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First Quarter 2023

EXECUTIVE BUSINESS CLIMATE SURVEY

Lee 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, and the Lee County Economic Development Office. We would also like to thank the Horizon Council for their sponsorship of the report.

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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 3,414 executives and business owners in Lee County. Four reminders were sent during the survey period. One hundred and thirty-seven executives completed the survey from January 4, 2023, through January 18, 2023, giving the survey a margin of error of 8.4 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 index measured at 53.0 in the first quarter of 2023, stopping a downward trend that began in the second quarter of 2022. The index for Current Economic Conditions rose after the sharp decline in the last quarter. The index of both future economic and industry conditions also increased in the first quarter of 2023, continuing the gradual steady increase of each index since bottoming out in the third quarter of 2022. A complete graphical representation of each of these components can be found in Appendix A.

Results from the recurring questions revealed a degree of optimism about current and future conditions economic and industry conditions. Specifically:

- 24 percent of the surveyed executives indicated economic conditions in Lee County were better when compared to a year ago. This was higher than the previous quarter regarding current economic conditions.
- 47 percent stated conditions were worse than a year ago, down from 60 percent in the previous quarter.
- 47 percent of the respondents expected economic conditions to improve in a year compared to 44 percent in the last quarter.
- 31 percent felt current industry conditions were better compared to a year ago while 38 percent reported industry conditions were worsening, down from 48 percent the previous quarter.
- 50 percent of surveyed executives expect conditions in their industry to be moderately or substantially better in the next year; just 24 percent expected conditions to be worse compared to 27 percent previously.
- 34 percent of the respondents indicated they had increased employment while 11 percent of the surveyed firms said they reduced employment over the last year.
- 45 percent of the surveyed business executives plan to increase employment over the next year, similar to the percentage in the previous quarter.
- 49 percent of the surveyed executives expect to increase investment, moderately or substantially, over the next year while 5 percent of the respondents said they planned to reduce investment during the next 12 months.

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 for area businesses about labor force issues.

- 76 percent of the executives indicated having difficulty in finding qualified workers over the past three months while just 7 percent of the respondents indicated they had no difficulty in finding employees.
- The most important soft skill indicated by executives was reliability and self-discipline, followed by reasoning and problem solving.
- Results showing the impact of the influx of the seasonal population into the county revealed a little over a third of the respondents made no important changes in their hiring decisions and less than 20 percent of the respondents indicated that their employment decisions were very much impacted by the fluctuations in the seasonal population.

- Questions about the type of job training opportunities revealed 85 percent of the respondents offer on-the-job training, 64 percent provide mentoring opportunities by their senior staff, 41 percent provide time off for employees to attend classes, 20 percent offer tuition reimbursement and 5 percent offer scholarships.

Commentary

While at the national level we see signs of the economy slowing down, no recession has been recorded in 2022. Labor market conditions remain strong and labor force participation rate continues to track beneath pre-Covid levels. Inflation is cooling off on many fronts, but still not at the Fed's target nor for a sustained desired period, meaning interest rates will remain higher but not expected to grow at the same rate experienced in 2022.

Results from the Executive Business Climate Index (EBCI) suggests that the county still has a way to go to fully recover from Ian. Business leaders reported better current economic and industry conditions, but these remained below pre-Ian levels. Lee County executives believe that better times are ahead as future economic and industry conditions measures were not affected in the aftermath of Hurricane Ian, and continued to grow from the third quarter of 2022. Because two of the three components that go into the *EBCI* are future expectations, the county saw an increase in the *EBCI* overall.

This quarter, the survey also asked questions relating to finding qualified workers. Over three-fourths of respondents reported having a somewhat or very difficult time in finding qualified employees for their business over the last 12 months. Employers stated reliability and self-discipline was the most important soft skill for their business, and the majority of executives (85 percent) said that their business offered on-the-job training for their employees, and seasonality, a major factor in the Lee County economy.

As one commenter states:

It's impossible to find qualified employees in this area. [...]. And it is prohibitively expensive to live here. We hire employees in Chicago, and they work remotely.

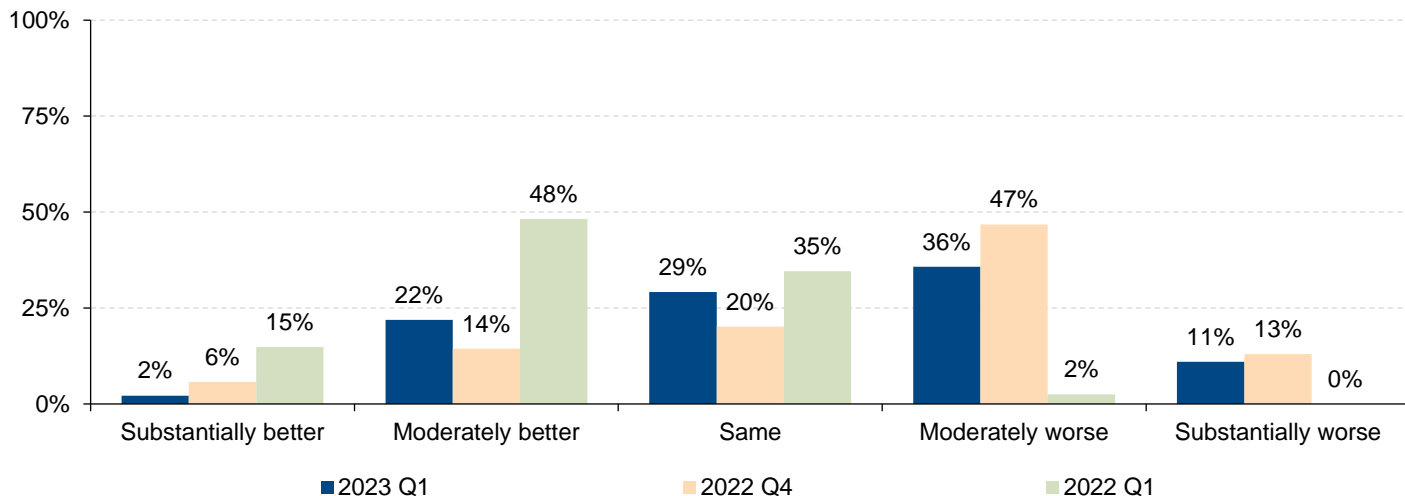
Affordable housing indeed does play an important role in the attraction (and retention) of a qualified workforce. It is not an uncommon story to hear of a person accepting a job to work in a new city or county, only to find that the cost of housing (either renting or owning) in the new area to be too prohibitive. This leaves the business with potentially only hiring locally, shrinking the labor pool from which they can hire from.

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 first quarter of 2023 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 January 4th, 2023 and January 18th, 2023.
 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 about current economic conditions during the first quarter of 2023. Twenty-four percent of the surveyed executives indicated economic conditions in Lee County were better when compared to a year ago. This was slightly higher than the 20 percent in the previous quarter but significantly lower than the same time last year, when 63 percent said things were better than in the first quarter of 2022. On the other side, 47 percent stated conditions were worse than a year ago, down from the 60 percent in the last quarter but higher than the 2 percent recorded a year ago. About 29 percent of responding executives said current economic conditions in Lee County were about the same compared to the first quarter a year ago. This was higher than the 20 percent in the fourth quarter of 2022. Complete response counts are found in Table 1.

Table 1: Current Economic Conditions

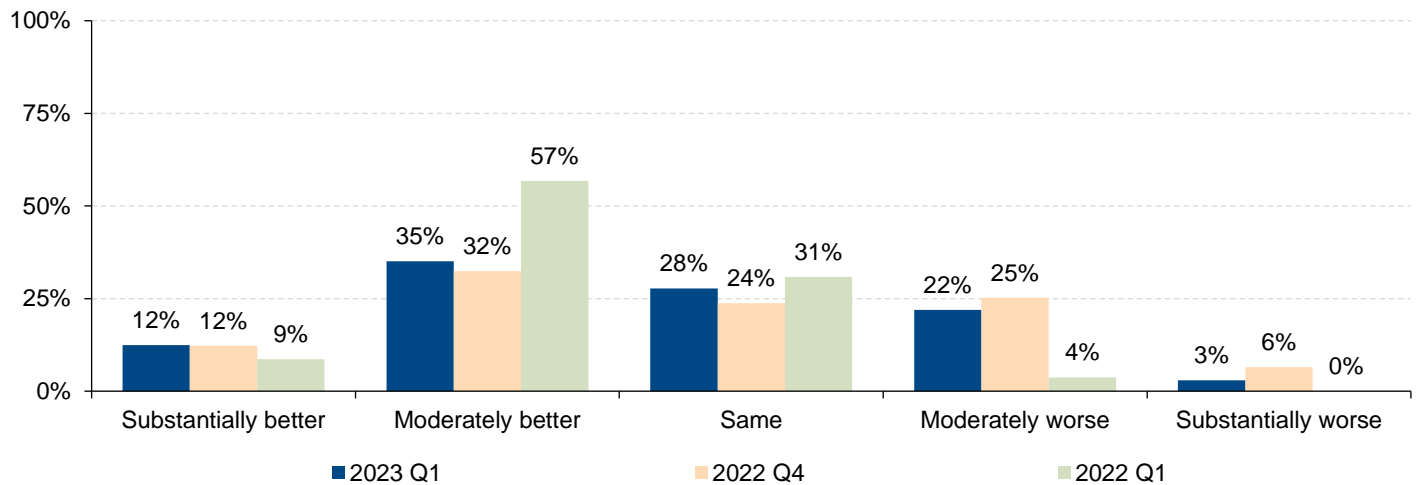
How are the current Lee County economic conditions compared to a year ago?

Response	2023 Q1		2022 Q4		2022 Q1	
	Count	Percentage	Count	Percentage	Count	Percentage
Substantially better	3	2.2%	8	5.8%	12	14.8%
Moderately better	30	21.9%	20	14.4%	39	48.1%
Same	40	29.2%	28	20.1%	28	34.6%
Moderately worse	49	35.8%	65	46.8%	2	2.5%
Substantially worse	15	10.9%	18	12.9%	0	0.0%
Total Responses	137	100.0%	139	100.0%	81	100.0%

Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 4th, 2023 and January 18th, 2023.

