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GREATER WASHINGTON  
Board of Trade

## **REGIONAL BUSINESS EXECUTIVES SEE BRIGHTER 2010 ECONOMY, MORE JOBS, MIXED OUTLOOK ON CREDIT**

*The Greater Washington Board of Trade's Business Outlook Survey  
Predicts New Hiring, Investments for New Year*

WASHINGTON, DC – A new survey conducted for the Greater Washington Board of Trade shows that 59 percent of regional business executives expect the Greater Washington's business and economic conditions will improve over the next six months while six percent expect it to get worse and 35 percent expect it to stay the same.

"By a nearly 10-to-one margin, the region's business executives think business and economic conditions will improve over the next year rather than get worse," said Jim Dinegar, president and CEO of the Greater Washington Board of Trade. "That is a significant expression of optimism for the region's economy."

The Business Outlook Index for the region has progressively risen since the first survey was conducted in February 2009, increasing from 40 to 65.

The survey, conducted for the Board of Trade by Clarus Research Group, a nonpartisan Washington-based research firm, was sponsored by Tatum, LLC, a leading professional services company supporting the office of the CFO. The sample included 200 business executives across the Greater Washington region. Interviewing for the survey was conducted by live telephone interviewers from December 5-9, 2009.

The Business Outlook 2010 survey shows:

- **JOBS:** By 32 percent to 12 percent, a 20 percent margin, regional business executives expect the number of jobs in their businesses to increase over the next six months rather than decrease. Thirty-five percent said their jobs number would remain the same.

"These findings show greater possibility for new employment in the region during the first two quarters of 2010," said Dinegar. "This is hopeful news."

- **BUSINESS STRENGTH:** By 60 percent to 9 percent, survey respondents expect their businesses to "strengthen" rather than "soften" in 2010.
- **REVENUES AND SALES:** By 55 percent to 12 percent, a 43 percent margin, business executives surveyed expect their total revenues or sales to increase in 2010 while 12 percent expect them to decrease.

- **CURRENT CONDITIONS:** Forty-seven percent of business executives and owners surveyed said current business and economic conditions in the region are “mostly good” while 40 percent said “mostly bad.” Twenty-five percent said their company’s overall financial situation has improved over the past year while 40 percent say it has declined and 34 percent said it has stayed the same.

“For the first time this year, the Business Outlook survey finds more business executives saying they think current business and economic conditions are ‘mostly good’ as opposed to ‘mostly bad,’” said Ron Faucheux, president of Clarus Research Group.

- **BUSINESS FINANCING:** The survey found that over the last six months, 59 percent of business executives said acquiring financing and credit for their companies has gotten harder while only 14 percent said it has gotten easier. Looking ahead over the next few months, respondents are split on whether obtaining financing and credit will change – 37 percent expect it will get easier and 38 percent expect it will get harder.

“The inability of many area businesses to get financing is a major constraint on economic and employment growth in the region,” said Peter A.S. Pfeiffer, managing partner of Tatum's Mid-Atlantic practice. “This survey shows that bank loans and credit remain a serious pain point for many companies.”

- **NEW BUSINESS INVESTMENTS:** According to the Business Outlook survey, plans to increase advertising and promotion have risen from 30 percent to 46 percent since February – a sizable 16 percent jump. Plans for purchasing new equipment have increased by 9 percent, upgrading new technology by 11 percent, increasing spending on professional services and consultants by 3 percent, and expanding office space or facility size by 2 percent.
- **FEDERAL STIMULUS PACKAGE:** In the December 2009 Business Outlook survey, 64 percent of business executives said that the federal economic stimulus package has had a positive impact on the region’s economy, while 29 percent said it has had either no impact or a negative impact. The assessment of positive impact has declined from the June 2009 survey, when 76 percent of business executives said the stimulus had a positive impact. Almost as many survey respondents now say the stimulus has had a “big” negative impact (7 percent) as those who say it has had a “big” positive impact (8 percent).
- **GOOD PLACE TO DO BUSINESS:** The region’s business executives continue to say that doing business in Greater Washington is easier than in most other places in the United States – by 64 percent to 19 percent in the December 2009 survey.

The Greater Washington Board of Trade's Business Outlook Index is made up of the Current Conditions Index and the Future Expectations Index. Since February, the region’s overall Business Outlook Index increased from 40 to 65, a 25 point jump. During the same period, the Current Conditions Index increased from 28 to 46 and the Future Expectations Index increased from 52 to 83.

For complete results, visit: <http://www.bot.org/media-center/publications/greater-washington-business-outlook-survey.aspx>

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## **SURVEY QUESTIONS AND TOPLINE RESULTS:**

Thinking about the nation as a whole.... On the basis of what you've seen, read, or heard – would you say that current NATIONAL business and economic conditions in the United States are mostly GOOD – OR – would you say they're mostly BAD?

	February 2009	June 2009	December 2009
Mostly good	2%	11%	19%
Mostly bad	92%	78%	66%

Now, moving to the local economy, would you say current business and economic conditions in the Greater Washington DC region are mostly GOOD – OR – would you say they're mostly BAD?

	February 2009	June 2009	December 2009
Mostly good	28%	41%	47%
Mostly bad	53%	42%	40%

Thinking ahead SIX MONTHS, do you think business and economic conditions in the Greater Washington DC region will improve, will get worse OR will stay the same?

