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Business sentiment in Rochester

BY COLLEEN M. FARRELL

Local business leaders reported recently that the past year has been a difficult one, but they are optimistic about where the economy is headed.

The Rochester Business Alliance surveyed 59 of its members, who represent 14,772 employees and industries, including legal, automotive, real estate and manufacturing. Just 7 percent of respondents classified current business conditions in Greater Rochester as "good," down from 22 percent in November 2008 and from 15 percent in December 2007.

When asked about the business conditions of their specific industry, only 14 percent reported conditions are "good" or "very good," which is down markedly from 32 percent of respondents in November 2008 and from 54 percent in December 2007.

Numbers improved, however, when respondents were polled about what they expect their industry's business conditions will be like next year: 44 percent said "good" or "very good," which is up from 39 percent in November 2008, but down from 60 percent in December 2007. Meanwhile, 16 percent said "bad" or "very bad" conditions await their industry next year — down slightly from 18 percent in November but up from 9 percent in December 2007.

Asked to gauge how Rochester's business climate will be next year, 38 percent expect "good" or "very good" conditions, which is up from 31 percent in November and 25 percent in December 2007.

Only 10 percent of respondents said they expect the climate to deteriorate, which is less than the 20 percent and 19 percent who responded similarly in November 2008 and December 2007,

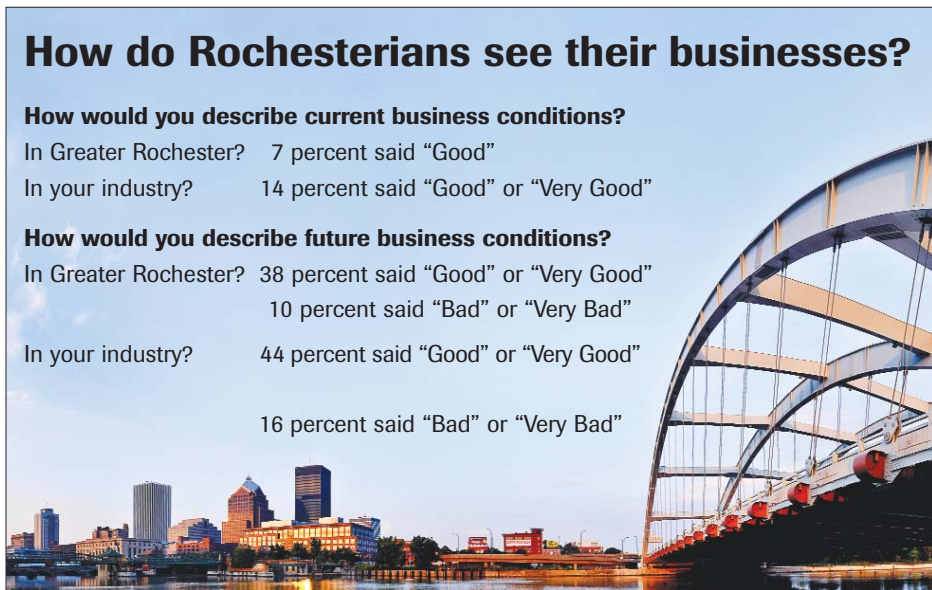
How do Rochesterians see their businesses?

How would you describe current business conditions?

In Greater Rochester? 7 percent said "Good"
 In your industry? 14 percent said "Good" or "Very Good"

How would you describe future business conditions?

In Greater Rochester? 38 percent said "Good" or "Very Good"
 10 percent said "Bad" or "Very Bad"
 In your industry? 44 percent said "Good" or "Very Good"
 16 percent said "Bad" or "Very Bad"



Source: Rochester Business Alliance

respectively.

Officials with the Rochester Business Alliance said the survey responses reflect the stability of the local market.

"It seems, in our area, businesses have weathered what's been going on and are waiting for the economy to turn around," Barb Cutrona, vice president of business information, training and events, said. "I think, now, the challenge is, how do you prepare yourself to be ready for that turnaround?"

There was good news on the employment side, too, as 85 percent of those surveyed said they don't have layoffs planned for the coming months; 37 percent said they expect to add employees in the next year, and 49 percent said their staffing levels would remain the same.

Just 14 percent said they expect to have less workers by this time next year, down from 24 percent of respondents' feeling that way in November 2008.

Asked how current employment levels compare with those of a year ago, 15

percent said they had increased, 22 percent said they were the same and 63 percent said they had decreased.

Respondents said they have tried to avoid layoffs by cutting back on overtime and business travel, freezing executive pay and bonuses, and curtailing expenses — nothing unusual, Cutrona said.

RBA President and CEO Sandy Parker said the results show that the local business community is resilient when it comes to economic challenges, but businesses continue to be frustrated by Albany's habits. Company leaders were asked to identify the greatest hurdles to their future success, and the most frequent response was that the cost of doing business in New York is too high, according to Parker.

"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," she said. "And they're fed up

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with the laws that make it more expensive and more difficult for businesses to be successful, and therefore stifle job creation.”

While it's good that there's a level of confidence and stability in the Greater

Rochester region, optimism will take business only so far, Cutrona said: “We can be as optimistic and forward-thinking as we can ... but we do need, at least, the state-level government to be more in tune with what's going on with business, and I think that when we see

the state spending, spending, spending and we have all these actions that companies are doing to save, ... it's just frustrating. ... [Businesses that] take one step forward and they're hit with more taxes and rules.”

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