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 January 4th, 2023 and January 18th, 2023.

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. Optimism about future economic conditions improved as 47 percent of the respondents indicated that economic conditions would improve in a year compared to 44 percent in the last quarter but lower than the 66 percent one year ago. Twenty-five percent of the respondents felt future economic conditions would be worse compared to 31 percent in the previous quarter. Twenty-eight percent expect economic conditions to remain the same over the next 12 months, compared to 24 percent in the previous quarter. Complete response counts can be found in Table 2.

Table 2: Future Economic Conditions

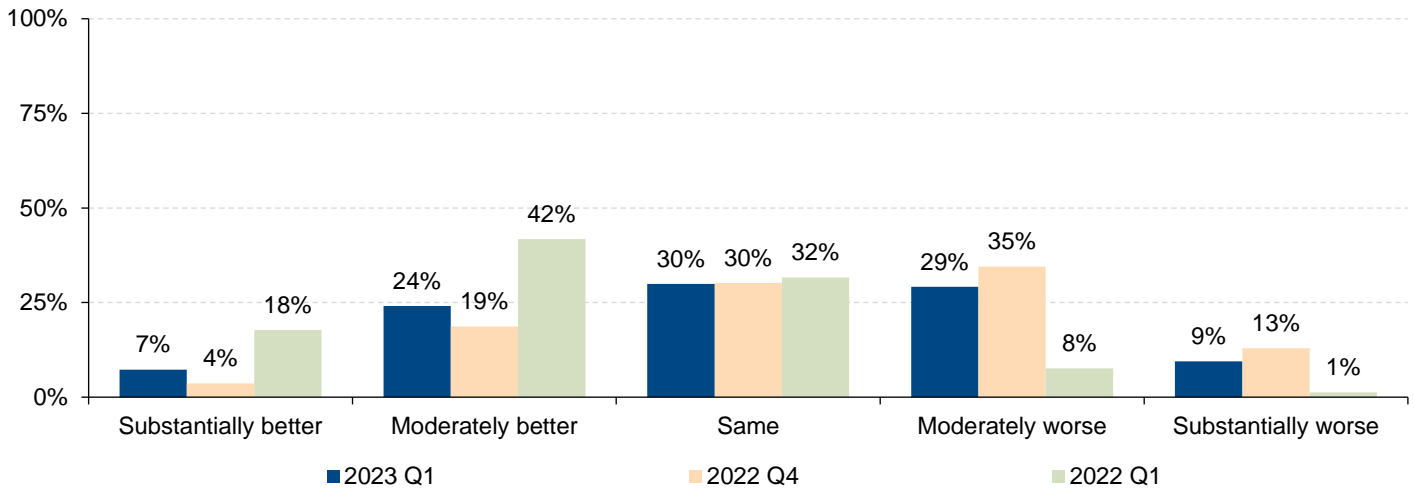
What are your expectations for the Lee County economy one year ahead?

Response	2023 Q1		2022 Q4		2022 Q1	
	Count	Percentage	Count	Percentage	Count	Percentage
Substantially better	17	12.4%	17	12.2%	7	8.6%
Moderately better	48	35.0%	45	32.4%	46	56.8%
Same	38	27.7%	33	23.7%	25	30.9%
Moderately worse	30	21.9%	35	25.2%	3	3.7%
Substantially worse	4	2.9%	9	6.5%	0	0.0%
Total Responses	137	100.0%	139	100.0%	81	100.0%

Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 4th, 2023 and January 18th, 2023.

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 January 4th, 2023 and January 18th, 2023.

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. The percentage of the surveyed executives who felt current conditions in their industry were better compared to a year ago was 31 percent compared to 23 percent in the previous quarter but lower than the 60 percent a year ago. During the first quarter of 2023, 38 percent of the business executives reported worsening industry conditions, down from 48 percent in the previous quarter, but higher than the 9 percent recorded a year ago. The percentage of firms reporting no change in industry conditions remained the same as in the previous quarter at 30 percent, and was close to the 32 percent reported in the same quarter last year. Complete response counts can be found in Table 3.

Table 3: Current Industry Conditions

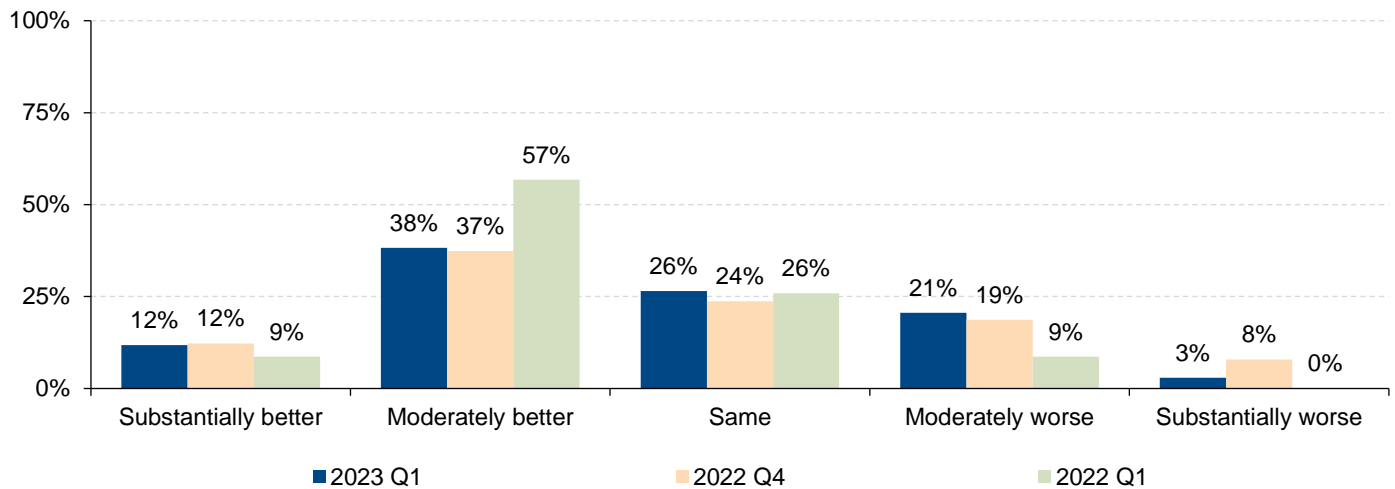
What are the current conditions in your industry in Lee County compared to one year ago?

Response	2023 Q1		2022 Q4		2022 Q1	
	Count	Percentage	Count	Percentage	Count	Percentage
Substantially better	10	7.3%	5	3.6%	14	17.7%
Moderately better	33	24.1%	26	18.7%	33	41.8%
Same	41	29.9%	42	30.2%	25	31.6%
Moderately worse	40	29.2%	48	34.5%	6	7.6%
Substantially worse	13	9.5%	18	12.9%	1	1.3%
Total Responses	137	100.0%	139	100.0%	79	100.0%

Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 4th, 2023 and January 18th, 2023.

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 January 4th, 2023 and January 18th, 2023.

Prepared by the Regional Economic Research Institute

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

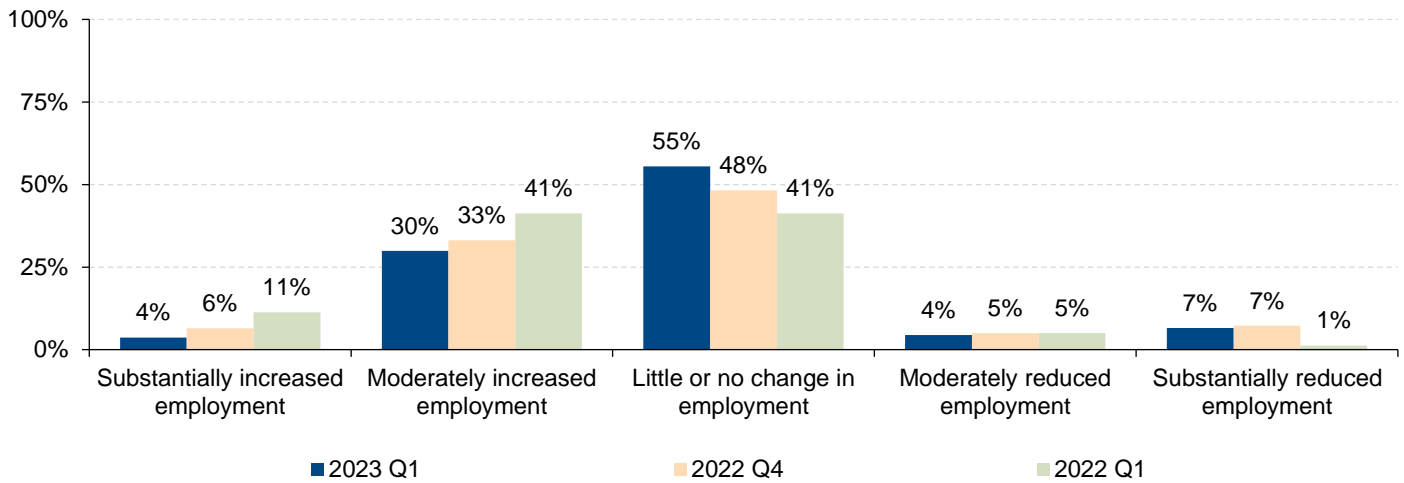
Figure 4 reports the expectations business executives have for the conditions in their own industry one year from now. The percent of surveyed executives who expect conditions in their industry to be moderately or substantially better in the next year was similar to the previous quarter at 50 percent but down from 66 percent a year ago. About 26 percent of the surveyed executives expected conditions to remain the same, up from 24 percent in the previous quarter. The proportion of executives expecting conditions to worsen was 24 percent, down slightly from 27 percent in the previous quarter but higher than the 9 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 Lee County one year ahead?						
Response	2023 Q1		2022 Q4		2022 Q1	
	Count	Percentage	Count	Percentage	Count	Percentage
Substantially better	16	11.8%	17	12.2%	7	8.6%
Moderately better	52	38.2%	52	37.4%	46	56.8%
Same	36	26.5%	33	23.7%	21	25.9%
Moderately worse	28	20.6%	26	18.7%	7	8.6%
Substantially worse	4	2.9%	11	7.9%	0	0.0%
Total Responses	136	100.0%	139	100.0%	81	100.0%

Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 4th, 2023 and January 18th, 2023.

