

Eastern Shore Business Sentiment Survey

Summary Report February 2022

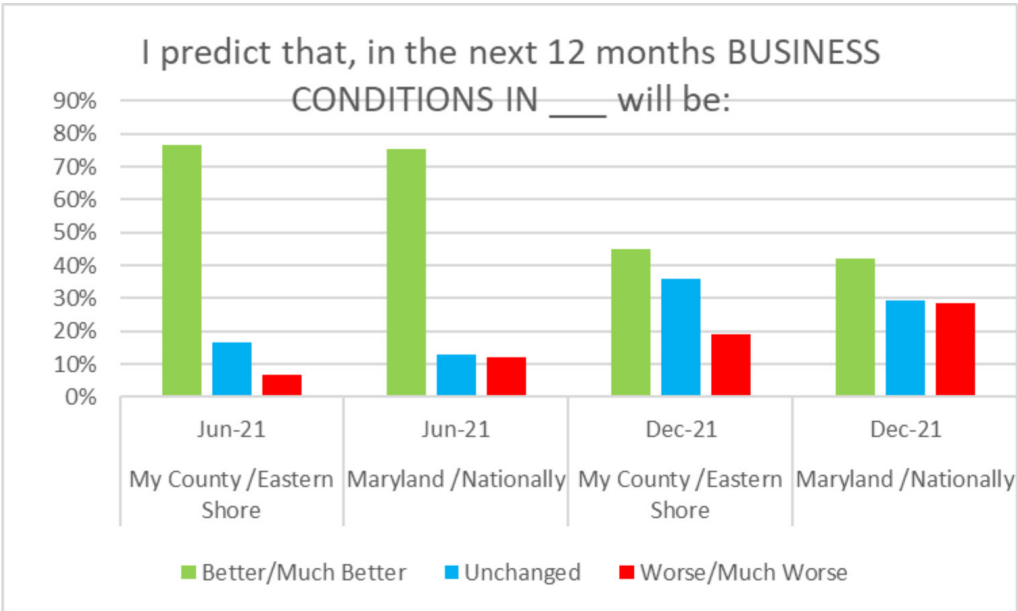


Eastern Shore business owners and managers are optimistic about the economic outlook over the next 12 month, though their enthusiasm has waned a bit since June. So says a survey conducted by Salisbury University’s Business Economic and Community Outreach Network (BEACON) in partnership with SU’s Eastern Shore Regional GIS Cooperative (ESRGC) and many of the region’s economic and workforce development professionals.

The survey has more than 50 questions and asks business leaders to weigh in on a range of topics, from general business concerns to conditions in their own industries. Respondents evaluated business conditions locally, regionally, in the state, and nationwide for the coming year. In addition, they shared views related to their specific industries and on issues from labor supply to regulations.

