

Sponsored by:



Second Quarter 2022

EXECUTIVE BUSINESS CLIMATE SURVEY

Collier County

Table of Contents

- ABOUT THE REGIONAL ECONOMIC RESEARCH INSTITUTE 1**
- INTRODUCTION 2**
- EXECUTIVE SUMMARY 3**
- RECURRING QUESTIONS 5**
 - HOW ARE THE CURRENT COLLIER COUNTY ECONOMIC CONDITIONS COMPARED TO A YEAR AGO? 5
 - WHAT ARE YOUR EXPECTATIONS FOR THE COLLIER COUNTY ECONOMY ONE YEAR AHEAD? 6
 - WHAT ARE THE CURRENT CONDITIONS IN YOUR INDUSTRY IN COLLIER COUNTY COMPARED TO ONE YEAR AGO?..... 7
 - WHAT ARE YOUR EXPECTATIONS FOR YOUR OWN INDUSTRY IN COLLIER COUNTY ONE YEAR AHEAD? 8
 - WHAT HAS BEEN YOUR HIRING TREND OVER THE LAST YEAR?..... 9
 - WHAT HIRING TRENDS DO YOU SEE FOR YOUR BUSINESS OVER THE NEXT YEAR? 10
 - DO YOU PLAN TO INCREASE INVESTMENT IN YOUR BUSINESS DURING THE NEXT YEAR?..... 11
- EXECUTIVE BUSINESS CLIMATE INDEX 12**
- SPECIAL TOPICS 13**
 - HAS YOUR BUSINESS INCREASED THE PRICE OF GOODS AND SERVICES PROVIDED OVER THE PAST QUARTER? IF SO, BY HOW MUCH? .. 13
 - HOW IMPORTANT WERE THE FOLLOWING IN YOUR DECISION TO INCREASE THE PRICES OF GOODS AND SERVICES OVER THE PAST QUARTER? 14
 - WHAT IMPACT DO YOU ANTICIPATE THE INCREASE IN THE INTEREST RATE TO HAVE ON YOUR BUSINESS COSTS?..... 16
 - WHAT IMPACT DO YOU ANTICIPATE THE INCREASE IN THE INTEREST RATE TO HAVE ON YOUR BUSINESS PRICES?..... 17
- COMMENTS, SUGGESTIONS, AND RECOMMENDATIONS 18**
- COMPANY CHARACTERISTICS 19**
 - WHAT TYPE OF BUSINESS OR INDUSTRY BEST DESCRIBES YOUR COMPANY? 19
 - WHAT IS THE SIZE OF YOUR FIRM? 21
 - WHERE IS YOUR FIRM PHYSICALLY LOCATED?..... 22
 - WHAT AREAS COMPRISE YOUR GEOGRAPHIC CLIENT BASE? 23
- APPENDIX A. HISTORICAL TRENDS 24**
- APPENDIX B. FULL COMMENTS 28**

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.

Project Staff

- **Dr. Amir B. Ferreira Neto**, *Director*
aborgesferreiraneto@fgcu.edu
- **John Shannon**, *Economic Analyst*
jmshannon@fgcu.edu
- **Dr. Veronica Kalich**, *Economist*
vkalich@fgcu.edu
- **Alia Judd**, *Undergraduate Research Assistant*
ajudd@fgcu.edu

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.

Amir B. Ferreira Neto

Dr. Amir B. Ferreira Neto
Director, Regional Economic Research Institute
Lutgert College of Business
Florida Gulf Coast University
Fort Myers, Florida 33965-6565

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 437 executives and business owners in Collier County. Four reminders were sent during the survey period. Forty-two executives completed the survey from April 4, 2022, through April 19, 2022, giving the survey a margin of error of 15.1 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 64.3 in the second quarter of 2022, the third consecutive decline since peaking at 74.8 in the third quarter of 2021. Two of the three components of the index showed increases in the second quarter of 2022. The index for Current Economic Conditions rose from 64.7 in the first quarter to 69.6 in the second quarter and the index for Future Industry Conditions rose from 62.3 to 63.1 in the second quarter. A complete graphical representation of each of these questions since 2020 can be found in Appendix A.

Results from the recurring questions revealed:

- 67 percent of the surveyed business executives indicated economic conditions in Collier County were better compared to a year ago; 16 percent stated that overall economic conditions were worse than a year ago.
- 53 percent of business executives were optimistic about economic conditions in the upcoming year, down from 63 percent the previous quarter; 21 percent of the surveyed business executives felt pessimistic about future economic conditions.
- 54 percent of the surveyed business executives reported current industry conditions as better when compared to last year, while 21 percent of executives reported conditions getting worse.
- 58 percent of respondents believe industry conditions will improve over the next 12 months compared to 53 percent in the last quarter, with 14 percent expecting conditions to be worse.
- 63 percent of the surveyed executives reported increased hiring in the current quarter compared to 53 percent in the last quarter; no one reported reducing employment.
- 60 percent of executives expect to increase hiring at their companies over the next year, 40 percent plan to remain at the same level. No one planned to reduce employment.
- 64 percent of the surveyed executives expect to increase investment over the next year, similar to the previous quarter; 36 percent expect to keep it the same and none 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 the effects of rising prices on businesses.

- Almost 80 percent of the executives stated their businesses raised prices of goods and services over the past quarter. Nineteen percent of the respondents indicated they did not increase their prices, while 29 percent indicated their business raised prices by more than 10 percent.
- Seventy-six percent of the respondents indicated that wages were an important factor for raising prices with just 12 percent indicating that wages were not important in their pricing decisions.

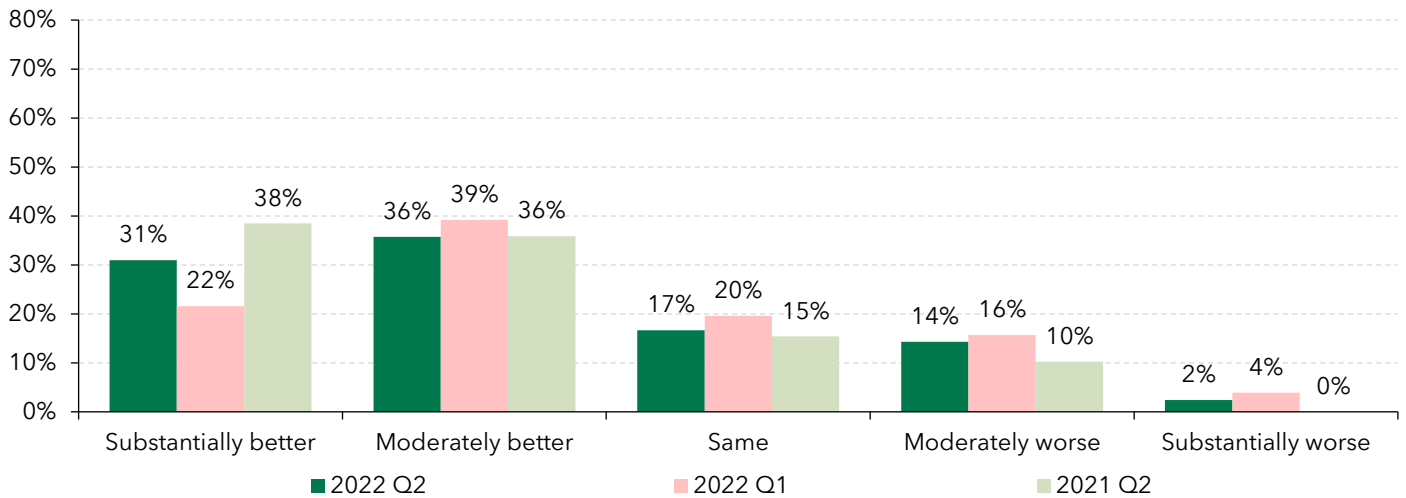
- 79 percent of the respondents claimed vendor costs were important factors, while 62 of the respondents found gas, and energy costs to be important in their pricing decisions.
- Impending higher interest rates did not have a major impact on the respondents; 7 percent indicated that higher interest rates would have a large negative impact on their costs and close to half of the respondents indicated they expected a small negative impact.
- Close to half of the business respondents indicated that higher interest rates would have no impact on their prices while about a third of them expected a small negative impact.
- 7 percent of the respondents expected a large negative impact on their prices resulting from higher interest rates.

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 second 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 April 4th, 2022 and April 19th, 2022.
Prepared by the Regional Economic Research Institute