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 January 4th, 2023 and January 18th, 2023.

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 continued moderation in hiring. Thirty-four percent of the respondents indicated they had increased employment, down from 39 percent in the last quarter and 52 percent a year ago. Fifty-five percent of the business executives indicated little or no change in hiring compared to 48 percent in the previous quarter. Eleven percent of the surveyed firms said they reduced employment over the last year, compared to 12 percent in the previous quarter and 6 percent a year ago. Complete response counts can be found in Table 5.

Table 5: Current Hiring Trend

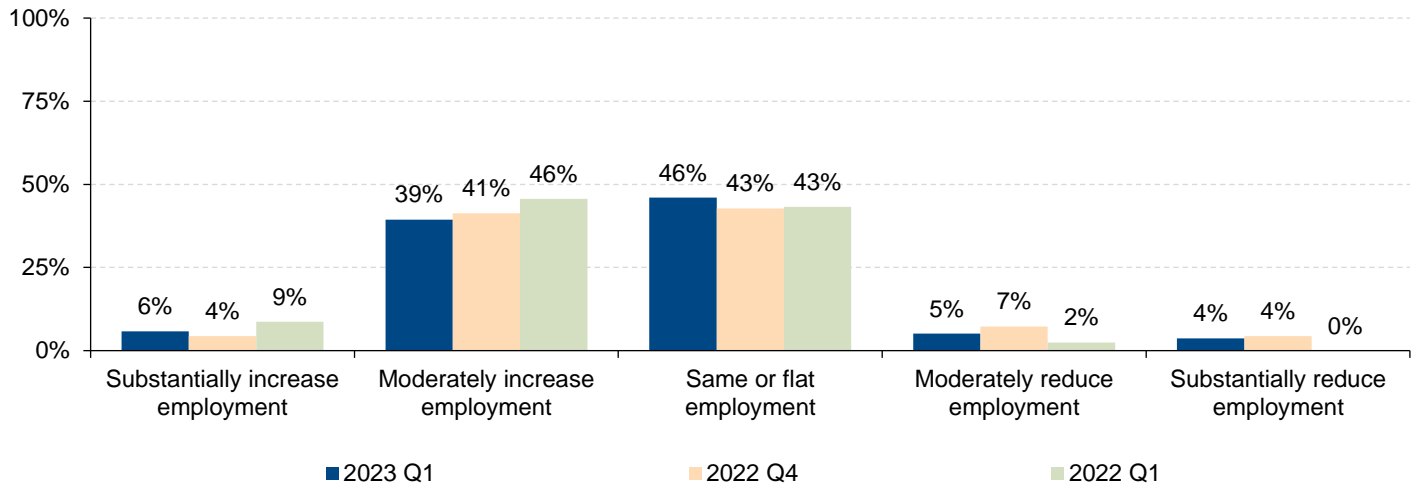
What has been your hiring trend over the last year?

Response	2023 Q1		2022 Q4		2022 Q1	
	Count	Percentage	Count	Percentage	Count	Percentage
Substantially increased employment	5	3.6%	9	6.5%	9	11.3%
Moderately increased employment	41	29.9%	46	33.1%	33	41.3%
Little or no change in employment	76	55.5%	67	48.2%	33	41.3%
Moderately reduced employment	6	4.4%	7	5.0%	4	5.0%
Substantially reduced employment	9	6.6%	10	7.2%	1	1.3%
Total Responses	137	100.0%	139	100.0%	80	100.0%

Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 4th, 2023 and January 18th, 2023.

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 January 4th, 2023 and January 18th, 2023.

Prepared by the Regional Economic Research Institute

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

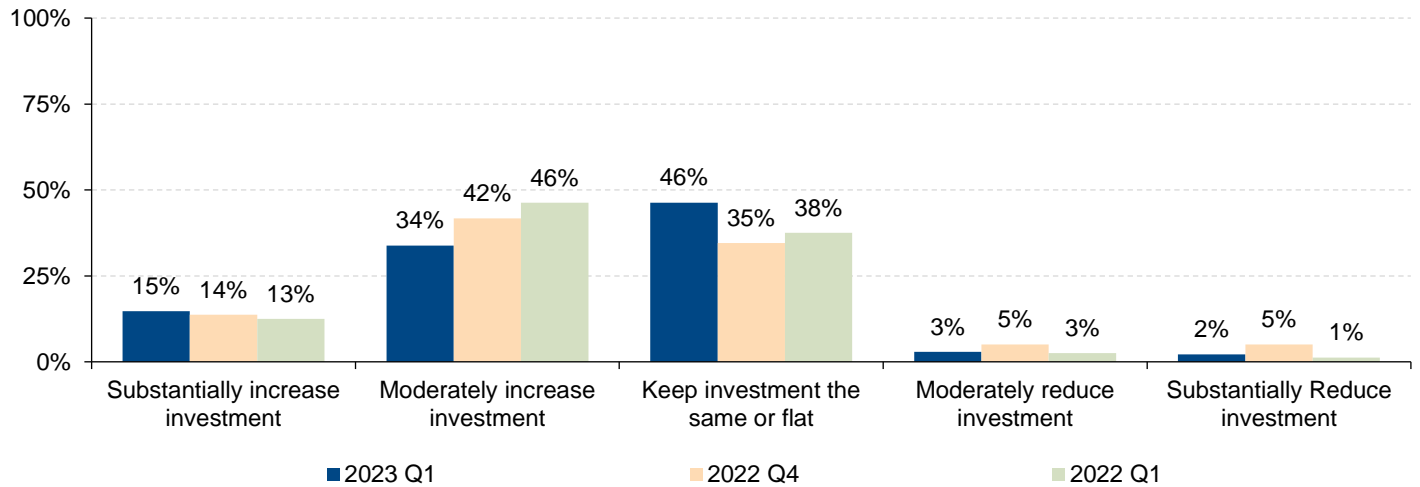
Figure 6 focuses on future hiring trends by the surveyed businesses. In the first quarter of the year, 45 percent of the executives expected to increase employment over the next year, similar to the percent in the previous quarter but lower than the 55 percent a year ago. About 46 percent of the executives plan to keep employment flat over the next year, compared to 43 percent of the respondents in the last quarter and a year ago. Nine percent of the respondents indicated that they were planning to reduce employment, compared to 11 percent in the previous quarter and 2 percent a year ago. Complete response counts can be found in Table 6.

Table 6: Future Hiring Trend						
What hiring trends do you see for your business over the next year?						
Response	2023 Q1		2022 Q4		2022 Q1	
	Count	Percentage	Count	Percentage	Count	Percentage
Substantially increase employment	8	5.8%	6	4.3%	7	8.6%
Moderately increase employment	54	39.4%	57	41.3%	37	45.7%
Same or flat employment	63	46.0%	59	42.8%	35	43.2%
Moderately reduce employment	7	5.1%	10	7.2%	2	2.5%
Substantially reduce employment	5	3.6%	6	4.3%	0	0.0%
Total Responses	137	100.0%	138	100.0%	81	100.0%

Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 4th, 2023 and January 18th, 2023.

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 January 4th, 2023 and January 18th, 2023.

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 49 percent of the surveyed executives expect to increase investment, moderately or substantially, over the next year, compared to 56 percent in the previous quarter but lower than the 59 percent reported a year ago. Forty-six percent of the executives planned to keep their investment levels flat or the same over the next year, higher than the 35 percent in the previous quarter and the 38 percent a year ago. Five percent of the respondents said they planned to reduce investment during the next 12 months compared to 10 percent in the previous quarter and 4 percent a year ago. Complete response counts can be found in Table 7.

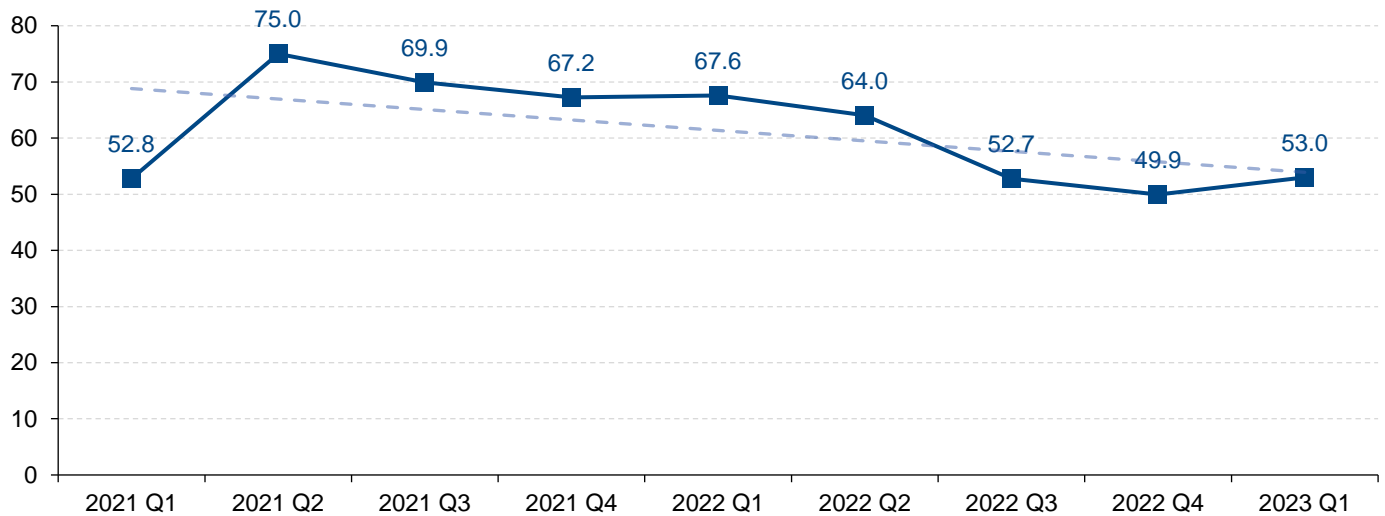
Table 7: Future Investment Trend

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

Response	2023 Q1		2022 Q4		2022 Q1	
	Count	Percentage	Count	Percentage	Count	Percentage
Substantially increase investment	20	14.7%	19	13.7%	10	12.5%
Moderately increase investment	46	33.8%	58	41.7%	37	46.3%
Keep investment the same or flat	63	46.3%	48	34.5%	30	37.5%
Moderately reduce investment	4	2.9%	7	5.0%	2	2.5%
Substantially Reduce investment	3	2.2%	7	5.0%	1	1.3%
Total Responses	136	100.0%	139	100.0%	80	100.0%

Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 4th, 2023 and January 18th, 2023.

