022. The index for Current Economic Conditions fell from 71.1 in the fourth quarter of last year to 64.7. Respondents in Collier County continued to be less optimistic about future economic conditions in the current quarter of 2022, with the index dipping to 67.2 from 69.0 in the last quarter. Optimism about future industry conditions continued to fall in the first quarter, with the index at 62.3, down from 69.8 in the fourth quarter of 2021. Complete results can be found in Table 8. A complete historical graphical representation of each of the components can be found in Appendix A.

Table 8: Executive Business Climate Index

Components	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1
Current Economic Conditions	66.4	44.1	50.4	57.4	60.1	73.5	74.8	70.0	64.7
Future Economic Conditions	66.7	58.0	62.2	72.4	70.3	71.8	74.3	69.0	67.2
Future Industry Conditions	66.2	61.7	64.0	66.4	71.2	73.1	73.7	69.8	62.3
Executive Business Climate Index	66.4	44.1	50.4	57.4	60.1	73.5	74.8	70.0	64.7

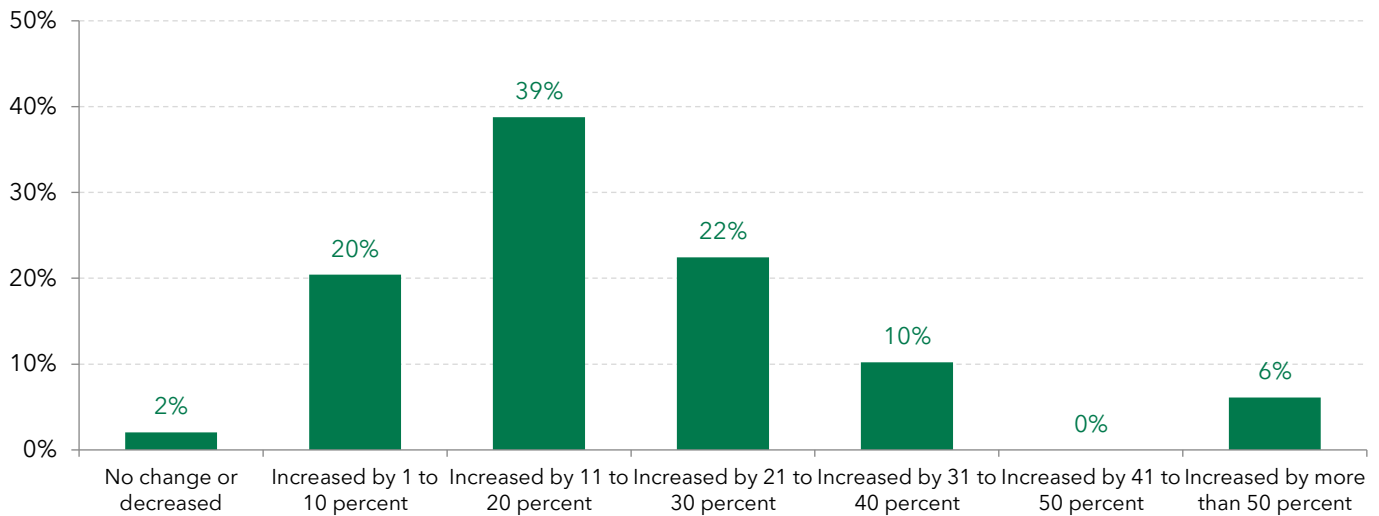
Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 3rd, 2022 and January 18th, 2022.

Special Topics

Each Executive Business Climate Survey contains a set of questions not asked on a recurring basis. These special topic questions highlight areas of importance to the economic development of our region with the intention of accessing the business community's input and feedback to development officials, industry agents, and government officials. The present survey includes questions regarding rising inflation.

Figure 9: Cost of Supplies

Since the beginning of the pandemic, how have costs of supplies and services to run your business changed?



Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 3rd, 2022 and January 18th, 2022.

Prepared by the Regional Economic Research Institute

Since the beginning of the pandemic, how have costs of supplies and services to run your business changed?

The largest proportion surveyed respondents, about 39 percent, indicated that the cost of supplies increased between 11 to 20 percent since the beginning of the pandemic. About 20 percent saw costs increase between 1 and 10 percent while 22 percent saw costs increase between 21 and 30 percent. Just 10 percent saw prices increase between 31 and 40 percent. Only 6 percent of the respondents indicated price hikes over 50 percent. Just 2 percent indicated no change or a decline in costs. Complete results can be found in Table 9.

Table 9: Cost of Supplies

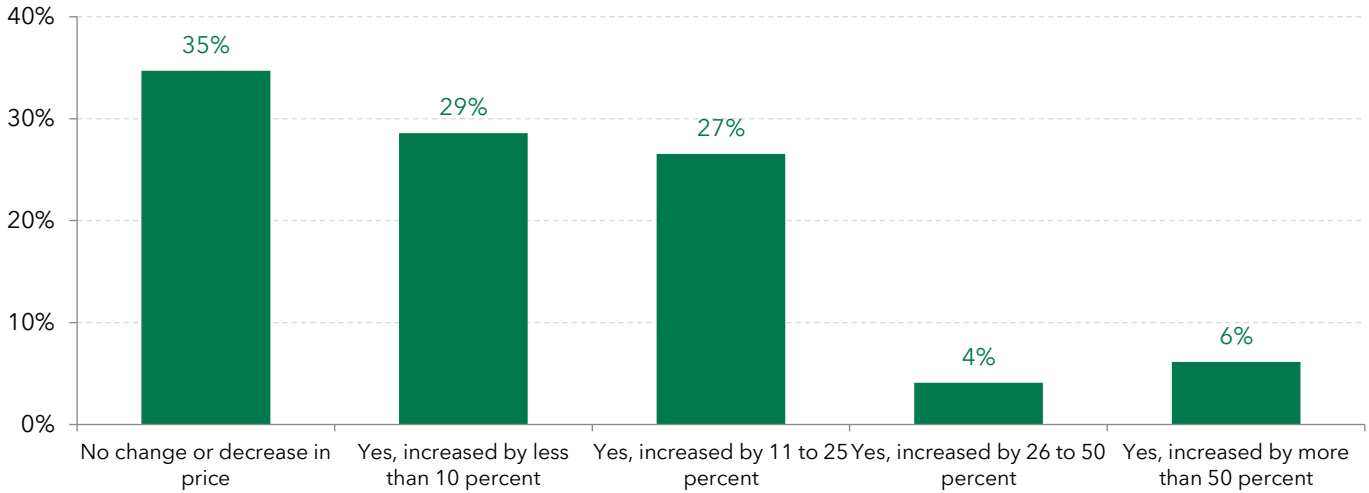
Since the beginning of the pandemic, how have costs of supplies and services to run your business changed?

