



KENOSHA AREA BUSINESS ALLIANCE

DRIVING

Economic Development in Kenosha County

2005

Executive Economic Outlook Survey Report

This report is provided to participating members at no charge as a benefit of membership. Thank you for your participation!

Executive Economic Outlook Survey

Effective: April 2005

Released: May 2005



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Executive Summary

The survey was sent to 383 KABA members in April of 2005. A total of 55 completed surveys or approximately 15% were returned. The majority of the responses, 40%, came from the Manufacturing Industry. Employee Health Care Costs continues to rank as the most serious challenge to businesses with pricing pressure and competition not far behind.

Of the participants, 42% believe that their industry is projected to be stronger than now in the remainder of 2005, while 40% believe their industry is projected to be comparable to now and only 7% project their industry to be weaker than now. Eighty six percent (86%) indicated they expect some increase in their company's dollar volume of sales for 2005 and 69% said they expect some increase in their organization's profits.

Thirty seven percent (37%) of participants said they expect to increase their workforce by 1-20% in 2005, while 57% expect their workforce will remain the same, and only 6% of participants expect to decrease their workforce between 1-10%. During 2005, 78% of employers expect that their per person employee wages and salaries will increase by 1-10% while only 6% expect their per person wages and salaries to decrease by the same percentage.

Sixty four percent (64%) of businesses said they plan to increase capital expenditures, which is an increase of 16% from last year. Of those who expect to purchase capital equipment, 27% will invest over \$500,000 in the new equipment.



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2005 KABA Executive Economic Outlook Survey Results

Launch Date	04/19/2005 - 10:59 AM
Modified Date	
Close Date	05/02/2005 - 10:37 AM
Email Invites	0
Visits	111
Partials	11
Completes	55

1. Type of industry your organization represents:		Number of Responses	Response Ratio
Construction		7	13%
Education		3	5%
Financial Services		4	7%
Healthcare		1	2%
Insurance/Legal		2	4%
Manufacturing		22	40%
Nonprofit		1	2%
Real Estate		3	5%
Utilities/Telecommunications		1	2%
Warehousing/Distribution/Transportation/Logistics		2	4%
Wholesale/Retail Trade		0	0%
VIEW Other, Please Specify		9	16%
Total		55	100%

2. Current employment level at your business/organization:		Number of Responses	Response Ratio
1 - 10 employees		8	15%
11 - 20 employees		7	13%
21 - 50 employees		9	16%
51 - 100 employees		7	13%
101 - 250 employees		13	24%
251 - 500 employees		5	9%
500+ employees		6	11%
Total		55	100%






3. What are your organization's approximate annual sales?		Number of Responses	Response Ratio
< \$500,000		2	4%
\$500,001 - \$2M		7	13%
\$2.1M - \$5M		5	9%
\$5.1M - \$10M		11	20%
\$10.1M - \$20M		8	15%
\$20.1M+		22	40%
Total		55	100%







4. Does your organization utilize the Internet to conduct business?		Number of Responses	Response Ratio
Yes		44	80%
No		11	20%
Total		55	100%




5. What percentage of your sales are electronic?		Number of Responses	Response Ratio
0% - 10%		30	68%
11% - 20%		8	18%
21% +		6	14%
Total		44	100%

6. What percentage of your purchasing is electronic?		Number of Responses	Response Ratio
0% - 10%		28	64%
11% - 20%		10	23%
21% +		6	14%
Total		44	100%

7. During the remainder of 2005, your industry is projected to be:		Number of Responses	Response Ratio
Stronger than now		23	42%
Comparable to now		22	40%
Weaker than now		4	7%
Too uncertain to predict		6	11%
Total		55	100%

8. Compared to the entire year of 2004, your company's dollar volume of Sales/Revenue (net of inflationary effects) for the entire year of 2005 are expected to:		Number of Responses	Response Ratio
Increase by 21% +		4	8%
Increase by 11% - 20%		18	34%
Increase by 1% - 10%		18	34%
Remain the same		5	9%
Decrease by 1% - 10%		5	9%
Decrease by 11% - 20%		2	4%
Decrease by 21% +		1	2%
Total		53	100%

9. In comparison to 2004, your organization's Profits (before taxes) for 2005 are expected to?		Number of Responses	Response Ratio
Increase by 21% +		5	10%
Increase by 11% - 20%		11	22%
Increase by 1% - 10%		19	37%
Remain the same		8	16%
Decrease by 1% - 10%		5	10%
Decrease by 11% - 20%		3	6%
Decrease by 21% +		0	0%
Total		51	100%





10. During 2005, your organization's work force is expected to:		Number of Responses	Response Ratio
Increase by 21% +		0	0%
Increase by 11% - 20%		1	2%
Increase by 1% - 10%		19	35%
Remain the same		31	57%
Decrease by 1% - 10%		3	6%
Decrease by 11% - 20%		0	0%
Decrease by 21% +		0	0%
Total		54	100%




11. How much of your organization's 2005 revenues are projected to derive from exports?		Number of Responses	Response Ratio
0%		35	64%
1% - 10%		14	25%
11% - 20%		2	4%
21% +		4	7%
Total		55	100%



12. During 2005, your per person employee wages and salaries are expected to:		Number of Responses	Response Ratio
Increase by 21% +		1	2%
Increase by 11% - 20%		0	0%
Increase by 1% - 10%		42	78%
Remain the same		8	15%
Decrease by 1% - 10%		3	6%
Decrease by 11% - 20%		0	0%
Decrease by 21% +		0	0%
Total		54	100%





13. During the remainder of 2005, does your organization expect to purchase capital equipment?		Number of Responses	Response Ratio
Yes		35	64%
No		20	36%
Total		55	100%







14. Approximate investment:		Number of Responses	Response Ratio
\$0 - \$100,000		13	39%
\$100,001 - \$250,000		4	12%
\$250,001 - \$500,000		7	21%
\$500,001 +		9	27%
Total		33	100%

14. Approximate investment:		Number of Responses	Response Ratio
\$0 - \$100,000		13	39%
\$100,001 - \$250,000		4	12%
\$250,001 - \$500,000		7	21%
\$500,001 +		9	27%
Total		33	100%

15. Number of new jobs, if any:		Number of Responses	Response Ratio
Increase by 0 - 10		28	85%
Increase by 11 - 20		2	6%
Increase by 21 +		3	9%
Total		33	100%

16. During the remainder of 2005, does your organization expect to expand its facility?		Number of Responses	Response Ratio
Yes		15	27%
No		40	73%
Total		55	100%

17. Approximate size of expansion:		Number of Responses	Response Ratio
0 - 10,000 SF		10	67%
10,001 - 20,000 SF		2	13%
20,001 - 50,000 SF		1	7%
50,001 + SF		2	13%
Total		15	100%

18. Which one of the following represents the most serious challenge to your business?		Number of Responses	Response Ratio
Access to Capital		2	4%
Business Taxes		0	0%
Competition		12	22%
Employee Health Care Costs		14	25%
Pricing Pressure		13	24%
Raw Material Costs		8	15%
Regulatory Compliance		0	0%
Shortage of Skilled Workers		3	5%
VIEW Other, Please Specify		3	5%
Total		55	100%