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Fourth Quarter 2021

# **EXECUTIVE BUSINESS CLIMATE SURVEY**

Lee County



# Table of Contents

- About the Regional Economic Research Institute ..... 1
- Introduction ..... 2
- Executive Summary ..... 3
- Recurring Questions..... 5
  - How are the current Lee County economic conditions compared to a year ago? ..... 5
  - What are your expectations for the Lee County economy one year ahead? ..... 6
  - What are the current conditions in your industry in Lee County compared to one year ago? ..... 7
  - What are your expectations for your own industry in Lee 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
  - Does your business offer health care benefits to employees? ..... 13
  - How concerned are you about the effect of rising health care costs on your business' profitability over the next two years?..... 14
  - How concerned are you about the effect of rising health care costs on your workers' productivity over the next two years?..... 15
  - What measures has your business taken to alleviate the health care costs for both workers and the business itself? 16
  - On a scale of 1 to 5, with one meaning not helpful at all and five meaning very helpful, how helpful would each of the following solution be to reduce health care costs for your business? ..... 17
- Comments, Suggestions, and Recommendations ..... 19
- Company Characteristics ..... 20
  - What type of business or industry best describes your company? ..... 20
  - What is the size of your firm? ..... 22
  - Where is your firm located? ..... 23
  - What areas comprise your geographic client base? ..... 24
- Appendix A. Historical Trends ..... 25
- Appendix B. Full Comments ..... 29



# 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 the Horizon Council of Lee County, Florida, and Florida Gulf Coast University's Regional Economic Research Institute. This work would not be possible without considerable cooperation from the Horizon Council's Chairs, the RERI's student researchers, and the Lee County Economic Development Office.

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## Introduction

The Lee County Business Climate Survey Report, published in partnership between the Horizon Council 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 Lee County's economy over time as well as impressions and concerns about it in the future.

Since the beginning of this partnership, the BCS has been comprised of three areas of focus. The first area—encompassed in the first seven questions of the survey—examines Lee 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*. The *EBCI* provides a summary number which will allow one to quickly gauge whether the business climate in Lee County is improving or declining. Finally, the third area is comprised of various questions that change from survey to survey. In the past, these "Special Topics" have focused on areas such as business executives' concerns about interest rates and access to capital, firms' demand for critical occupations and their ability to find workers within those occupations, the cost of doing business in Lee County, and even concern for employee wellness and wellness programs.

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

The Horizon Council 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 John Talmage and his colleagues at Lee County Economic Development. CareerSource Southwest Florida's Peg Elmore continued to provide valuable input and advice.

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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 1,211 executives and business owners in Lee County. Four reminders were sent during the survey period. Eighty-one executives completed the survey from October 4, 2021, through October 19, 2021, giving the survey a margin of error of 10.9 percent.

This survey provides a key economic indicator for Lee 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 dipped to 67.2 in the fourth quarter of 2021 compared to 69.9 in the third quarter. Although trending down, the index was still higher than all of last year. All three components of the index showed continued declines from the third to the fourth quarter of 2021. A complete graphical representation of each of these questions since 2013 can be found in Appendix A.

Results from the recurring questions revealed:

- 71 percent of the surveyed business executives stated economic conditions in Lee County were better compared to a year ago; only 9 percent stated that overall economic conditions were worse than a year ago.
- 64 percent of business executives were optimistic about economic conditions in the upcoming year, down from 68 percent the previous quarter; 14 percent of the surveyed business executives felt pessimistic about future economic conditions, almost twice the percentage of the previous quarter.
- 69 percent of the surveyed business executives reported current industry conditions as better when compared to last year, while 11 percent of executives reported conditions getting worse.
- 65 percent of respondents believe industry conditions will improve over the next 12 months compared to 70 percent in the last quarter, with 12 percent expecting conditions to be worse.
- 49 percent of the surveyed executives reported increased hiring, continuing an upward hiring trend since the third quarter of 2021; 8 percent reported reducing employment; 42 percent of the surveyed business executives indicated little or no change in employment over the last year.
- 64 percent of executives expect to increase hiring at their companies over the next year, 35 percent plan to remain at the same level and 1 percent of the surveyed respondents plan to reduce employment.
- 61 percent of the surveyed executives expect to increase investment over the next year, similar to the previous quarter; 37 percent expect to keep it the same and just 1 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 rising health care costs in Southwest Florida.

- 75 percent of the surveyed business executives indicated that they offer health care benefits to their employees.
- 78 percent of the respondents indicated concern about the effect of rising health care costs on their profits over the next two years.
- 62 percent of the respondents indicated they were concerned about the effect of rising health care costs on their workers' productivity over the next two years.

- 39 percent the surveyed business executives have developed wellness programs to alleviate the increasing costs of health care; 36 percent have negotiated for lower rates with their carriers; 25 percent of the respondents have not taken any measures.
- 63 percent of the respondents considered it to be helpful having transparent health care prices from providers and carriers.
- 43 percent of the respondents saw the provision of educational material on choosing the best plans available for their employees as helpful.
- 56 percent of the respondents felt that the creation of a local marketplace that would provide small business choices in purchasing healthcare plans would be helpful.

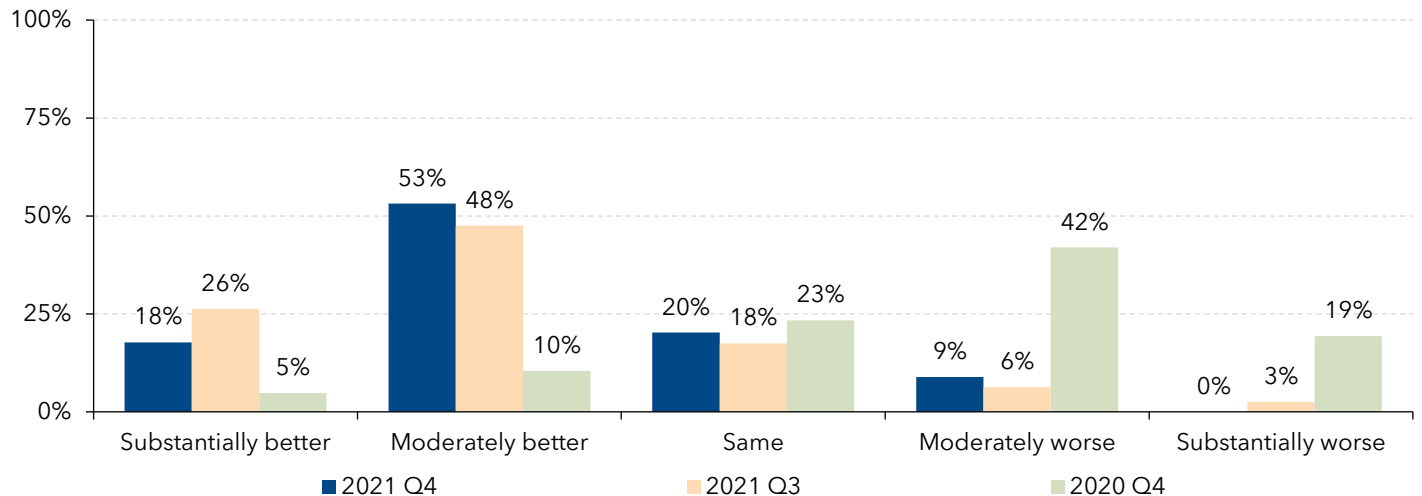


## Recurring Questions

Each quarter, the Horizon Council FGCU Business Climate Survey polls Lee County's business leaders about the state of the economy in Lee County. 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 fourth quarter of 2021 can be found in Figures 1 through 7 below.

### Figure 1: Current Economic Conditions

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



Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between October 4th, 2021 and October 19th, 2021.

Prepared by the Regional Economic Research Institute

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

Figure 1 reflects the responses of business executives during the first half of October for the fourth quarter of 2021. Seventy-one percent of the surveyed executives indicated economic conditions in Lee County were better compared to a year ago. This was slightly less than the last quarter when 74 percent felt conditions were better than a year ago. Only 9 percent stated that overall economic conditions were worse than a year ago, similar to the third quarter but much lower than the 61 percent recorded a year ago. About 20 percent of responding executives said current Lee County economic conditions were about the same compared to a year ago, slightly higher than the 18 percent in the previous quarter but down from 23 percent a year ago. Complete response counts are found in Table 1.

### Table 1: Current Economic Conditions

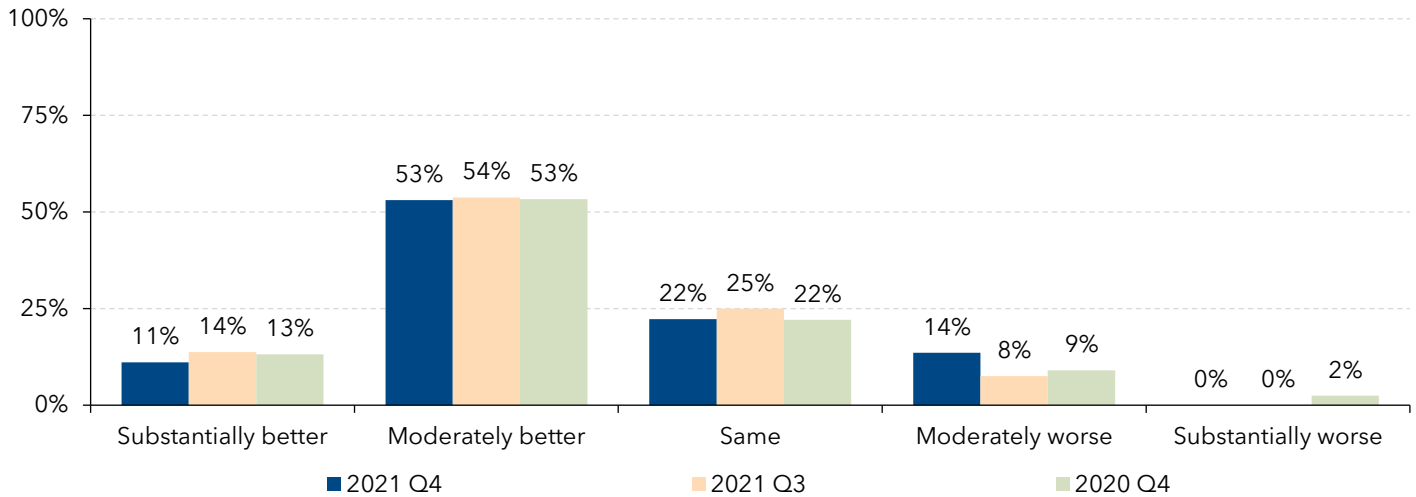
How are the current Lee County economic conditions compared to a year ago?