Response	Count	Percentage
Increased by 1 to 10 percent	10	20.4%
Increased by 11 to 20 percent	19	38.8%
Increased by 21 to 30 percent	11	22.4%
Increased by 31 to 40 percent	5	10.2%
Increased by 41 to 50 percent	0	0.0%
Increased by more than 50 percent	3	6.1%
No change or decreased	1	2.0%
Total Responses	49	100.0%

Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 3rd, 2022 and January 18th, 2022.

Figure 10: Price of Products

Since the beginning of the pandemic, has your business increased prices of products or services due to inflation? If so, by how much?



Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 3rd, 2022 and January 18th, 2022.

Prepared by the Regional Economic Research Institute

Since the beginning of the pandemic, has your business increased prices of products or services due to inflation? If so, by how much?

Responding to this question, 35 percent of the surveyed executives said they have not increased their product or service prices since the beginning of the pandemic. Twenty-nine percent said they had changed prices by less than 10 percent, while 27 percent stated they increased prices between 11 and 25 percent. Just 4 percent indicated that they raised prices between 26 and 50 percent, but 6 percent of the respondents had raised prices by more than 50 percent. Complete results can be found in Table 10.

Table 10: Price of Products

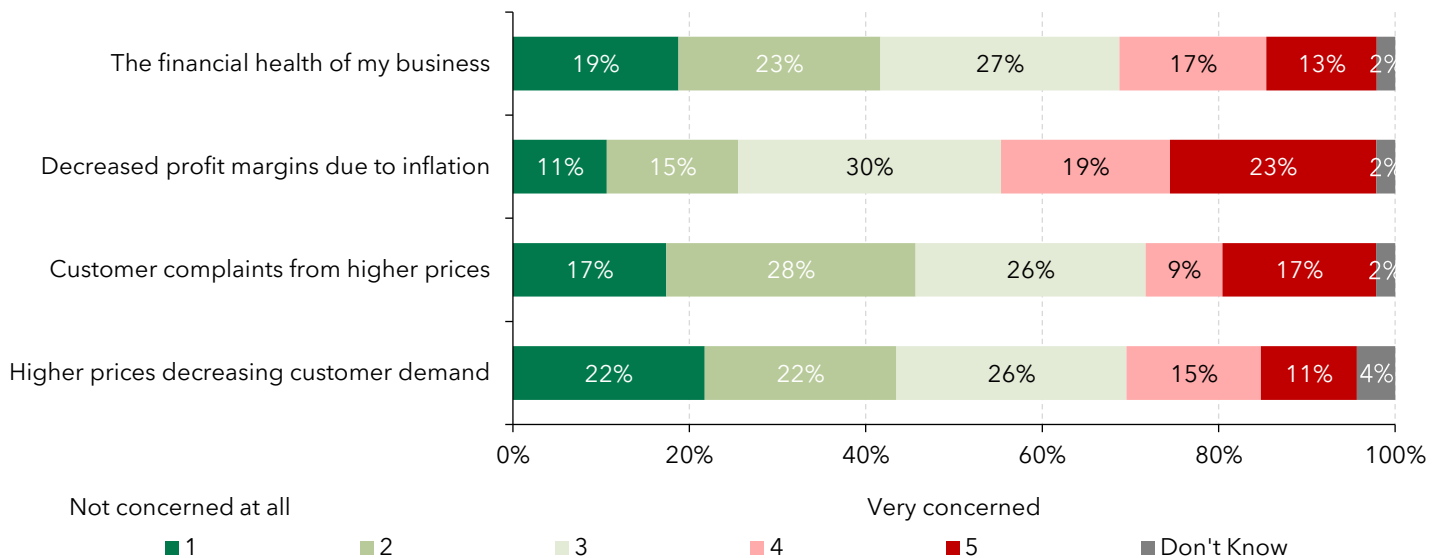
Since the beginning of the pandemic, has your business increased prices of products or services due to inflation? If so, by how much?

Response	Count	Percentage
Yes, increased by less than 10 percent	14	28.6%
Yes, increased by 11 to 25 percent	13	26.5%
Yes, increased by 26 to 50 percent	2	4.1%
Yes, increased by more than 50 percent	3	6.1%
No change or decrease in price	17	34.7%
Total Responses	49	100.0%

Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 3rd, 2022 and January 18th, 2022.

Figure 11: Inflationary Pressures

Given the current inflationary pressures, how concerned are you with the following aspects of your business?



Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 3rd, 2022 and January 18th, 2022.
 Prepared by the Regional Economic Research Institute

Given the current inflationary pressures, how concerned are you with the following aspects of your business?

Inflationary pressures have caused about 30 percent of the surveyed executives to be concerned about the financial health of their business countered by about 42 percent that are not too concerned. Just over 40 percent are concerned about decreased profit margins due to inflation while a relatively smaller proportion, 26 percent, was not too concerned. Twenty-six percent were concerned about customer complaints from higher prices while 45 percent were not concerned. About a quarter of the respondents were concerned that higher prices would lead to a loss of customer demand while 44 percent were not too concerned about losing customers. Complete results can be found in Table 11.

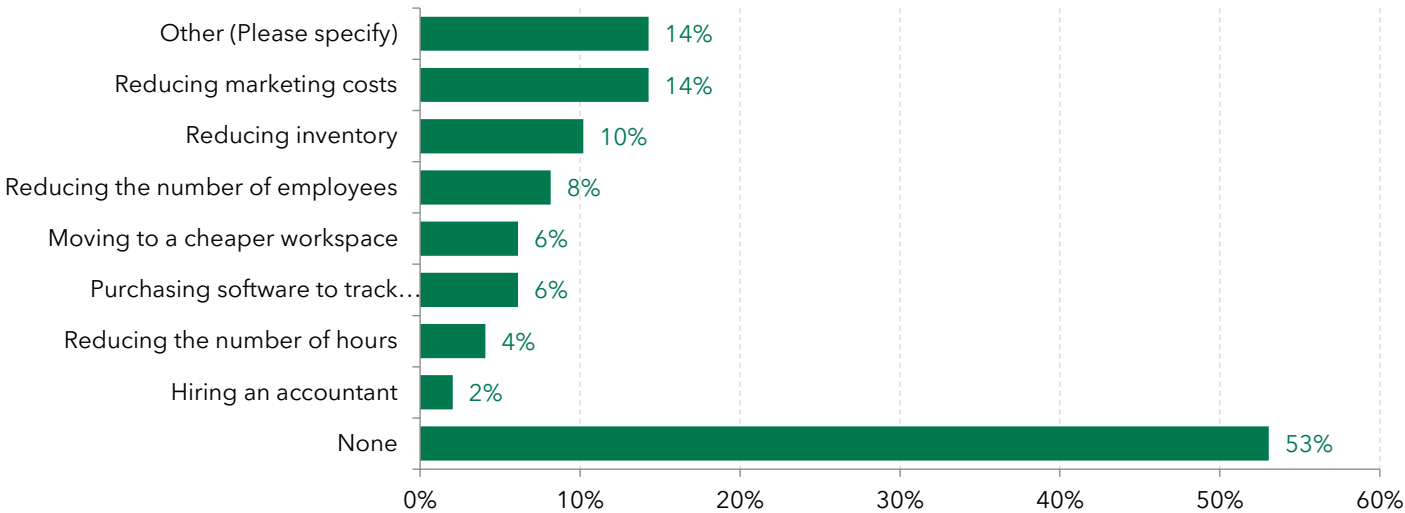
Table 11: Inflationary Pressures
 Given the current inflationary pressures, how concerned are you with the following aspects of your business?

