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Third Quarter 2022

EXECUTIVE BUSINESS CLIMATE SURVEY

Collier County

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About the Regional Economic Research Institute

The Regional Economic Research Institute (RERI) studies, analyzes and reports on Southwest Florida's socioeconomic and demographic environment. Established in 2005, the RERI is the only economic and business research center in Southwest Florida. Its experts continuously monitor the ever-changing conditions in the region, providing timely and pertinent data and information so local businesses and decision-makers can stay current and respond appropriately.

Resources provided by the RERI include the Regional Economic Indicators (Dashboard), the Industry Diversification Report, the Real Estate Quarterly Report, and the comprehensive Southwest Florida Economic Almanac. The RERI partners with local economic development organizations and chambers of commerce in our region to produce other resources such as county Business Climate Surveys and different Issue Briefs. The RERI 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. The institute also partners with other centers and colleges across the University, including the Water School and the Institute for Entrepreneurship.

The RERI is proud to have many student researchers working with the RERI team to compile all these reports. In the process, our students learn valuable research skills, improve communication and computer skills, and develop leadership and critical-thinking skills. The RERI finances its day-to-day operations, including paying its students, through contracting for research projects and studies, and sponsorship for its reports.

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.

Amir B. Ferreira Neto

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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 542 executives and business owners in Collier County. Four reminders were sent during the survey period. Forty-two executives completed the survey from July 5, 2022, through July 20, 2022, giving the survey a margin of error of 15.9 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 slumped to 46.4 in the third quarter of 2022 from 64.3 in the second quarter. This reflected a steady decline since the index peaked at 74.8 in the third quarter of 2021. All three components of the index showed decreases in the third quarter of 2022. In the third quarter, the index for Current Economic Conditions declined from 69.6 to 45.9, the index for Future Economic Conditions declined from 60.1 to 44.6 and the index for Future Industry Conditions fell from 63.1 to 48.6. A complete graphical representation of each of these questions since 2020 can be found in Appendix A.

Results from the recurring questions revealed:

- 29 percent of the surveyed business executives indicated economic conditions in Collier County were better compared to a year ago; 41 percent stated that overall economic conditions were worse than a year ago.
- 21 percent of business executives were optimistic about economic conditions in the upcoming year, down from 53 percent the previous quarter; 40 percent of the surveyed business executives felt pessimistic about future economic conditions.
- 30 percent of the surveyed business executives reported current industry conditions as better when compared to last year, while 38 percent of executives reported conditions getting worse.
- 30 percent of respondents believe industry conditions will improve over the next 12 months compared to 58 percent in the last quarter, with 35 percent expecting conditions to be worse.
- 61 percent of the surveyed executives reported increased hiring in the current quarter compared to 65 percent in the last quarter; 11 percent reported reducing employment.
- 50 percent of executives expect to increase hiring at their companies over the next year, 39 percent plan to remain at the same level; 10 percent planned to reduce employment.
- 57 percent of the surveyed executives expect to increase investment over the next year; 30 percent expect to keep it the same and 13 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 disaster plans and hurricane preparedness.

- 92 percent of the executives stated they had a formal disaster plan in place in the event of a hurricane; 8 percent had no plan but were considering it.
- 92 percent of the respondents indicated that the loss of electricity would significantly impact their operations.
- 92 percent of the respondents indicated that the loss of phone and internet services would have a significant impact.
- Loss of water would significantly impact about 71 percent of respondents' operations, while loss of transportation would impact 63 percent of respondents' businesses.

- Loss of postal services and natural gas services impacted just 21 percent and 22 percent of the respondents respectively.
- 44 percent would not survive more than four weeks if forced to shut down due to a hurricane and 35 percent would survive more than 8 weeks.
- 54 percent of the respondents indicated they would not access local resources to prepare for a hurricane; 41 percent would access their financial institutions.

Commentary

In times of growth and expected growth, businesses want to hire more and plan for extra investments that will allow them to meet up their demand. However, if businesses believe the economy will not continue to grow, they refrain from adding workers and investing given expected lower demand for their goods and services. The responses from businesses to our recurring questions show some mixed signals in the current economic environment, a similar picture to that of the country.

The [National Federation of Independent Business \(NFIB\)](#) reports a decrease in their Small Business Optimism index for June 2022, the sixth consecutive monthly decrease, with businesses reporting inability to find enough workers with job openings and hiring plans at higher levels. However, businesses also report sales decline and plans to reduce inventory. In Lee County, compared to the second quarter responses, a larger proportion of the respondents felt both economic and industry conditions are and would be worse in the year ahead, however, current hiring and planned investment continue to show strong numbers.

The Executive Business Climate Index (EBCI), a value that measures and gauges the current business climate in Collier County, peaked in the second quarter of 2021 at 73.5 but has since slowly declined in each subsequent quarter. The EBCI in 2022 Q3 was the second largest decline since the survey began in 2020, only above the decline reported in the 2020 Q2 EBCI. While business owners indicated economic conditions over the past 12 months were worse in 2020 Q2 compared to the present quarter, the expectations for the next 12 months are the lowest reported numbers since the beginning of the survey.

Overall, there is a blurred picture for both the US and Collier County economies, in which we see some signs of economic slowdown along with strong labor markets. The Federal Reserve continues to adjust interest rate to control inflation with expectations of a "soft landing". While the still some debate among economists on recession, business owners are starting to adjust to what they expect lies ahead.

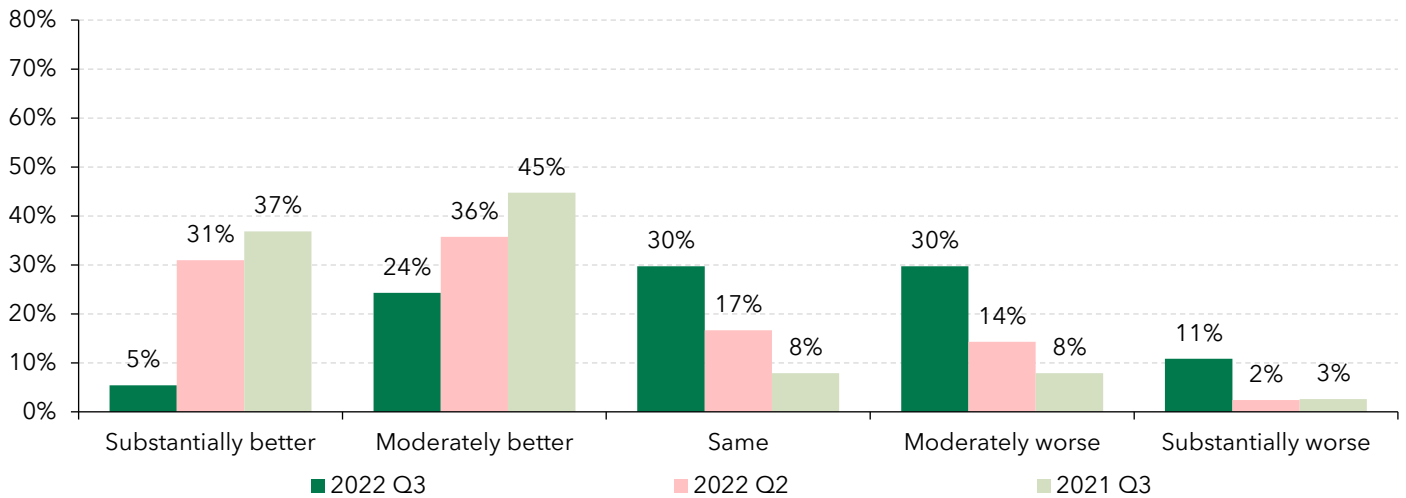
Comment on our special topic: while most businesses report having some disaster plan, and their main concern relates to infrastructure (electricity, internet and water supply) the majority of businesses do not rely on local resources for disasters. However, research shows strong network and connection with such resources are important for business resilience.

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 third 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 July 5th, 2022 and July 20th, 2022.
Prepared by the Regional Economic Research Institute

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

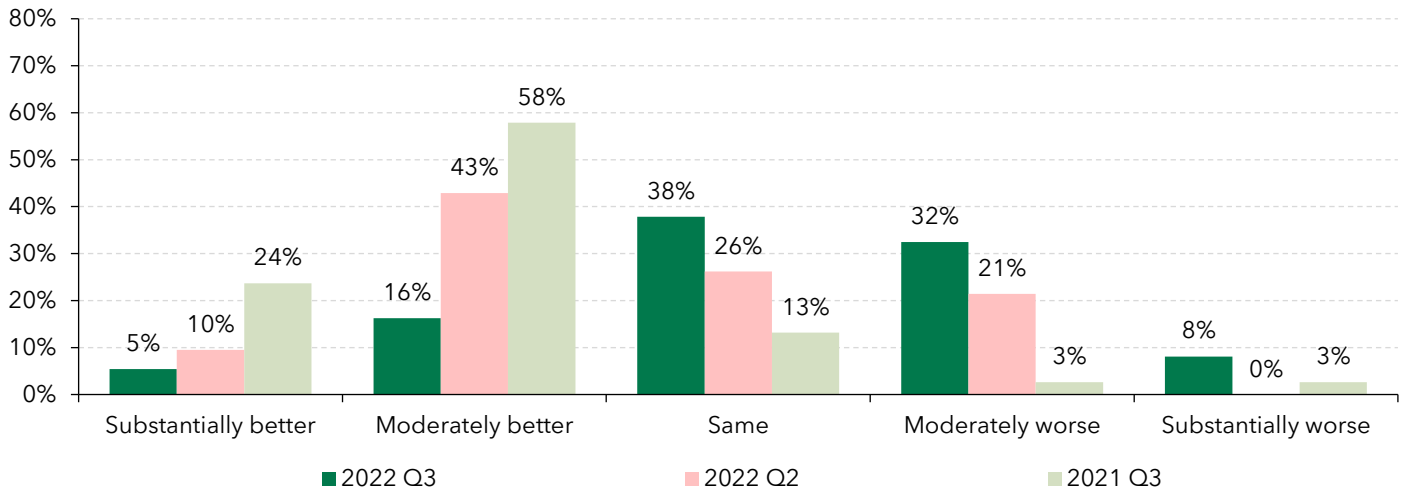
Figure 1 reflects the responses of business executives during the third quarter of 2022. Twenty-nine percent of the surveyed executives indicated economic conditions in Collier County were better compared to a year ago. This was a substantial change from the last quarter when 67 percent felt conditions were better than a year ago. Forty-one percent stated conditions were worse than a year ago, up from the 16 percent in the second quarter and 11 percent recorded a year ago. About 30 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 Q3		2022 Q2		2021 Q3	
	Count	Percentage	Count	Percentage	Count	Percentage
Substantially better	2	5.4%	13	31.0%	14	36.8%
Moderately better	9	24.3%	15	35.7%	17	44.7%
Same	11	29.7%	7	16.7%	3	7.9%
Moderately worse	11	29.7%	6	14.3%	3	7.9%
Substantially worse	4	10.8%	1	2.4%	1	2.6%
Total Responses	37	100.0%	42	100.0%	38	100.0%

Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between July 5th, 2022 and July 20th, 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 July 5th, 2022 and July 20th, 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 continued to decline. The third quarter results indicated that only 21 percent of business executives are optimistic about economic conditions in the upcoming year, compared to the 53 percent in the previous quarter and 82 percent a year ago. In contrast, 40 percent of executives indicated pessimism about the future of the economy, higher than the 21 percent in the previous quarter and just 6 percent a year ago. Thirty-eight percent expect economic conditions to remain the same, compared to 26 percent in the previous quarter. Complete response counts can be found in Table 2.