Response	2021 Q4		2021 Q3		2020 Q4	
	Count	Percentage	Count	Percentage	Count	Percentage
Substantially better	14	17.7%	21	26.3%	6	4.8%
Moderately better	42	53.2%	38	47.5%	13	10.5%
Same	16	20.3%	14	17.5%	29	23.4%
Moderately worse	7	8.9%	5	6.3%	52	41.9%
Substantially worse	0	0.0%	2	2.5%	24	19.4%
<b>Total Responses</b>	<b>79</b>	<b>100.0%</b>	<b>80</b>	<b>100.0%</b>	<b>124</b>	<b>100.0%</b>

Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between October 4th, 2021 and October 19th, 2021.

## Figure 2: Future Economic Conditions

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



Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between October 4th, 2021 and October 19th, 2021.

Prepared by the Regional Economic Research Institute

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

Figure 2 tracks business leaders' expectations about economic conditions in the year ahead. The fourth quarter results indicated that 64 percent of business executives are optimistic about economic conditions in the upcoming year, compared to the 68 percent in the previous quarter. In contrast, a growing proportion of executives are beginning to show some pessimism about the future of the economy with 14 percent of the surveyed business executives expecting them to be worse. This was almost double the 8 percent in the previous quarter and 11 percent a year ago. The proportion of executives that felt conditions would stay the same was 22 percent, down from 25 percent in the previous quarter. Complete response counts can be found in Table 2.

### Table 2: Future Economic Conditions

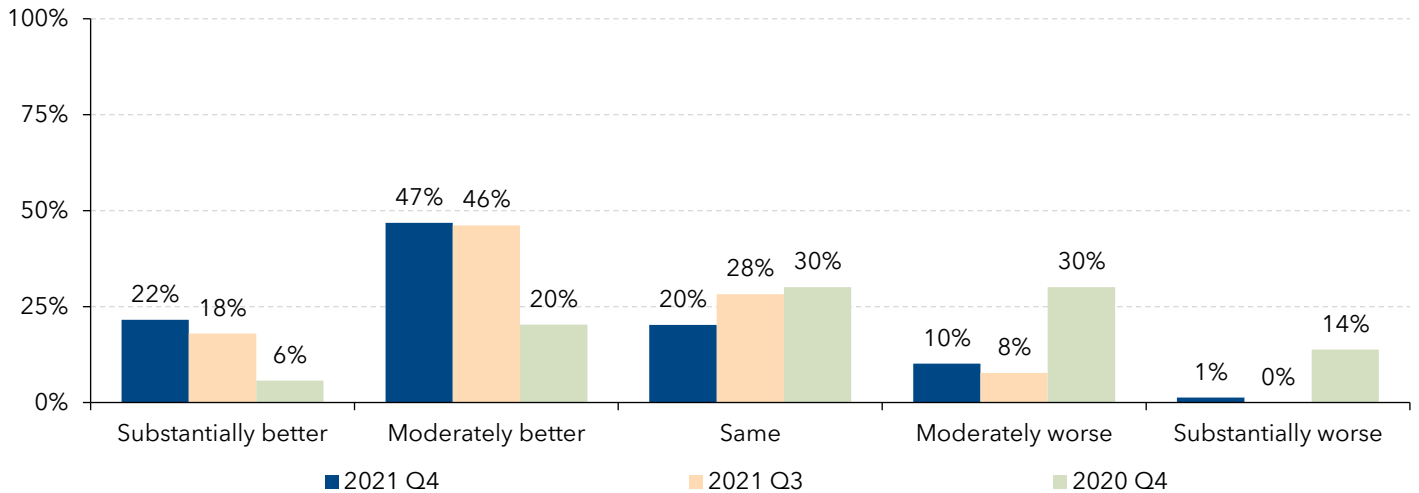
What are your expectations for the Lee County economy one year ahead?

Response	2021 Q4		2021 Q3		2020 Q4	
	Count	Percentage	Count	Percentage	Count	Percentage
Substantially better	9	11.1%	11	13.8%	16	13.1%
Moderately better	43	53.1%	43	53.8%	65	53.3%
Same	18	22.2%	20	25.0%	27	22.1%
Moderately worse	11	13.6%	6	7.5%	11	9.0%
Substantially worse	0	0.0%	0	0.0%	3	2.5%
<b>Total Responses</b>	<b>81</b>	<b>100.0%</b>	<b>80</b>	<b>100.0%</b>	<b>122</b>	<b>100.0%</b>

Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between October 4th, 2021 and October 19th, 2021.

### Figure 3: Current Industry Conditions

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



Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between October 4th, 2021 and October 19th, 2021.

Prepared by the Regional Economic Research Institute

### What are the current conditions in your industry in Lee 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 69 percent compared to 64 percent in the previous quarter and in sharp contrast to just 26 percent a year ago. The percentage of business executives reporting worsening industry conditions in the fourth quarter of 2021 edged up to 11 percent from 8 percent in the previous quarter, but still lower than the 44 percent a year ago. About 20 percent of executives noted conditions remained the same in the fourth quarter compared to 28 percent in the previous quarter of this year. Complete response counts can be found in Table 3.

### Table 3: Current Industry Conditions

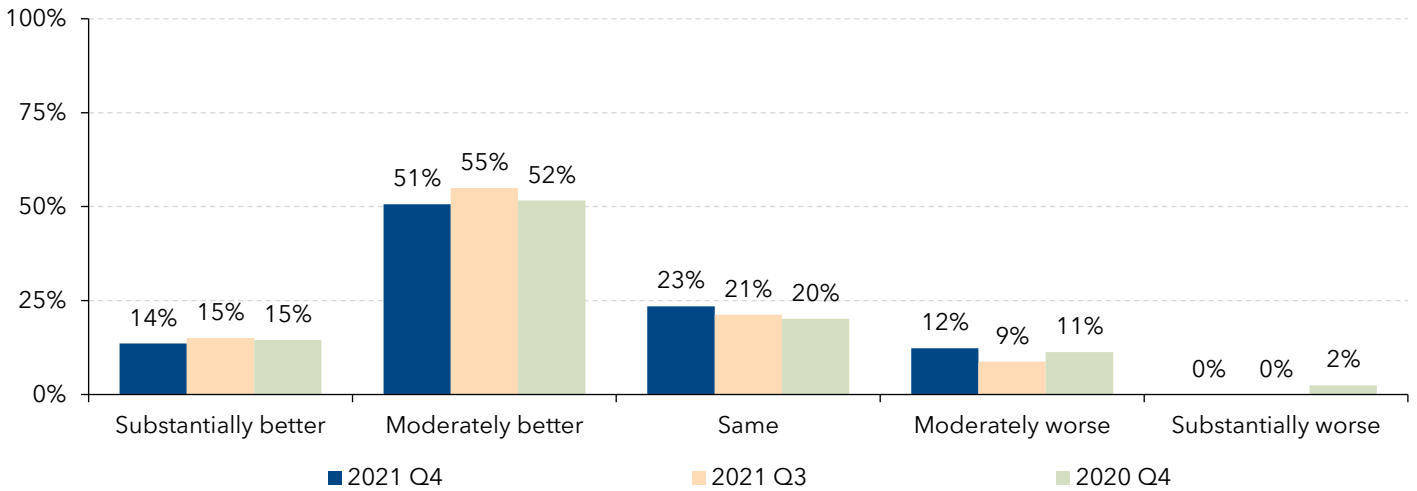
What are the current conditions in your industry in Lee County compared to one year ago?

Response	2021 Q4		2021 Q3		2020 Q4	
	Count	Percentage	Count	Percentage	Count	Percentage
Substantially better	17	21.5%	14	17.9%	7	5.7%
Moderately better	37	46.8%	36	46.2%	25	20.3%
Same	16	20.3%	22	28.2%	37	30.1%
Moderately worse	8	10.1%	6	7.7%	37	30.1%
Substantially worse	1	1.3%	0	0.0%	17	13.8%
<b>Total Responses</b>	<b>79</b>	<b>100.0%</b>	<b>78</b>	<b>100.0%</b>	<b>123</b>	<b>100.0%</b>

Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between October 4th, 2021 and October 19th, 2021.

## Figure 4: Future Industry Conditions

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



Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between October 4th, 2021 and October 19th, 2021.

Prepared by the Regional Economic Research Institute

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

Figure 4 reports the expectations business executives have for the conditions in their own industry one year from now. The percent of surveyed executives who expect conditions in their industry to be moderately or substantially better in the next year was 65 percent compared to 70 percent in the last quarter and 67 percent a year ago. About 23 percent of the surveyed executives expected conditions to remain the same, up from 21 percent in the previous quarter. The proportion of executives expecting conditions to worsen was 12 percent, up from 9 percent the previous quarter. This was similar to the 13 percent recorded a year ago. Complete response counts can be found in Table 4.

### Table 4: Future Industry Conditions

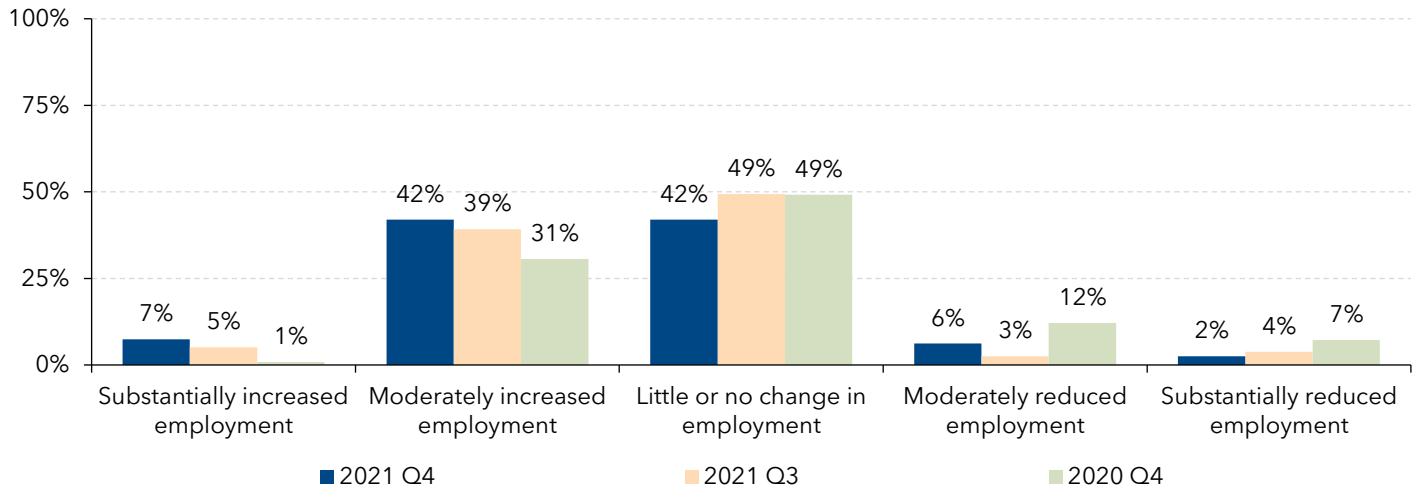
What are your expectations for your own industry in Lee County one year ahead?