Aspect	Not concerned at all				Very concerned	Don't Know
	1	2	3	4	5	
The financial health of my business						
Count	9	11	13	8	6	1
Percentage	18.8%	22.9%	27.1%	16.7%	12.5%	2.1%
Decreased profit margins due to inflation						
Count	5	7	14	9	11	1
Percentage	10.6%	14.9%	29.8%	19.1%	23.4%	2.1%
Customer complaints from higher prices						
Count	8	13	12	4	8	1
Percentage	17.4%	28.3%	26.1%	8.7%	17.4%	2.2%
Higher prices decreasing customer demand						
Count	10	10	12	7	5	2
Percentage	21.7%	21.7%	26.1%	15.2%	10.9%	4.3%

Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 3rd, 2022 and January 18th, 2022.

Figure 12: Reducing Overhead

Which of the following measures is your business taking to reduce overhead?



Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 3rd, 2022 and January 18th, 2022.
 Prepared by the Regional Economic Research Institute

Which of the following measures is your business taking to reduce overhead?

Figure 12 shows that over half of the respondents have not employed any measures to reduce overhead. The highest proportion, 14 percent, planned to reduce marketing costs, 10 percent were going to reduce inventory, and 8 percent were planning to reduce the number of employees. Six percent planned to move to a cheaper workspace and 6 percent planned to purchase software to track their expenses. Just 4 percent planned to reduce the number of hours worked and 2 percent planned to hire an accountant to help with reducing their overhead. Complete results can be found in Table 12.

Table 12: Reducing Overhead		
Which of the following measures is your business taking to reduce overhead?		
Response	Count	Percentage
Other (Please specify)	7	14.3%
Reducing marketing costs	7	14.3%
Reducing inventory	5	10.2%
Reducing the number of employees	4	8.2%
Moving to a cheaper workspace	3	6.1%
Purchasing software to track expenses	3	6.1%
Reducing the number of hours	2	4.1%
Hiring an accountant	1	2.0%
None	26	53.1%
Total Responses	49	100.0%

Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 3rd, 2022 and January 18th, 2022.

Comments, Suggestions, and Recommendations

At the end of each survey, business executives are given the opportunity to provide any general comments they have about the local economy. Below is a list of the general topics on which the business executives commented.

- Local Government
- Qualified Workers
- Other

Executive responses to this question are found in Appendix B.

Company Characteristics

Each executive provided information about his or her firm, including:

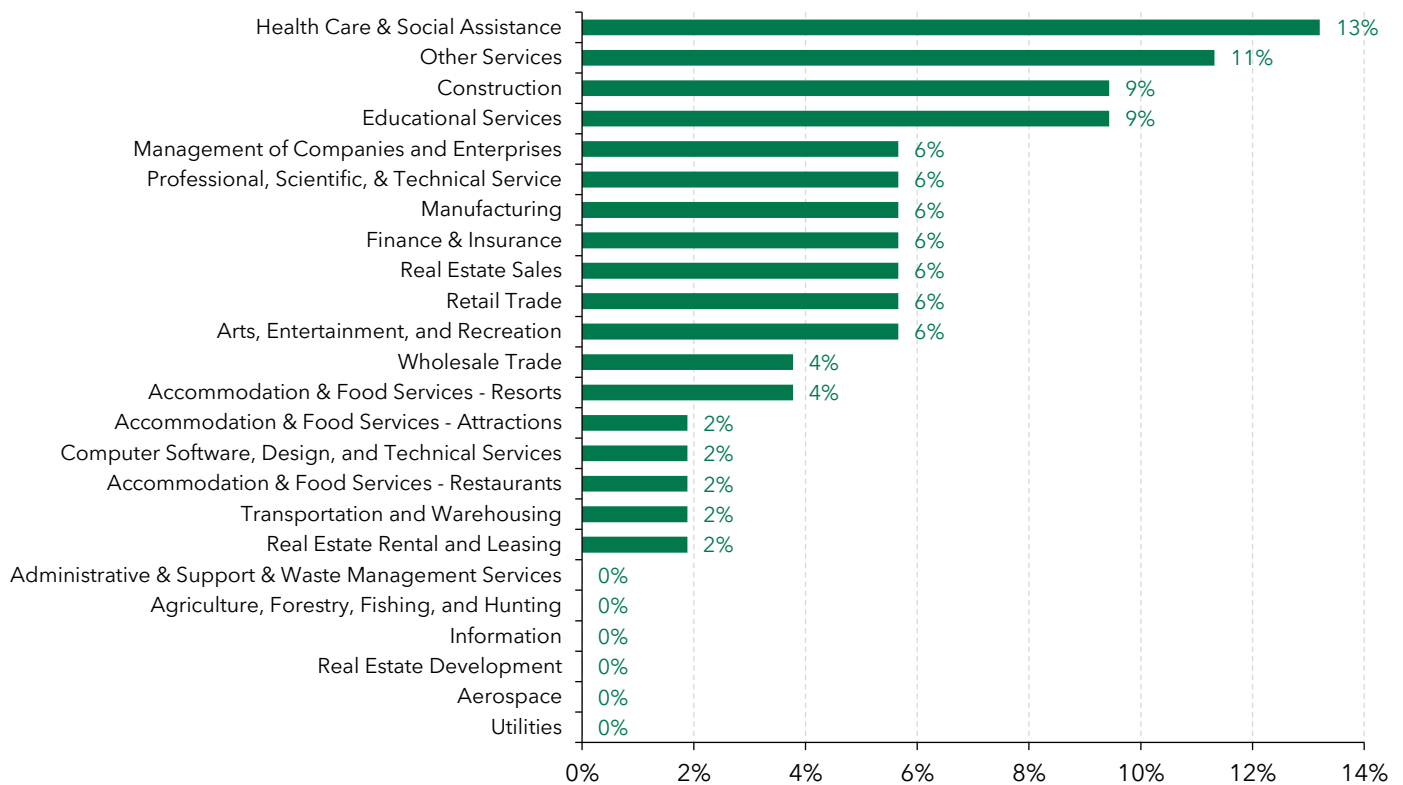
- Business Type;
- Number of Employees;
- Company Location; and
- Geographic Client Base.