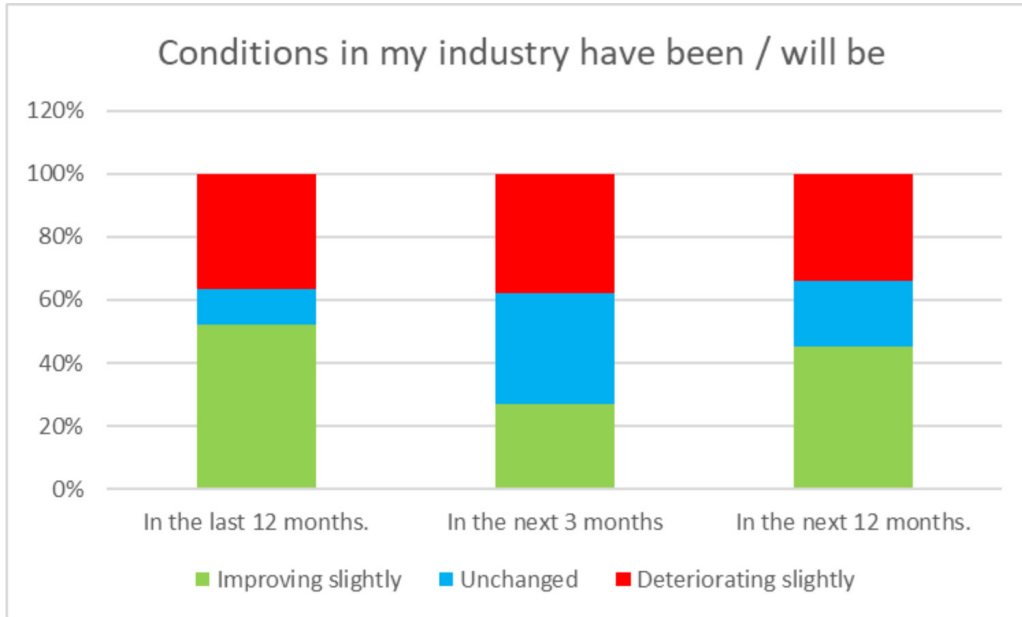
KEY FINDINGS

- BEACON and its partners released the first survey in June 2021 and conducted the same survey in December 2021.
- Respondents were optimistic about business conditions over the next 12 months, with 45% predicting better or much better conditions locally and on the Eastern Shore and 42% expecting better conditions in Maryland and nationally. Only 19% predicted worse or much worse conditions locally, though 29% see conditions worsening statewide and nationally.



Source: December 2021 Eastern Shore Business Sentiment Survey
Business Economic and Community Outreach Network (BEACON)

- Reflecting on their individual industry sectors, respondents shared that conditions had improved in the past 12 months. However, many were cautious about conditions in the next three-month period, with increasing optimism for the next 12-month period.



Source: December 2021 Eastern Shore Business Sentiment Survey
Business Economic and Community Outreach Network (BEACON)

- Respondents indicate that COVID-19 has caused new problems for businesses and has exacerbated existing problems, particularly related to workforce, a response that reflects national trends.
- Concerns about inflation have grown in the past six months, overtaking supply chain issues. Labor force issues remain stubbornly atop the list of barriers to both starting and expanding a business.
- Businesses remain supportive of the range of tools that economic development offices have deployed, ranging from long-term economic resiliency plans to workforce development programs, with 85 - 95% of respondents supporting the continuation of the programs after COVID-19.

When business leaders are optimistic, the economy is likely performing well. If survey respondents are more pessimistic in their views, storm clouds could be gathering on the economic horizon.

BEACON Director John Hickman says that a business sentiment survey is an effective way to gauge the health of the Eastern Shore economy. When business leaders are optimistic, the economy is likely performing well. If survey respondents are more pessimistic in their views, storm clouds could be gathering on the economic horizon.

Repeating the same questions over time is important because the results will show the changing business climate and the most pressing issues. For example, the December 2021 survey shows that businesses are beginning to adjust to disruptions in the supply chain when compared to the June survey.

“The respondents switched their second and third place concerns with inflation overtaking supply chain concerns, a reversal from the June 2021 survey,” Hickman notes. “This reflects the increase in inflation over the past few months and shows that businesses are learning to operate in the supply constrained environment.”

Respondents switched their second and third place concerns with inflation overtaking supply chain concerns, a reversal from the June 2021.

The changes reflected in the survey often mirror anecdotal evidence. “The most interesting outcome of the December survey is how quickly things change in business,” says Caroline County Economic Development Director Debbie Bowden “The responses confirm what I am hearing about the impact of inflationary pressures on current and future business conditions. This just shows that we have to be agile with our support for our county businesses.”

The June 2021 survey included businesses in Caroline, Dorchester, and Talbot counties, while the December 2021 survey was distributed to a wider audience that included Somerset, Wicomico and Worcester counties. Expanding the recipient pool allowed researchers to gain an understanding of the concerns of the region as a whole.

The June 2021 survey included businesses in Caroline, Dorchester, and Talbot counties, while the December 2021 survey was distributed to a wider audience that included Somerset, Wicomico and Worcester counties.

“This survey is just one tool that we use to monitor the local economy, but it is a very powerful tool indeed,” says Cassandra Vanhooser, director of Talbot County’s Department of Economic Development and Tourism. “Having business owners and managers take the time to give us insight into what they are thinking give us very valuable information. It helps us understand how national trends are playing out on the local level.”