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

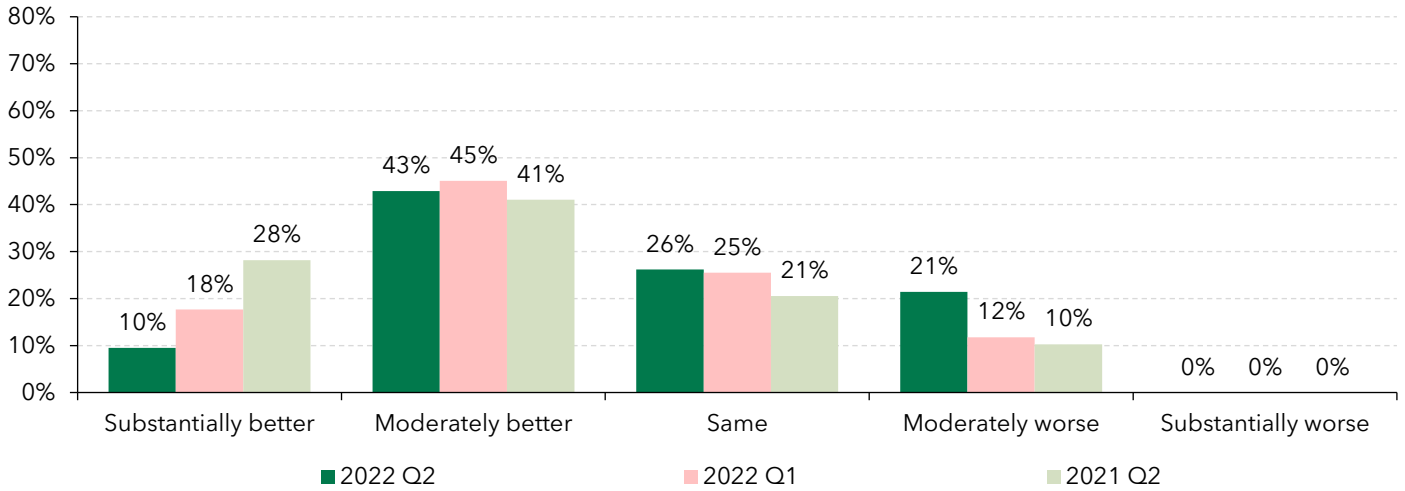
Figure 1 reflects the responses of business executives during the second quarter of 2022. Sixty-seven percent of the surveyed executives indicated economic conditions in Collier County were better compared to a year ago. This was slightly higher than last quarter when 61 percent felt conditions were better than a year ago. Sixteen percent stated conditions were worse than a year ago, down from the 20 percent in the first quarter but higher than the 10 percent recorded a year ago. About 17 percent of responding executives said current Collier County economic conditions were about the same compared to a year ago, lower than the 20 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 Q2		2022 Q1		2021 Q2	
	Count	Percentage	Count	Percentage	Count	Percentage
Substantially better	13	31.0%	11	21.6%	15	38.5%
Moderately better	15	35.7%	20	39.2%	14	35.9%
Same	7	16.7%	10	19.6%	6	15.4%
Moderately worse	6	14.3%	8	15.7%	4	10.3%
Substantially worse	1	2.4%	2	3.9%	0	0.0%
Total Responses	42	100.0%	51	100.0%	39	100.0%

Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between April 4th, 2022 and April 19th, 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 April 4th, 2022 and April 19th, 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. Optimism about the future economic conditions declined. The second quarter results indicated that 53 percent of business executives are optimistic about economic conditions in the upcoming year, compared to the 63 percent in the previous quarter. In contrast, 21 percent of executives indicated some pessimism about the future of the economy, higher than the 12 percent in the previous quarter. Twenty-six percent expect economic conditions to remain the same, similar to that in the previous quarter. Complete response counts can be found in Table 2.

Table 2: Future Economic Conditions

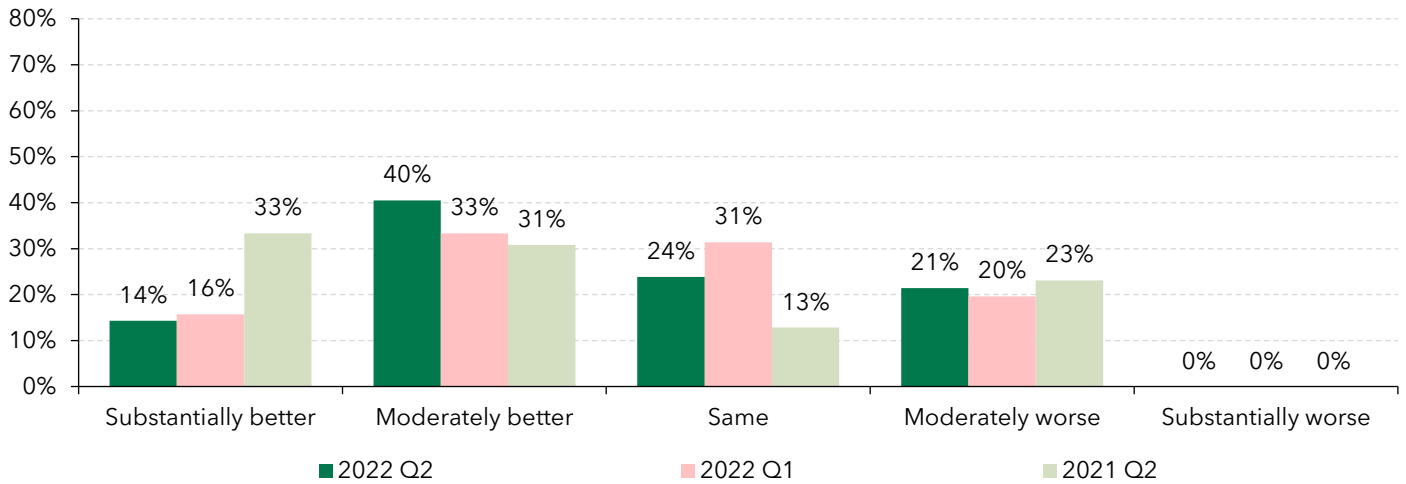
What are your expectations for the Collier County economy one year ahead?

Response	2022 Q2		2022 Q1		2021 Q2	
	Count	Percentage	Count	Percentage	Count	Percentage
Substantially better	4	9.5%	9	17.6%	11	28.2%
Moderately better	18	42.9%	23	45.1%	16	41.0%
Same	11	26.2%	13	25.5%	8	20.5%
Moderately worse	9	21.4%	6	11.8%	4	10.3%
Substantially worse	0	0.0%	0	0.0%	0	0.0%
Total Responses	42	100.0%	51	100.0%	39	100.0%

Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between April 4th, 2022 and April 19th, 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 April 4th, 2022 and April 19th, 2022.
 Prepared by the Regional Economic Research Institute

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

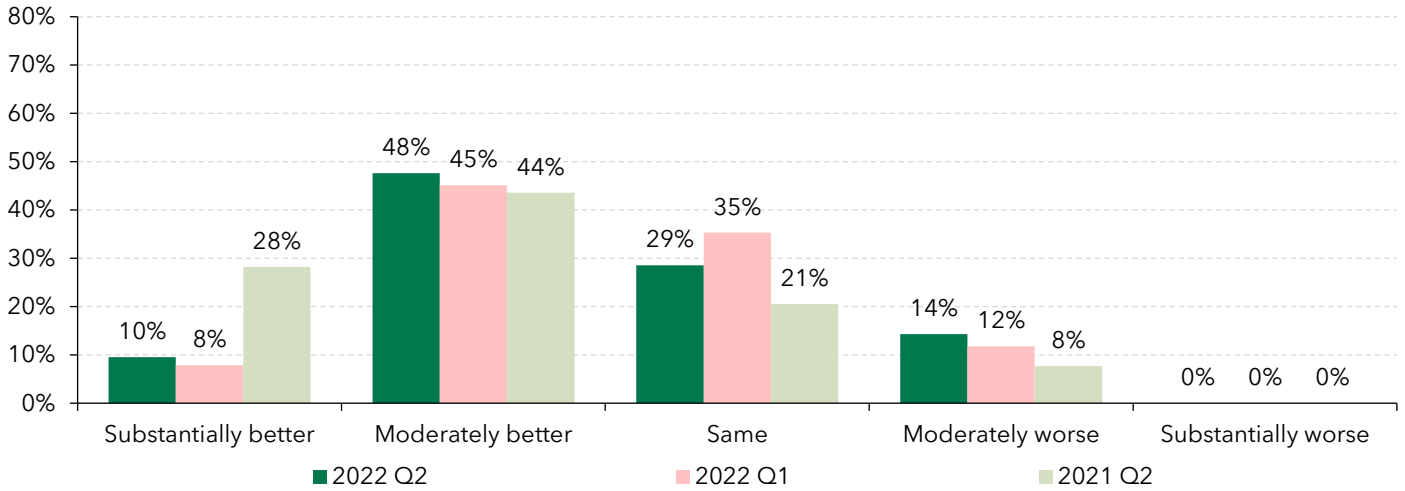
Figure 3 reports on executives’ perceptions about their industry and is more narrowly focused. The percentage of the surveyed executives who felt current conditions in their industry were better compared to a year ago was 54 percent compared to 49 percent in the previous quarter but lower than the 64 percent a year ago. The percentage of business executives reporting worsening industry conditions in the second quarter of 2022 rose slightly to 21 percent from 20 percent in the previous quarter, but still lower than the 23 percent a year ago. About 24 percent of executives noted conditions remained the same in the second quarter compared to 31 percent in the previous quarter. 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 Q2		2022 Q1		2021 Q2	
	Count	Percentage	Count	Percentage	Count	Percentage
Substantially better	6	14.3%	8	15.7%	13	33.3%
Moderately better	17	40.5%	17	33.3%	12	30.8%
Same	10	23.8%	16	31.4%	5	12.8%
Moderately worse	9	21.4%	10	19.6%	9	23.1%
Substantially worse	0	0.0%	0	0.0%	0	0.0%
Total Responses	42	100.0%	51	100.0%	39	100.0%

Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between April 4th, 2022 and April 19th, 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 April 4th, 2022 and April 19th, 2022.