Figure 8: Executive Business Climate Index



Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 4th, 2023 and January 18th, 2023.

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 53.0 in the first quarter of 2023, stopping a downward trend that began in the second quarter of 2022. All three components of the index increased slightly from the fourth quarter of 2022. The index for Current Economic Conditions rose to 42.2 from the sharp decline in the last quarter of 38.3. The index of both future economic and industry conditions rose from 54.7 to 58.0 and 56.8 to 58.8, respectively. 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	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1
Current Economic Conditions	41.4	74.6	72.2	69.9	68.8	62.5	50.9	38.3	42.2
Future Economic Conditions	58.9	77.1	68.4	65.4	67.6	63.5	51.9	54.7	58.0
Future Industry Conditions	58.1	73.3	69.1	66.4	66.4	66.2	55.5	56.8	58.8
Executive Business Climate Index	52.8	75.0	69.9	67.2	67.6	64.0	52.7	49.9	53.0

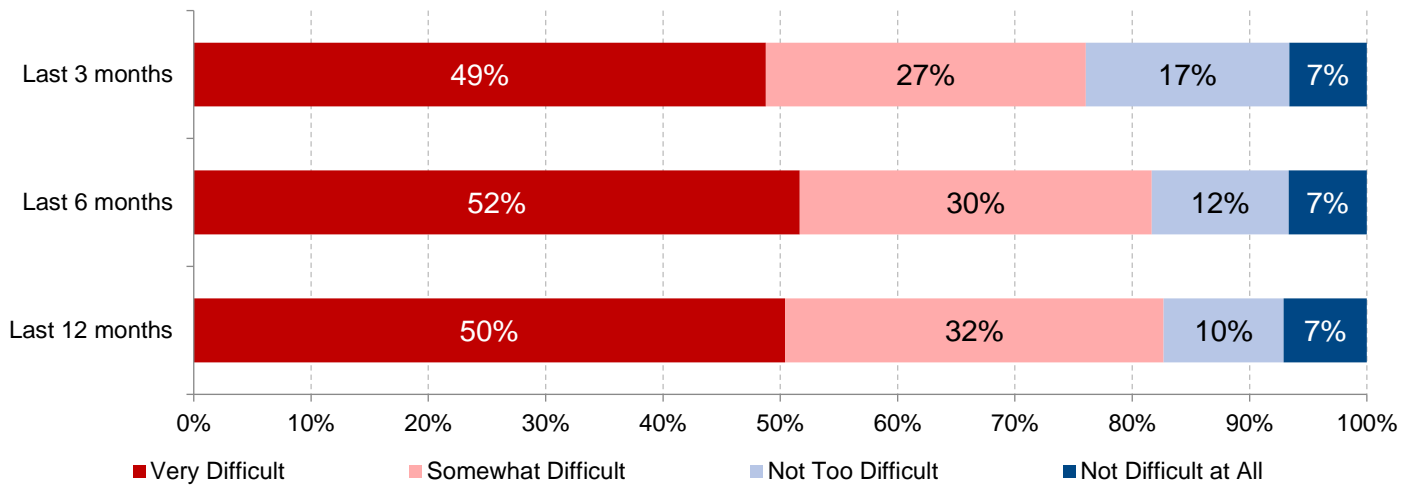
Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 4th, 2023 and January 18th, 2023.

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 for area businesses about labor force issues.

Figure 9: Qualified Employees

How difficult has it been to find qualified employees for your business over the following time periods?



Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 4th, 2023 and January 18th, 2023.

Prepared by the Regional Economic Research Institute

How difficult has it been to find qualified employees for your business over the following time periods?

Figure 9 reflects the responses of our surveyed business executives when asked about the difficulty in finding qualified employees over the last year. Altogether, close to three-fourths of the executives indicated having difficulty in finding qualified workers. Around 50 percent of the executives stated they had a very difficult time in finding qualified workers. Conditions did not ease up by much from the last 12 months to the last 3 months. Between 27 to 32 percent of the respondents indicated that they had somewhat difficulty in finding workers. Just 7 percent of the respondents indicated they had no difficulty in finding employees. Complete results can be found in Table 9.

Table 9: Qualified Employees

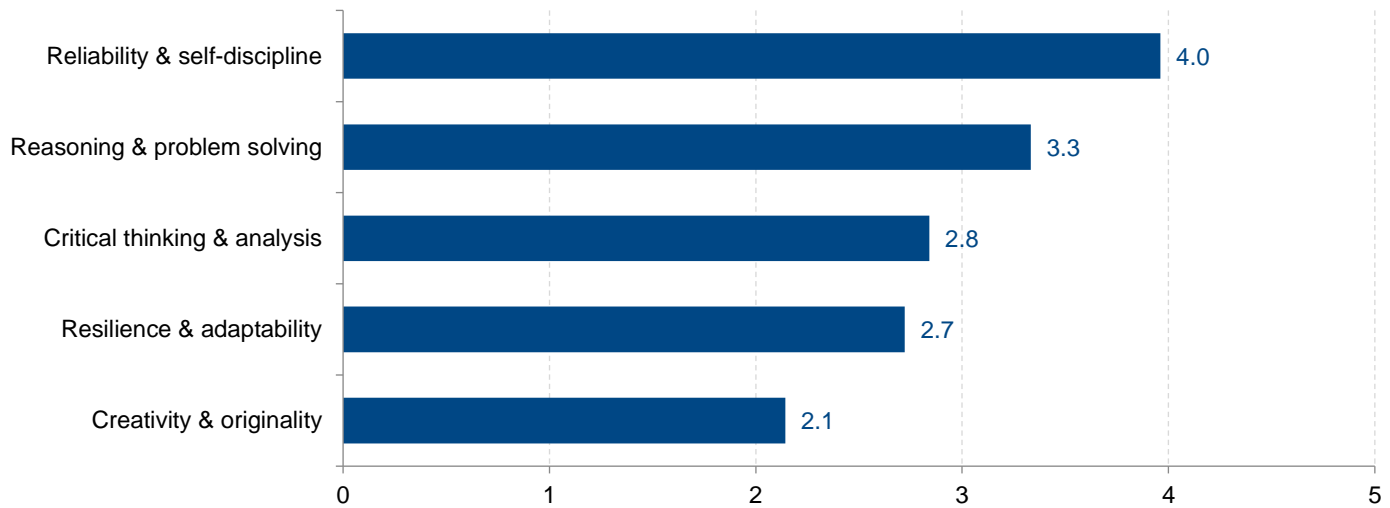
How difficult has it been to find qualified employees for your business over the following time periods?

Response	Very Difficult	Somewhat Difficult	Not Too Difficult	Not Difficult at All
Last 12 months				
Count	64	41	13	9
Percentage	50.4%	32.3%	10.2%	7.1%
Last 6 months				
Count	62	36	14	8
Percentage	51.7%	30.0%	11.7%	6.7%
Last 3 months				
Count	59	33	21	8
Percentage	48.8%	27.3%	17.4%	6.6%

Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 4th, 2023 and January 18th, 2023.

Figure 10: Soft Skills

How important are the following soft skills for your business?



Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 4th, 2023 and January 18th, 2023.

Prepared by the Regional Economic Research Institute

How important are the following soft skills for your business?

Figure 10 shows which soft skills were deemed important for the respondent’s business. Respondents were asked to rank the skills from 1 to 5, with one being the most important and five being the least important. A weighted average was constructed from these results, assigning five points to 1st place votes, four points to 2nd place votes, and so on. The skills most important to the majority of the respondents, indicated by the weighted average, were reliability and self-discipline followed by reasoning and problem solving. Critical thinking and analysis were also important soft skill when ranked by our respondents. Complete results can be found in Table 10.

Table 10: Soft Skills

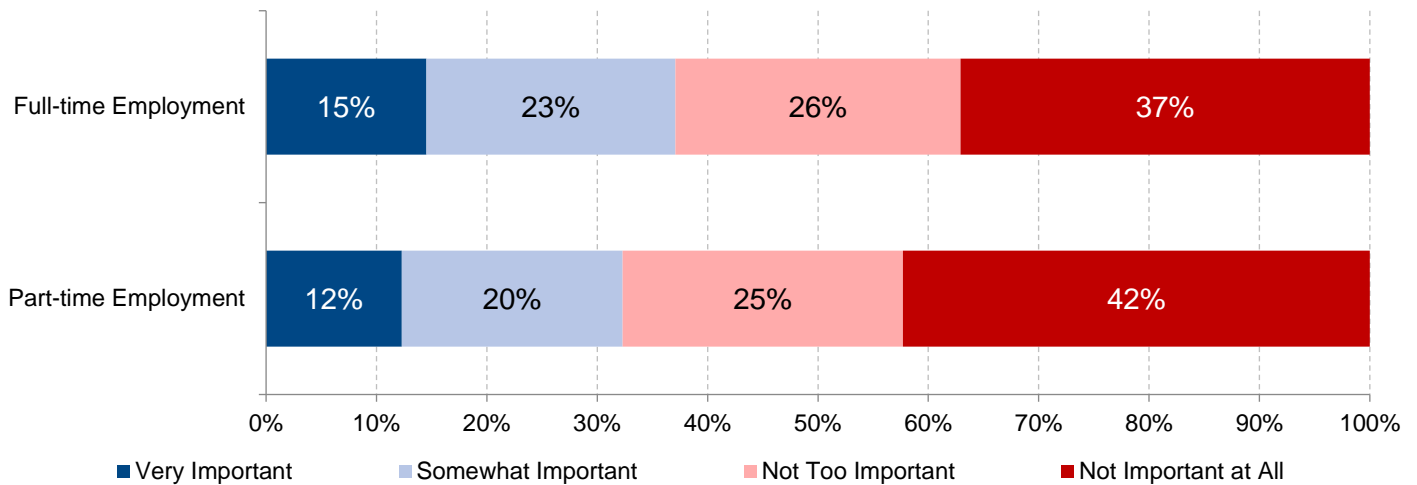
How important are the following soft skills for your business?