Response	2021 Q4		2021 Q3		2020 Q4	
	Count	Percentage	Count	Percentage	Count	Percentage
Substantially better	11	13.6%	12	15.0%	18	14.5%
Moderately better	41	50.6%	44	55.0%	64	51.6%
Same	19	23.5%	17	21.3%	25	20.2%
Moderately worse	10	12.3%	7	8.8%	14	11.3%
Substantially worse	0	0.0%	0	0.0%	3	2.4%
<b>Total Responses</b>	<b>81</b>	<b>100.0%</b>	<b>80</b>	<b>100.0%</b>	<b>124</b>	<b>100.0%</b>

Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between October 4th, 2021 and October 19th, 2021.

### Figure 5: Current Hiring Trend

What has been your hiring trend over the last year?



Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between October 4th, 2021 and October 19th, 2021.

Prepared by the Regional Economic Research Institute

### What has been your hiring trend over the last year?

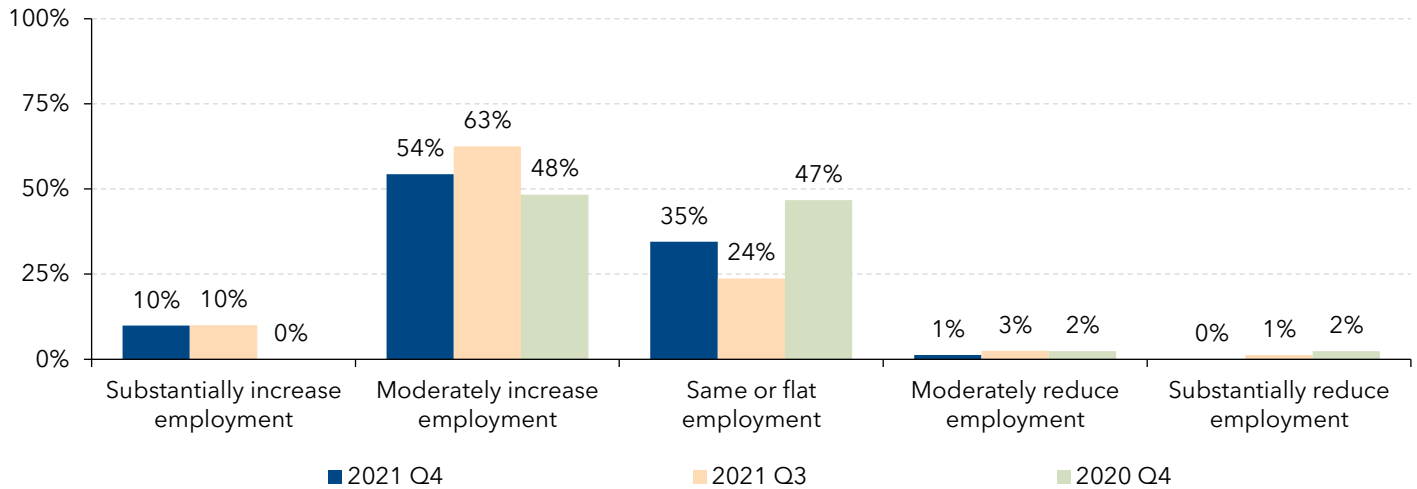
Figure 5 focuses on the current hiring trends of the surveyed executives. Survey responses of our executives showed a continuation of an upward hiring trend, with 49 percent indicating employment increased, compared to 44 percent in the third quarter. About 42 percent of the business executives indicated little or no change in employment over the last year, lower than the 49 percent reported both in the previous quarter and same quarter of last year. The proportion of surveyed firms that said they reduced employment over the last year rose to 8 percent from 7 percent in the previous quarter, but lower than the 19 percent reported a year ago. Complete response counts can be found in Table 5.

<b>Table 5: Current Hiring Trend</b>						
What has been your hiring trend over the last year?						
Response	2021 Q4		2021 Q3		2020 Q4	
	Count	Percentage	Count	Percentage	Count	Percentage
Substantially increased employment	6	7.4%	4	5.1%	1	0.8%
Moderately increased employment	34	42.0%	31	39.2%	38	30.6%
Little or no change in employment	34	42.0%	39	49.4%	61	49.2%
Moderately reduced employment	5	6.2%	2	2.5%	15	12.1%
Substantially reduced employment	2	2.5%	3	3.8%	9	7.3%
<b>Total Responses</b>	<b>81</b>	<b>100.0%</b>	<b>79</b>	<b>100.0%</b>	<b>124</b>	<b>100.0%</b>

Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between October 4th, 2021 and October 19th, 2021.

## Figure 6: Future Hiring Trend

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



Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between October 4th, 2021 and October 19th, 2021.

Prepared by the Regional Economic Research Institute

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

Figure 6 depicts a slowdown in future hiring trends. Overall, the response outcome indicates that about 64 percent of the surveyed business executives plan to increase employment over the next year, compared to 73 percent in the previous quarter. This was still higher than the 48 percent last year. More executives plan to keep employment flat over the next year, as indicated by 35 percent of the respondents in the fourth quarter compared to 24 percent in the previous quarter. Only 1 percent of the respondents indicated that they were planning to reduce employment, compared to 4 percent in the previous quarter and 4 percent a year ago. Complete response counts can be found in Table 6.

### Table 6: Future Hiring Trend

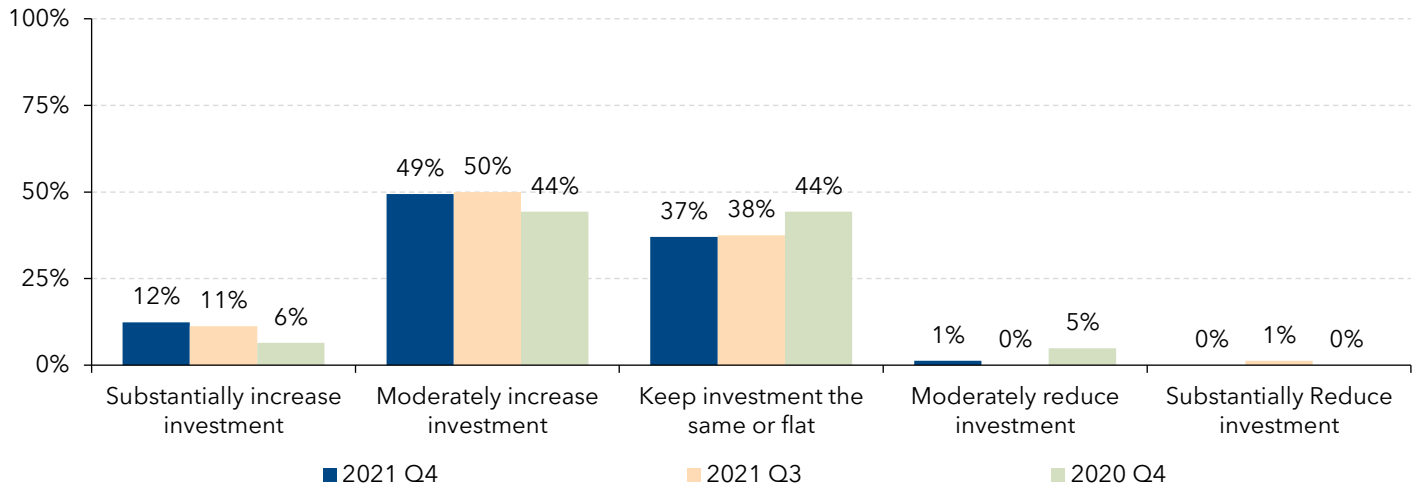
What hiring trends do you see for your business over the next year?

Response	2021 Q4		2021 Q3		2020 Q4	
	Count	Percentage	Count	Percentage	Count	Percentage
Substantially increase employment	8	9.9%	8	10.0%	0	0.0%
Moderately increase employment	44	54.3%	50	62.5%	60	48.4%
Same or flat employment	28	34.6%	19	23.8%	58	46.8%
Moderately reduce employment	1	1.2%	2	2.5%	3	2.4%
Substantially reduce employment	0	0.0%	1	1.3%	3	2.4%
<b>Total Responses</b>	<b>81</b>	<b>100.0%</b>	<b>80</b>	<b>100.0%</b>	<b>124</b>	<b>100.0%</b>

Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between October 4th, 2021 and October 19th, 2021.

### Figure 7: Future Investment Trend

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



Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between October 4th, 2021 and October 19th, 2021.

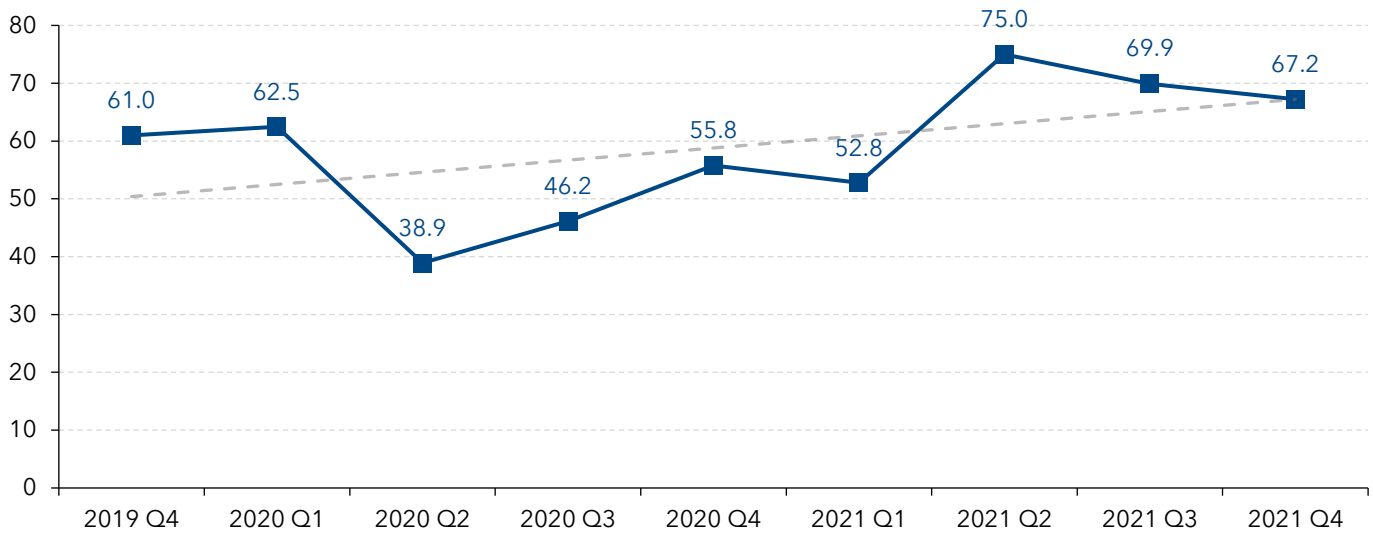
Prepared by the Regional Economic Research Institute

### 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 61 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 50 percent reported in the fourth quarter of 2020. Thirty-seven percent of the executives planned to keep their investment levels flat or the same over the next year, quite similar to the previous quarter but lower than the 44 percent a year ago. Just 1 percent of respondents said they planned to reduce investment during the next 12 months, the same as the previous quarter but lower than the 5 percent in the fourth quarter of 2020. Complete response counts can be found in Table 7.