	February 2009	June 2009	December 2009
Will improve	32%	58%	59%
Will get worse	25%	6%	6%
Will stay the same	42%	35%	35%

As you know, the financial situation of businesses and other organizations can be affected by a lot of factors, such as income, expenses, growth, profit, access to financing, and market competition. Thinking back to ONE YEAR ago.... would you say your business's overall financial situation has improved since then, has declined since then, or has stayed the same?

	February 2009	June 2009	December 2009
Improved	14%	14%	25%
Declined	52%	57%	40%
Stayed the same	34%	26%	34%

Looking ahead SIX MONTHS, do you expect that your company or organization will increase the number of its employees working in the Greater Washington region, will decrease the number of its employees, OR will keep the number of its employees exactly the same?

	February 2009	June 2009	December 2009
Increase employees	12%	25%	32%
Decrease employees	20%	7%	12%
Keep the number of employees the same	68%	65%	56%

Now, looking ahead ONE YEAR, do you expect that your business will strengthen, will soften, or will stay the same?

	February 2009	June 2009	December 2009
Will strengthen	40%	59%	60%
Will soften	21%	6%	9%
Will stay the same	37%	31%	29%

Also looking ahead ONE YEAR, do you expect that your company's or organization's total revenues and/or total sales, will increase, will decrease or will stay the same?

	February 2009	June 2009	December 2009
Increase	34%	59%	55%
Decrease	26%	9%	12%
Stay the same	39%	27%	30%

Over the last six months, do you think that acquiring bank financing and credit for businesses and organizations such as yours has gotten much easier, a little easier, a little harder, or much harder?

	December 2009
Much easier	2%
A little easier	12%
A little harder	26%
Much harder	33%
Same	11%

*Note: Above question not asked in February and June surveys.*

Looking ahead.... do you expect it will get much easier, a little easier, a little harder, or much harder to get bank financing and credit over the next FEW MONTHS?

	February 2009	June 2009	December 2009
Much easier			3%
A little easier			33%
<b>TOTAL EASIER</b>	<b>15%</b>	<b>27%</b>	<b>37%</b>
A little harder			23%
Much harder			15%
<b>TOTAL HARDER</b>	<b>61%</b>	<b>40%</b>	<b>38%</b>
Same	10%	13%	16%

*Note: Answer options to above question limited in February and June surveys.*

Thinking about new investments, purchases and initiatives, does your business or organization plan on doing any of the following within the next FEW MONTHS:

	Answered YES		
	FEB	JUN	DEC
Purchase new equipment	33%	43%	42%
Upgrade computer technology	36%	45%	47%
Take a risk on a new idea	56%	51%	45%
Expand products or services	52%	53%	46%
Expand or increase office space, plant size, stores, or other facilities	12%	11%	14%
Increase spending on professional services such as legal, accounting, or other consulting fees	9%	15%	14%
Outsource more functions by getting consultants and vendors to take over responsibilities now handled by in-house employees	*	*	12%
Increase advertising and promotion	30%	37%	46%
Launch a new branding initiative	30%	23	29
Modernize offices, buildings or other facilities to make them more "green" and energy efficient	35%	29%	31%

\* This question was not asked in February and June surveys.

Based on what you've experienced, seen, read, or heard, do you think it is EASIER or HARDER to do business in the Greater Washington DC region than it is in most other places in the United States?

	February 2009	June 2009	December 2009
Easier	71%	68%	64%
Harder	15%	18%	19%
About the same	7%	7%	10%
Don't know	7%	7%	7%

As you may know, Congress passed an \$800 billion stimulus package earlier this year that was designed to improve the nation's economy. Thinking about the effect the stimulus package may be having on the economy of the greater Washington DC region.... do you think it's having a big positive impact, a small positive impact, a small negative impact or a big negative impact?

	June 2009	December 2009
Big positive impact	8%	8%
Small positive impact	68%	56%
Small negative impact	4%	8%
Big negative impact	4%	7%
No impact	15%	14%

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### **Survey Presented by Greater Washington Board of Trade**

The Greater Washington Board of Trade is the Greater Washington region's premier business network and the only local business association representing all industry sectors. Founded in 1889, the Board of Trade enjoys a long history of helping its members' businesses grow by providing content-rich programs, connecting business leaders and marketing Greater Washington's economic opportunities. As Greater Washington's regional business organization, the Board of Trade addresses business concerns that stretch across geographic boundaries, such as transportation, emergency preparedness, green as a competitive advantage and workforce issues. For more information, visit [www.BoardofTrade.org](http://www.BoardofTrade.org).

### **Survey Conducted by Clarus Research Group**

Clarus Research Group is a full-service and nonpartisan survey research firm based in Washington, D.C. Clarus provides a full range of polling and market research services to corporate, association, nonprofit and public affairs clients. Clarus conducts public opinion surveys, focus groups, branding studies and media research. Dr. Ron Faucheux, who also teaches at the Public Policy Institute at Georgetown University, is president of Clarus. For more information, visit [www.ClarusRG.com](http://www.ClarusRG.com).

### **Survey Sponsored by Tatum LLC**

Companies turn to Tatum when critical business challenges arise because we immediately deliver financial and technology operational expertise via solutions tailored to the Office of the CFO. We leverage nearly 1,000 executives and consulting professionals nationwide to accelerate results and create more value™. For more information, visit [www.TatumLLC.com](http://www.TatumLLC.com).

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