Response	1st	2nd	3rd	4th	5th	Weighted Average
Reliability & self-discipline	64	21	21	12	8	4.0
Reasoning & problem solving	15	45	36	27	3	3.3
Critical thinking & analysis	22	24	24	24	32	2.8
Resilience & adaptability	11	27	29	34	25	2.7
Creativity & originality	14	9	16	29	58	2.1

Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 4th, 2023 and January 18th, 2023.

Figure 11: Seasonal Population

How important is the influx of the seasonal population in your hiring decisions for part-time and full-time employment?



Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 4th, 2023 and January 18th, 2023.

Prepared by the Regional Economic Research Institute

How important is the influx of the seasonal population in your hiring decisions for part-time and full-time employment?

Figure 11 shows how the hiring decisions of business owners are influenced by the shifts in population in the area due to seasonal changes. Over a third of the respondents indicated that their hiring decisions were not impacted at all by changes in the population, whether for full- or part-time workers. Less than a fifth of the respondents indicated that the population fluctuations were very important in influencing their hiring decisions of both full- and part-time workers. About a quarter of the respondents indicated that seasonal fluctuations in the population in the region were not too important. Less than 25 percent stated that the changing population had somewhat of an important impact on their hiring decisions. Complete results can be found in Table 11.

Table 11: Seasonal Population

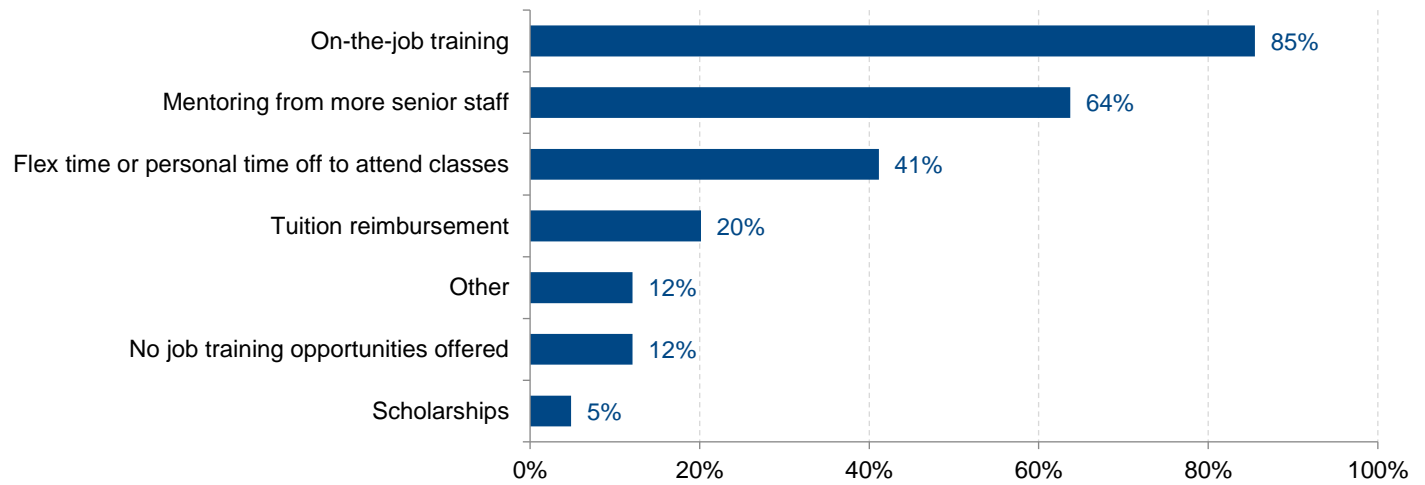
How important is the influx of the seasonal population in your hiring decisions for part-time and full-time employment?

Response	Very Important	Somewhat Important	Not Too Important	Not Important at All
Part-time Employment				
Count	16	26	33	55
Percentage	12.3%	20.0%	25.4%	42.3%
Full-time Employment				
Count	18	28	32	46
Percentage	14.5%	22.6%	25.8%	37.1%

Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 4th, 2023 and January 18th, 2023.

Figure 12: Job Training Opportunities

What kind of job training opportunities does your business offer to employees?



Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 4th, 2023 and January 18th, 2023.

Prepared by the Regional Economic Research Institute

What kind of job training opportunities does your business offer to employees?

Figure 12 lists the types of job training opportunities offered to employees. About 85 percent of the respondents offer on-the-job training followed by 64 percent that provide mentoring opportunities by their senior staff. About 41 percent provide time off for employees to attend classes, 20 percent offer tuition reimbursement and 5 percent offer scholarships. Just about 12 percent offered no job training opportunities. Complete results can be found in Table 12.

Table 12: Job Training Opportunities

What kind of job training opportunities does your business offer to employees?

Response	Count	Percentage
On-the-job training	106	85.5%
Mentoring from more senior staff	79	63.7%
Flex time or personal time off to attend classes	51	41.1%
Tuition reimbursement	25	20.2%
Other	15	12.1%
No job training opportunities offered	15	12.1%
Scholarships	6	4.8%
Total Responses	124	100.0%

Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 4th, 2023 and January 18th, 2023.

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.

- Business Conditions
- Labor Market
- Government
- Housing Market

Executive responses to this question are found in Appendix B.

Company Characteristics

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

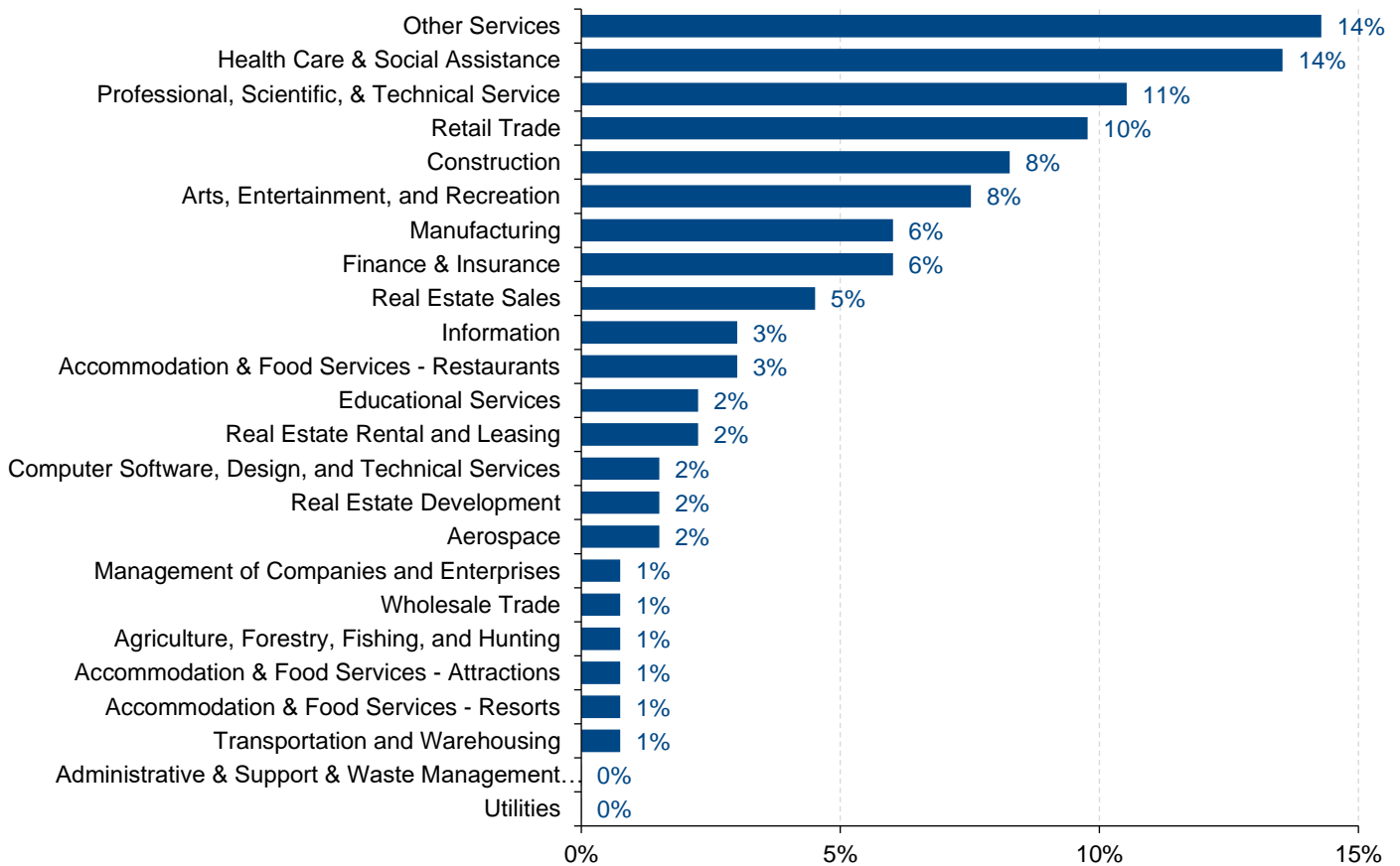
- Business Type;
- Number of Employees;
- Company Location; and
- Geographic Client Base.

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: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 4th, 2023 and January 18th, 2023.

Prepared by the Regional Economic Research Institute

Figure 13 shows the percentage of representation by type of industry that characterizes the responding business executives. About 14 percent of the respondents were from Other Services and the Health Care & Social Assistance industry, each. Eleven percent represented Professional, Scientific, and Technical Services, 10 percent represented Retail Trade and 8 percent represented Construction and Arts, Entertainment and Recreation, each. Six percent represented Manufacturing and the Finance and Insurance industry, each. All the remaining industries were represented by 5 percent or less. Complete breakdown by type of industry can be found in Table 13.