The ESRGC summarized the findings in an infographic that can be found on the Eastern Shore Economic Recovery Project website, but economic developers also have access to an internal dashboard that enables them to mine the data for insight on specific issues.

Designed to gauge the opinions of the region's business leaders, this survey is just one of the tools that has grown out of the Eastern Shore Economic Recovery Project, a venture made possible by a \$507,000 grant from the United States Economic Development Agency (EDA). The Mid-Shore Regional

Council and the Tri-County Council of the Lower Eastern Shore are both recognized as Economic Development Districts by the EDA.

“Collecting honest feedback and opinions not only allows for real-time insight into the health of our businesses, but it also assists us in making data-driven decision making,” says **Susan Banks, director of Dorchester County Economic Development.** “Now that we have completed two surveys, we can compare data and watch for current and future trends. The trends will drive our response to business needs.”

In addition to the two regional councils, partners in the project include ESRGC, BEACON, the Lower Shore Workforce Alliance, the Upper Shore Workforce Investment Board, and the Caroline, Dorchester, and Talbot County economic development offices.

Counties on the Eastern Shore will continue to conduct the Eastern Shore Business Sentiment Survey every six

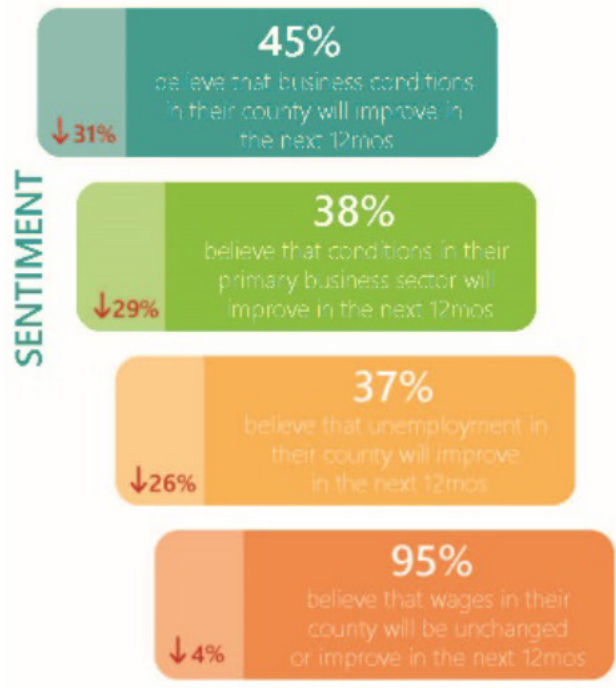
month, with the data used to identify challenges facing the region, to assist in long-term planning, and to guide the development of public policy.

“Collecting honest feedback and opinions not only allows for real-time insight into the health of our businesses, but it also assists us in making data-driven decision making,” says Susan Banks, director of Dorchester County Economic Development. “Now that we have completed two surveys, we can compare data and watch for current and future trends. The trends will drive our response to business needs.”

To access the Eastern Shore Economic Recovery Project, visit recovery.delmarvaindex.org.

Business Sentiment Survey

December 2021 survey responses



IMPROVING Strategies for Mitigating Future Disruptions



PARTICIPANTS



BARRIERS Highest barriers to starting and expanding a businesses?



We want to hear from you!
Email us at delmarva-nex@gmail.com to participate in the next business survey.

Source: December 2021 Eastern Shore Business Sentiment Survey
Business Economic and Community Outreach Network (BEACON)

“The infographic is a perfect way to boil down this collective feedback and communicate the big picture to a wide audience,” says ESRGC Project Manager Erin Silva. “The dashboard however gives the economic development directors and partners the ability to explore the data at a much finer scale. For example, they can visualize responses just for their county and for a specific sector, as well as track this information over time.”