Table 2: Future Economic Conditions

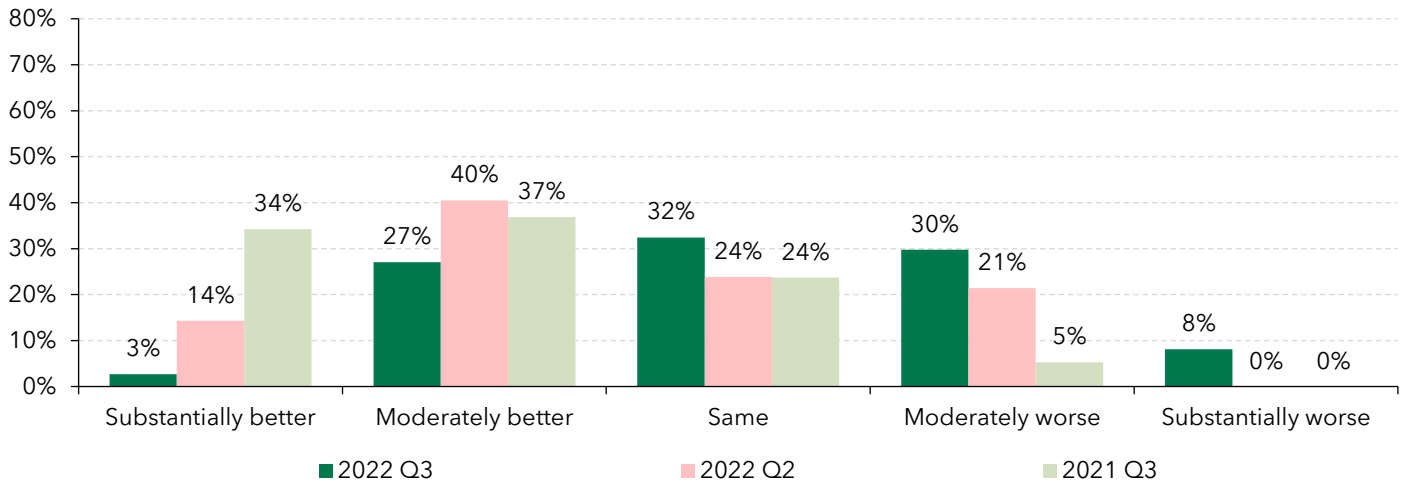
What are your expectations for the Collier County economy one year ahead?

Response	2022 Q3		2022 Q2		2021 Q3	
	Count	Percentage	Count	Percentage	Count	Percentage
Substantially better	2	5.4%	4	9.5%	9	23.7%
Moderately better	6	16.2%	18	42.9%	22	57.9%
Same	14	37.8%	11	26.2%	5	13.2%
Moderately worse	12	32.4%	9	21.4%	1	2.6%
Substantially worse	3	8.1%	0	0.0%	1	2.6%
Total Responses	37	100.0%	42	100.0%	38	100.0%

Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between July 5th, 2022 and July 20th, 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 July 5th, 2022 and July 20th, 2022.
Prepared by the Regional Economic Research Institute

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

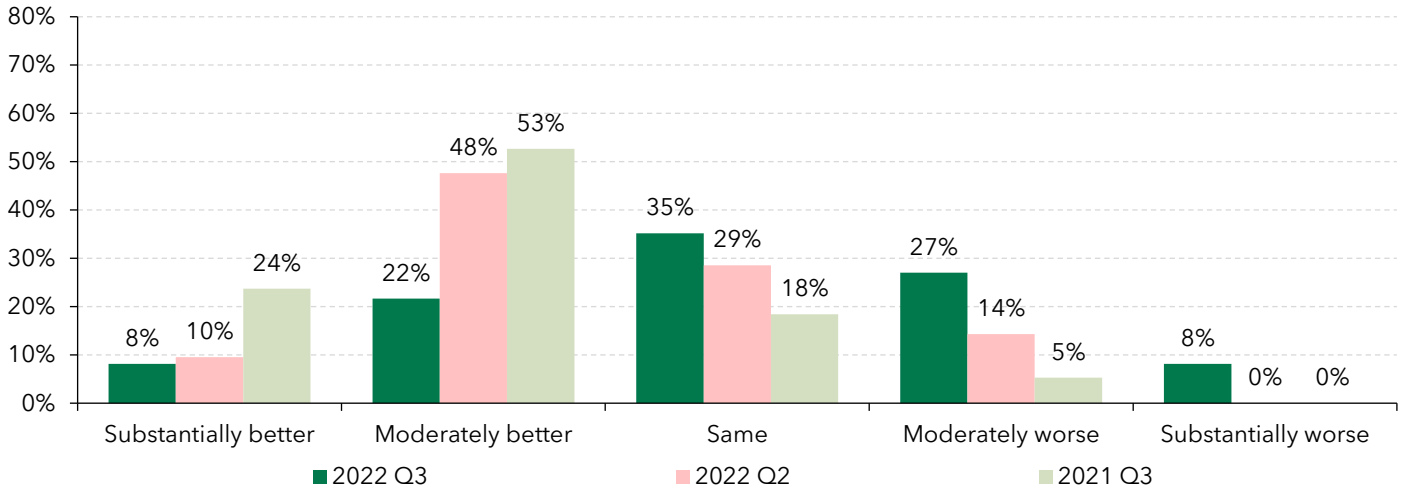
Figure 3 reports on executives’ perceptions about their industry and is more narrowly focused. The percentage of the surveyed executives who felt current conditions in their industry were better compared to a year ago was just 30 percent compared to 54 percent in the previous quarter and lower than the 71 percent a year ago. The percentage of business executives reporting worsening industry conditions in the third quarter of 2022 rose to 38 percent from 21 percent in the previous quarter, and higher than the 5 percent a year ago. About 32 percent of executives noted conditions remained the same in the second quarter compared to 24 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 Q3		2022 Q2		2021 Q3	
	Count	Percentage	Count	Percentage	Count	Percentage
Substantially better	1	2.7%	6	14.3%	13	34.2%
Moderately better	10	27.0%	17	40.5%	14	36.8%
Same	12	32.4%	10	23.8%	9	23.7%
Moderately worse	11	29.7%	9	21.4%	2	5.3%
Substantially worse	3	8.1%	0	0.0%	0	0.0%
Total Responses	37	100.0%	42	100.0%	38	100.0%

Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between July 5th, 2022 and July 20th, 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 July 5th, 2022 and July 20th, 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 fell to 30 percent from 58 percent in the second quarter and lower than 77 percent a year ago. About 35 percent of the surveyed executives expected conditions to remain the same, up from 29 percent in the previous quarter. The proportion of executives expecting conditions to worsen rose to 35 percent, up from 14 percent the previous quarter and just 5 percent a year ago. Complete response counts can be found in Table 4.

Table 4: Future Industry Conditions

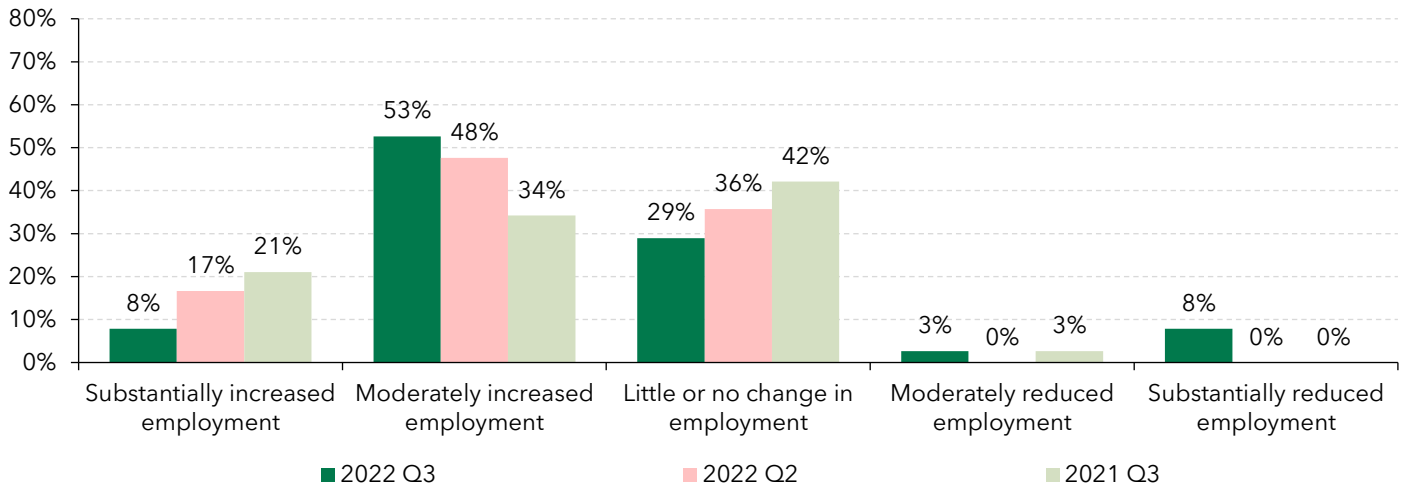
What are your expectations for your own industry in Collier County one year ahead?