Table 13: Business Type

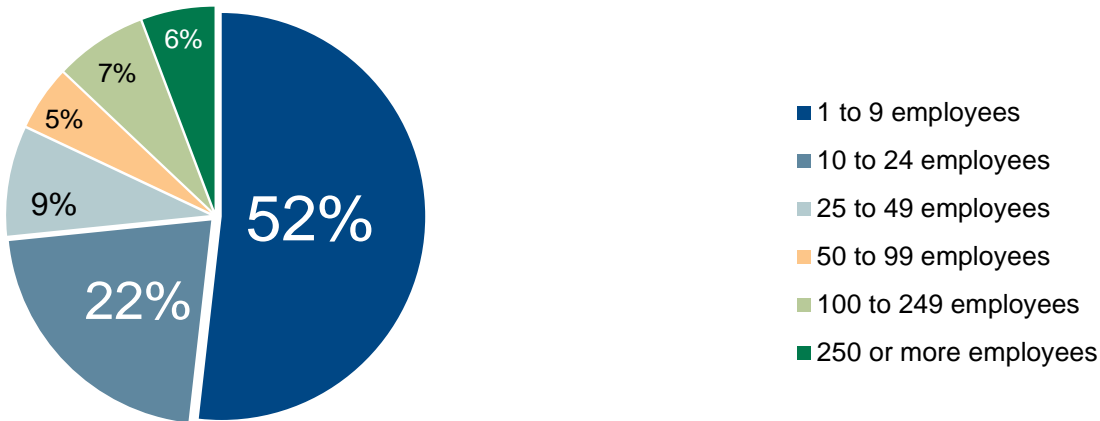
What type of business or industry best describes your company?

Response	Count	Percentage
Other Services	19	14.3%
Health Care & Social Assistance	18	13.5%
Professional, Scientific, & Technical Service	14	10.5%
Retail Trade	13	9.8%
Construction	11	8.3%
Arts, Entertainment, and Recreation	10	7.5%
Manufacturing	8	6.0%
Finance & Insurance	8	6.0%
Real Estate Sales	6	4.5%
Information	4	3.0%
Accommodation & Food Services - Restaurants	4	3.0%
Educational Services	3	2.3%
Real Estate Rental and Leasing	3	2.3%
Computer Software, Design, and Technical Services	2	1.5%
Real Estate Development	2	1.5%
Aerospace	2	1.5%
Management of Companies and Enterprises	1	0.8%
Wholesale Trade	1	0.8%
Agriculture, Forestry, Fishing, and Hunting	1	0.8%
Accommodation & Food Services - Attractions	1	0.8%
Accommodation & Food Services - Resorts	1	0.8%
Transportation and Warehousing	1	0.8%
Administrative & Support & Waste Management Services	0	0.0%
Utilities	0	0.0%
Total Responses	133	100.0%

Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 4th, 2023 and January 18th, 2023.

Figure 14: 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 January 4th, 2023 and January 18th, 2023.
 Prepared by the Regional Economic Research Institute

What is the size of your firm?

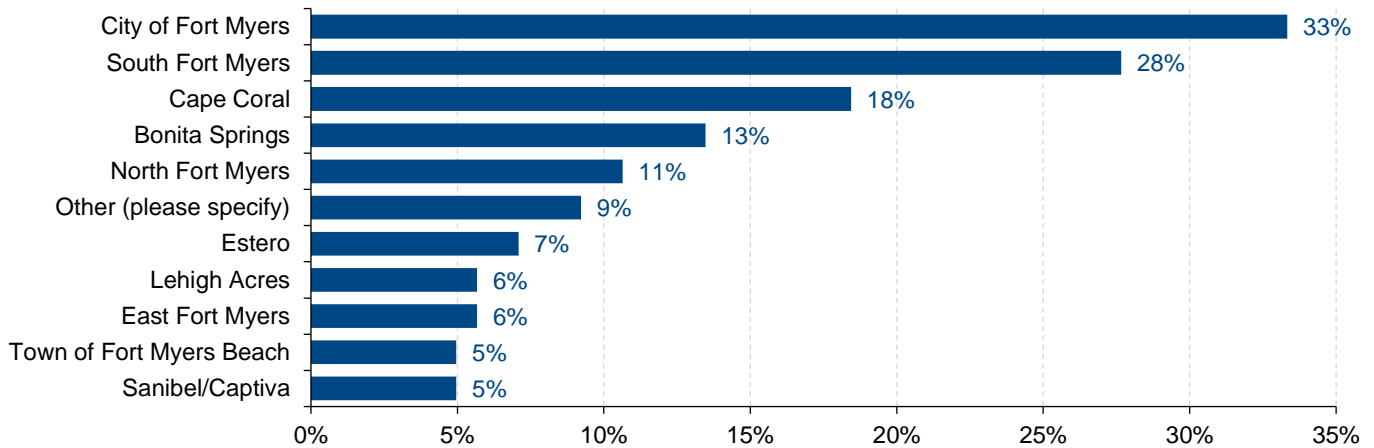
Figure 14 shows the business executives categorized by the number of employees in their firms. About 52 percent of surveyed executives were of firms that employed less than ten employees, 22 percent of the firms employed between 10 to 24 employees and 9 percent employed between 25 to 49 employees. Five percent represented firms that employed between 50 and 99 employees, 7 percent of firms employed between 100 to 249 employees and 6 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	72	51.8%
10 to 24 employees	30	21.6%
25 to 49 employees	12	8.6%
50 to 99 employees	7	5.0%
100 to 249 employees	10	7.2%
250 or more employees	8	5.8%
Total Responses	139	100.0%

Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 4th, 2023 and January 18th, 2023.

Figure 15: Company Locations

Where is your firm located?



Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 4th, 2023 and January 18th, 2023.

Prepared by the Regional Economic Research Institute

Where is your firm 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. The largest proportion (33 percent) of surveyed executives said their firms were located in the City of Fort Myers while 28 percent were located in South Fort Myers. Cape Coral was the next largest location (18 percent) followed by 13 percent in Bonita Springs, and 11 percent in North Fort Myers. Seven percent were located in Estero, 6 percent were in East Fort Myers as well as in Lehigh Acres. Five percent were located in the town of Fort Myers Beach and 5 percent in Sanibel/Captiva. Complete response counts can be found in Table 15.

Table 15: Company Locations

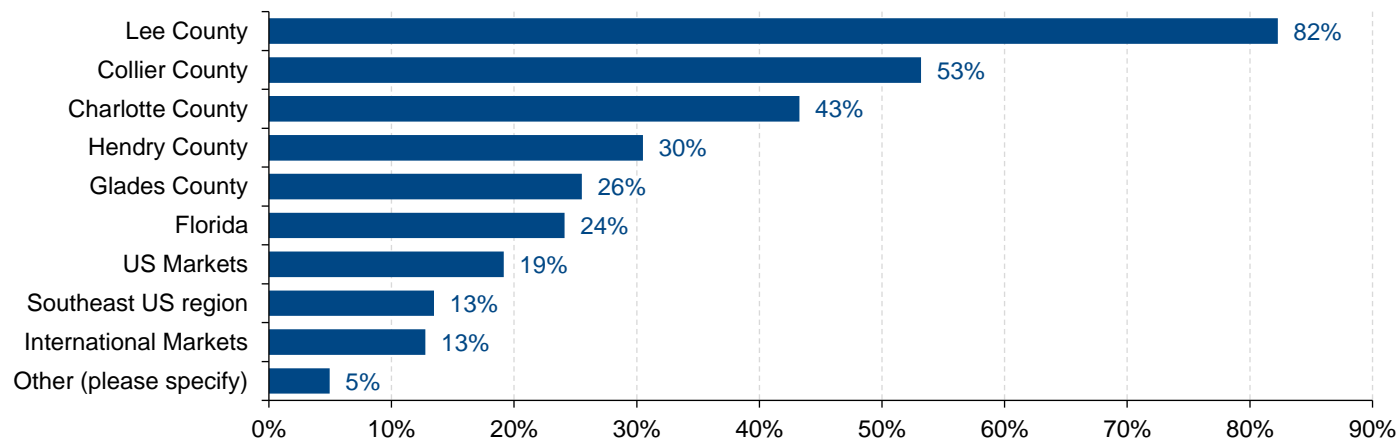
Where is your firm located?

Response	Count	Percentage
City of Fort Myers	47	33.3%
South Fort Myers	39	27.7%
Cape Coral	26	18.4%
Bonita Springs	19	13.5%
North Fort Myers	15	10.6%
Other (please specify)	13	9.2%
Estero	10	7.1%
Lehigh Acres	8	5.7%
East Fort Myers	8	5.7%
Town of Fort Myers Beach	7	5.0%
Sanibel/Captiva	7	5.0%

Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 4th, 2023 and January 18th, 2023.

Figure 16: 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 January 4th, 2023 and January 18th, 2023.
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. Lee County accounted for 82 percent of the surveyed executives’ client base. Collier County accounted for 53 percent of their client base and Charlotte County had 43 percent. Hendry County had 30 percent and Glades County accounted for 26 percent of their client base. The Southeast U.S. region had a client base of 13 percent and the state of Florida was the geographical client base for 24 percent of the firms. Nineteen percent of the client base for these firms was in all U.S. markets and 13 percent was in international markets. Complete response counts can be found in Table 16.

Table 16: Geographic Client Base

What areas comprise your geographic client base?