The following figures provide an overview of general characteristics of the responding companies.

What type of business or industry best describes your company?

Figure 13: Business Type

What type of business or industry best describes your company?



Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 3rd, 2022 and January 18th, 2022.

Prepared by the Regional Economic Research Institute

Figure 13 shows the percentage of representation by type of industry that characterizes the responding business executives. Health Care and Social Assistance was represented by 13 percent of the respondents. "Other Services" were represented by 11 percent, followed by 9 percent each from construction and educational services. Seven categories were represented by 6 percent each, including manufacturing, finance and insurance and real estate. Just 4 percent represented wholesale trade and the accommodation and food services sector. The rest of the industries were represented by 2 percent or less. Complete breakdown by type of industry can be found in Table 13.

Table 13: Business Type

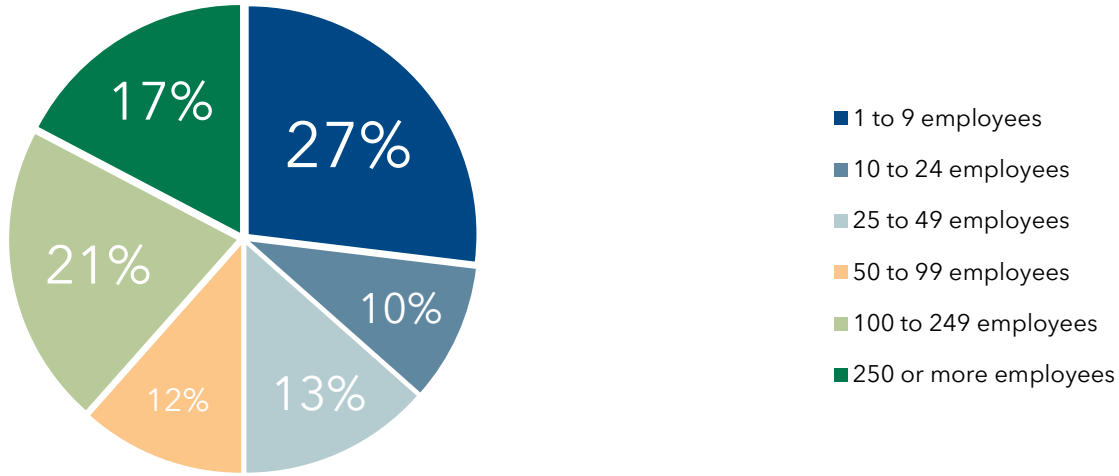
What type of business or industry best describes your company?

Response	Count	Percentage
Health Care & Social Assistance	7	13.2%
Other Services	6	11.3%
Construction	5	9.4%
Educational Services	5	9.4%
Management of Companies and Enterprises	3	5.7%
Professional, Scientific, & Technical Service	3	5.7%
Manufacturing	3	5.7%
Finance & Insurance	3	5.7%
Real Estate Sales	3	5.7%
Retail Trade	3	5.7%
Arts, Entertainment, and Recreation	3	5.7%
Wholesale Trade	2	3.8%
Accommodation & Food Services - Resorts	2	3.8%
Accommodation & Food Services - Attractions	1	1.9%
Computer Software, Design, and Technical Services	1	1.9%
Accommodation & Food Services - Restaurants	1	1.9%
Transportation and Warehousing	1	1.9%
Real Estate Rental and Leasing	1	1.9%
Administrative & Support & Waste Management Services	0	0.0%
Agriculture, Forestry, Fishing, and Hunting	0	0.0%
Information	0	0.0%
Real Estate Development	0	0.0%
Aerospace	0	0.0%
Utilities	0	0.0%
Total Responses	53	100.0%

Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 3rd, 2022 and January 18th, 2022.

Figure 14: Number of Employees

What is the size of your firm?



Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 3rd, 2022 and January 18th, 2022.

Prepared by the Regional Economic Research Institute

What is the size of your firm?

Figure 14 shows the business executives categorized by the number of employees in their firms. About 27 percent of surveyed executives were of firms that employed less than ten employees, 10 percent of the firms employed between 10 to 24 employees and 13 percent employed between 25 to 49 employees. Twelve percent were firms that employed between 50 and 99 employees, and 21 percent of firms employed between 100 to 249 employees. Seventeen percent of surveyed executives were with firms that employed 250 employees or more. Complete response counts can be found in Table 14.

Table 14: Number of Employees

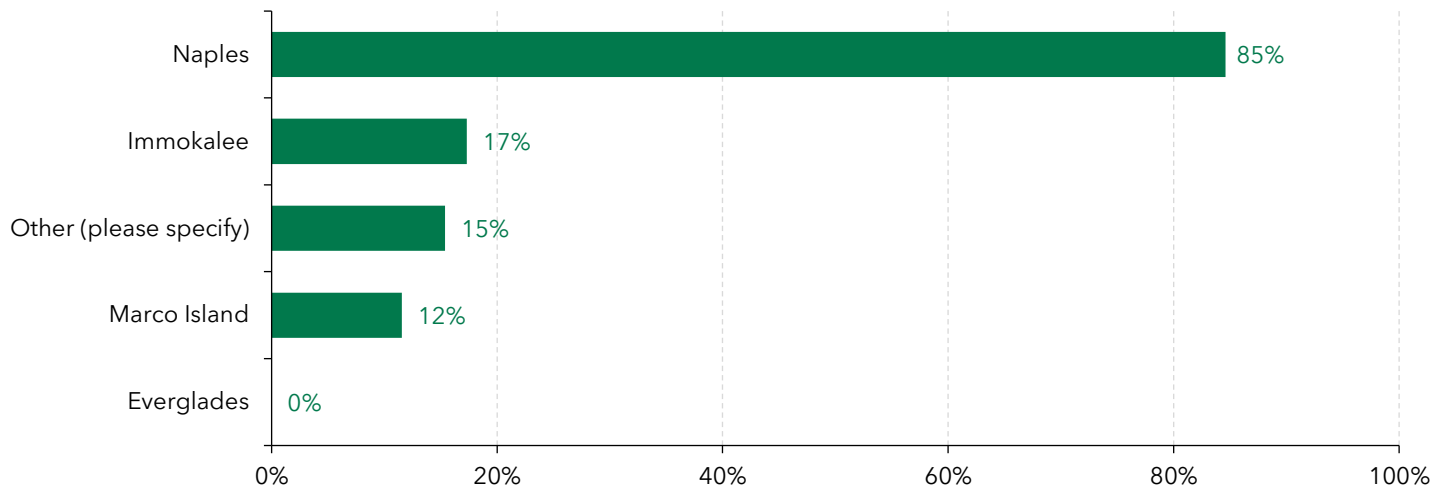
What is the size of your firm?