Response	2022 Q3		2022 Q2		2021 Q3	
	Count	Percentage	Count	Percentage	Count	Percentage
Substantially better	3	8.1%	4	9.5%	9	23.7%
Moderately better	8	21.6%	20	47.6%	20	52.6%
Same	13	35.1%	12	28.6%	7	18.4%
Moderately worse	10	27.0%	6	14.3%	2	5.3%
Substantially worse	3	8.1%	0	0.0%	0	0.0%
Total Responses	37	100.0%	42	100.0%	38	100.0%

Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between July 5th, 2022 and July 20th, 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 July 5th, 2022 and July 20th, 2022.

Prepared by the Regional Economic Research Institute

What has been your hiring trend over the last year?

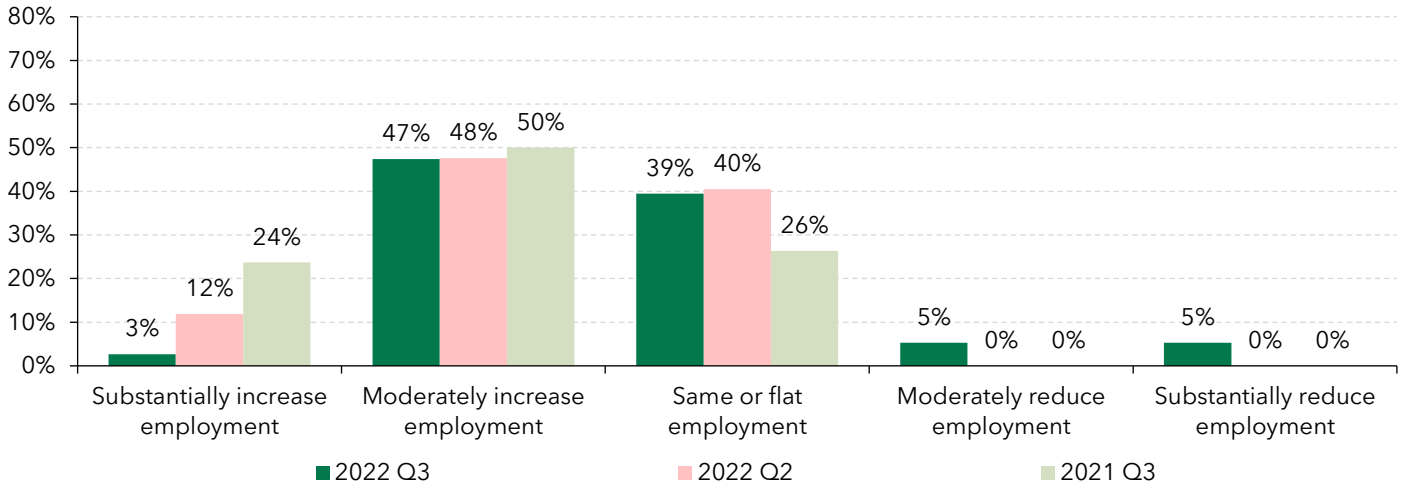
Figure 5 focuses on the current hiring trends of the surveyed executives. Survey responses of our executives showed continued strength in hiring. Sixty-one percent of the respondents indicated they had increased employment. This compared to about 65 percent in the last quarter and 55 percent a year ago. Twenty-nine percent of the business executives indicated little or no change in employment over the last year, lower than the 36 percent in the previous quarter. Eleven percent of the surveyed firms said they reduced employment over the last year, compared to 0 percent in the previous quarter and 3 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 Q3		2022 Q2		2021 Q3	
	Count	Percentage	Count	Percentage	Count	Percentage
Substantially increased employment	3	7.9%	7	16.7%	8	21.1%
Moderately increased employment	20	52.6%	20	47.6%	13	34.2%
Little or no change in employment	11	28.9%	15	35.7%	16	42.1%
Moderately reduced employment	1	2.6%	0	0.0%	1	2.6%
Substantially reduced employment	3	7.9%	0	0.0%	0	0.0%
Total Responses	38	100.0%	42	100.0%	38	100.0%

Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between July 5th, 2022 and July 20th, 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 July 5th, 2022 and July 20th, 2022. Prepared by the Regional Economic Research Institute

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

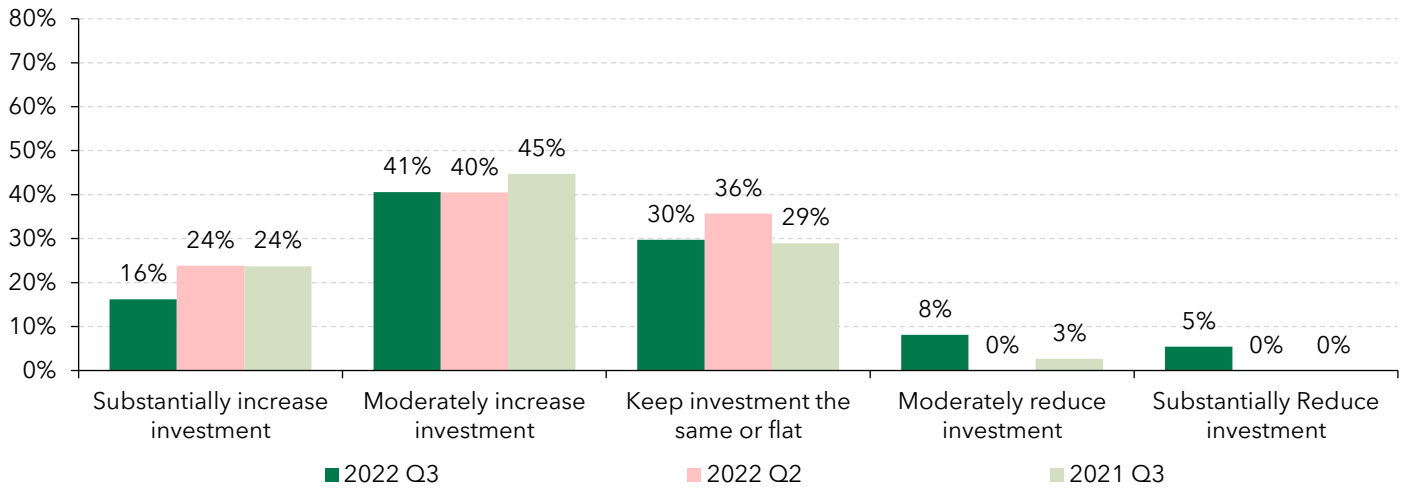
Figure 6 focuses on future hiring trends by the surveyed businesses. The third quarter shows a slightly smaller percentage of the respondents planning on increasing hiring in the future. Half of the surveyed business executives plan to increase employment over the next year, compared with 60 percent in the previous quarter. This was also lower than the 74 percent last year. About 39 percent of the executives plan to keep employment flat over the next year, compared to 40 percent of the respondents in the last quarter and 26 percent a year ago. Ten percent of the respondents indicated that they were planning to reduce employment, compared to 0 percent in the previous quarter and 0 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 Q3		2022 Q2		2021 Q3	
	Count	Percentage	Count	Percentage	Count	Percentage
Substantially increase employment	1	2.6%	5	11.9%	9	23.7%
Moderately increase employment	18	47.4%	20	47.6%	19	50.0%
Same or flat employment	15	39.5%	17	40.5%	10	26.3%
Moderately reduce employment	2	5.3%	0	0.0%	0	0.0%
Substantially reduce employment	2	5.3%	0	0.0%	0	0.0%
Total Responses	38	100.0%	42	100.0%	38	100.0%

Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between July 5th, 2022 and July 20th, 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 July 5th, 2022 and July 20th, 2022.

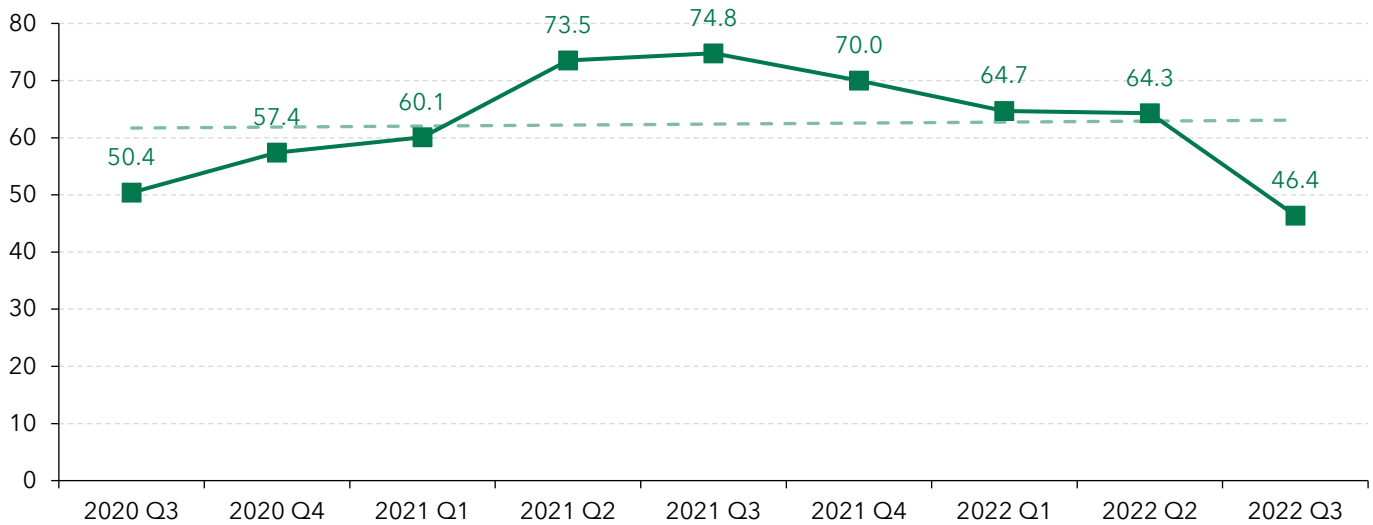
Prepared by the Regional Economic Research Institute

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 57 percent of the surveyed executives expect to increase investment, moderately or substantially, over the next year, compared to 64 percent in the previous quarter and less than the 69 percent reported a year ago. Thirty percent of the executives planned to keep their investment levels flat or the same over the next year, lower than the 36 percent in the previous quarter but similar to the 29 percent a year ago. Thirteen percent of the respondents said they planned to reduce investment during the next 12 months compared to 0 percent in the previous quarter and 3 percent a year ago. 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 Q3		2022 Q2		2021 Q3	
	Count	Percentage	Count	Percentage	Count	Percentage
Substantially increase investment	6	16.2%	10	23.8%	9	23.7%
Moderately increase investment	15	40.5%	17	40.5%	17	44.7%
Keep investment the same or flat	11	29.7%	15	35.7%	11	28.9%
Moderately reduce investment	3	8.1%	0	0.0%	1	2.6%
Substantially Reduce investment	2	5.4%	0	0.0%	0	0.0%
Total Responses	37	100.0%	42	100.0%	38	100.0%

Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between July 5th, 2022 and July 20th, 2022.