<b>Table 7: Future Investment Trend</b>						
Do you plan to increase investment in your business during the next year?						
Response	2021 Q4		2021 Q3		2020 Q4	
	Count	Percentage	Count	Percentage	Count	Percentage
Substantially increase investment	10	12.3%	9	11.3%	8	6.5%
Moderately increase investment	40	49.4%	40	50.0%	55	44.4%
Keep investment the same or flat	30	37.0%	30	37.5%	55	44.4%
Moderately reduce investment	1	1.2%	0	0.0%	6	4.8%
Substantially Reduce investment	0	0.0%	1	1.3%	0	0.0%
<b>Total Responses</b>	<b>81</b>	<b>100.0%</b>	<b>80</b>	<b>100.0%</b>	<b>124</b>	<b>100.0%</b>

Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between October 4th, 2021 and October 19th, 2021.

**Figure 8: Executive Business Climate Index**

Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between October 4th, 2021 and October 19th, 2021.

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 Lee County and is released quarterly to provide an economic indicator allowing one to gauge whether the business climate in Lee 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 67.2 in the fourth quarter of 2021, continuing the decline that began in the previous quarter. All three components of the index showed declines in the fourth quarter of 2021. The index for Current Economic Conditions fell from 72.2 in the third quarter of this year to 69.9 percent. Respondents in Lee County were also slightly less optimistic about future economic conditions in the fourth as in the third quarter of 2021, with the index dipping to 65.4 from 68.4, respectively. Optimism about future industry conditions started to disappear as of the third quarter of 2021 when the index fell to 66.4 from 69.1. 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	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4
Current Economic Conditions	61.0	62.7	18.0	25.6	34.9	41.4	74.6	72.2	69.9
Future Economic Conditions	61.4	62.5	48.3	55.4	66.4	58.9	77.1	68.4	65.4
Future Industry Conditions	60.5	62.1	50.5	57.5	66.1	58.1	73.3	69.1	66.4
<b>Executive Business Climate Index</b>	<b>61.0</b>	<b>62.5</b>	<b>38.9</b>	<b>46.2</b>	<b>55.8</b>	<b>52.8</b>	<b>75.0</b>	<b>69.9</b>	<b>67.2</b>

Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between October 4th, 2021 and October 19th, 2021.

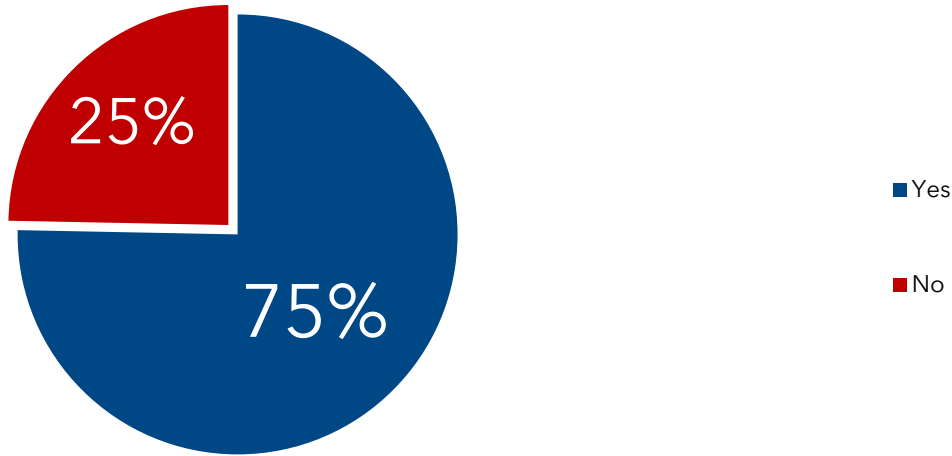


## Special Topics

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

### Figure 9: Health Care Benefits

Does your business offer health care benefits to employees?



Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between October 4th, 2021 and October 19th, 2021.

Prepared by the Regional Economic Research Institute

### Does your business offer health care benefits to employees?

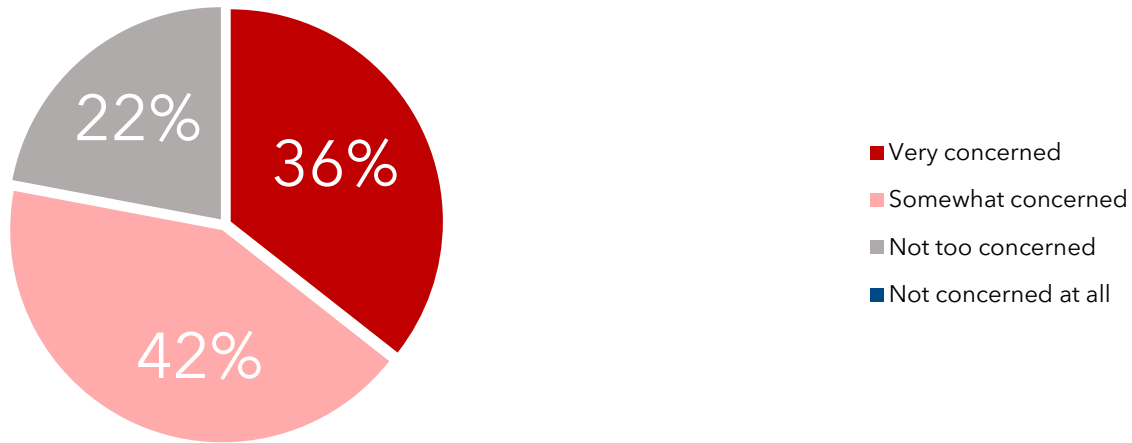
As shown in the table and the pie chart, 75 percent of the surveyed business executives indicated that they offer health care benefits to their employees. Complete results can be found in Table 9.

<b>Table 9: Health Care Benefits</b>		
Does your business offer health care benefits to employees?		
<b>Response</b>	<b>Count</b>	<b>Percentage</b>
Yes	61	75.3%
No	20	24.7%
<b>Total Responses</b>	<b>81</b>	<b>100.0%</b>

Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between October 4th, 2021 and October 19th, 2021.

## Figure 10: Profitability Concerns

How concerned are you about the effect of rising health care costs on your business' profitability over the next two years?



Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between October 4th, 2021 and October 19th, 2021.

Prepared by the Regional Economic Research Institute

## How concerned are you about the effect of rising health care costs on your business' profitability over the next two years?

Surveyed executives were asked about the degree to which they were concerned about the effect of rising health care costs on their profits over the next two years. Thirty-six percent of the respondents indicated they were very concerned and 42 percent were somewhat concerned. Just 22 percent indicated they were not too concerned. No one indicated that they were not at all concerned. Complete results can be found in Table 10.

**Table 10: Profitability Concerns**

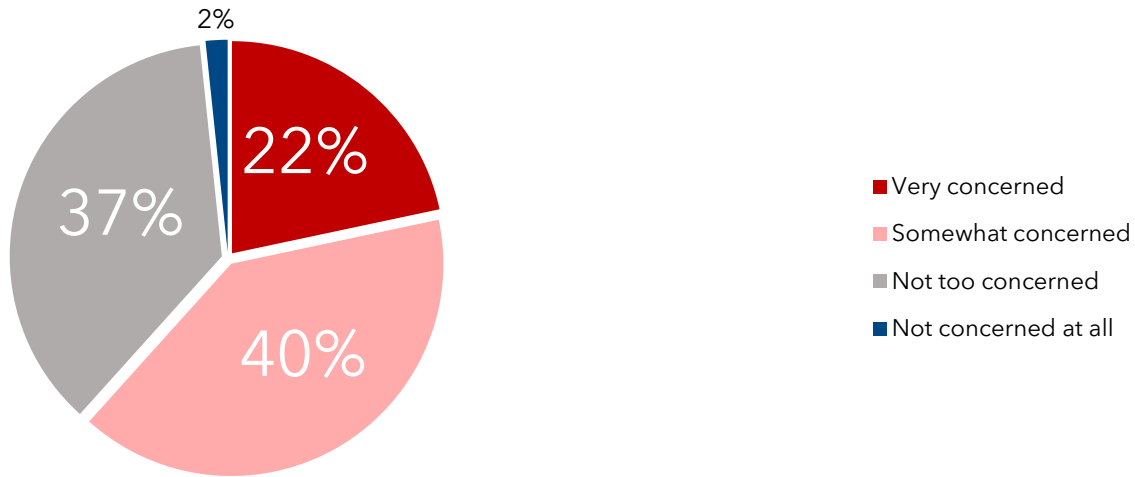
How concerned are you about the effect of rising health care costs on your business' profitability over the next two years?

Response	Count	Percentage
Very concerned	21	35.6%
Somewhat concerned	25	42.4%
Not too concerned	13	22.0%
Not concerned at all	0	0.0%
<b>Total Responses</b>	<b>59</b>	<b>100.0%</b>

Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between October 4th, 2021 and October 19th, 2021.

### Figure 11: Productivity Concerns

How concerned are you about the effect of rising health care costs on your workers' productivity over the next two years?



Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between October 4th, 2021 and October 19th, 2021.  
 Prepared by the Regional Economic Research Institute

### How concerned are you about the effect of rising health care costs on your workers' productivity over the next two years?