Prepared by the Regional Economic Research Institute

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

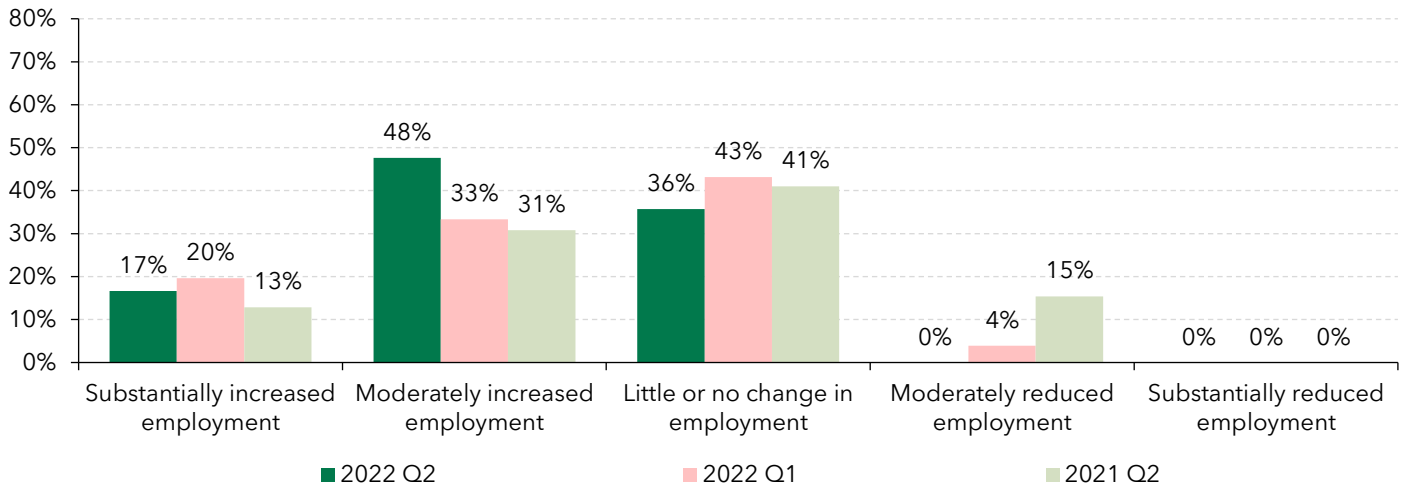
Figure 4 reports the expectations business executives have for the conditions in their own industry one year from now. The percent of surveyed executives who expect conditions in their industry to be moderately or substantially better in the next year rose to 58 percent from 53 percent in the second quarter but lower than 72 percent a year ago. About 29 percent of the surveyed executives expected conditions to remain the same, down from 35 percent in the previous quarter. The proportion of executives expecting conditions to worsen rose to 14 percent, up from 12 percent the previous quarter and just 8 percent 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 Q2		2022 Q1		2021 Q2	
	Count	Percentage	Count	Percentage	Count	Percentage
Substantially better	4	9.5%	4	7.8%	11	28.2%
Moderately better	20	47.6%	23	45.1%	17	43.6%
Same	12	28.6%	18	35.3%	8	20.5%
Moderately worse	6	14.3%	6	11.8%	3	7.7%
Substantially worse	0	0.0%	0	0.0%	0	0.0%
Total Responses	42	100.0%	51	100.0%	39	100.0%

Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between April 4th, 2022 and April 19th, 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 April 4th, 2022 and April 19th, 2022.

Prepared by the Regional Economic Research Institute

What has been your hiring trend over the last year?

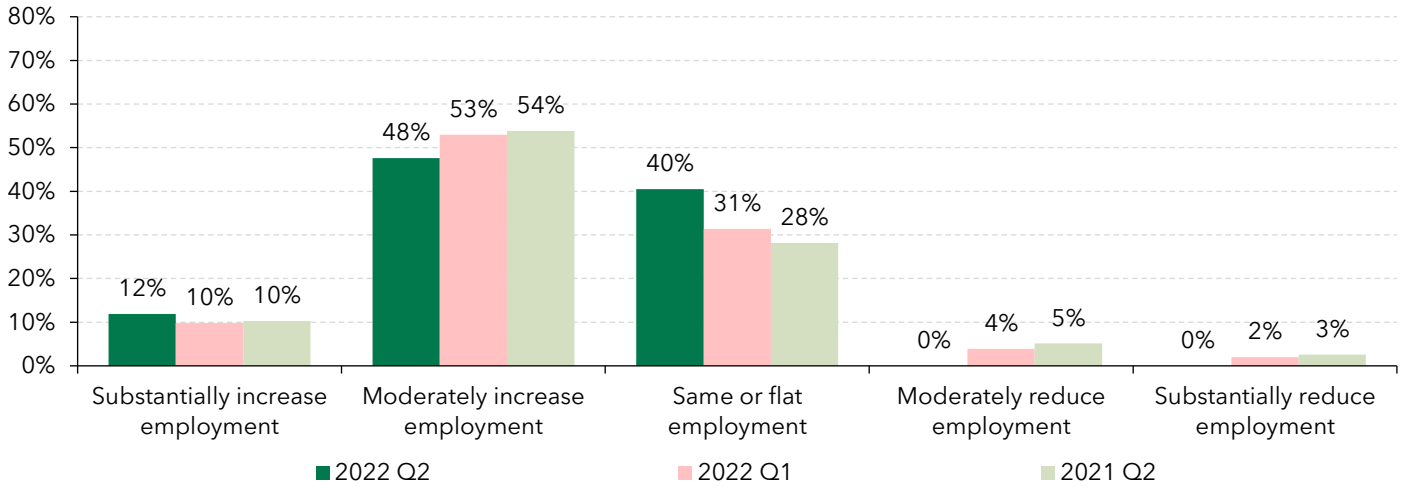
Figure 5 focuses on the current hiring trends of the surveyed executives. Survey responses of our executives showed a healthy increase in the percentage of respondents that indicated they had increased employment. About 65 percent indicated an increase in hiring compared to 53 percent in the last quarter and 44 percent a year ago. Thirty-six percent of the business executives indicated little or no change in employment over the last year, lower than the 43 percent in the previous quarter. None of surveyed firms that said they reduced employment over the last year, compared to 4 percent in the previous quarter and 15 percent a year ago. 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 Q2		2022 Q1		2021 Q2	
	Count	Percentage	Count	Percentage	Count	Percentage
Substantially increased employment	7	16.7%	10	19.6%	5	12.8%
Moderately increased employment	20	47.6%	17	33.3%	12	30.8%
Little or no change in employment	15	35.7%	22	43.1%	16	41.0%
Moderately reduced employment	0	0.0%	2	3.9%	6	15.4%
Substantially reduced employment	0	0.0%	0	0.0%	0	0.0%
Total Responses	42	100.0%	51	100.0%	39	100.0%

Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between April 4th, 2022 and April 19th, 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 April 4th, 2022 and April 19th, 2022.
 Prepared by the Regional Economic Research Institute

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

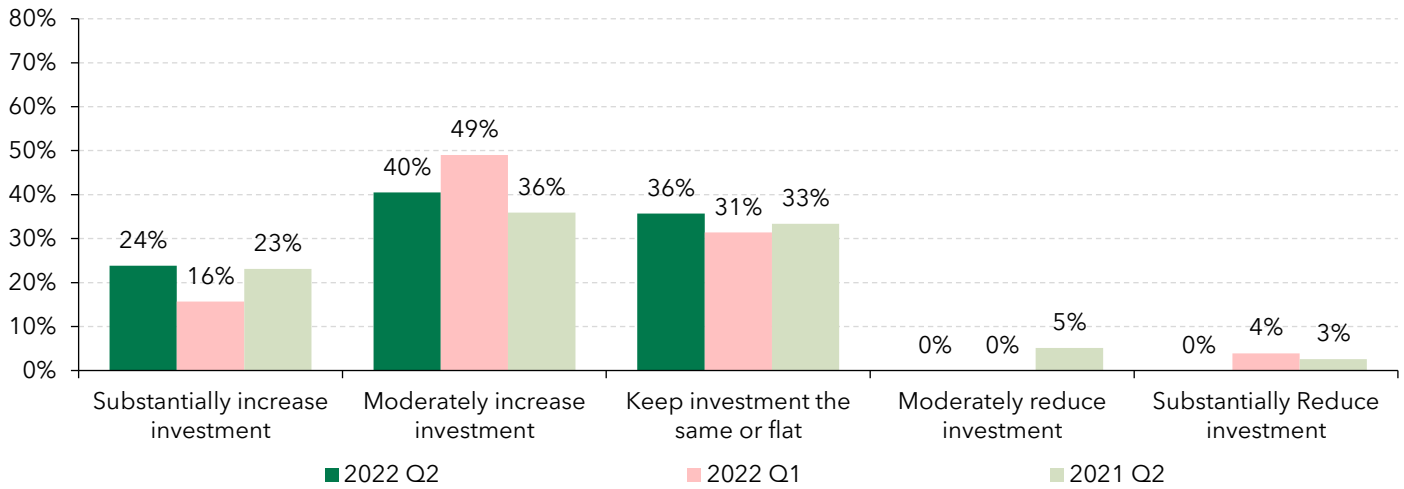
Figure 6 focuses on future hiring trends by the surveyed businesses. Hiring trends may be plateauing. The response outcome indicates that about 60 percent of the surveyed business executives plan to increase employment over the next year, compared to 63 percent in the previous quarter. This was also lower than the 64 percent last year. About 40 percent of the executives plan to keep employment flat over the next year, compared to 31 percent of the respondents in the last quarter and 28 percent a year ago. None of the respondents indicated that they were planning to reduce employment, compared to 6 percent in the previous quarter and 8 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 Q2		2022 Q1		2021 Q2	
	Count	Percentage	Count	Percentage	Count	Percentage
Substantially increase employment	5	11.9%	5	9.8%	4	10.3%
Moderately increase employment	20	47.6%	27	52.9%	21	53.8%
Same or flat employment	17	40.5%	16	31.4%	11	28.2%
Moderately reduce employment	0	0.0%	2	3.9%	2	5.1%
Substantially reduce employment	0	0.0%	1	2.0%	1	2.6%
Total Responses	42	100.0%	51	100.0%	39	100.0%

Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between April 4th, 2022 and April 19th, 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 April 4th, 2022 and April 19th, 2022.