Figure 8: Executive Business Climate Index

Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between July 5th, 2022 and July 20th, 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.

Respondents in Collier County continued to be less optimistic about future economic conditions in the current quarter of 2022. The index measured at 46.4 in the third quarter of 2022, a significant drop from the 64.3 recorded in the second quarter and the 64.7 in the first quarter of 2022. This index is lower than all preceding quarters going back to the third quarter of 2020. All three of the components of the index showed decreases in the third quarter of 2022. The index for Current Economic Conditions fell from 69.6 in the second quarter to 45.9 in the third quarter. The index for Future Economic Conditions fell from 60.1 to 44.6 in the third quarter and the index for Future Industry Conditions fell from 63.1 to 48.6 in the third 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 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3
Current Economic Conditions	25.0	33.3	38.7	75.6	76.3	71.1	64.7	69.6	45.9
Future Economic Conditions	62.2	72.4	70.3	71.8	74.3	69.0	67.2	60.1	44.6
Future Industry Conditions	64.0	66.4	71.2	73.1	73.7	69.8	62.3	63.1	48.6
Executive Business Climate Index	50.4	57.4	60.1	73.5	74.8	70.0	64.7	64.3	46.4

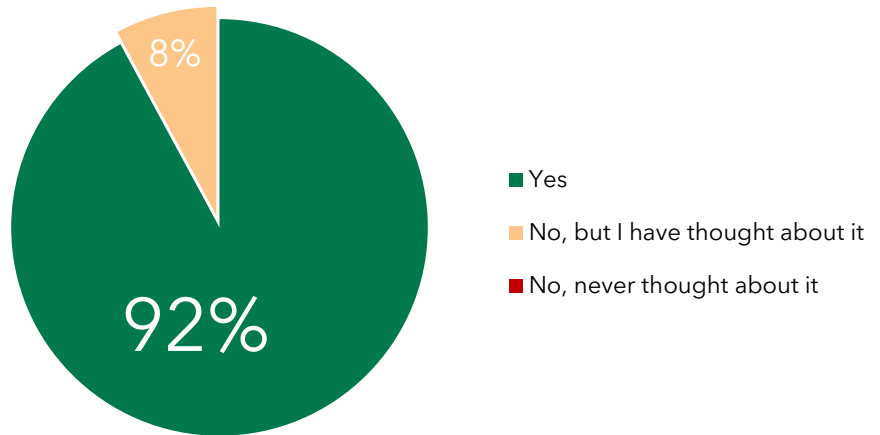
Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between July 5th, 2022 and July 20th, 2022.

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 disaster plans and hurricane preparedness.

Figure 9: Disaster Plan

Does your business have a formal disaster plan in place in the event of a hurricane?



Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between July 5th, 2022 and July 20th, 2022.

Prepared by the Regional Economic Research Institute

Does your business have a formal disaster plan in place in the event of a hurricane?

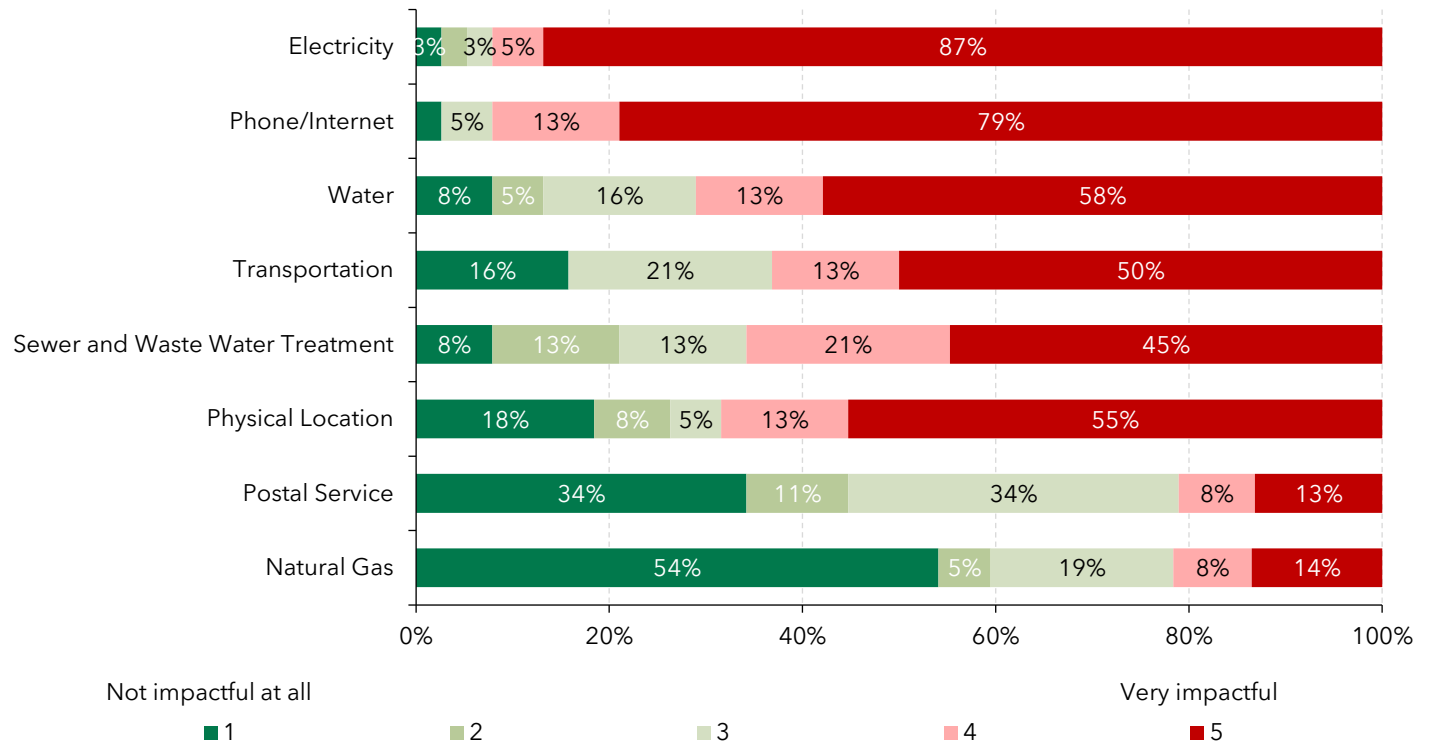
Figure 9 reflects the responses of our surveyed business executives when asked if they had formal disaster plans in place in case of a hurricane. Ninety-two percent of the executives stated they did have plans while about 8 percent indicated they had not made plans yet but were thinking about it. Complete results can be found in Table 9.

Table 9: Disaster Plan		
Does your business have a formal disaster plan in place in the event of a hurricane?		
Response	Count	Percentage
Yes	35	92.1%
No, but I have thought about it	3	7.9%
No, never thought about it	0	0.0%
Total Responses	38	100.0%

Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between July 5th, 2022 and July 20th, 2022.

Figure 10: Service Loss Impact

How impactful would loss of the following items be on the normal day-to-day operations of your business?



Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between July 5th, 2022 and July 20th, 2022. Prepared by the Regional Economic Research Institute

How impactful would loss of the following items be on the normal day-to-day operations of your business?

Figure 10 shows the response of business executives as to how the loss of the specific services would impact their daily operations. Loss of electricity and loss of phone and internet each would significantly impact about 92 percent of the respondents' operations. About 71 percent of the respondents stated that losing water would significantly impact their operations, while loss of waste water treatment and transportation would impact 66 and 63 percent of respondents respectively. Twenty-one percent of respondents indicated that a loss in postal service would impact them greatly and 22 percent said they would be highly impacted by a loss of natural gas services. Complete results can be found in Table 10.

Table 10: Service Loss Impact

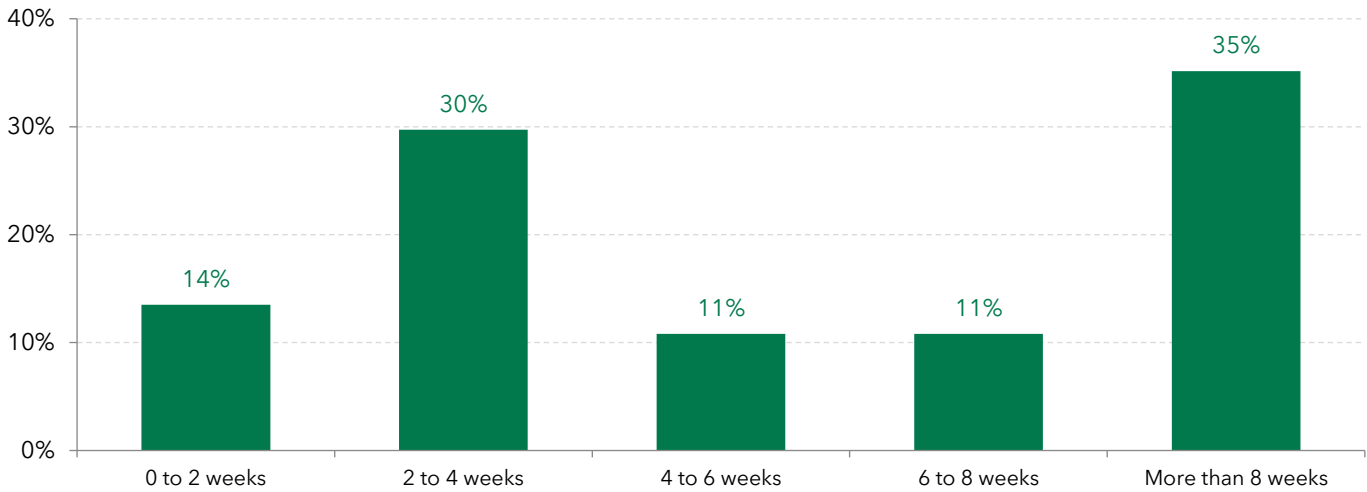
On a scale of 1 to 5, with one being not impactful at all and five being very impactful, how impactful would loss of the following items be on the normal day-to-day operations of your business?