Response	Count	Percentage
Lee County	116	82.3%
Collier County	75	53.2%
Charlotte County	61	43.3%
Hendry County	43	30.5%
Glades County	36	25.5%
Florida	34	24.1%
US Markets	27	19.1%
Southeast US region	19	13.5%
International Markets	18	12.8%
Other (please specify)	7	5.0%

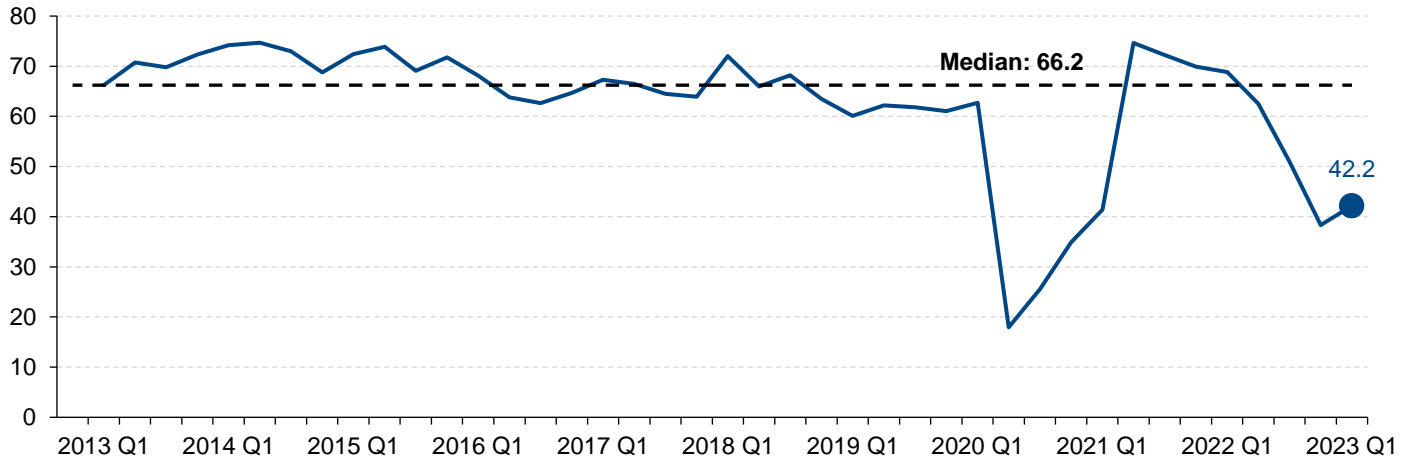
Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 4th, 2023 and January 18th, 2023.

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 Lee County economic conditions compared to a year ago?

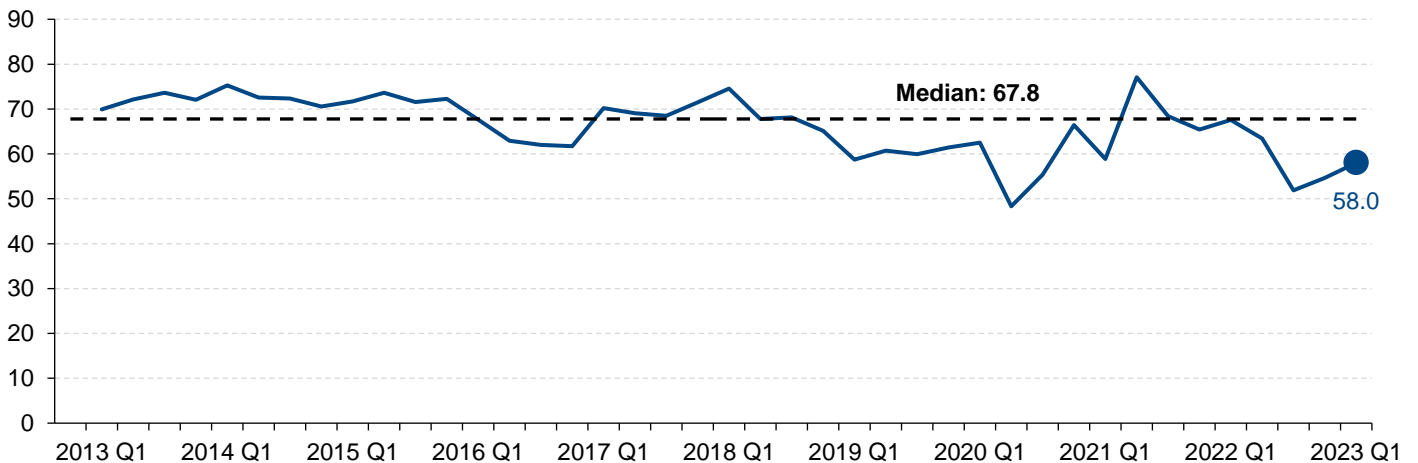


Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 4th, 2023 and January 18th, 2023.

Prepared by the Regional Economic Research Institute

Figure 18: Future Economic Conditions

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

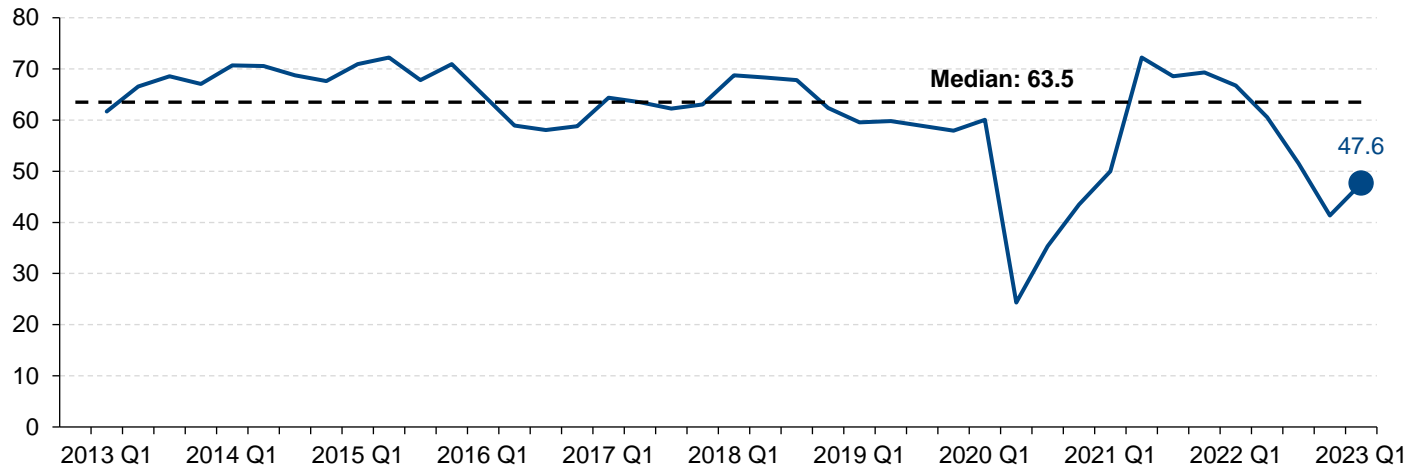


Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 4th, 2023 and January 18th, 2023.

Prepared by the Regional Economic Research Institute

Figure 19: Current Industry Conditions

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

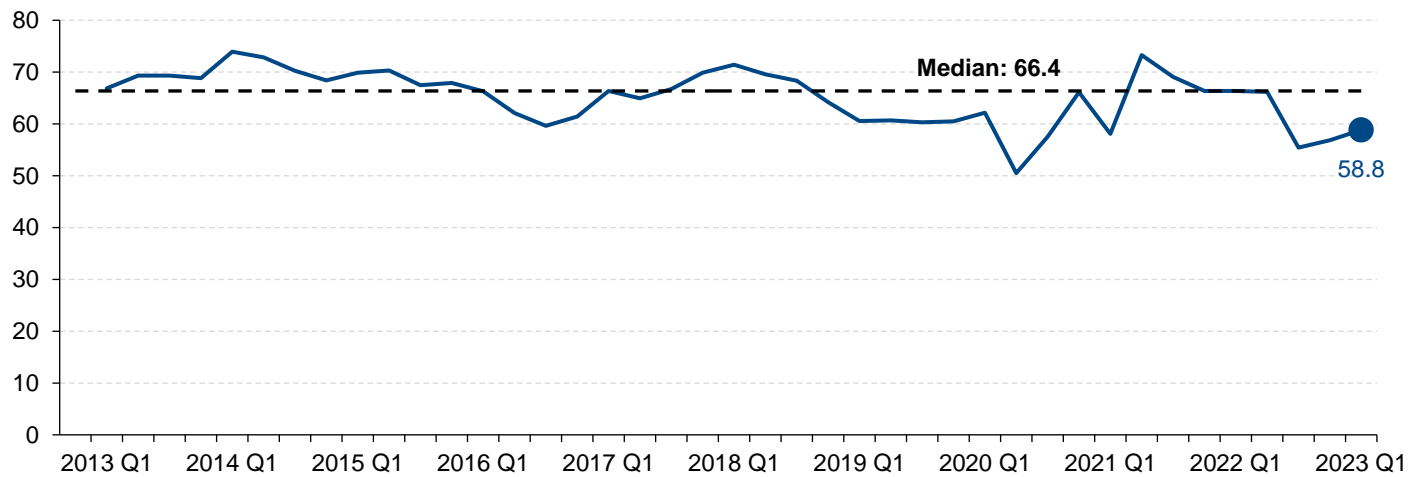


Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 4th, 2023 and January 18th, 2023.

Prepared by the Regional Economic Research Institute

Figure 20: Future Industry Conditions

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

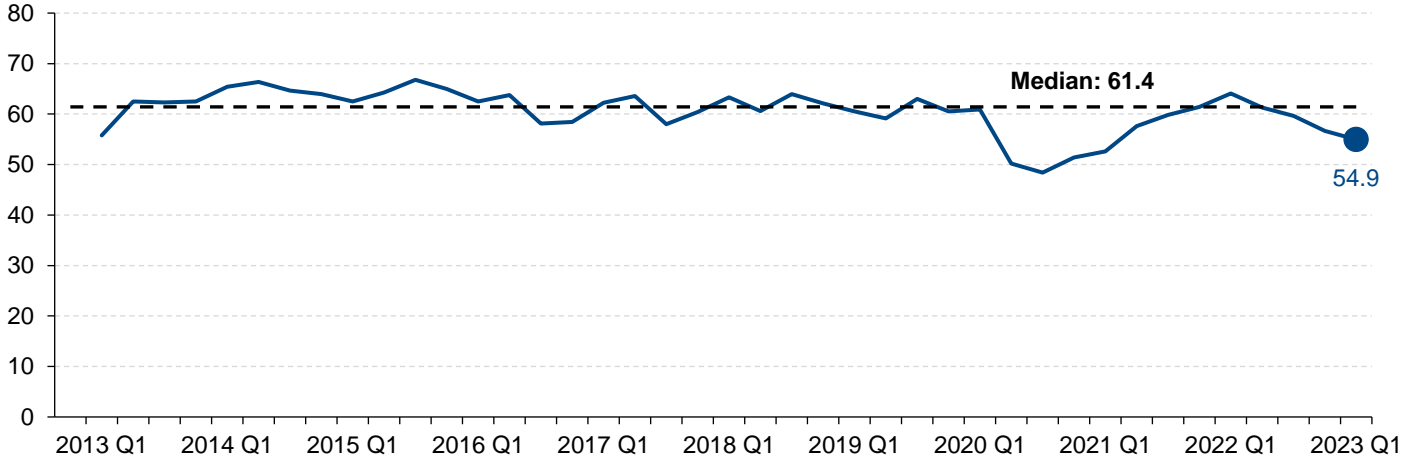


Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 4th, 2023 and January 18th, 2023.