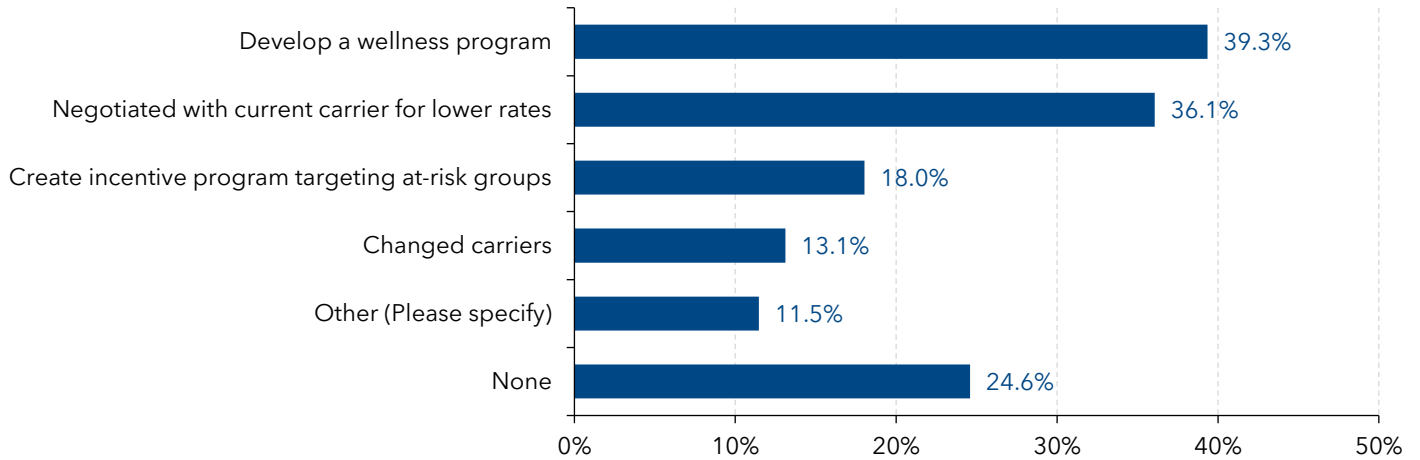
Surveyed executives were asked about the degree to which they were concerned about the effect of rising health care costs on their workers' productivity over the next two years. Just 22 percent indicated they were very concerned and 40 percent were somewhat concerned. A little over a third were not too concerned and less than 2 percent indicated they were not at all concerned. Complete results can be found in Table 11.

Table 11: Productivity Concerns		
How concerned are you about the effect of rising health care costs on your workers' productivity over the next two years?		
Response	Count	Percentage
Very concerned	13	21.7%
Somewhat concerned	24	40.0%
Not too concerned	22	36.7%
Not concerned at all	1	1.7%
<b>Total Responses</b>	<b>60</b>	<b>100.0%</b>

Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between October 4th, 2021 and October 19th, 2021.

## Figure 12: Health Care Measures

What measures has your business taken to alleviate the health care costs for both workers and the business itself?



Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between October 4th, 2021 and October 19th, 2021.

Prepared by the Regional Economic Research Institute

## What measures has your business taken to alleviate the health care costs for both workers and the business itself?

Figure 12 indicates the type of measures the surveyed business executives have taken to alleviate the increasing costs of health care. Thirty-nine percent have developed wellness programs, while 36 percent have negotiated for lower rates with their carriers. Between 10 and 20 percent have tried other measures, such as creating incentive programs targeted at specific risk groups, changed carriers, or engaged in other actions to help alleviate health care costs. Almost 25 percent have not taken any measures to alleviate health care costs. Complete results can be found in Table 12.

### Table 12: Health Care Measures

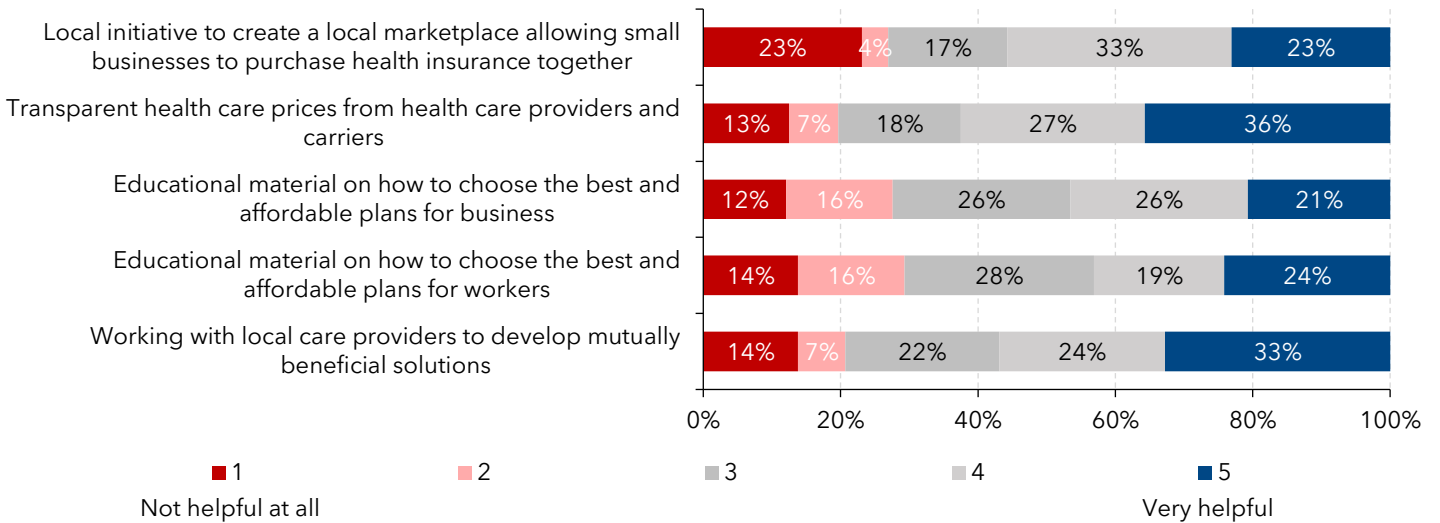
What measures has your business taken to alleviate the health care costs for both workers and the business itself?

Response	Count	Percentage
Develop a wellness program	24	39.3%
Negotiated with current carrier for lower rates	22	36.1%
Create incentive program targeting at-risk groups	11	18.0%
Changed carriers	8	13.1%
Other (Please specify)	7	11.5%
None	15	24.6%
<b>Total Responses</b>	<b>61</b>	<b>100.0%</b>

Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between October 4th, 2021 and October 19th, 2021.

### Figure 13: Rising Health Care Cost Solutions

On a scale of 1 to 5, with one being not helpful at all and five being very helpful, what kind of impact do you expect the following solutions will have on curbing rising healthcare costs on your business?



Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between October 4th, 2021 and October 19th, 2021.  
 Prepared by the Regional Economic Research Institute

On a scale of 1 to 5, with one meaning not helpful at all and five meaning very helpful, how helpful would each of the following solution be to reduce health care costs for your business?

Figure 13 shows how helpful surveyed business executives found the various solutions for reducing health care costs. As indicated by the chart, there was no majority consensus on which of the five solutions was considered very helpful nor which was considered not helpful at all. About a third of the respondents considered it to be very helpful having transparent health care prices from providers and carriers. A third of the respondents found that working with local care providers to develop mutually beneficial solutions to be very helpful. Close to a quarter of the respondents felt that the creation of a local marketplace that would provide small business choices in purchasing healthcare plans would be very helpful. However, the same proportion indicated that this solution would not be helpful at all. Around a quarter of the respondents found other solutions to be very helpful, such as being provided with educational material on choosing the best plans for the business as well as having such materials available for their employees. Less than 15 percent found each of these solutions not helpful at all. Complete results can be found in Table 13.

**Table 13: Rising Cost Solutions**

On a scale of 1 to 5, with one meaning not helpful at all and five meaning very helpful, how helpful would each of the following solution be to reduce health care costs for your business?

Solution	Not helpful at all				Very helpful
	1	2	3	4	5
Local initiative to create a local marketplace allowing small businesses to purchase health insurance together					
Count	12	2	9	17	12
Percentage	23.1%	3.8%	17.3%	32.7%	23.1%
Transparent health care prices from health care providers and carriers					
Count	7	4	10	15	20
Percentage	12.5%	7.1%	17.9%	26.8%	35.7%
Educational material on how to choose the best and affordable plans for business					
Count	7	9	15	15	12
Percentage	12.1%	15.5%	25.9%	25.9%	20.7%
Educational material on how to choose the best and affordable plans for workers					
Count	8	9	16	11	14
Percentage	13.8%	15.5%	27.6%	19.0%	24.1%
Working with local care providers to develop mutually beneficial solutions					
Count	8	4	13	14	19
Percentage	13.8%	6.9%	22.4%	24.1%	32.8%

Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between October 4th, 2021 and October 19th, 2021.

## 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.

- Qualified Workers
- Healthcare Costs
- Government
- Other

Executive responses to this question are found in Appendix B.

# Company Characteristics

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

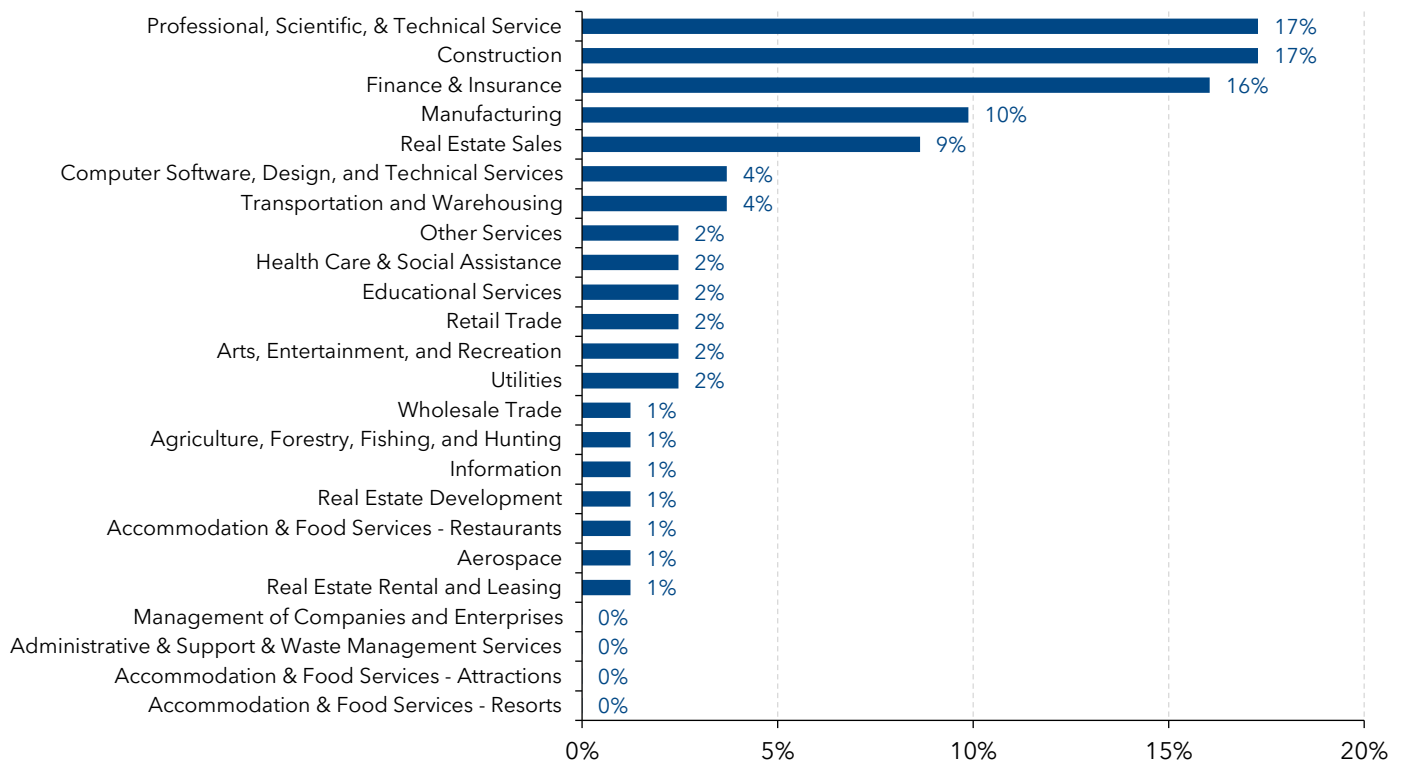
- Business Type;
- Number of Employees;
- Company Location; and
- Geographic Client Base.