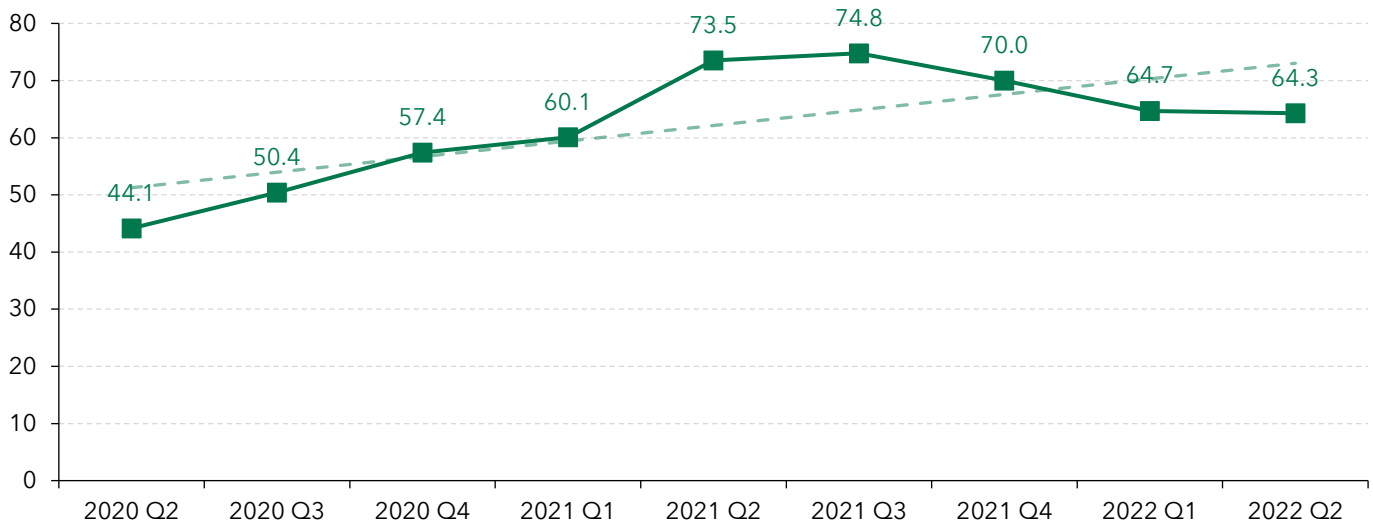
Prepared by the Regional Economic Research Institute

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 64 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 59 percent reported a year ago. Thirty-six percent of the executives planned to keep their investment levels flat or the same over the next year, higher than the 31 percent in the previous quarter and the 33 percent a year ago. None of respondents said they planned to reduce investment during the next 12 months compared to 4 percent in the previous quarter and 8 percent in the second 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 Q2		2022 Q1		2021 Q2	
	Count	Percentage	Count	Percentage	Count	Percentage
Substantially increase investment	10	23.8%	8	15.7%	9	23.1%
Moderately increase investment	17	40.5%	25	49.0%	14	35.9%
Keep investment the same or flat	15	35.7%	16	31.4%	13	33.3%
Moderately reduce investment	0	0.0%	0	0.0%	2	5.1%
Substantially Reduce investment	0	0.0%	2	3.9%	1	2.6%
Total Responses	42	100.0%	51	100.0%	39	100.0%

Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between April 4th, 2022 and April 19th, 2022.

Figure 8: Executive Business Climate Index

Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between April 4th, 2022 and April 19th, 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 64.3 in the second quarter of 2022, a small decrease from the 64.7 recorded in the first quarter but the third consecutive decline since peaking at 74.8 in the third quarter of 2021. Two of the three components of the index showed increases in the second quarter of 2022. The index for Current Economic Conditions rose from 64.7 in the first quarter to 69.6 in the second quarter and the index for Future Industry Conditions rose from 62.3 to 63.1 in the second quarter. Respondents in Collier County continued to be less optimistic about future economic conditions in the current quarter of 2022, with the index dipping from 67.2 to 60.1 in the second quarter. 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 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2
Current Economic Conditions	12.8	25.0	33.3	38.7	75.6	76.3	71.1	64.7	69.6
Future Economic Conditions	58.0	62.2	72.4	70.3	71.8	74.3	69.0	67.2	60.1
Future Industry Conditions	61.7	64.0	66.4	71.2	73.1	73.7	69.8	62.3	63.1
Executive Business Climate Index	44.1	50.4	57.4	60.1	73.5	74.8	70.0	64.7	64.3

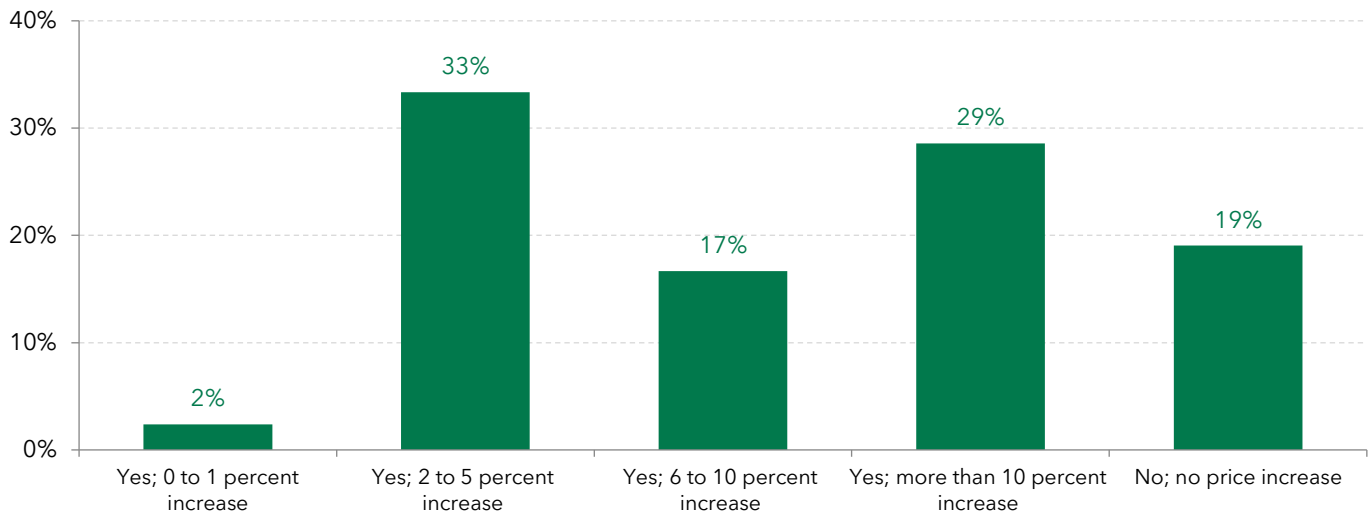
Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between April 4th, 2022 and April 19th, 2022.

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 the effects of rising prices on businesses.

Figure 9: Price Increases

Has your business increased the price of goods and services provided over the past quarter? If so, by how much?



Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between April 4th, 2022 and April 19th, 2022.

Prepared by the Regional Economic Research Institute

Has your business increased the price of goods and services provided over the past quarter? If so, by how much?

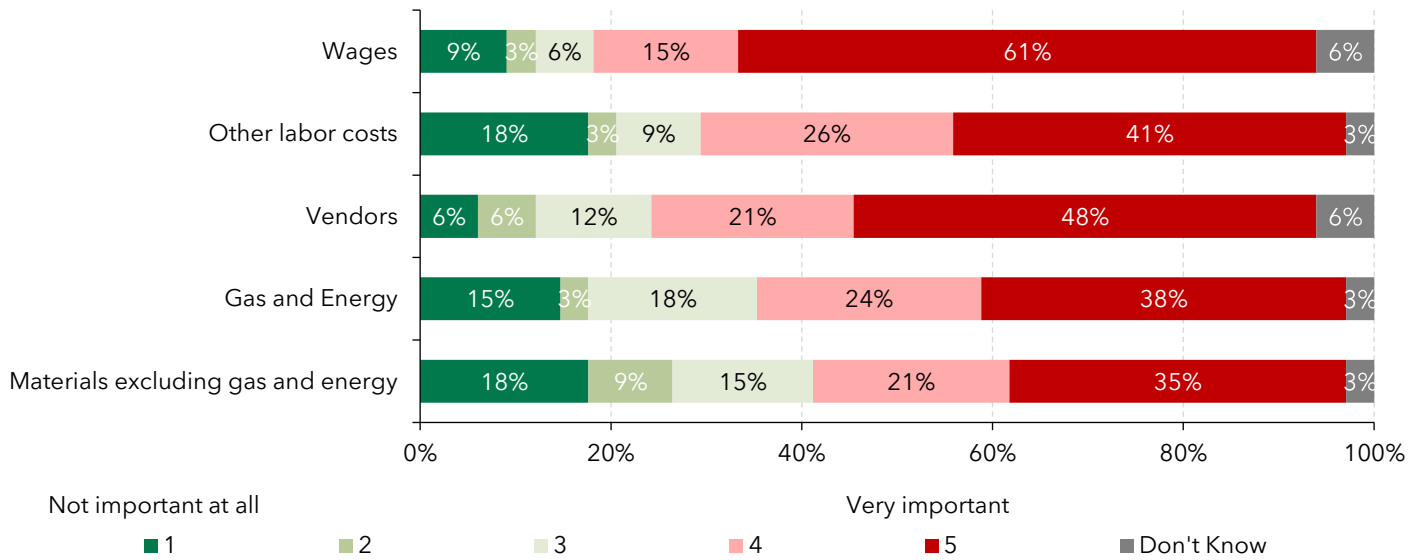
Figure 9 reflects the responses of our surveyed business executives when asked if they increased their prices in the second quarter of this year. Over 80 percent of the executives stated their business raised prices over the past quarter, while 19 percent of the respondents indicated they did not increase their prices. A third of surveyed businesses raised prices between 2 and 5 percent. About 17 percent indicated raising prices between 6 and 10 percent and close to 29 percent indicated raising prices by more than 10 percent. Complete results can be found in Table 9.

Table 9: Price Increases		
Has your business increased the price of goods and services provided over the past quarter? If so, by how much?		
Response	Count	Percentage
Yes; 0 to 1 percent increase	1	2.4%
Yes; 2 to 5 percent increase	14	33.3%
Yes; 6 to 10 percent increase	7	16.7%
Yes; more than 10 percent increase	12	28.6%
No; no price increase	8	19.0%
Total Responses	42	100.0%

Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between April 4th, 2022 and April 19th, 2022.

Figure 10: Reasons for Price Increase

How important were the following in your decision to increase the prices of goods and services over the past quarter?



Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between April 4th, 2022 and April 19th, 2022.
 Prepared by the Regional Economic Research Institute

How important were the following in your decision to increase the prices of goods and services over the past quarter?

Business executives that indicated their business increased the price of goods and services over the past quarter were asked which factors were important in their decision to raise prices. Figure 10 lists the many factors, by degree of importance on a scale of 1 to 5, as to why businesses raised their prices. Sixty-one percent of the respondents indicated that wages were a very important factor for raising prices. Just 9 percent indicated that wages were not at all important in their pricing decisions. Sixty-seven percent indicated that other labor costs were important factors. Sixty-nine percent of respondents said vendor costs were important factors, while 62 percent of the respondents found gas and energy costs to be important in their pricing decisions. For 15 percent of the respondents, higher gas prices were indicated as not important at all, while 18 percent held the same view on material prices outside of gas and energy. Complete results can be found in Table 10.

Table 10: Reasons for Price Increase

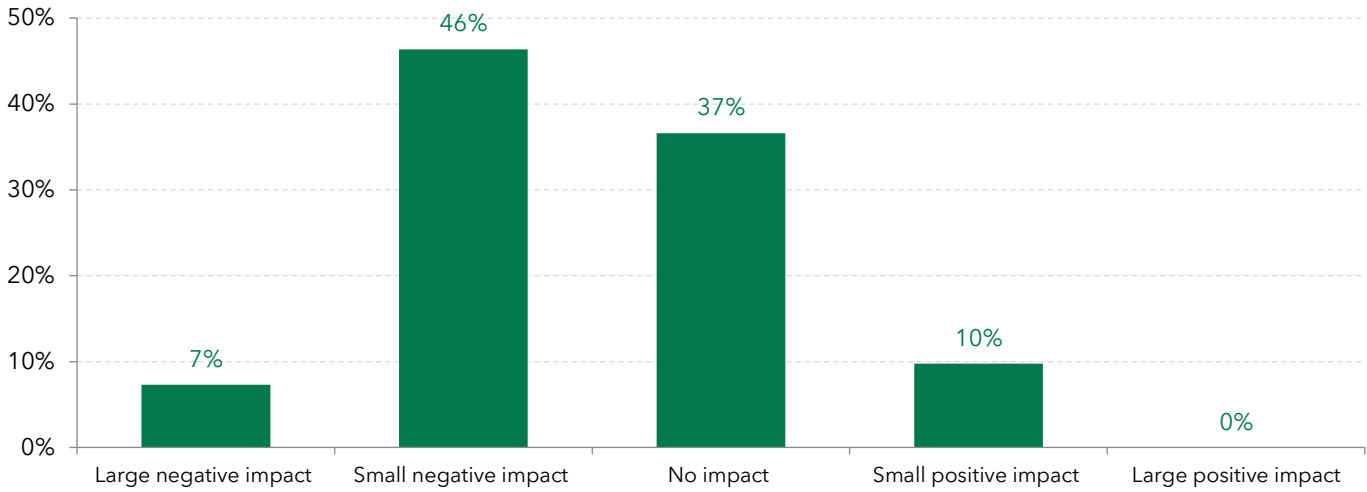
How important were the following in your decision to increase the prices of goods and services over the past quarter?

Aspect	Not important at all				Very important	Don't Know
	1	2	3	4	5	
Wages						
Count	3	1	2	5	20	2
Percentage	9.1%	3.0%	6.1%	15.2%	60.6%	6.1%
Other labor costs						
Count	6	1	3	9	14	1
Percentage	17.6%	2.9%	8.8%	26.5%	41.2%	2.9%
Vendors						
Count	2	2	4	7	16	2
Percentage	6.1%	6.1%	12.1%	21.2%	48.5%	6.1%
Gas and Energy						
Count	5	1	6	8	13	1
Percentage	14.7%	2.9%	17.6%	23.5%	38.2%	2.9%
Materials excluding gas and energy						
Count	6	3	5	7	12	1
Percentage	17.6%	8.8%	14.7%	20.6%	35.3%	2.9%

Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between April 4th, 2022 and April 19th, 2022.

Figure 11: Interest Rates on Costs

What impact do you anticipate the increase in the interest rate to have on your business costs?



Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between April 4th, 2022 and April 19th, 2022.

Prepared by the Regional Economic Research Institute

What impact do you anticipate the increase in the interest rate to have on your business costs?

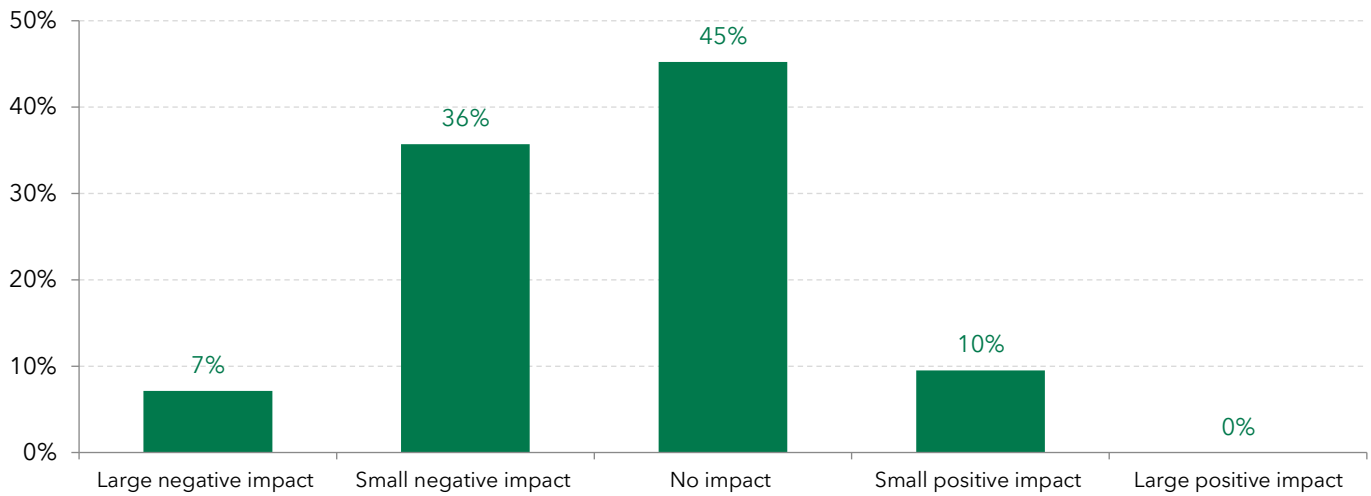
Monetary policy makers have been warning the markets that they stand ready to raise interest rates to combat inflation. With such warnings on the horizon, business respondents were asked to gauge the impact of higher interest rates on their costs. Only 7 percent indicated that higher interest rates would have a large negative impact on their costs. Close to half of the respondents (46 percent) indicated an expectation of a small negative impact. About one-third expected no impact on their costs while 10 percent expected a small positive impact. Complete results can be found in Table 11.

Table 11: Interest Rates on Costs		
What impact do you anticipate the increase in the interest rate to have on your business costs?		
Response	Count	Percentage
Large negative impact	3	7.3%
Small negative impact	19	46.3%
No impact	15	36.6%
Small positive impact	4	9.8%
Large positive impact	0	0.0%
Don't know	0	0.0%
Total Responses	41	100.0%

Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between April 4th, 2022 and April 19th, 2022.

Figure 12: Interest Rates on Prices

What impact do you anticipate the increase in the interest rate to have on your business prices?



Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between April 4th, 2022 and April 19th, 2022.

Prepared by the Regional Economic Research Institute

What impact do you anticipate the increase in the interest rate to have on your business prices?

Close to half of the business respondents (45 percent) indicated that higher interest rates would have no impact on their prices. Just about a third of them (36 percent) expected a small negative impact and less than 10 percent expected a large negative impact. Ten percent of the respondents indicated higher interest rates would have a small positive impact on their prices. Complete results can be found in Table 12.

Table 12: Interest Rates on Prices		
What impact do you anticipate the increase in the interest rate to have on your business prices?		
Response	Count	Percentage
Large negative impact	3	7.1%
Small negative impact	15	35.7%
No impact	19	45.2%
Small positive impact	4	9.5%
Large positive impact	0	0.0%
Don't know	1	2.4%
Total Responses	42	100.0%

Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between April 4th, 2022 and April 19th, 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.

- Labor Market
- Workforce Housing
- Other

Executive responses to this question are found in Appendix B.