Item	Not impactful at all				Very impactful
	1	2	3	4	5
Electricity					
<i>Count</i>	1	1	1	2	33
<i>Percentage</i>	2.6%	2.6%	2.6%	5.3%	86.8%
Phone/Internet					
<i>Count</i>	1	0	2	5	30
<i>Percentage</i>	2.6%	0.0%	5.3%	13.2%	78.9%
Water					
<i>Count</i>	3	2	6	5	22
<i>Percentage</i>	7.9%	5.3%	15.8%	13.2%	57.9%
Transportation					
<i>Count</i>	6	0	8	5	19
<i>Percentage</i>	15.8%	0.0%	21.1%	13.2%	50.0%
Sewer and Waste Water Treatment					
<i>Count</i>	3	5	5	8	17
<i>Percentage</i>	7.9%	13.2%	13.2%	21.1%	44.7%
Physical Location					
<i>Count</i>	7	3	2	5	21
<i>Percentage</i>	18.4%	7.9%	5.3%	13.2%	55.3%
Postal Service					
<i>Count</i>	13	4	13	3	5
<i>Percentage</i>	34.2%	10.5%	34.2%	7.9%	13.2%
Natural Gas					
<i>Count</i>	20	2	7	3	5
<i>Percentage</i>	54.1%	5.4%	18.9%	8.1%	13.5%

Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between July 5th, 2022 and July 20th, 2022.

Figure 11: Shutting Down

How many weeks do you think your business could survive if it were forced to shut down due to a hurricane?



Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between July 5th, 2022 and July 20th, 2022.

Prepared by the Regional Economic Research Institute

How many weeks do you think your business could survive if it were forced to shut down due to a hurricane?

Figure 11 shows how many weeks a business would survive if forced to shut down due to a hurricane. About 44 percent would not survive more than four weeks. Thirty-five percent of the respondents stated that their business would survive more than 8 weeks. About 11 percent would survive just up to six weeks and another 11 percent could survive between 6 and 8 weeks. Complete results can be found in Table 11.

Table 11: Shutting Down

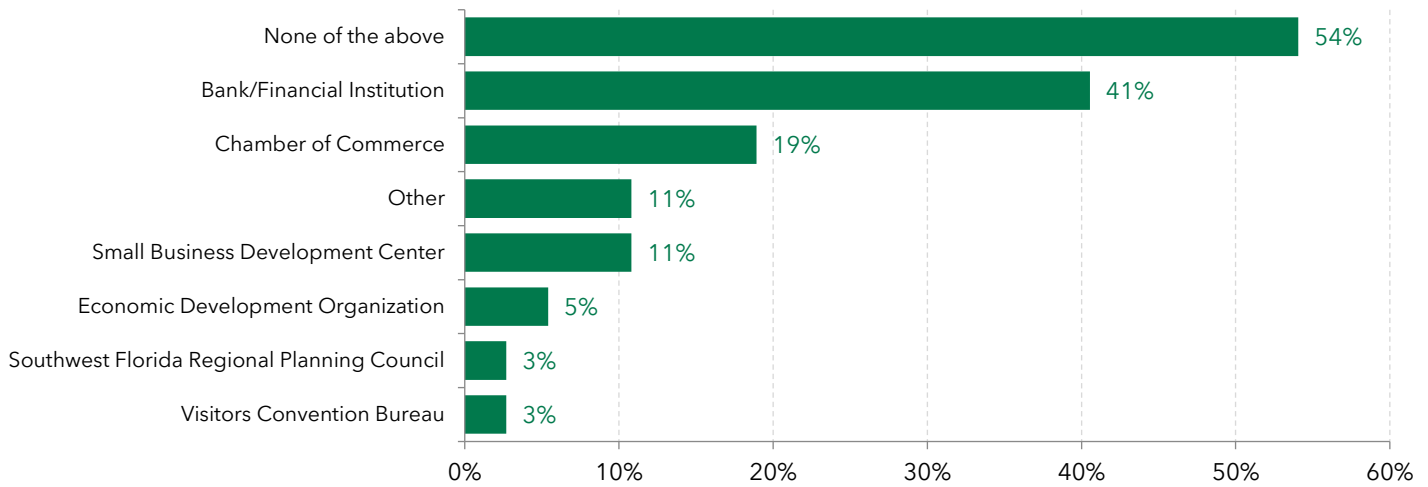
How many weeks do you think your business could survive if it were forced to shut down due to a hurricane?

Response	Count	Percentage
0 to 2 weeks	5	13.5%
2 to 4 weeks	11	29.7%
4 to 6 weeks	4	10.8%
6 to 8 weeks	4	10.8%
More than 8 weeks	13	35.1%
Total Responses	37	100.0%

Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between July 5th, 2022 and July 20th, 2022.

Figure 12: Local Resources

Which resources (if any) would your business access to prepare for a hurricane?



Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between July 5th, 2022 and July 20th, 2022.
 Prepared by the Regional Economic Research Institute

Which resources (if any) would your business access to prepare for a hurricane?

Figure 12 shows a list of agencies or organizations that businesses could try to access to prepare for a hurricane. About half of the business respondents (54 percent) indicated that they would not access any of the listed organizations to prepare for a hurricane. About 41 percent indicated that they would reach out to banks and financial institutions. Nineteen percent would access the Chamber of Commerce and 5 percent would access the economic development organization. Complete results can be found in Table 12.

Table 12: Local Resources		
Which resources (if any) would your business access to prepare for a hurricane?		
Response	Count	Percentage
None of the above	20	54.1%
Bank/Financial Institution	15	40.5%
Chamber of Commerce	7	18.9%
Other	4	10.8%
Small Business Development Center	4	10.8%
Economic Development Organization	2	5.4%
Southwest Florida Regional Planning Council	1	2.7%
Visitors Convention Bureau	1	2.7%
Total Responses	37	100.0%

Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between July 5th, 2022 and July 20th, 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.

- Affordable Housing
- Government
- Other

Executive responses to this question are found in Appendix B.

Company Characteristics

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

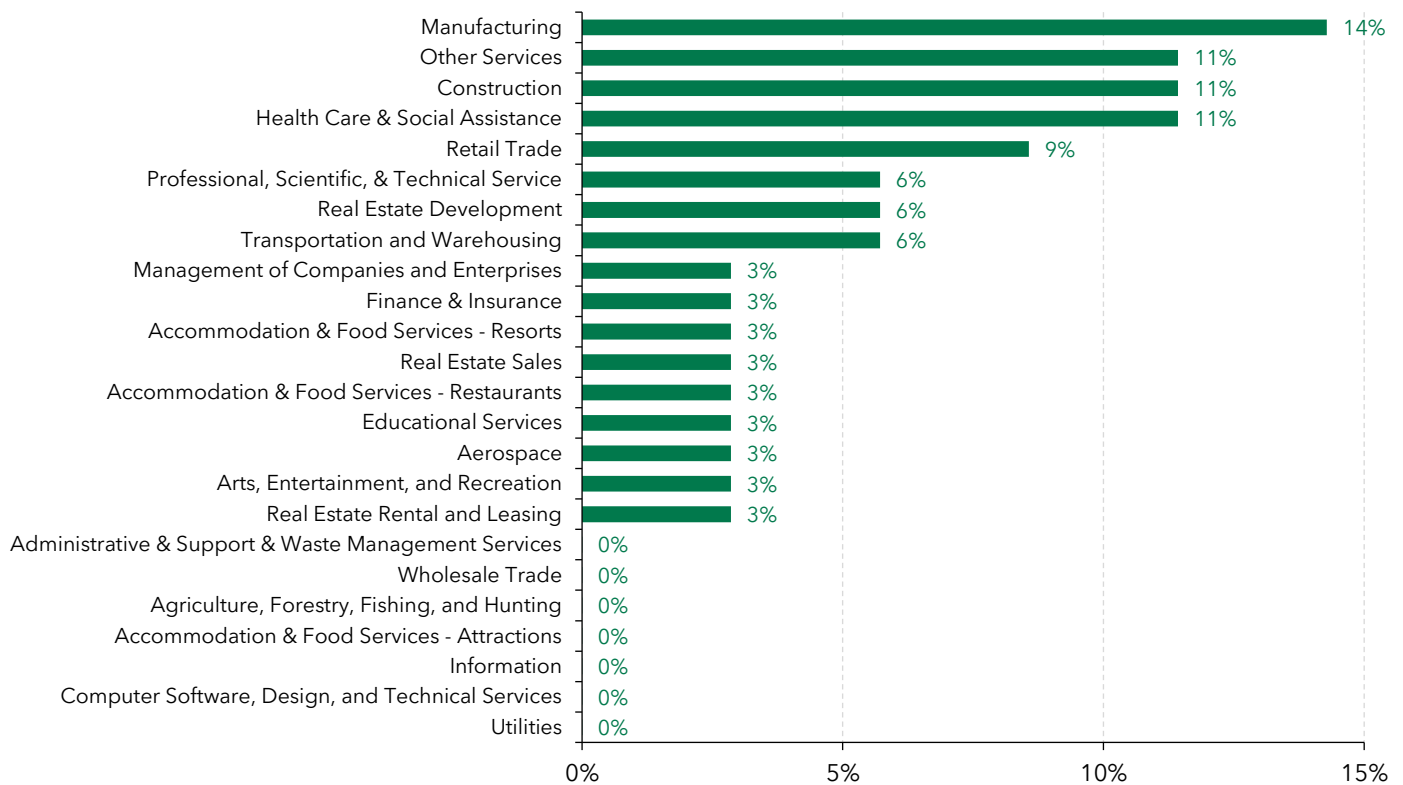
- Business Type;
- Number of Employees;
- Company Location; and
- Geographic Client Base.