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

## What type of business or industry best describes your company?

### Figure 14: Business Type

What type of business or industry best describes your company?



Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between October 4th, 2021 and October 19th, 2021.

Prepared by the Regional Economic Research Institute

Figure 14 shows the percentage of representation by type of industry that characterizes the responding business executives. The professional, scientific, and technical industry and the construction industry each was represented by 17 percent of the surveyed executives, followed by 16 percent from the finance and insurance industry and 10 percent from manufacturing. The real estate sales industry was represented by 9 percent with the rest of the industries each represented by less than 5 percent. Complete breakdown by type of industry can be found in Table 14.



**Table 14: Business Type**

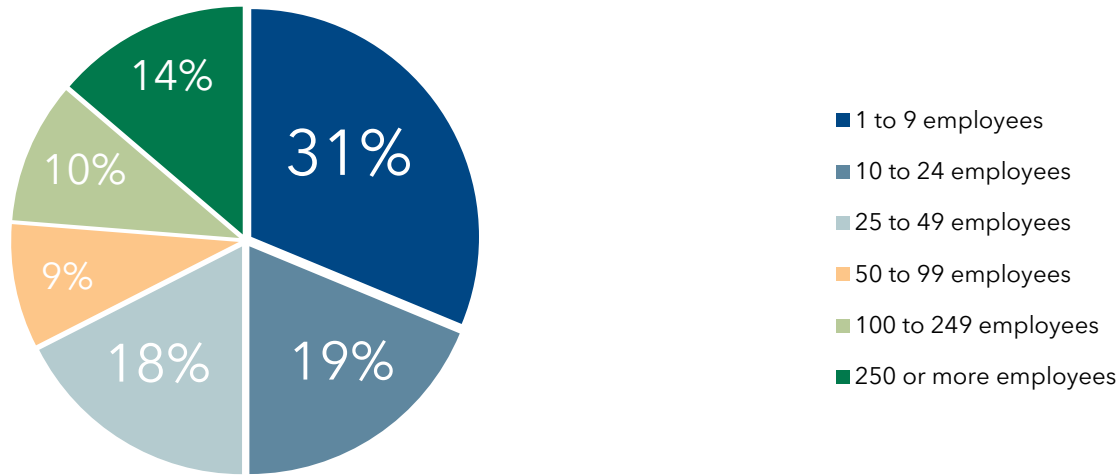
What type of business or industry best describes your company?

<b>Response</b>	<b>Count</b>	<b>Percentage</b>
Professional, Scientific, & Technical Service	14	17.3%
Construction	14	17.3%
Finance & Insurance	13	16.0%
Manufacturing	8	9.9%
Real Estate Sales	7	8.6%
Computer Software, Design, and Technical Services	3	3.7%
Transportation and Warehousing	3	3.7%
Other Services	2	2.5%
Health Care & Social Assistance	2	2.5%
Educational Services	2	2.5%
Retail Trade	2	2.5%
Arts, Entertainment, and Recreation	2	2.5%
Utilities	2	2.5%
Wholesale Trade	1	1.2%
Agriculture, Forestry, Fishing, and Hunting	1	1.2%
Information	1	1.2%
Real Estate Development	1	1.2%
Accommodation & Food Services - Restaurants	1	1.2%
Aerospace	1	1.2%
Real Estate Rental and Leasing	1	1.2%
Management of Companies and Enterprises	0	0.0%
Administrative & Support & Waste Management Services	0	0.0%
Accommodation & Food Services - Attractions	0	0.0%
Accommodation & Food Services - Resorts	0	0.0%
<b>Total Responses</b>	<b>81</b>	<b>100.0%</b>

Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between October 4th, 2021 and October 19th, 2021.

## Figure 15: Number of Employees

What is the size of your firm?



Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between October 4th, 2021 and October 19th, 2021.

Prepared by the Regional Economic Research Institute

### What is the size of your firm?

Figure 15 shows the business executives categorized by the number of employees in their firms. About 31 percent of surveyed executives were of firms that employed less than ten employees, 19 percent of the firms employed between 10 to 24 employees and 18 percent employed between 25 to 49 employees. Nine percent were firms that employed between 50 and 99 employees, 10 percent of firms employed between 100 to 249 employees and 14 percent of surveyed executives were with firms that employed 250 employees or more. Complete response counts can be found in Table 15.

### Table 15: Number of Employees

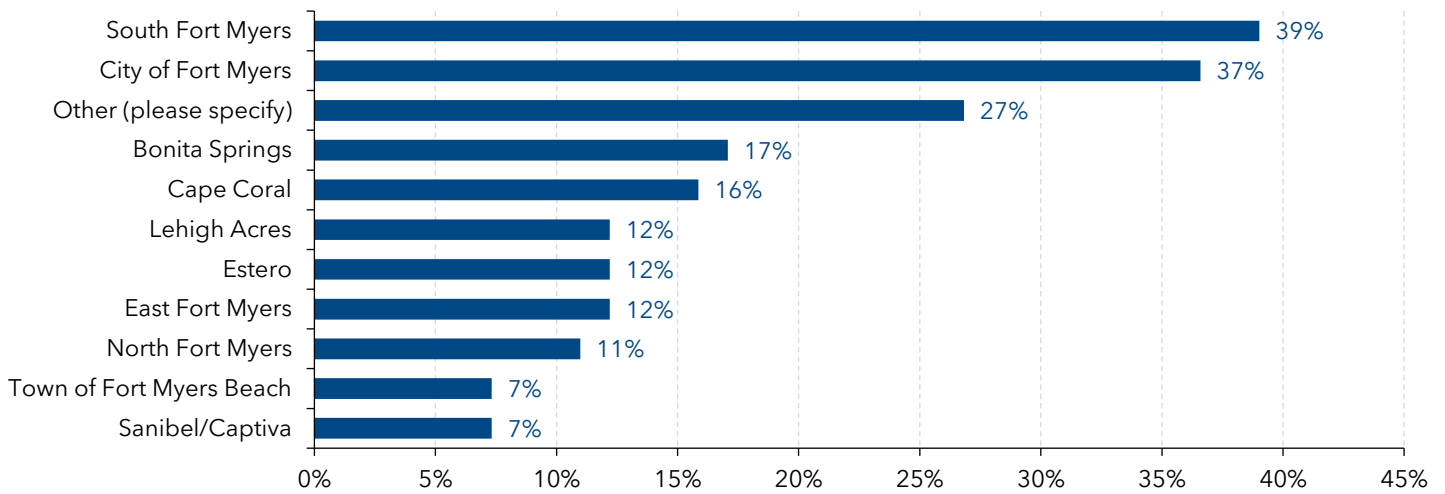
What is the size of your firm?

Response	Count	Percentage
1 to 9 employees	25	31.3%
10 to 24 employees	15	18.8%
25 to 49 employees	14	17.5%
50 to 99 employees	7	8.8%
100 to 249 employees	8	10.0%
250 or more employees	11	13.8%
<b>Total Responses</b>	<b>80</b>	<b>100.0%</b>

Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between October 4th, 2021 and October 19th, 2021.

### Figure 16: Company Locations

Where is your firm located?



Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between October 4th, 2021 and October 19th, 2021.

Prepared by the Regional Economic Research Institute

### Where is your firm located?

Figure 16 shows where firms of surveyed business executives operated. Business executives were allowed to select all locations in which their firms had operations. The largest proportion (39 percent) of surveyed executives said their firm was located in South Fort Myers while 37 percent were in the City of Fort Myers. The next largest location (17 percent) was in Bonita Springs followed by 16 percent in Cape Coral. Twelve percent of the executives indicated their firms were located in Lehigh Acres, Estero and East Fort Myers each. Eleven percent of the firms were located in North Fort Myers. The town of Fort Myers Beach and Sanibel/Captiva each were locations for 7 percent of the respondents. Twenty-seven percent were in locations not provided in the survey. Complete response counts can be found in Table 16.

**Table 16: Company Locations**

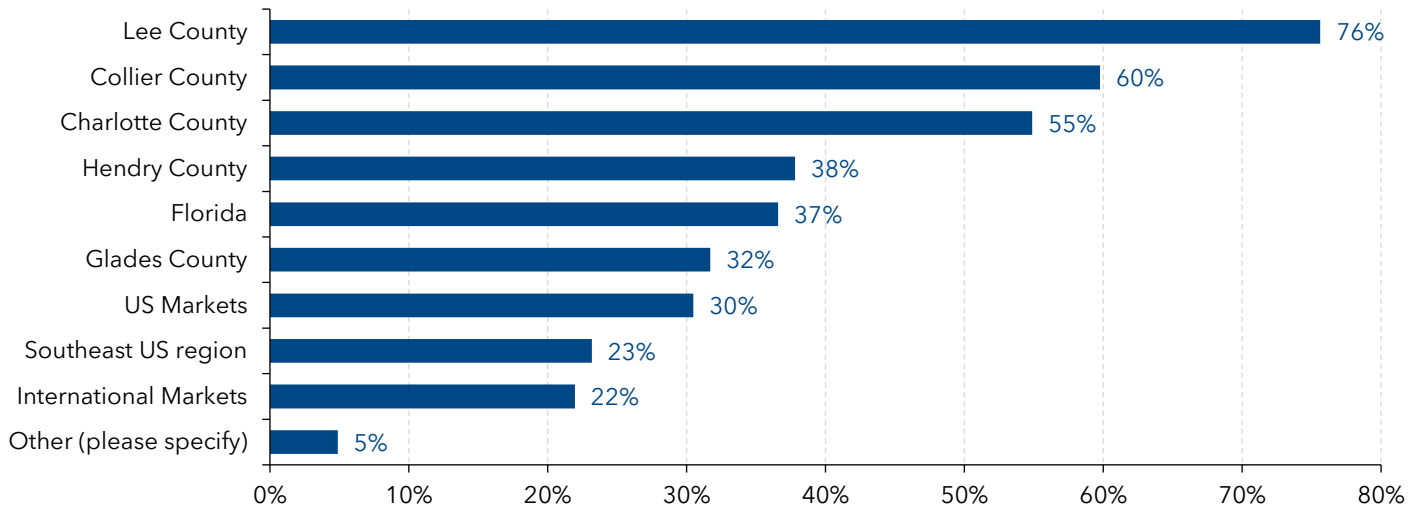
Where is your firm located?