Response	Count	Percentage
1 to 9 employees	14	26.9%
10 to 24 employees	5	9.6%
25 to 49 employees	7	13.5%
50 to 99 employees	6	11.5%
100 to 249 employees	11	21.2%
250 or more employees	9	17.3%
Total Responses	52	100.0%

Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 3rd, 2022 and January 18th, 2022.

Figure 15: Company Locations

Where is your firm physically located?



Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 3rd, 2022 and January 18th, 2022.

Prepared by the Regional Economic Research Institute

Where is your firm physically located?

Figure 15 shows where firms of surveyed business executives operated. Business executives were allowed to select all locations in which their firms had operations. Eighty-five percent of the surveyed executives reported having physical locations of their firms in Naples, while 17 percent stated their firm was physically located in Immokalee. Approximately 12 percent of firms were located in Marco Island, and 15 percent were located somewhere else not listed. Complete response counts can be found in Table 15.

Table 15: Company Locations

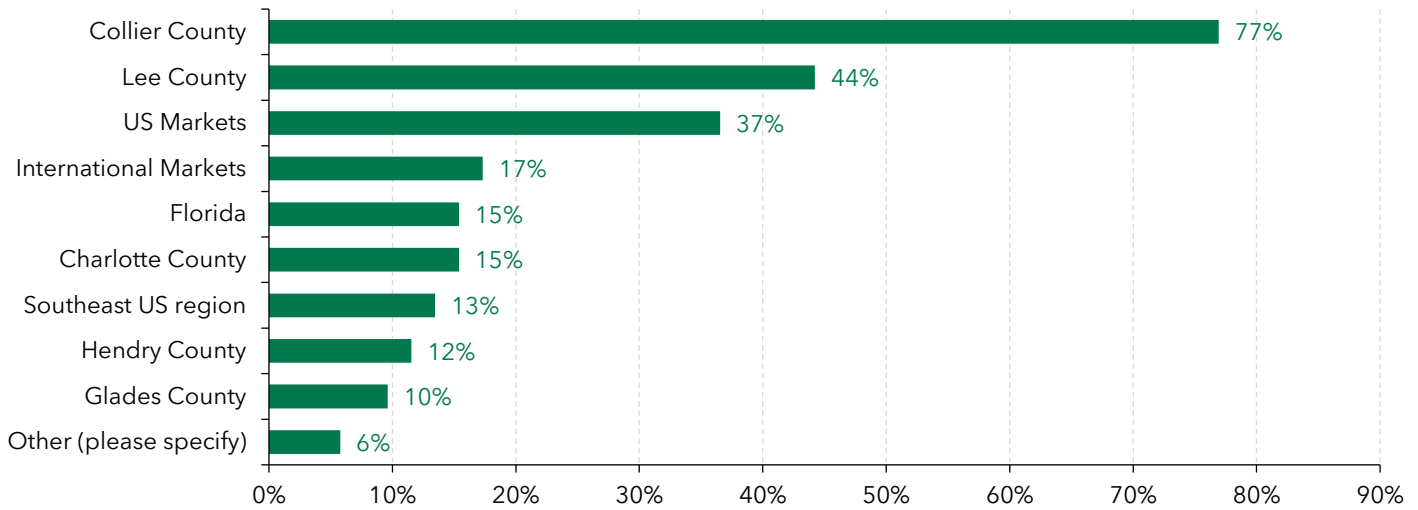
Where is your firm physically located?

Response	Count	Percentage
Naples	44	84.6%
Immokalee	9	17.3%
Other (please specify)	8	15.4%
Marco Island	6	11.5%
Everglades	0	0.0%

Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 3rd, 2022 and January 18th, 2022.

Figure 16: Geographic Client Base

What areas comprise your geographic client base?



Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 3rd, 2022 and January 18th, 2022.

Prepared by the Regional Economic Research Institute

What areas comprise your geographic client base?

Figure 16 shows the geographic client base for the firms of surveyed business executives. Business executives were allowed to select all geographical areas in which their firm had a client base. Collier County accounted for 77 percent of the surveyed executives’ client base while Lee County accounted for 44 percent of their client base. Charlotte County had 15 percent, Hendry County had 12 percent, and Glades County accounted for 10 percent. Florida was the geographical client base for 15 percent of the firms, while the Southeast U.S. region was the geographical client base for 13 percent of surveyed executives. Thirty-seven percent of the client base for these firms was in all U.S. markets and 17 percent was in international markets. Complete response counts can be found in Table 16.

Table 16: Geographic Client Base

What areas comprise your geographic client base?

Response	Count	Percentage
Collier County	40	76.9%
Lee County	23	44.2%
US Markets	19	36.5%
International Markets	9	17.3%
Florida	8	15.4%
Charlotte County	8	15.4%
Southeast US region	7	13.5%
Hendry County	6	11.5%
Glades County	5	9.6%
Other (please specify)	3	5.8%