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 July 5th, 2022 and July 20th, 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. Manufacturing was represented by 14 percent of the respondents. Other Services, Construction and Health Care & Social Assistance accounted for 11 percent each. Retail Trade was represented by 9 percent of the respondents. The other twelve categories were each represented by 6 percent or less while 7 categories were not represented at all. Complete breakdown by type of industry can be found in Table 13.

Table 13: Business Type

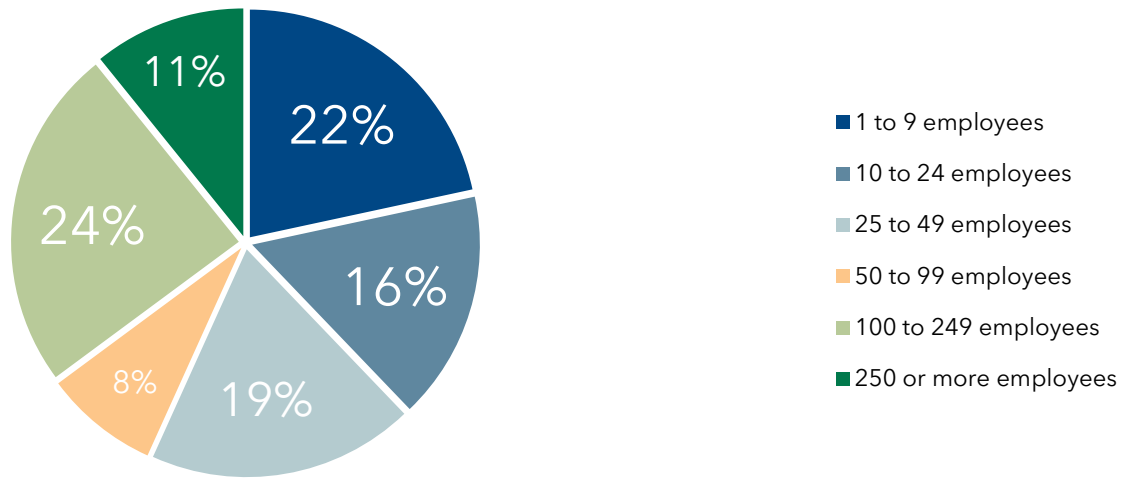
What type of business or industry best describes your company?

Response	Count	Percentage
Manufacturing	5	14.3%
Other Services	4	11.4%
Construction	4	11.4%
Health Care & Social Assistance	4	11.4%
Retail Trade	3	8.6%
Professional, Scientific, & Technical Service	2	5.7%
Real Estate Development	2	5.7%
Transportation and Warehousing	2	5.7%
Management of Companies and Enterprises	1	2.9%
Finance & Insurance	1	2.9%
Accommodation & Food Services - Resorts	1	2.9%
Real Estate Sales	1	2.9%
Accommodation & Food Services - Restaurants	1	2.9%
Educational Services	1	2.9%
Aerospace	1	2.9%
Arts, Entertainment, and Recreation	1	2.9%
Real Estate Rental and Leasing	1	2.9%
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%
Computer Software, Design, and Technical Services	0	0.0%
Utilities	0	0.0%
Total Responses	35	100.0%

Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between July 5th, 2022 and July 20th, 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 July 5th, 2022 and July 20th, 2022.

Prepared by the Regional Economic Research Institute

What is the size of your firm?

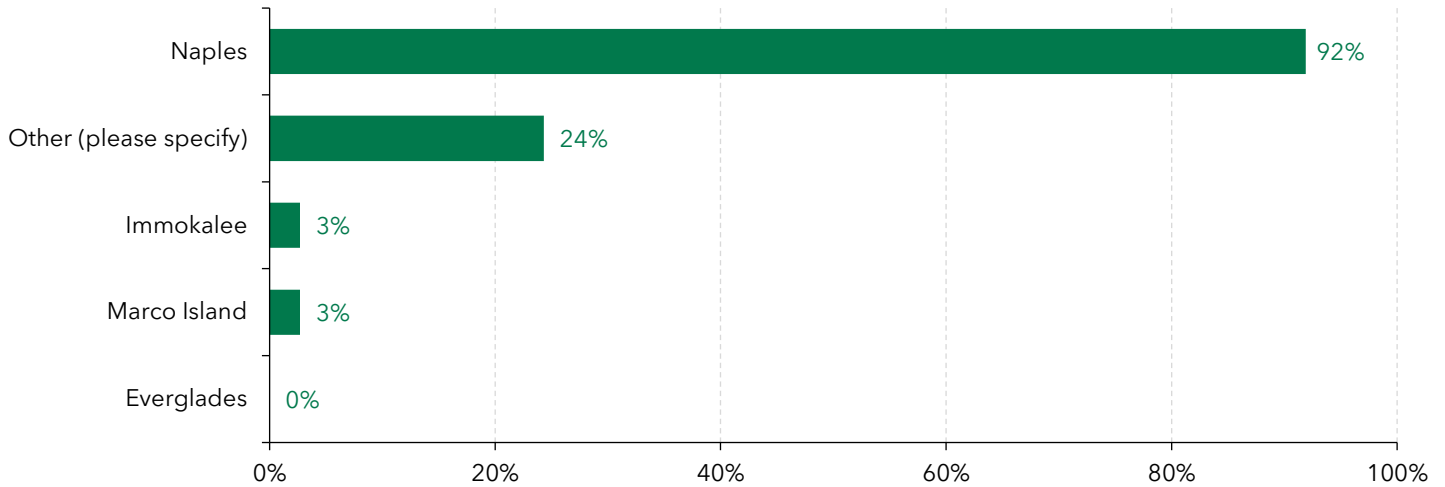
Figure 14 shows the business executives categorized by the number of employees in their firms. About 22 percent of surveyed executives were of firms that employed less than ten employees, 16 percent of the firms employed between 10 to 24 employees and 19 percent employed between 25 to 49 employees. Eight percent were firms that employed between 50 and 99 employees, and 24 percent of firms employed between 100 to 249 employees. Eleven 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	21.6%
10 to 24 employees	6	16.2%
25 to 49 employees	7	18.9%
50 to 99 employees	3	8.1%
100 to 249 employees	9	24.3%
250 or more employees	4	10.8%
Total Responses	37	100.0%

Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between July 5th, 2022 and July 20th, 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 July 5th, 2022 and July 20th, 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. Ninety-two percent of the surveyed executives reported having physical locations of their firms in Naples, while 3 percent stated their firm was physically located in Immokalee and 3 percent in Marco Island. Approximately 24 percent of firms were located somewhere else not listed. Complete response counts can be found in Table 15.

Table 15: Company Locations

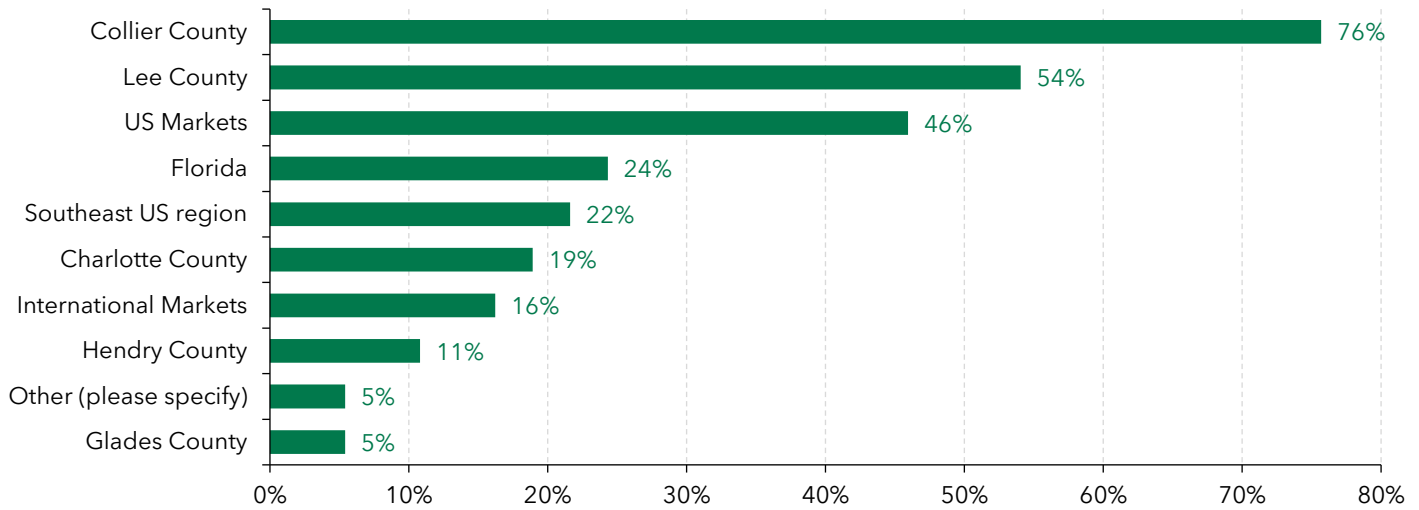
Where is your firm physically located?