Response	Count	Percentage
South Fort Myers	32	39.0%
City of Fort Myers	30	36.6%
Other (please specify)	22	26.8%
Bonita Springs	14	17.1%
Cape Coral	13	15.9%
Lehigh Acres	10	12.2%
Estero	10	12.2%
East Fort Myers	10	12.2%
North Fort Myers	9	11.0%
Town of Fort Myers Beach	6	7.3%
Sanibel/Captiva	6	7.3%

Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between October 4th, 2021 and October 19th, 2021.

## Figure 17: Geographic Client Base

What areas comprise your geographic client base?



Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between October 4th, 2021 and October 19th, 2021.

Prepared by the Regional Economic Research Institute

## What areas comprise your geographic client base?

Figure 17 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. Lee County accounted for 76 percent of the surveyed executives' client base. Collier County accounted for 60 percent of their client base and Charlotte had 55 percent. Hendry County had 38 percent and Glades County accounted for a client base of 32 percent. The Southeast U.S. region was the geographical client base for 23 percent of surveyed executives and the state of Florida was the geographical client base for 37 percent of the firms. Thirty percent of the client base for these firms was in all U.S. markets and 22 percent was in international markets. Complete response counts can be found in Table 17.

### Table 17: Geographic Client Base

What areas comprise your geographic client base?

Response	Count	Percentage
Lee County	62	75.6%
Collier County	49	59.8%
Charlotte County	45	54.9%
Hendry County	31	37.8%
Florida	30	36.6%
Glades County	26	31.7%
US Markets	25	30.5%
Southeast US region	19	23.2%
International Markets	18	22.0%
Other (please specify)	4	4.9%

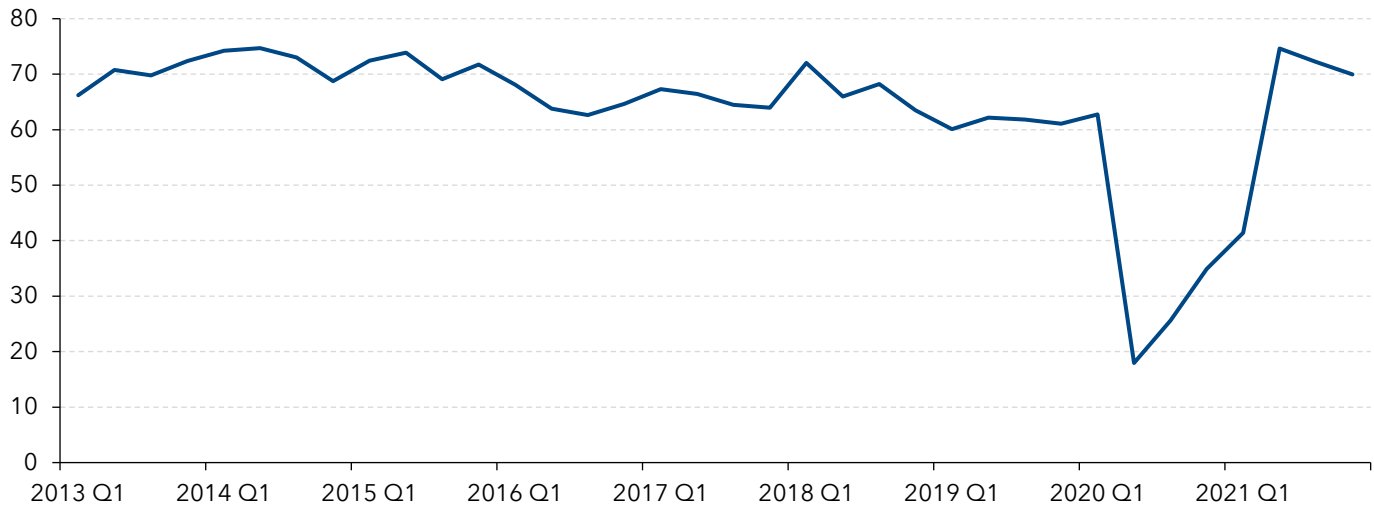
Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between October 4th, 2021 and October 19th, 2021.

## 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 18: Current Economic Conditions

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

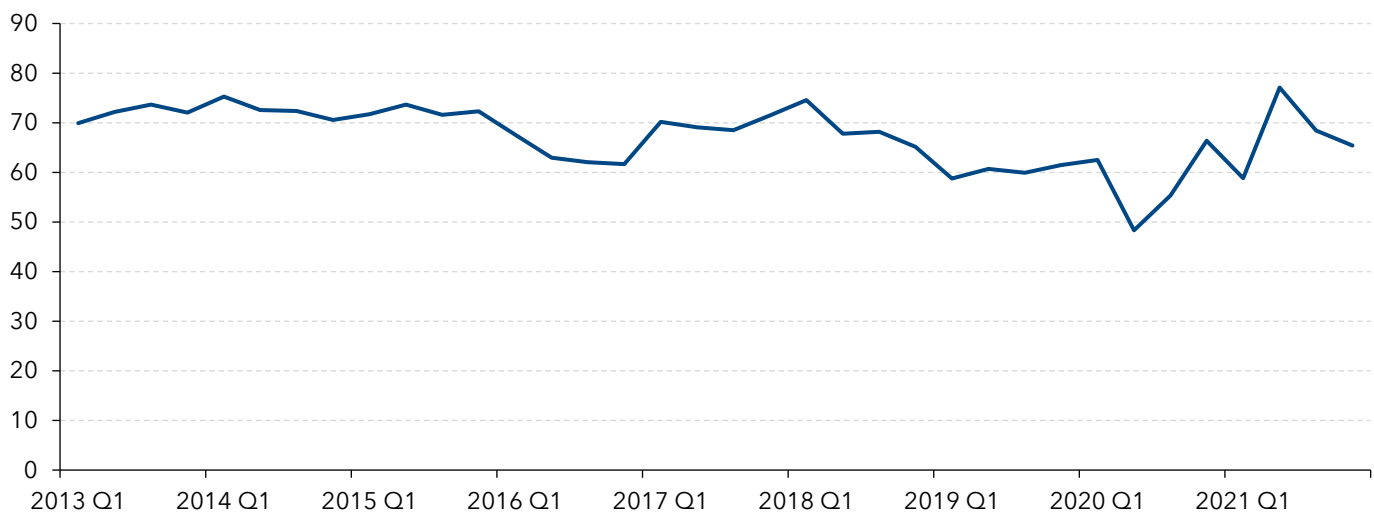


Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between October 4th, 2021 and October 19th, 2021.

Prepared by the Regional Economic Research Institute

### Figure 19: Future Economic Conditions

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

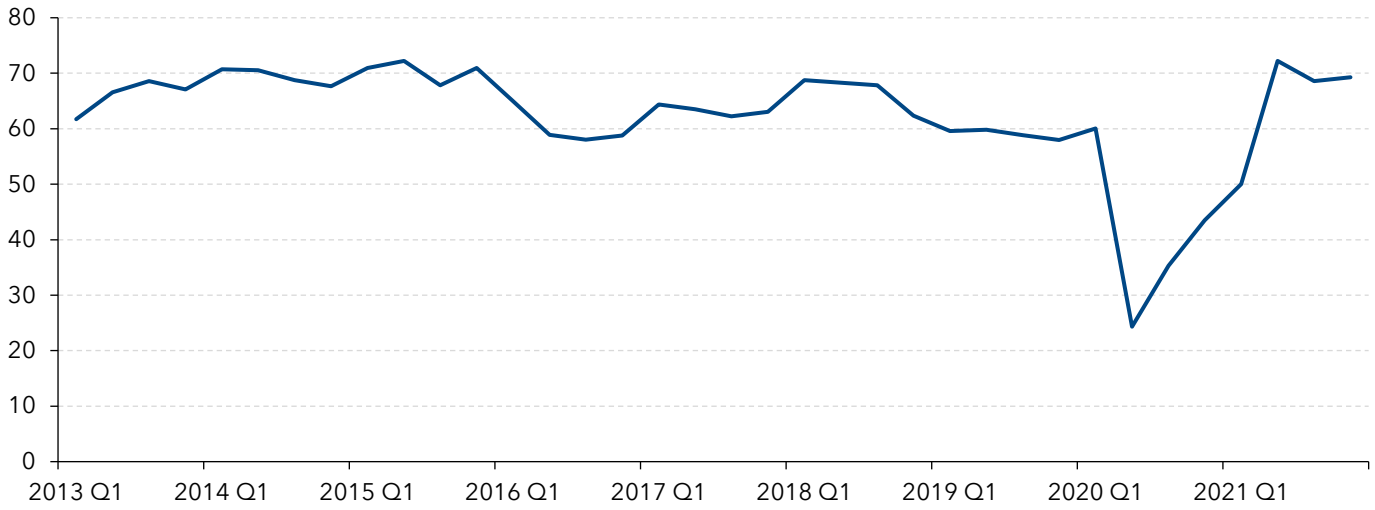


Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between October 4th, 2021 and October 19th, 2021.

Prepared by the Regional Economic Research Institute

### Figure 20: Current Industry Conditions

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

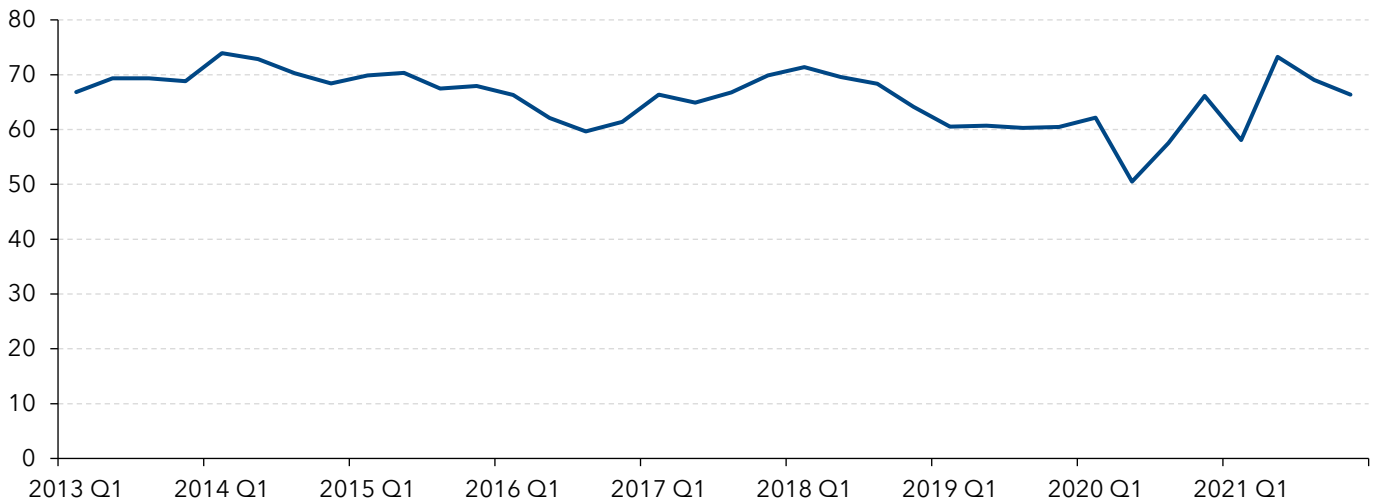


Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between October 4th, 2021 and October 19th, 2021.