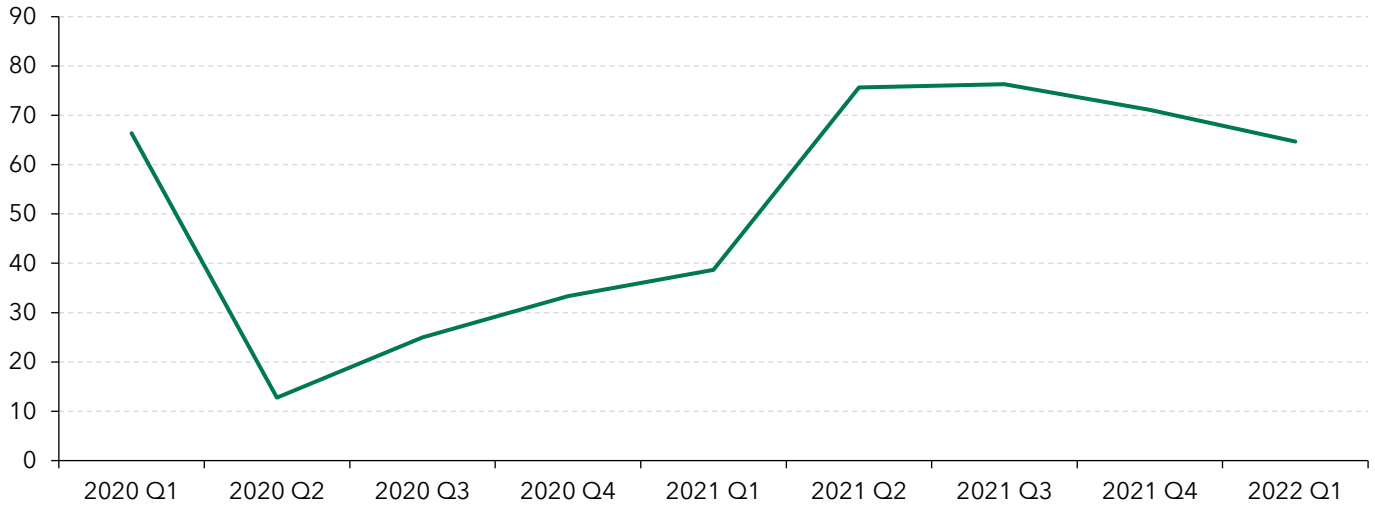
Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 3rd, 2022 and January 18th, 2022.

Appendix A. Historical Trends

Historical trends of the seven recurring questions asked in each Executive Business Climate Survey can be found in this section.

Figure 17: Current Economic Conditions

How are the current Collier County economic conditions compared to a year ago?

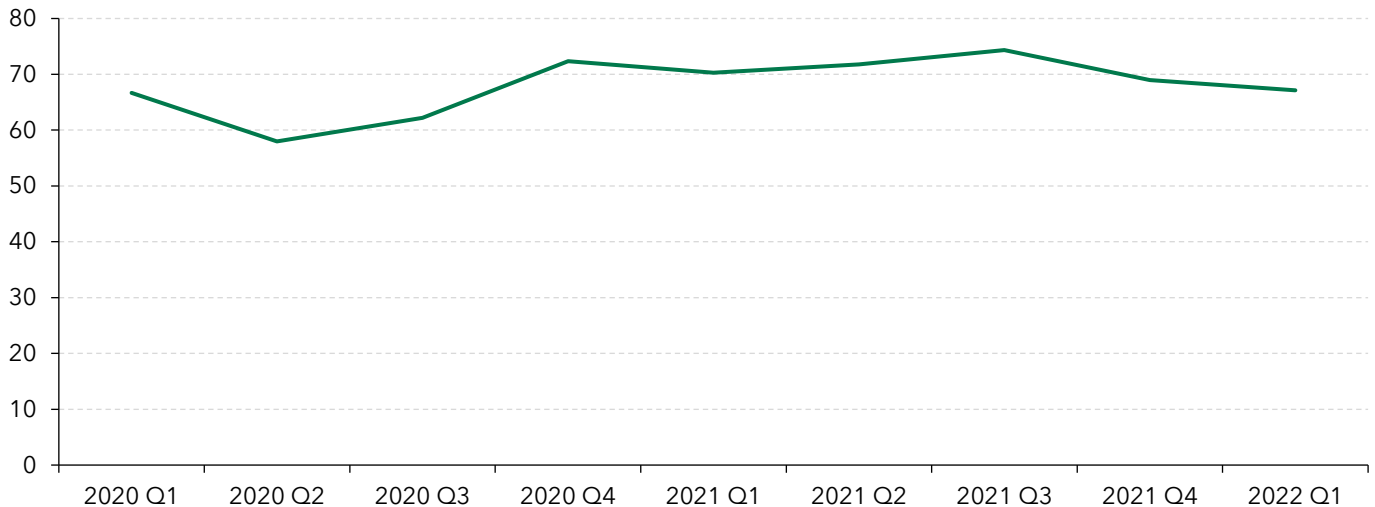


Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 3rd, 2022 and January 18th, 2022.

Prepared by the Regional Economic Research Institute

Figure 18: Future Economic Conditions

What are your expectations for the Collier County economy one year ahead?

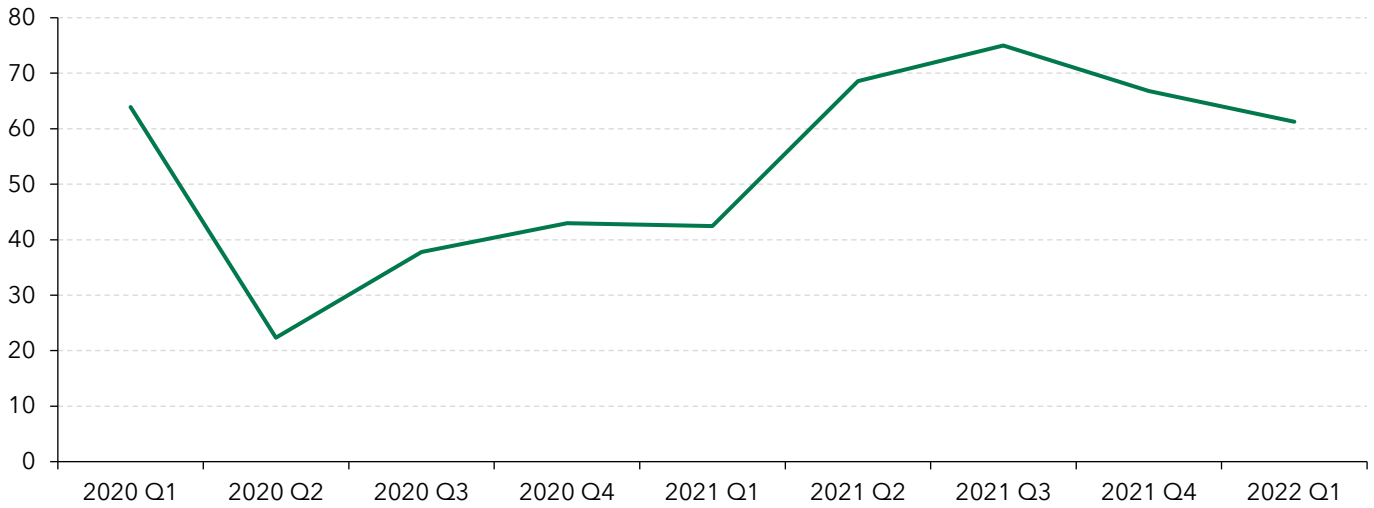


Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 3rd, 2022 and January 18th, 2022.