Response	Count	Percentage
Naples	34	91.9%
Other (please specify)	9	24.3%
Immokalee	1	2.7%
Marco Island	1	2.7%
Everglades	0	0.0%

Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between July 5th, 2022 and July 20th, 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 July 5th, 2022 and July 20th, 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 76 percent of the surveyed executives’ client base while Lee County accounted for 54 percent of their client base. Charlotte County had 19 percent, Hendry County had 11 percent, and Glades County accounted for 5 percent. Florida was the geographical client base for 24 percent of the firms, while the Southeast U.S. region was the geographical client base for 22 percent of surveyed executives. Forty-six percent of the client base for these firms were in all U.S. markets and 16 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	28	75.7%
Lee County	20	54.1%
US Markets	17	45.9%
Florida	9	24.3%
Southeast US region	8	21.6%
Charlotte County	7	18.9%
International Markets	6	16.2%
Hendry County	4	10.8%
Other (please specify)	2	5.4%
Glades County	2	5.4%

Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between July 5th, 2022 and July 20th, 2022.

Commentary

In times of growth and expected growth, businesses want to hire more and plan for extra investments that will allow them to meet up their demand. However, if businesses believe the economy will not continue to grow, they refrain from adding workers and investing given expected lower demand for their goods and services. The responses from businesses to our recurring questions show some mixed signals in the current economic environment, a similar picture to that of the country.

The [National Federation of Independent Business \(NFIB\)](#) reports a decrease in their Small Business Optimism index for June 2022, the sixth consecutive monthly decrease, with businesses reporting inability to find enough workers with job openings and hiring plans at higher levels. However, businesses also report sales decline and plans to reduce inventory. In Lee County, compared to the second quarter responses, a larger proportion of the respondents felt both economic and industry conditions are and would be worse in the year ahead, however, current hiring and planned investment continue to show strong numbers.

The Executive Business Climate Index (EBCI), a value that measures and gauges the current business climate in Collier County, peaked in the second quarter of 2021 at 73.5 but has since slowly declined in each subsequent quarter. The EBCI in 2022 Q3 was the second largest decline since the survey began in 2020, only above the decline reported in the 2020 Q2 EBCI. While business owners indicated economic conditions over the past 12 months were worse in 2020 Q2 compared to the present quarter, the expectations for the next 12 months are the lowest reported numbers since the beginning of the survey.

Overall, there is a blurred picture for both the US and Collier County economies, in which we see some signs of economic slowdown along with strong labor markets. The Federal Reserve continues to adjust interest rate to control inflation with expectations of a "soft landing". While the still some debate among economists on recession, business owners are starting to adjust to what they expect lies ahead.

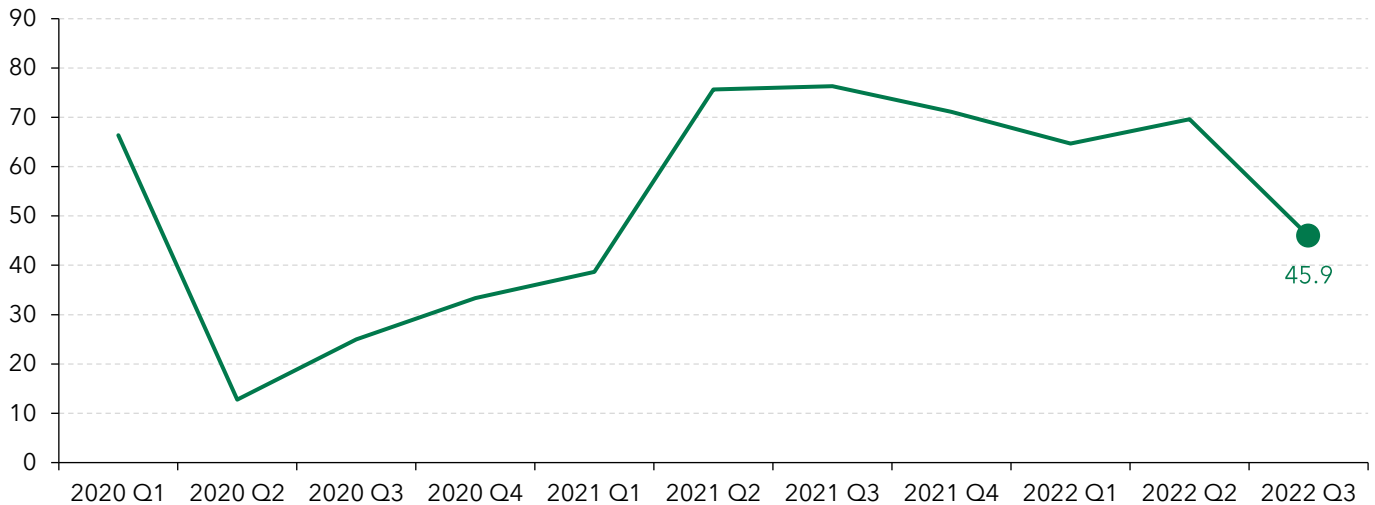
Comment on our special topic: while most businesses report having some disaster plan, and their main concern relates to infrastructure (electricity, internet and water supply) the majority of businesses do not rely on local resources for disasters. However, research shows strong network and connection with such resources are important for business resilience.

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?

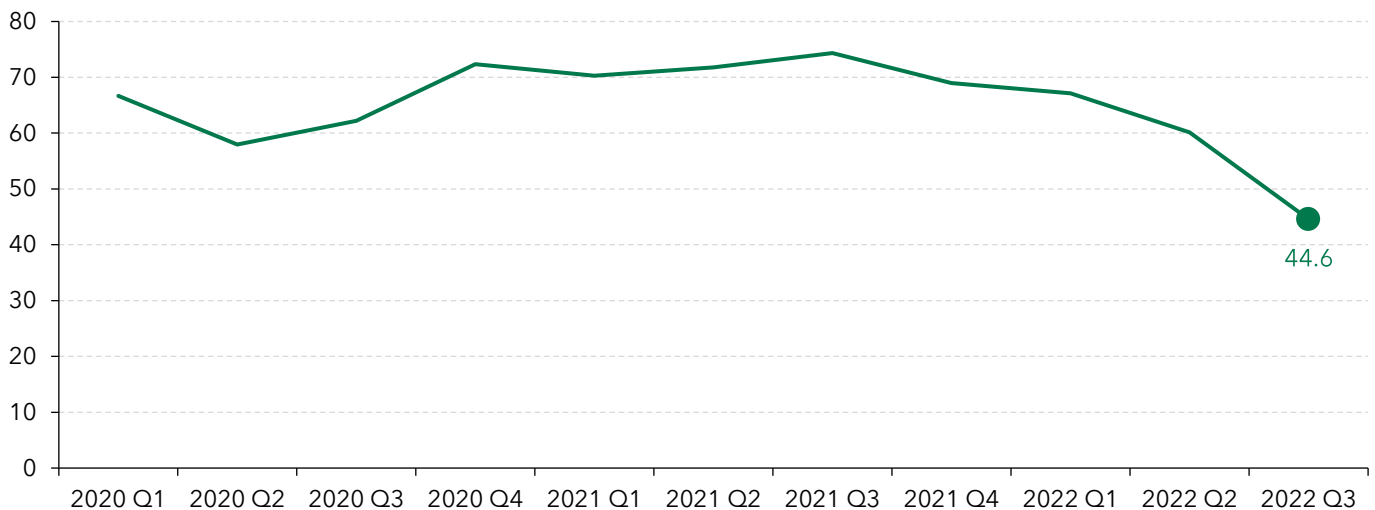


Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between July 5th, 2022 and July 20th, 2022.

Prepared by the Regional Economic Research Institute

Figure 18: Future Economic Conditions

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

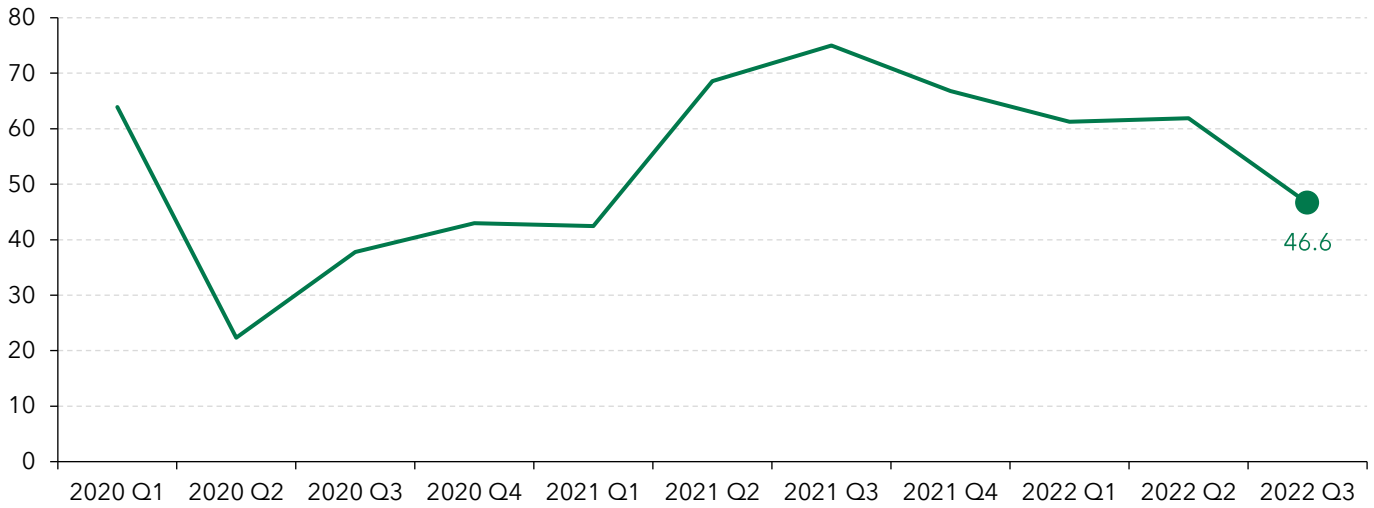


Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between July 5th, 2022 and July 20th, 2022.

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?