Prepared by the Regional Economic Research Institute

### Figure 21: Future Industry Conditions

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

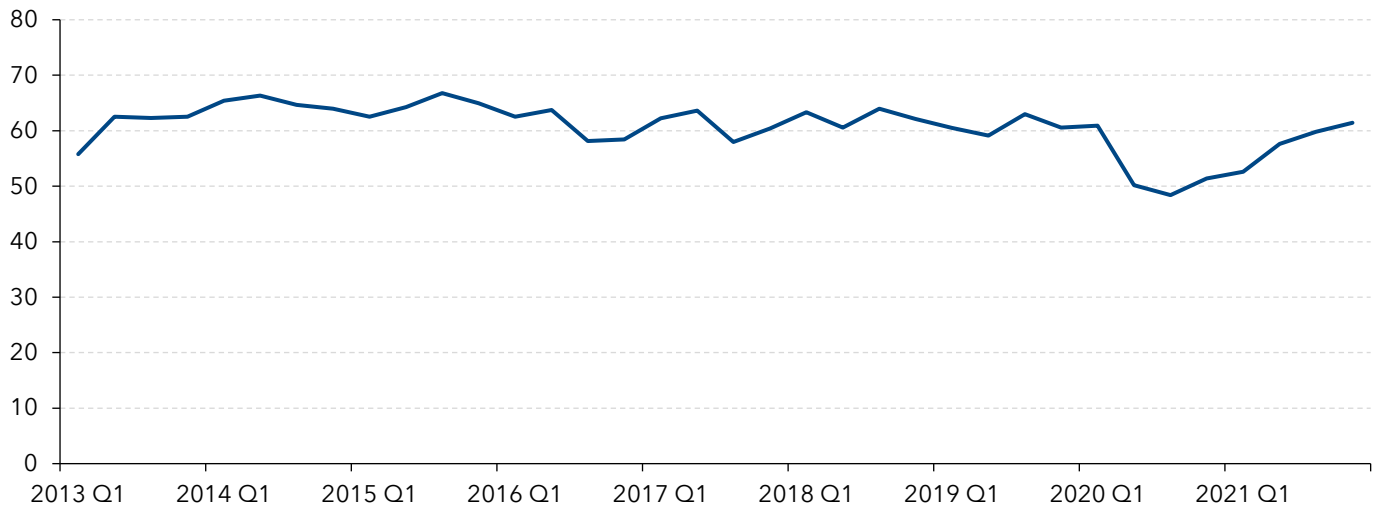


Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between October 4th, 2021 and October 19th, 2021.

Prepared by the Regional Economic Research Institute

### Figure 22: Current Hiring Trends

What has been your hiring trend over the last year?

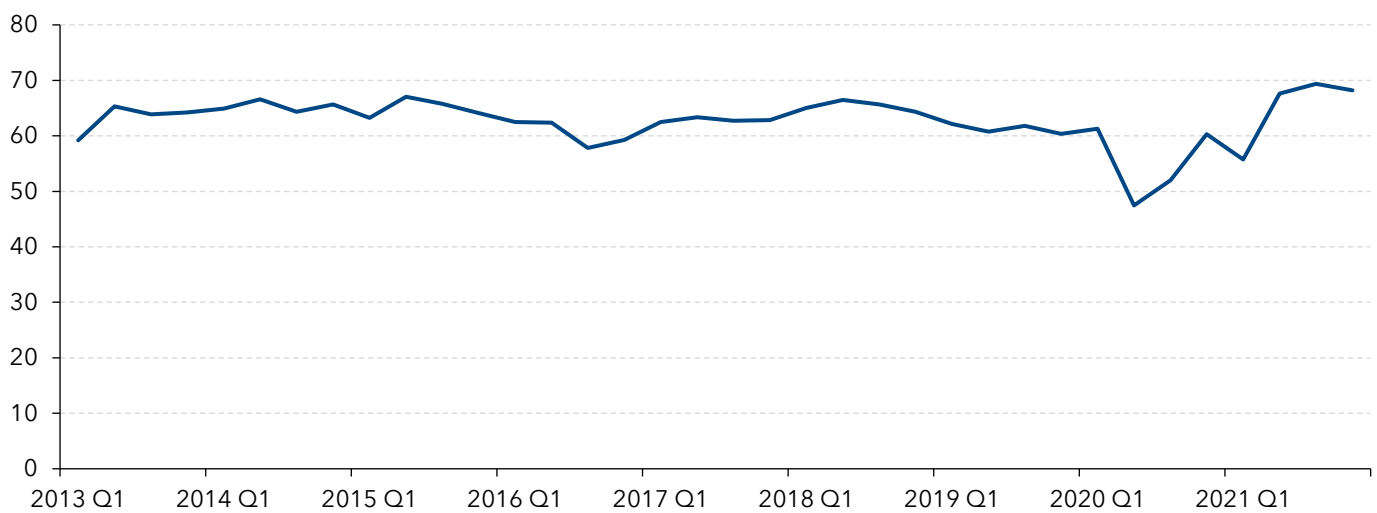


Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between October 4th, 2021 and October 19th, 2021.

Prepared by the Regional Economic Research Institute

### Figure 23: Future Hiring Trends

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

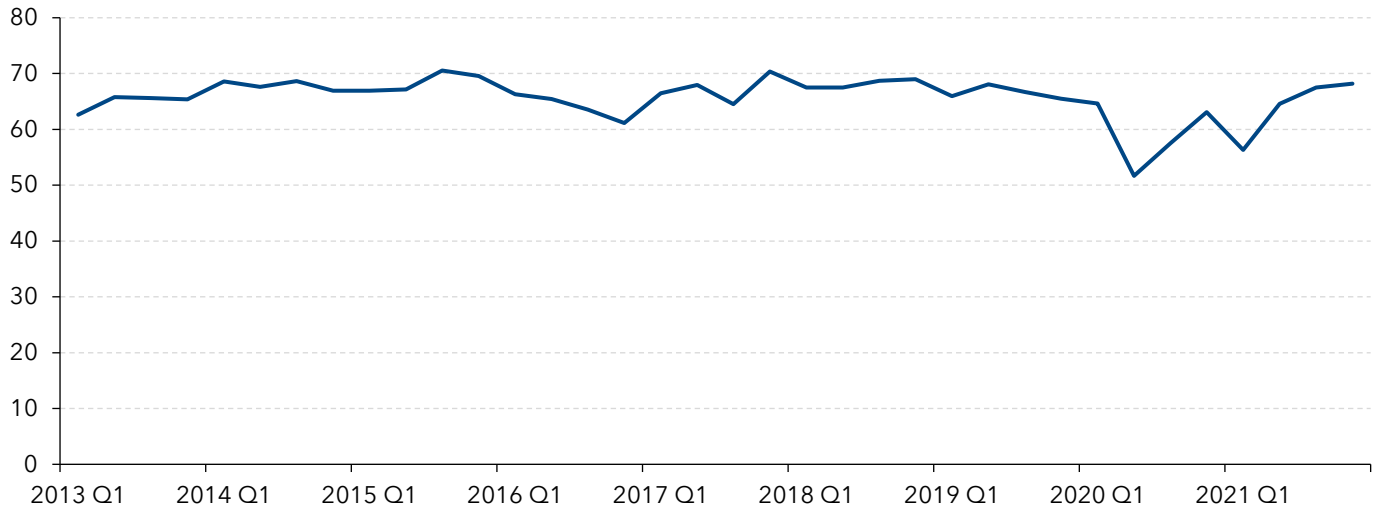


Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between October 4th, 2021 and October 19th, 2021.

Prepared by the Regional Economic Research Institute

### Figure 24: Future Investment Trends

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



Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between October 4th, 2021 and October 19th, 2021.

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.*

### **Qualified Workers**

- Develop more partnerships and incentives for Florida SouthWestern and FGCU to increase the number of students they educate and train for hard-to-fill positions such as rad-techs and HVAC.
- Pervasive lack of qualified candidates who are either capable of or willing to engage in meaningful employment with drag our economy down. People have to want to work and be capable of doing so, i.e., show up unhindered with drug problems.

Presently, we are struggling with staffing. As a frontline health care provider group dealing with primary care - we cannot seem to keep staff. We have increased pay, paid hazard pay, provided gifts etc. It seems as though no one wants to work in healthcare. This has brought on extreme challenges. Since the majority of your questions centered on healthcare - we would be happy to participate in any forum that we can make a difference in.

### **Healthcare Costs**

- If healthcare gets too expensive for the company to provide, we would provide allowances to staff for them to purchase their own individual policies.
- You do know that health insurance rates from the various insurance carriers are filed and approved by the Florida Office of Insurance Regulation. The experience the carrier has will dictate the rates ultimately. Just depends on how rich the plan is for benefits and utilization of the plan by the employer's employees. Also, multiple employer plans or association plans have historically never worked out on the long run. When it comes to health care cost, there is no free lunch. It comes down to health care paid for the carrier, plus administrative cost incurred by the carrier, and plus an already regulated profit. The only way to bring down the cost of employee healthcare insurance is to attack the cost drivers. That would require a discussion other than on this venue. Just a perspective from one who has been in the business for over 48 years.
- I wanted to mention that we are no longer under the same ownership. We were acquired by a large venture capital group and we are now governed by our out-of-state corporate office and now using a national benefits plan that is more costly and not as good as our Florida based coverage previously. COVID hit us very hard with a tremendous loss in volume and we lost roughly 40% of our skilled labor.

### **Government**

- The Federal government is ignoring inflation and its going to have negative effects on the economy. This inflation, in addition to the substantial government deficit spending being put forward, is going to lead to a slowing of the economy.
- The uncertainty of what is happening or will happen in Washington with our present legislature does affect our market. Especially that the stock market will dictate the spending habits of the customer base in SW, Florida. I can see that new spending is tightening.
- Get a completely new Government. Start Fresh. Two Term Limits for Everyone. Get people back to work. Everyone has endured a lot from this engineered Covid-19, so we ALL have to work together to come back to normal and inflation is not the answer.

**Other**

- Make home ownership more attainable.
- National Economic news is affecting local decisions, when maybe it shouldn't. We are in the best area of the country.
- Supply chain issues stemming from the pandemic appear to be worsening particularly related to construction materials with PVC pipe being most dire based on indications from contractors and clients attempting to obtain pipe for construction projects.



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