Prepared by the Regional Economic Research Institute

Figure 19: Current Industry Conditions

What are the current conditions in your industry in Collier County compared to one year ago?

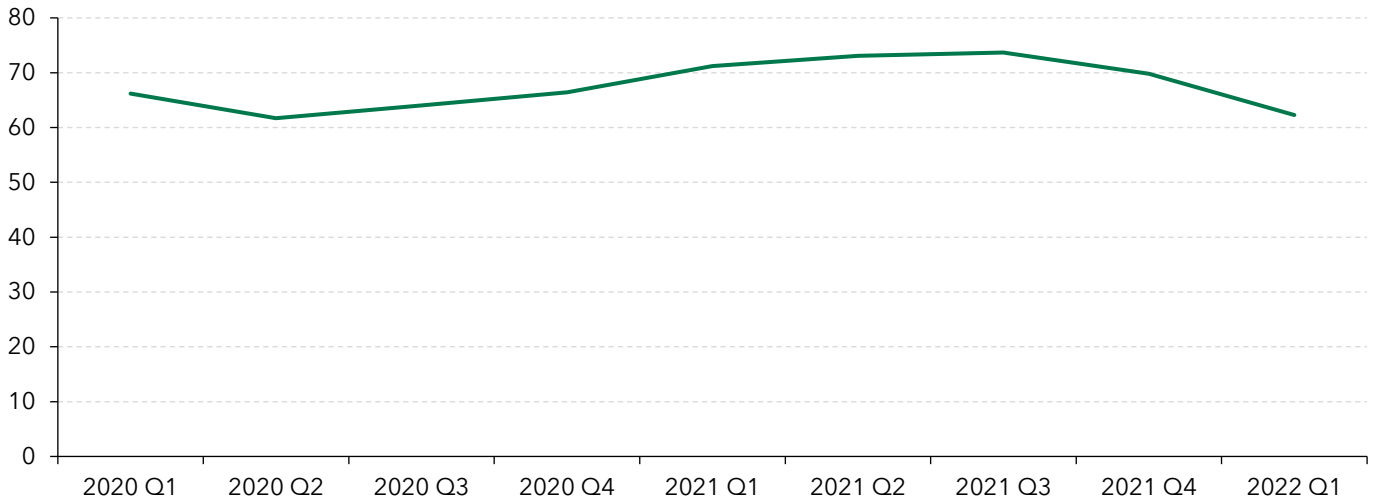


Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 3rd, 2022 and January 18th, 2022.

Prepared by the Regional Economic Research Institute

Figure 20: Future Industry Conditions

What are your expectations for your own industry in Collier County one year ahead?

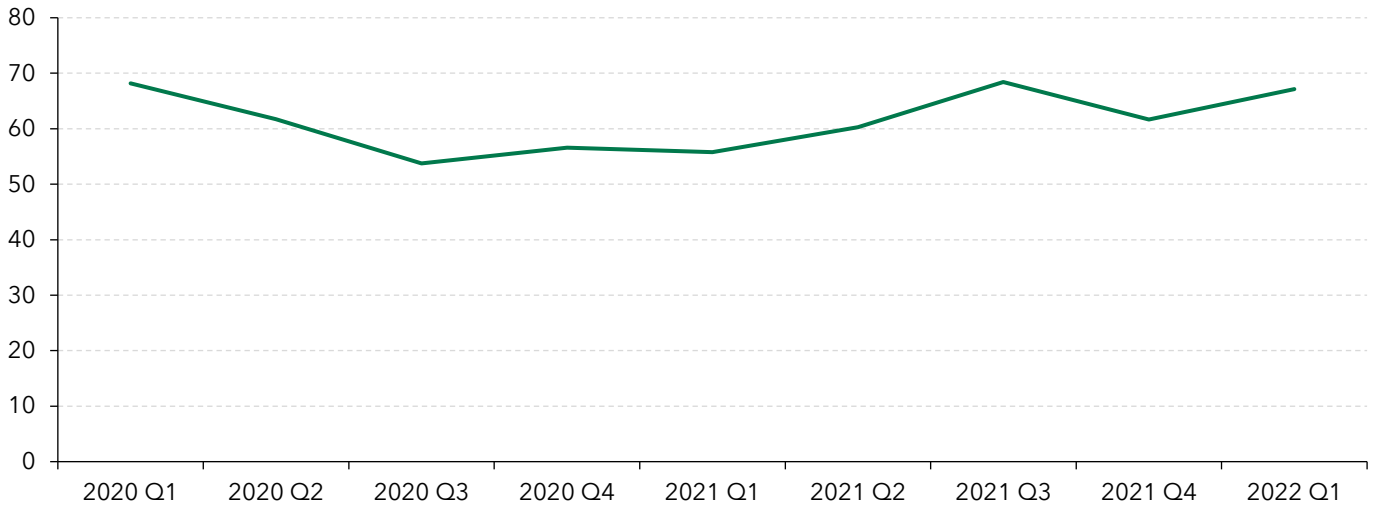


Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 3rd, 2022 and January 18th, 2022.

Prepared by the Regional Economic Research Institute

Figure 21: Current Hiring Trends

What has been your hiring trend over the last year?