Company Characteristics

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

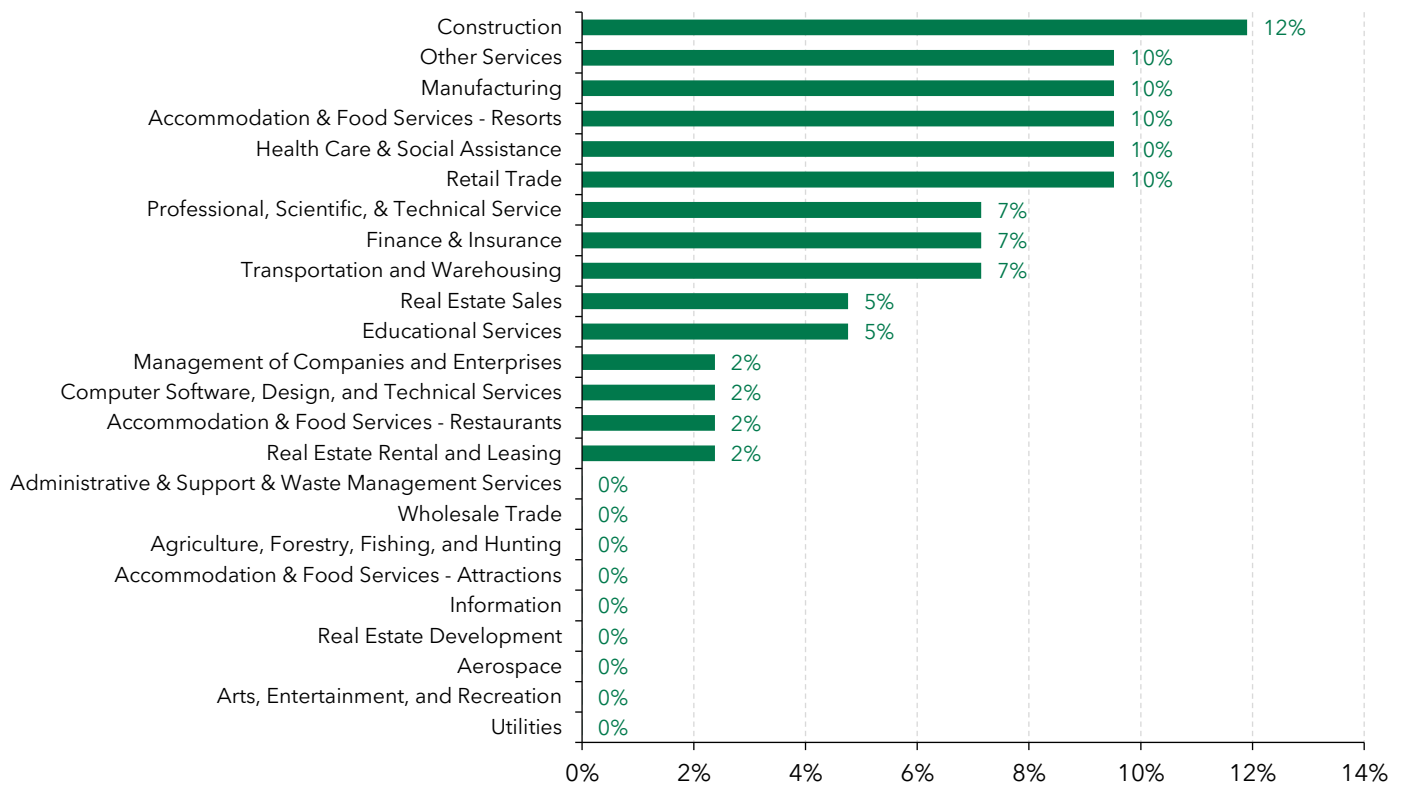
- Business Type;
- Number of Employees;
- Company Location; and
- Geographic Client Base.

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 April 4th, 2022 and April 19th, 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. Construction was represented by 12 percent of the respondents. Other Services, Manufacturing, Accommodation & Food services - Resorts, Health Care & Social Assistance and Retail Trade were each represented by 10 percent of the respondents. The other categories were each represented by less than 10 percent while 9 categories were not represented at all. Complete breakdown by type of industry can be found in Table 13.

Table 13: Business Type

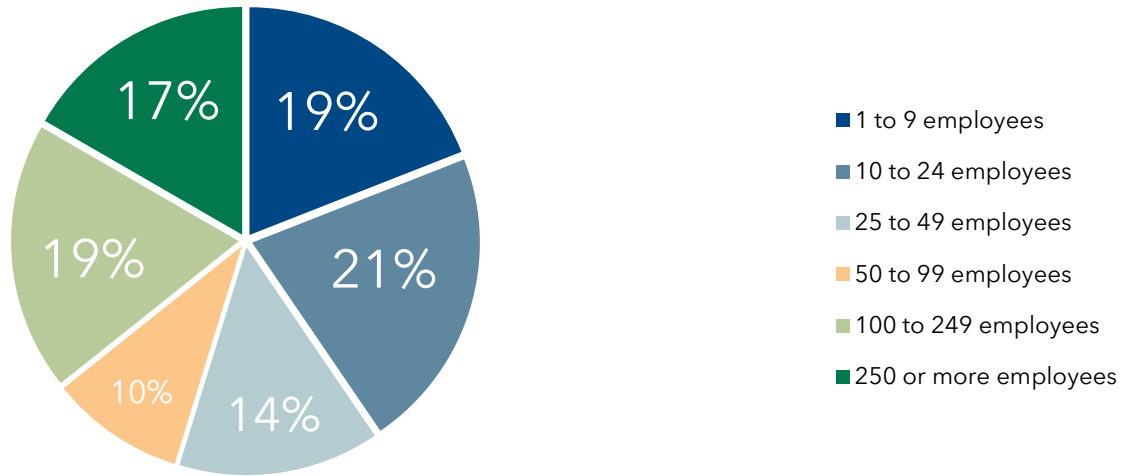
What type of business or industry best describes your company?

Response	Count	Percentage
Construction	5	11.9%
Other Services	4	9.5%
Manufacturing	4	9.5%
Accommodation & Food Services - Resorts	4	9.5%
Health Care & Social Assistance	4	9.5%
Retail Trade	4	9.5%
Professional, Scientific, & Technical Service	3	7.1%
Finance & Insurance	3	7.1%
Transportation and Warehousing	3	7.1%
Real Estate Sales	2	4.8%
Educational Services	2	4.8%
Management of Companies and Enterprises	1	2.4%
Computer Software, Design, and Technical Services	1	2.4%
Accommodation & Food Services - Restaurants	1	2.4%
Real Estate Rental and Leasing	1	2.4%
Administrative & Support & Waste Management Services	0	0.0%
Wholesale Trade	0	0.0%
Agriculture, Forestry, Fishing, and Hunting	0	0.0%
Accommodation & Food Services - Attractions	0	0.0%
Information	0	0.0%
Real Estate Development	0	0.0%
Aerospace	0	0.0%
Arts, Entertainment, and Recreation	0	0.0%
Utilities	0	0.0%
Total Responses	42	100.0%

Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between April 4th, 2022 and April 19th, 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 April 4th, 2022 and April 19th, 2022.

Prepared by the Regional Economic Research Institute

What is the size of your firm?

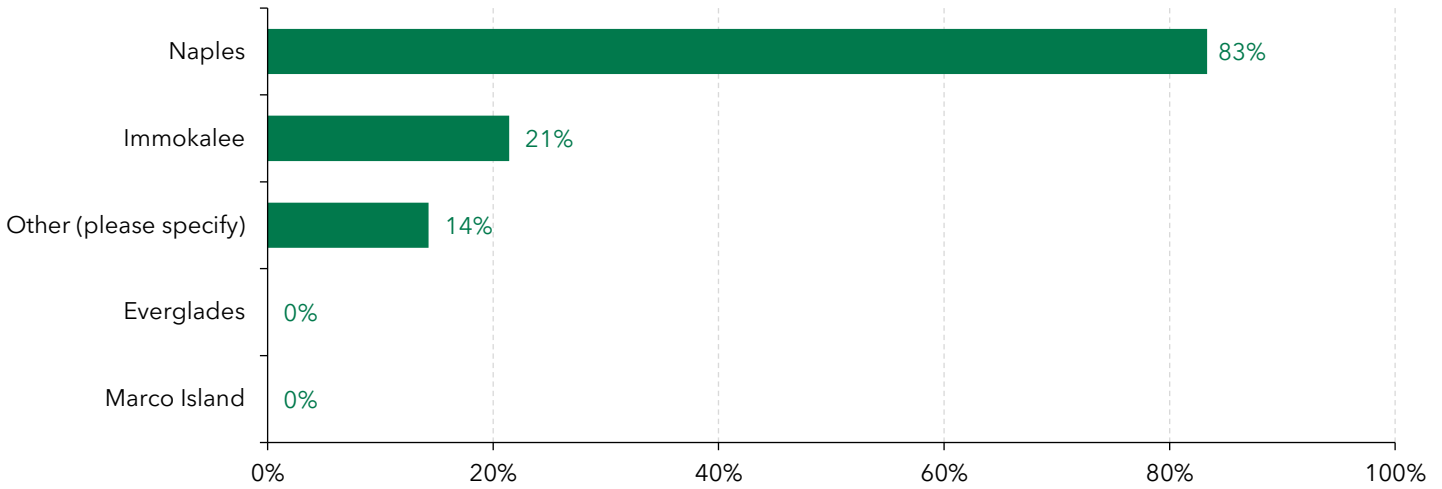
Figure 14 shows the business executives categorized by the number of employees in their firms. About 19 percent of surveyed executives were of firms that employed less than ten employees, 21 percent of the firms employed between 10 to 24 employees and 14 percent employed between 25 to 49 employees. Ten percent were firms that employed between 50 and 99 employees, and 19 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	8	19.0%
10 to 24 employees	9	21.4%
25 to 49 employees	6	14.3%
50 to 99 employees	4	9.5%
100 to 249 employees	8	19.0%
250 or more employees	7	16.7%
Total Responses	42	100.0%

Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between April 4th, 2022 and April 19th, 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 April 4th, 2022 and April 19th, 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-three percent of the surveyed executives reported having physical locations of their firms in Naples, while 21 percent stated their firm was physically located in Immokalee. Approximately 14 percent of firms were located somewhere else not listed. Complete response counts can be found in Table 15.

