

Survey: Central Calif. firms down about economy

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Small businesses in Central California seemed to be less optimistic than the rest of the state about the direction of the economy, according to a recent survey by Union Bank.

The survey, posted online during January, collected information from 500 small businesses in California and the Pacific Northwest about their economic outlook as well as their spending and hiring plans over the next year.

Among the respondents, 31 percent in Central California said they believed the state economy is heading in the right direction compared to 69 percent who thought it was heading in the wrong direction.

Statewide, 49 percent of respondents felt the state economy is heading in the right direction, up 12 percentage points from last year's survey and up 26 points from 2012. A close 51 percent believed the economy was still on the wrong path.

The outlook for employment wasn't all bad in Central California, with 26 percent of respondents reporting layoffs in 2013 compared to 29 percent with layoffs throughout the state, up seven points from the year before.

On a wider scale, 41 percent of respondents in the survey believed the national economy is on an upswing. That's up 10 percentage points from last year's survey and 16 percentage points from 2012.

Professional services industries like physicians, accountants and attorneys were the most optimistic with 51 percent looking favorably on the national economy and 62 happy about the direction of their state economy.

Those in personal service industries like auto repair, salons and dry cleaning were the most pessimistic with 72 percent saying the national economy was heading in the wrong direction and 63 percent saying the same about their state.

Small businesses seemed firm in their growth plans, however, as 69 percent of respondents planned to hire full-time staff in the year ahead, up 14 percent from last year. Another 31 percent planned to hire part-time staff, down 5 percent from last year.

Among the industries surveyed, 17 percent of retail stores anticipated additions to staff while 39 percent of businesses in the construction or engineering fields incurred employee cutbacks, more than all other industries.

Among women-, minority- and veteran-owned businesses, 29 percent planned to bolster staff this year, up 11 percentage points from last year, while 37 percent of those same businesses planned to increase capital expenditures, also up 11 points.

Only 9 percent of non-certified businesses planned to add staff in 2014, down five percentage points from last year, and only 20 percent of those businesses planned to increase capital spending, down two points from last year.