Business Sentiment Dashboard

Home

- Sentiment
- Condition
- Barriers
- Impact
- Opinion

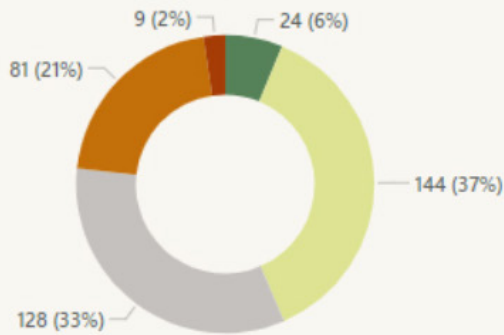
Filter

Date: I predict that in the next 12 months
 12/21 Business Conditions In Maryland Will Be:
 County: All Company Size: All Position: All Revenue: All

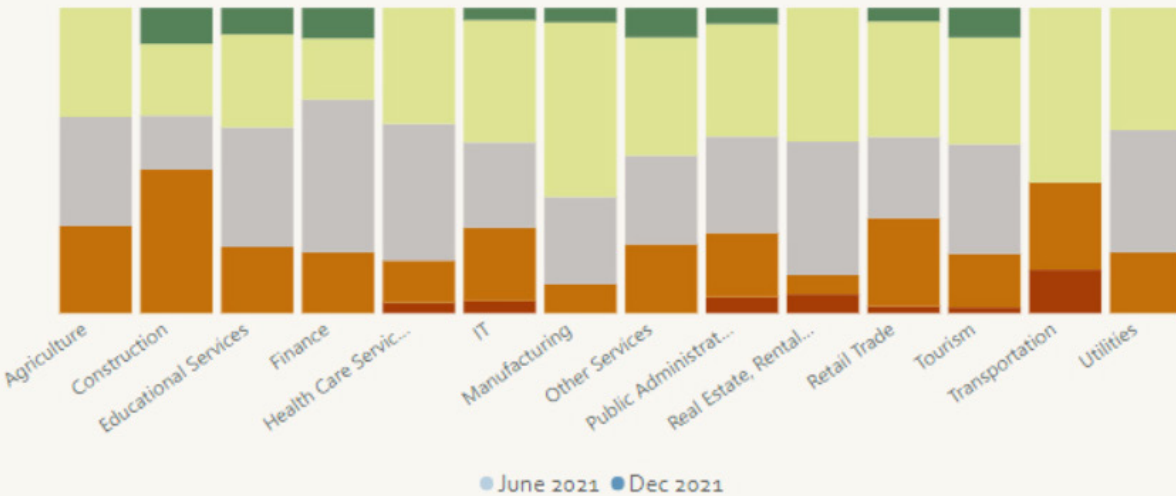
Total Responses

Business Conditions In Maryland Will Be:

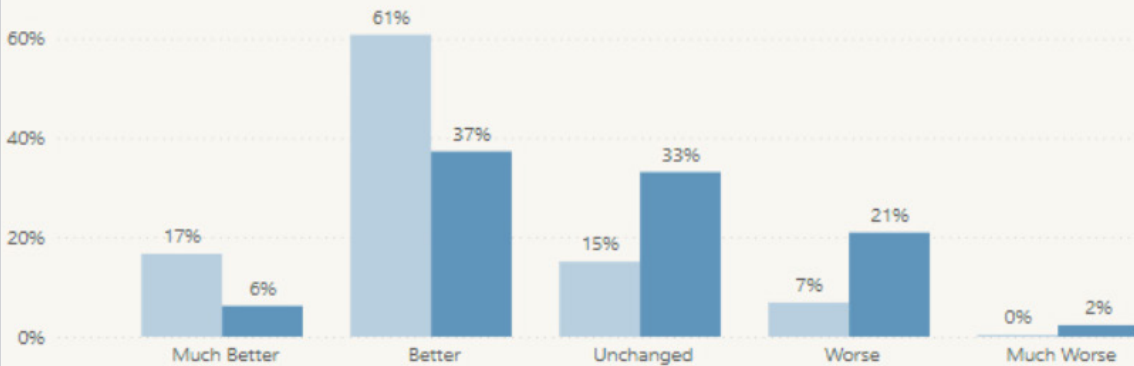
Much Better Better Unchanged Worse Much Worse



Responses by Industry



Compare



Source: December 2021 Eastern Shore Business Sentiment Survey
 Eastern Shore Regional GIS Cooperative (ESRGC)