Table 15: Company Locations

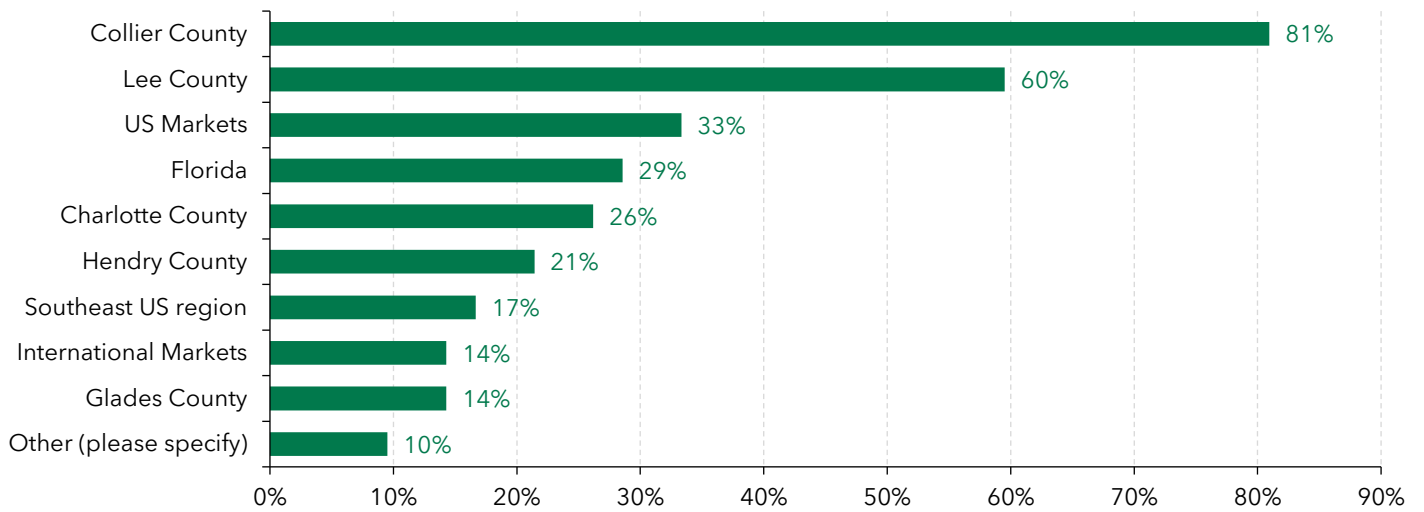
Where is your firm physically located?

Response	Count	Percentage
Naples	35	83.3%
Immokalee	9	21.4%
Other (please specify)	6	14.3%
Everglades	0	0.0%
Marco Island	0	0.0%

Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between April 4th, 2022 and April 19th, 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 April 4th, 2022 and April 19th, 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 81 percent of the surveyed executives’ client base while Lee County accounted for 60 percent of their client base. Charlotte County had 26 percent, Hendry County had 21 percent, and Glades County accounted for 14 percent. Florida was the geographical client base for 29 percent of the firms, while the Southeast U.S. region was the geographical client base for 17 percent of surveyed executives. Thirty-three percent of the client base for these firms were in all U.S. markets and 14 percent were 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	34	81.0%
Lee County	25	59.5%
US Markets	14	33.3%
Florida	12	28.6%
Charlotte County	11	26.2%
Hendry County	9	21.4%
Southeast US region	7	16.7%
International Markets	6	14.3%
Glades County	6	14.3%
Other (please specify)	4	9.5%

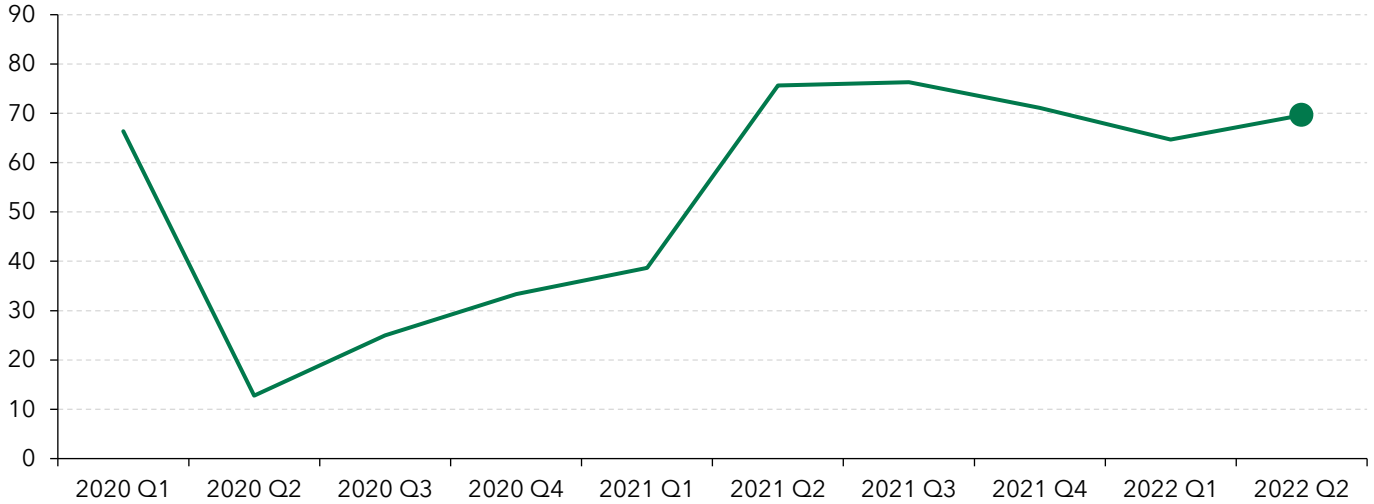
Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between April 4th, 2022 and April 19th, 2022.

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?

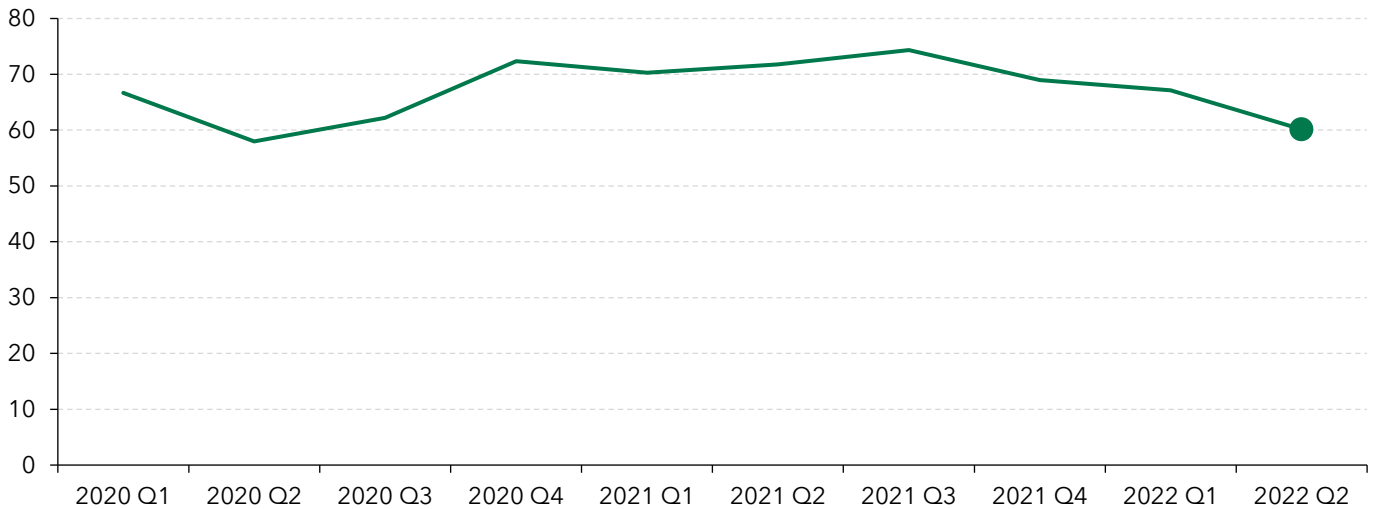


Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between April 4th, 2022 and April 19th, 2022.

Prepared by the Regional Economic Research Institute

Figure 18: Future Economic Conditions

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

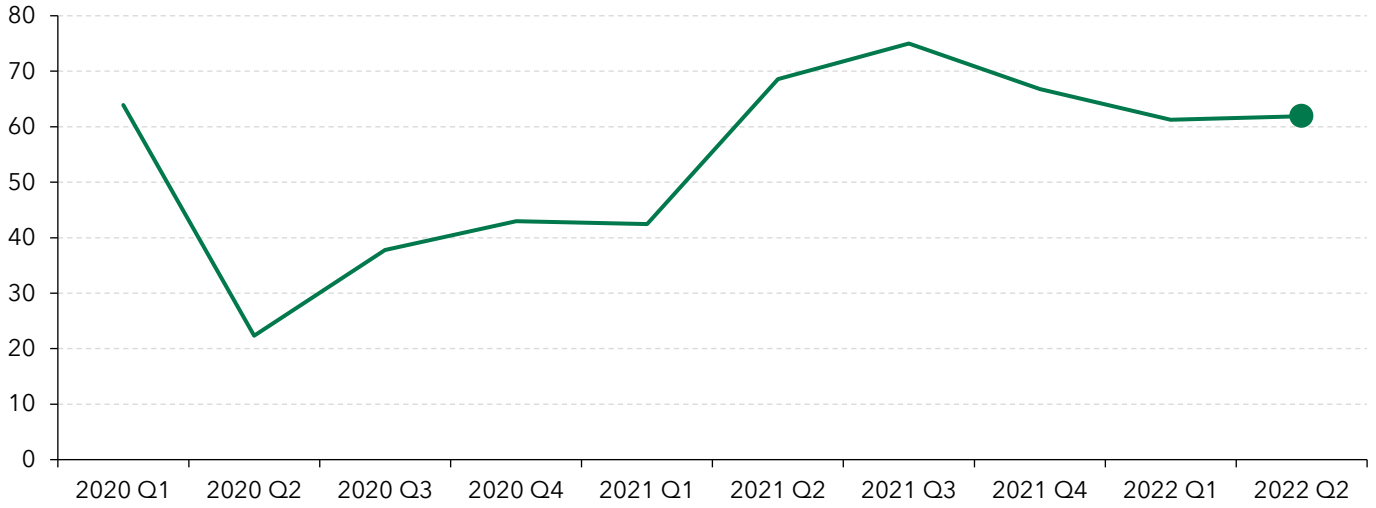


Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between April 4th, 2022 and April 19th, 2022.

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?