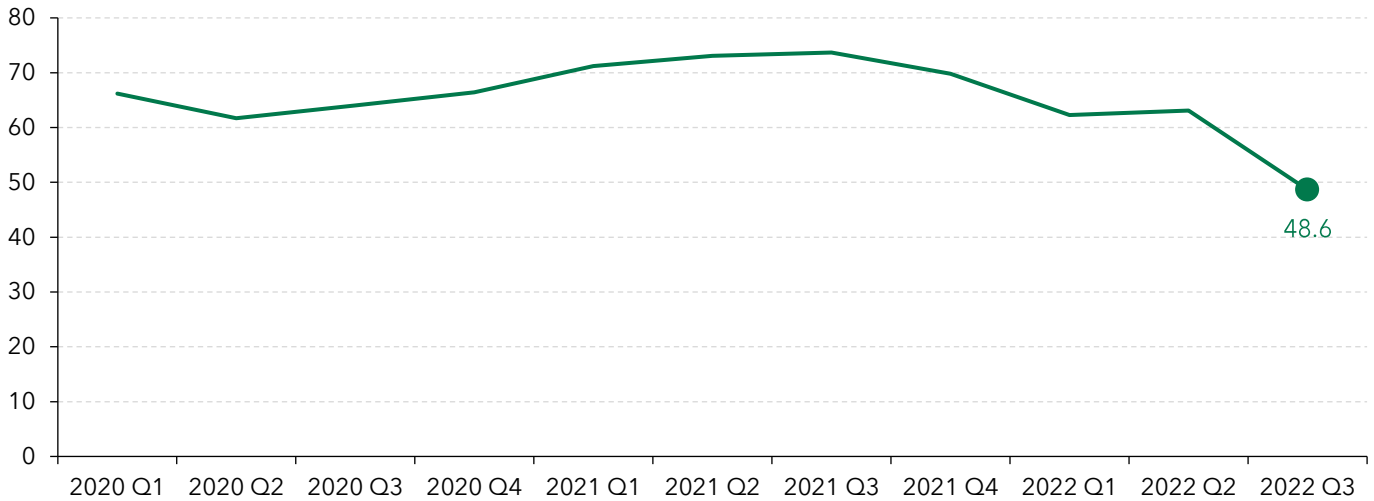


Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between July 5th, 2022 and July 20th, 2022.

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?

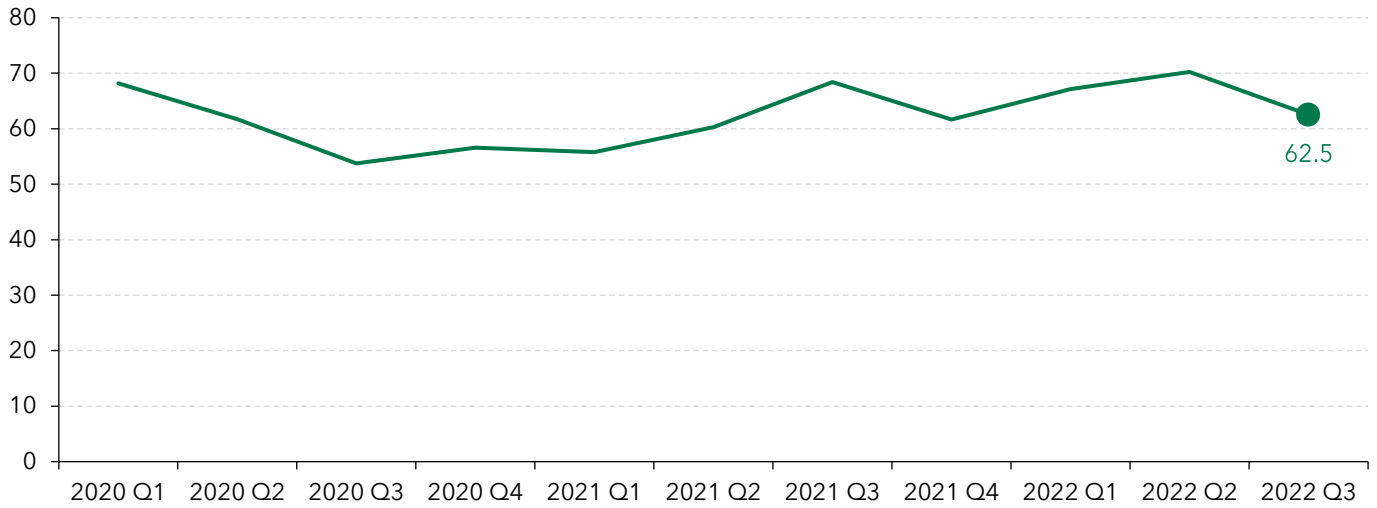


Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between July 5th, 2022 and July 20th, 2022.

Prepared by the Regional Economic Research Institute

Figure 21: Current Hiring Trends

What has been your hiring trend over the last year?

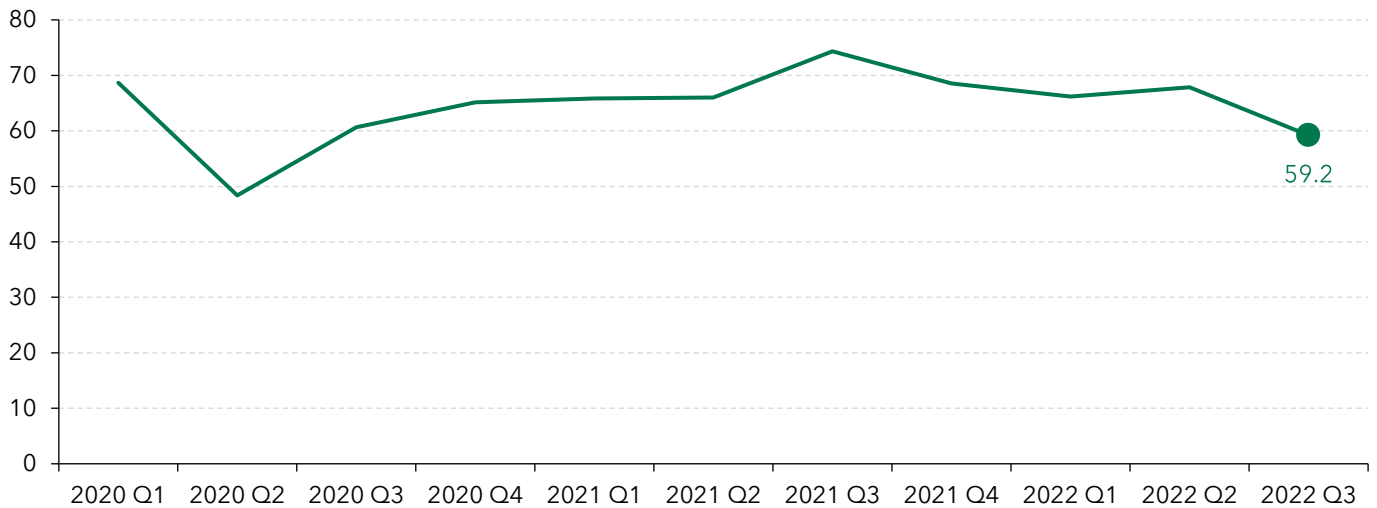


Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between July 5th, 2022 and July 20th, 2022.

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?

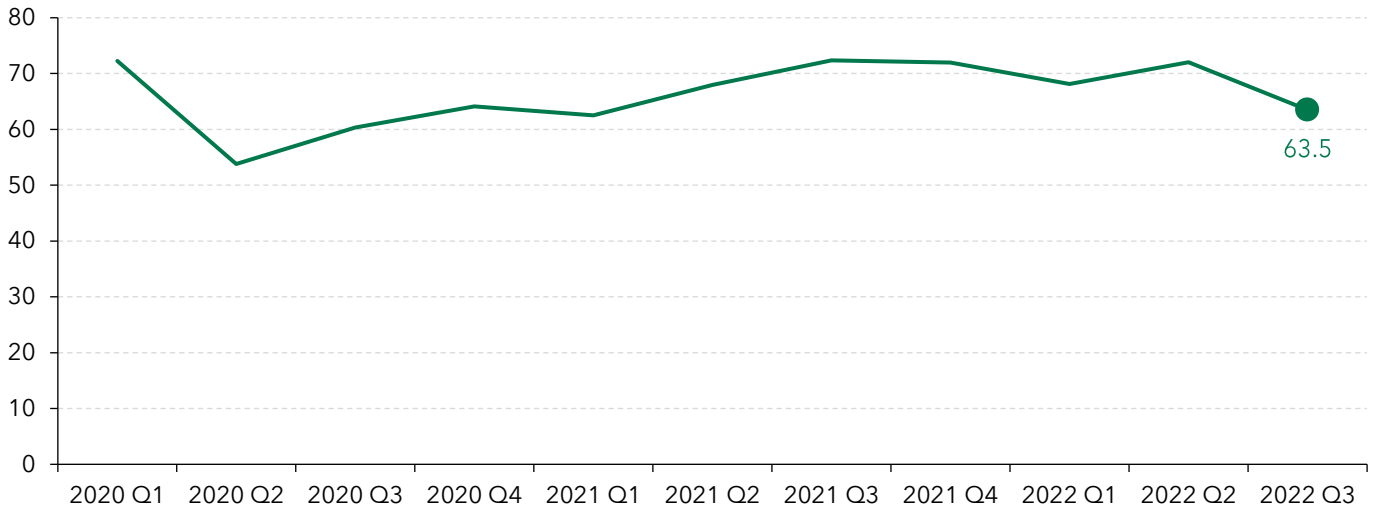


Source: Collier County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between July 5th, 2022 and July 20th, 2022.

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 July 5th, 2022 and July 20th, 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.

Affordable Housing

- Attainable housing for mid-level staff remains critical.
- Lack of affordable housing is having a severe impact on us and on our employees.
- The biggest issue we have right now is attracting new employees due to exploding housing costs. Our increasing pay rates simply cannot keep up with rising housing costs.

Government

- Collier needs to set-up with Chamber a full-time economic development operation to attract and retain more corporations here that are not so dependent on tourism.
- Although business is up it is still important to continue to advertise and promote Collier County, i.e. The Paradise Coast.
- The City of Naples does everything possible to make life miserable for a small business. They have been going crazy on minor zoning enforcement actions that have significant impact to a small business like ours.

Other

- There were no questions regarding current staffing or material availability and how each of these are affecting business. I would think most of us would say it is.
- Our residential development projects will be impacted by higher interest rates, but we expect it will result in only a moderate decrease in homes sales. The in-migration to SW Florida which drives the demand for housing is expected to continue.
- The increase in the cost of food, gas and items is affecting our clients.



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