

RBA survey shows optimism among businesses

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Though only 14 percent of local businesses describe current conditions as good or very good, most are optimistic about sales and employment prospects over the next year, a survey of Rochester Business Alliance Inc. members found.

The survey, conducted this month, asked member companies to provide information on a variety of issues, including general outlook; past, current and future employment; and business conditions in their industry and in the region.

It also asked them to write in the most significant challenges to their future success. The most frequent response was what RBA officials called "the anti-business climate in New York State," including high taxes, high state spending and excessive regulations that raise the cost of doing business.

"These results show the resiliency and optimism of our business community," said Sandra Parker, RBA president and CEO. "But they also highlight intense frustration about the way our elected officials conduct the people's business in Albany.

"Businesses are angry over the lack of spending restraint that has resulted in New Yorkers paying some of the highest state and local property taxes in the nation. And they're fed up with the laws that make it more expensive and more difficult for businesses to be successful, and therefore stifle job creation."

The number of respondents describing business conditions as good or very good fell from 54 percent in December 2007 to 14 percent in the latest survey. In November 2008, the number was 32 percent. Asked to quantify current business conditions in Greater Rochester, 7 percent categorized them as good, down from 22 percent in November 2008 and 15 percent in December 2007.

Some businesses did express hope for the future. Asked how they expect industry business conditions to be a year from now, 44 percent said good or very good, up from 39 percent in November but down from 60 percent in December 2007. Meanwhile, 16 percent said bad or very bad, down slightly from 18 percent in November but up from 9 percent in December 2007.

The optimistic trend was more pronounced when the survey group was asked about future business conditions in Greater Rochester, with 38 percent expecting conditions to be good or very good a year from now, up from 31 percent in November and 25

percent in December 2007. The percentage of those who were expecting bad to very bad conditions was 10 percent, down from 20 percent in November and 19 percent in December 2007.

Few layoffs were expected among respondents. Eighty-five percent of those surveyed said their companies had no layoffs planned in the coming months.

Asked how current employment levels compared with those of a year ago, 15 percent said employment levels had increased, down from 40 percent in November 2008 and 54 percent in December 2007. Another 22 percent said levels remained unchanged while 63 percent said employment levels had decreased.

Asked how they anticipate their staffing to be a year from now, 37 percent said it would increase, 49 percent said it would remain unchanged and 14 percent said it would decrease, down from 24 percent expecting a decrease when surveyed in November.

The survey also found that businesses had taken a variety of actions to avoid laying off workers, including freezing expenses, limiting overtime, wage freezes and lower pay increases, curtailing business travel, reorganizing staff and freezing executive pay and reducing bonuses.

Although this survey did not inquire as to the extent of lowering pay increases, the 2008 Pay Trends Survey showed respondents expected to be offering pay increases this year of roughly 3.5 percent. Surveyed again in January as part of the RBA Annual Wage and Salary Surveys, respondents projected average pay increases of 3.2 percent for 2009.

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