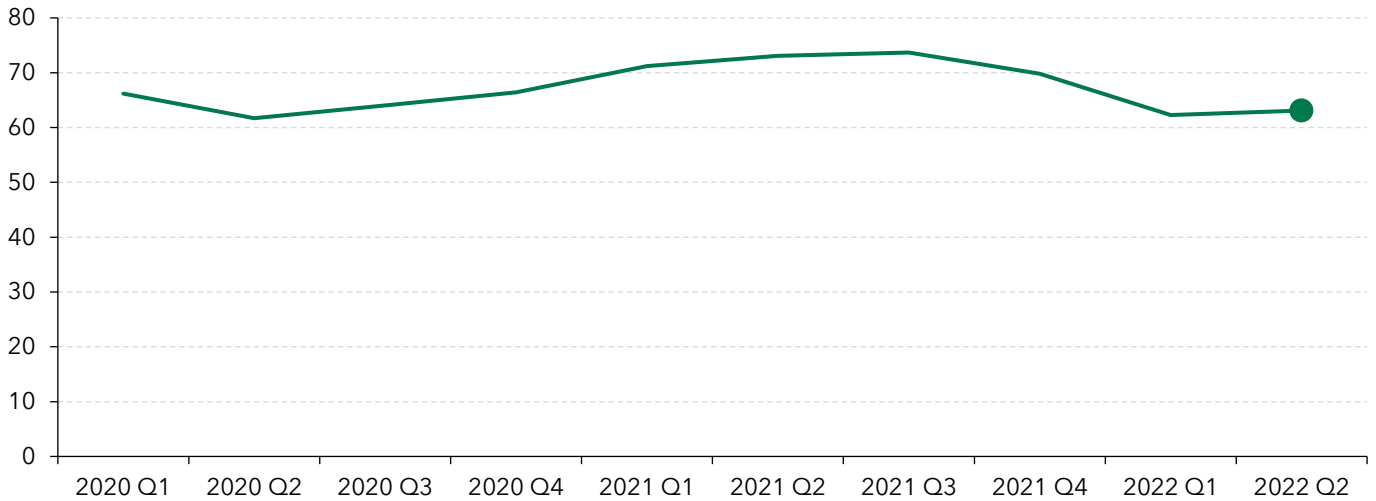


Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between April 4th, 2022 and April 19th, 2022.

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?

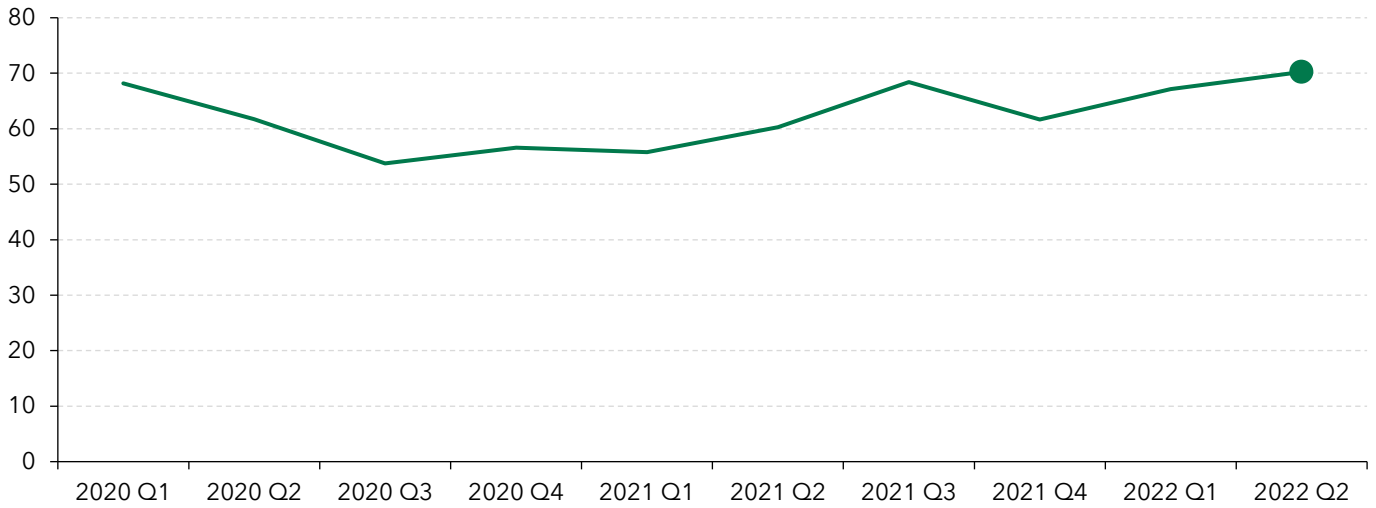


Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between April 4th, 2022 and April 19th, 2022.

Prepared by the Regional Economic Research Institute

Figure 21: Current Hiring Trends

What has been your hiring trend over the last year?

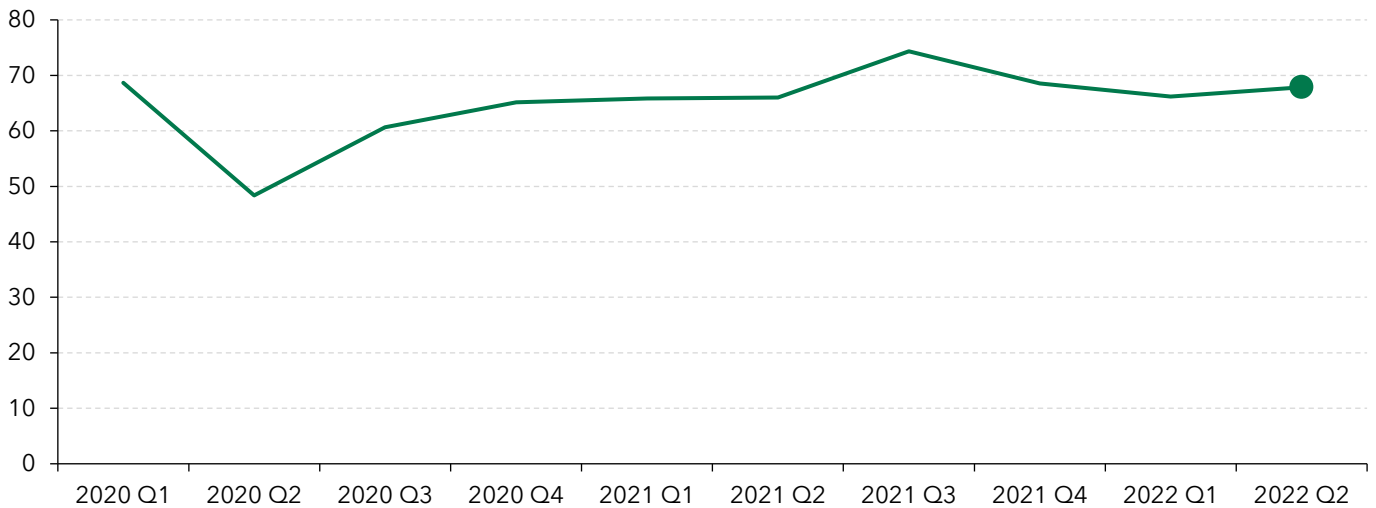


Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between April 4th, 2022 and April 19th, 2022.

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?

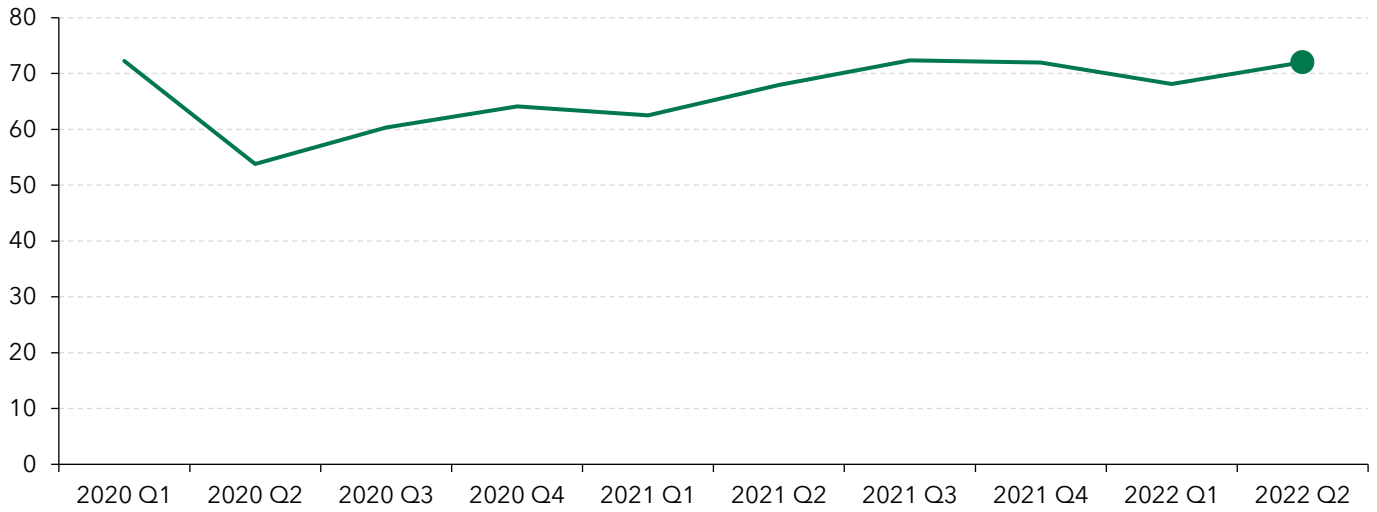


Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between April 4th, 2022 and April 19th, 2022.

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 April 4th, 2022 and April 19th, 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.

Labor Market

- It is not for lack of trying that we have only increased our labor base marginally. We have many more opening than candidates to fill them. Obviously, a common theme in business that crosses industry lines.

Workforce Housing

- Cost of workforce housing is prohibitive.
- Regional economy is high but leaves out the affordability for working social services working sector.

Other

- Fix the traffic.
- Need to focus on the small business owner with county grants.
-



 FLORIDA
GULF COAST
UNIVERSITY

REGIONAL ECONOMIC
RESEARCH INSTITUTE