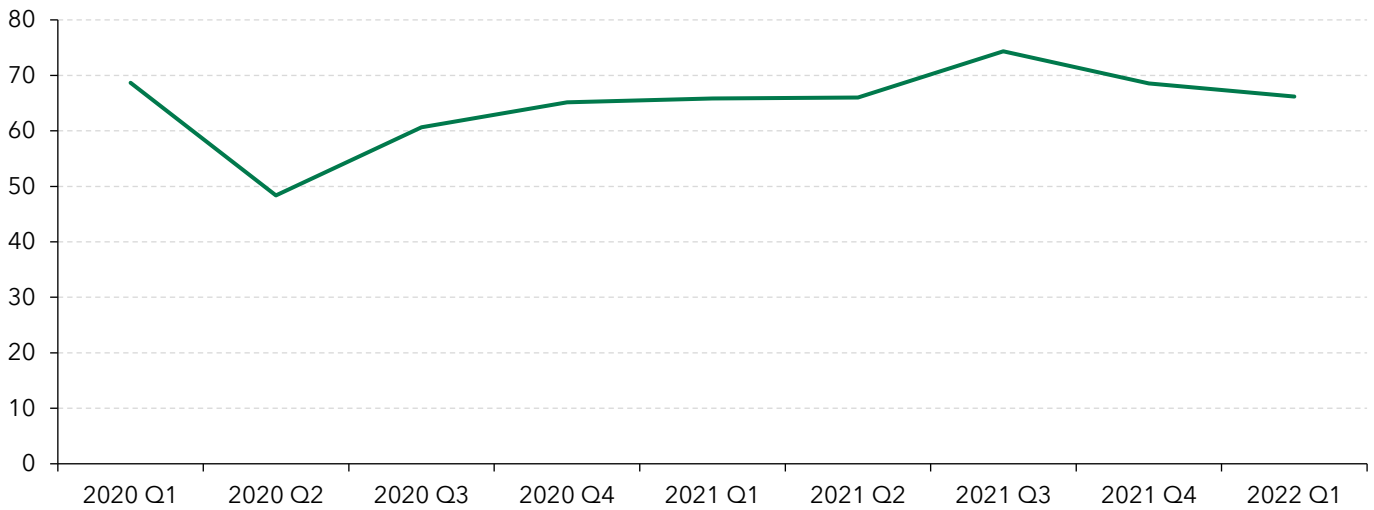


Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 3rd, 2022 and January 18th, 2022.

Prepared by the Regional Economic Research Institute

Figure 22: Future Hiring Trends

What hiring trends do you see for your business over the next year?

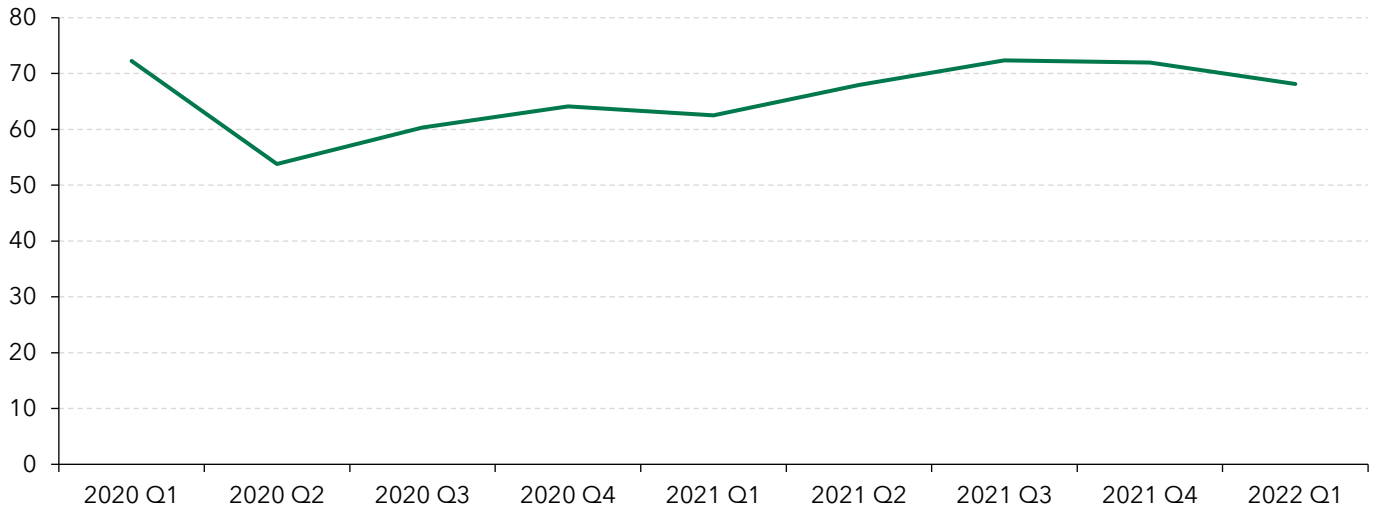


Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 3rd, 2022 and January 18th, 2022.

Prepared by the Regional Economic Research Institute

Figure 23: Future Investment Trends

Do you plan to increase investment in your business during the next year?



Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 3rd, 2022 and January 18th, 2022.

Prepared by the Regional Economic Research Institute

Appendix B. Full Comments

The following lists include specific responses from the executives for the following question:

Please indicate any other comments, suggestions, or recommendations you would like to make regarding the regional economy or your business.

Local Government

- Fix Collier County government away from the I will take care of those I know and foster an open environment for all parties to operate in the market.
- My company moved all of its operations to Ft Myers because it was substantially more cost effective. Land, Impact fees, labor force, trash collection, etc. are all cheaper. As a wholesaler/manufacturer, my products did not need to be built in Naples to service that market. I did not feel like Naples and Collier County in general want large scale industry.
- County needs to help the small business community more and focus on bringing more business to the Immokalee area. Thanks.
- Collier County is a very unique area to own and operate a business if you are not in construction, landscaping, tourism, restaurant, or hospitality. The economy simply cannot support most service-oriented businesses given the size of the county, maximum potential revenue a business can earn, and a high shortage of talent. This has been the case of Collier County forever. There is no desire to diversify the economy, there are no incentives to assist or attract existing or new businesses. Collier County is managed like an elite club of those who have and have not. A prime example is the high concentration of business ownership and land by one individual. The city may wish to change its name given this person's name is on every building anyhow. To truly diversify and create an economy with less cyclicity major initiatives need to be addressed such as affordable housing, taxes, infrastructure, etc.

Qualified Workers

- Front line essential workers continue to be a challenge to hire and retain in the early education field. Community Business support would be a tremendous asset in this area.
- High housing costs in Collier, and other inflationary factors, are the most significant issues inhibiting recruitment and long-term retention.
- The number one issue that hampers growth remains workforce availability. As a result, we will curtail future growth plans but execute those already planned.
- Tough to secure good workforce that are moving to the SWFL area to fill jobs due to high cost of living. While improving the facility we have had longer wait times for materials and furnishings which delays providing best services to clients. Labor to complete scheduled projects is delayed.
- The lack of workers has significantly changed our senior living community way of providing services.

Other

- Lack of real estate inventory for high end!
- Affordable housing and fixing the electrical grid (overhead power lines) which cause a disruption in our business when hurricanes occur, and in our people's lives/employment.
- Since my business is national and global, the Collier County economic environment has little impact other than how it affects my personal quality of life, which is important.
- A very tough time to do business, considering closing the business.
- The regional economy is growing. Our business as a fire department is serving the community with sometimes less staff.



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