Prepared by the Regional Economic Research Institute

Figure 21: Current Hiring Trends

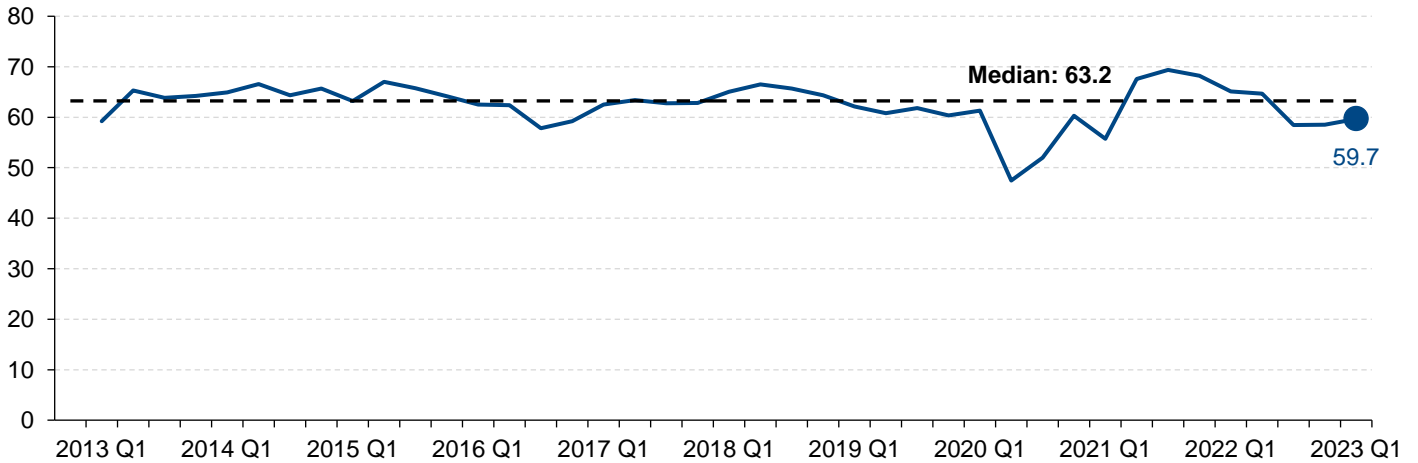
What has been your hiring trend over the last year?



Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 4th, 2023 and January 18th, 2023.
 Prepared by the Regional Economic Research Institute

Figure 22: Future Hiring Trends

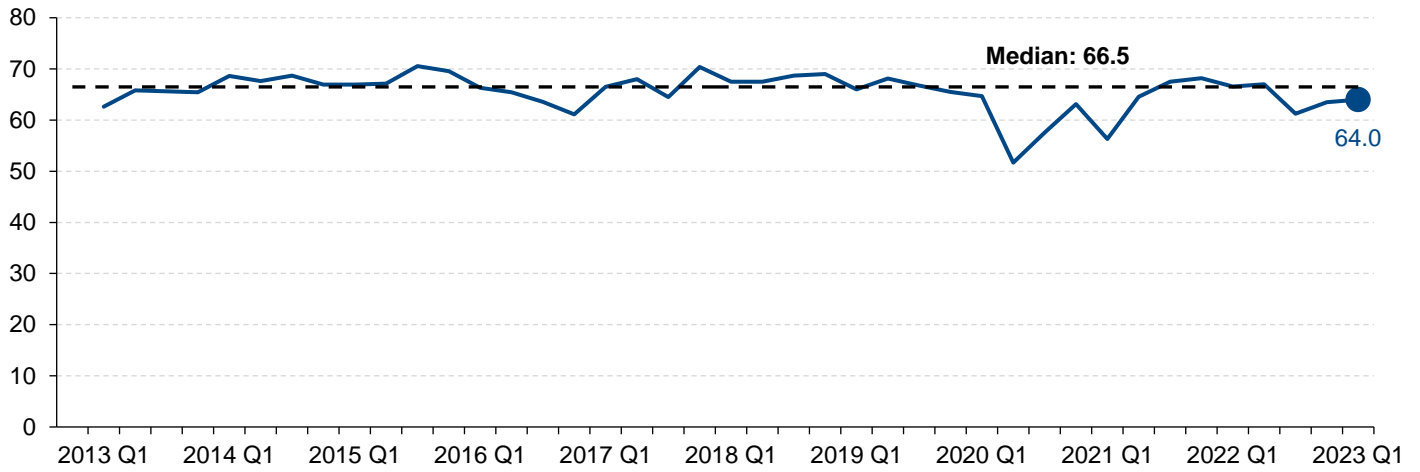
What hiring trends do you see for your business over the next year?



Source: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 4th, 2023 and January 18th, 2023.
 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: Lee County Executive Business Climate Survey, conducted by the Regional Economic Research Institute between January 4th, 2023 and January 18th, 2023.
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.

Business Conditions

- Looking forward to continued growth.
- Things were going well before the hurricane. The storm probably jades all my answers.
- Our business is more marketing & event specific. When natural disaster hits it hurts our business as the events stop which lead to less income. What is going to happen with Agricultural business if we have no one to work with in the fields. Will any new laws affect your business.
- It will take about 3 years for FMB to be back where it was before the hurricane.
- Having lost all three of our revenue producing locations, and our offices and contents of those offices, this is a very stressful time.
- Economy has been weakened by inflation and Hurricane Ian over last 12 months. Loss of re-occurring customers and new customers due to hurricane damage.
- Sure hope my positive outlook for the future holds true.
- Our present economic situation is directly affected by the disaster of Hurricane Ian since all of our hospitality business is located on Ft Myers Beach, Sanibel and Captiva. All interior work in those projects are on hold until insurance responds and a strategy by our clients is determined.
- Must get inflation and interest rates under control.
- Some industries are going to benefit from Hurricane Ian (i.e. construction and related industries) while others are going to be recovering from devastation for quite some time (hospitality/restaurants on our islands/beaches/waterfronts). Workforce availability is more difficult now than ever before because of the lack of both affordable and attainable housing. It will be a long road to recovery ahead of us as a region.
- What effect will Ian have on Lee County businesses and for how long?
- Where can I get business assistance if our bank couldn't provide?
- After 37 years of marketing service to many businesses in Southwest Florida, we have decided to retire from active work and have been winding down our services over the past several months. Thank you!
- After a brutal 4th quarter thanks to Ian, things are looking up in the 1st quarter and sales forecasts are better than a year ago.
- Water sports business in Lee county squashed due to Ian.
- Hurricane Ian had a severe impact on our business growth plans, as it has thrown a majority of our customer base into a state of chaos. Many of our customers/families and our part-time contractors are still trying to cope with repairs or replacement of both personal and real property. We are dance, theatre and fine arts educators just trying to give their children some small sense of normalcy and stability as they are still struggling to get back to life as they knew it.
- Hurricane Ian has cast a shadow over the real economic near term future of Lee County. Although we see a major rebuild in the effected parts, the time period is uncertain largely in part to permitting and insurance delays. Additionally, this rebuild will slow the seasonal tourism. However, the businesses with little or no effect will thrive and in some cases (restaurants) will see substantial improvements stemming from reduced capacity in the affected areas. What we are starting to see is garbage service reductions at businesses that provide services to the construction sector, not big box or retail but service providers.
- The hurricane has very much impacted our business. It's hard to predict how the next year will go.
- Hurricane Ian wiped out a few of our stores. We are in the rebuilding stages with a long way to go.

Labor Market

- Greater partnerships with the colleges, FGCU, FSW and the Technical Colleges with businesses and the Government.

Provide low-cost government provided transportation for employees from the outreach communities, Labelle, Clewiston, Immokalee and similar surrounding communities to bring unemployed workers to areas where there are jobs, Ft. Myers and surrounding areas.

- I would like to see more standardizing in performance-based construction salaries. Or piece work for journeyman.
- Staffing and housing has been horribly challenging.
- "Very difficult" doesn't come close to the EXTREME difficulty in hiring qualified candidates. Nearly impossible.
- It's impossible to find qualified employees in this area. No one seems to want to learn, work, etc. And it is prohibitively expensive to live here. We hire employees in Chicago, and they work remotely.
- Similar to Enterprise Florida attending industry trade shows, I strongly suggest that Lee County attend trade shows with a booth specific to job career opportunities. We do a great job recruiting companies, now we need to do more to recruit educated professionals to fill those jobs available from the companies that want to move here. Our post (high school) graduate workforce in Fort Myers is below the national average. We need to do more to broadcast the great white- and blue-collar career opportunities here in SWFL, where skilled and professional labor is in very, very high demand, and largely unavailable. To attract the top companies and grow jobs and wages, we need amply qualified people to hire into these jobs.
- Salary & wage expectations has increased dramatically as has cost of living. As a non-profit we rely on donations to catch up to the huge increase in expenses.
- I have the same three people in my office for the last 2 years and expect that to remain the same.
- Typically, our lower-level openings can be filled locally but higher skills are difficult to find locally.

Government

- Workers at the City of Cape Coral need to get rid of their "NO" attitude.
- Make it easier for foreign business owners to get a green card. We are fighting for it since almost 5 years - it is ridiculous! No support for hard-working and financially independent taxpayers and employers.

Housing Market

- Developers still have tremendous demand for housing product.
- High housing is a detractor to employment in our area.
- I am getting more concerned about the ability of my employees to afford to live in Lee County and in Collier County both. The lack of affordable housing for those in the service industry (Health Care/Home Care included!) impacts our full-time residents and seasonal residents. I do not see our Lee County Commissioners or Fort Myers city council members putting priority on addressing this issue, instead focusing on expanding business growth. Expanding business growth without addressing affordable housing is simply not wise, causing further strain on the limited employee base. Go to the majority of restaurants during dinner hours, and see how many tables are empty due to the lack of servers - while customers wait for a table?



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