



UNIVERSITY *of*
MONTEVALLO

2018 Shelby County Business Outlook

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2018 Business Outlook

- Macro – US
 - Change in Washington
 - Big Tax Overhaul
- Shelby County
 - Study findings

2018 Business Outlook

- US Economy in 2017
 - Growth
 - GDP growth in Q4 2017 was 2.6%
 - Job growth in 2016 was a robust 187,000 per month
 - Job growth in 2017 slowed to 174,000 per month
 - Was effected by hurricanes

2018 Business Outlook

- US Economy in 2017
 - Employment
 - Unemployment in Dec 2017 was 4.1%
 - Unemployment rate is a real number
 - Participation rates is near average

2018 Business Outlook

- US Economy in 2017
 - Equity markets
 - Big year in stock market returns
 - Great year if you got in and out of Bitcoin at the right time
 - Market jump with the new tax bill
 - Significant volatility in last few days
 - Trump rally OR Trump recession in 2018? Not sure yet.

2018 Economic Outlook

- We remain in an economic boom
- Current economic boom 3rd longest in US history
 - Average post-war expansion is around 5 years
 - 1991-2001 – 10 years
 - 1961-1969 – 8 years and 10 months
 - 2009-Present – 8 years and 7 months (Jan)

2018 Business Outlook

- What about Shelby County?

2018 Business Outlook

- Shelby County Study
 - Partnership between the Greater Shelby Chamber and the Stephens College of Business at the University of Montevallo
 - Data collected via online questionnaire
 - Received 200 responses from Greater Shelby County Chamber Members and Affiliates

2018 Business Outlook

- Respondent employment
 - 19 = median number of employees among respondent
 - 63% respondents have less than 50 FTE
 - 11% respondents have 500 or more FTE

2018 Business Outlook

SECTOR OF RESPONDENTS	
Education	5.56
Financial Services	15.15
Food Services	2.02
Government/Public Admin	6.57
Health Care	9.09
Hospitality / Tourism	6.06
Manufacturing / Industry	7.07
Nonprofit	8.59
Professional Services	15.66
Retail	6.06
Technology	3.03
Other	15.15

2018 Business Outlook

- Revenues in 2018
 - 92% of respondents expect revenue to increase
 - compared to 79% in 2016 and 82% in 2017
 - 3.0% of respondents expect revenue to shrink
 - Compared to 11% in 2016 and 7.4% in 2017

2018 Business Outlook

- Expenses in 2018
 - 69% of respondent expect expenses to remain the same or increase slightly
 - Compared with 83% in 2017
 - Only 1% expect expenses to increase significantly

2018 Business Outlook

- Profit in 2018
 - 77% of respondents expect profits to increase slightly or significantly
 - Compared to 69% in 2017
 - 6.5% of respondents expect profits to decrease

2018 Business Outlook

- Debt in 2018
 - 76% of respondents expect debt to remain the same or decrease slightly
 - Compared to 86% in 2017
 - Only 24% expect debt to increase
 - Compared to 14% in 2017

2018 Business Outlook

EXPECTED CAPITAL EXPENDITURES IN 2017		COMPARED TO 2018
\$1,000,000 or more	14.71%	20.6%
\$500,000 to \$999,999	6.37%	6.03%
\$250,000 to \$499,999	7.84%	11.06%
\$100,000 to \$249,999	11.27%	13.07%
\$10,000 to \$99,999	26.47%	26.13%
Less than \$10,000	16.67%	12.06%
None	16.67%	11.06%

2018 Business Outlook

- Employment in 2018
 - 52% of respondents expect full-time employment to increase slightly or significantly
 - Compared with 43% in 2017
 - Only 3.5% of respondents expect full-time employment to decrease

2018 Business Outlook

- Employment in 2018
 - 37% of respondents expect part-time employment to increase slightly or significantly
 - Compared to 32% in 2017
 - Only 2.5% of respondents expect part-time employment to decrease
 - Very few respondents expect changes in temporary or seasonal full-time or part-time employment

2018 Business Outlook

- What impacts job creation in Shelby County?
 - Cost of unemployment insurance

2018 Business Outlook

- What impacts job creation in Shelby County?
 - Cost of unemployment insurance
- NO – little to no impact on creating jobs

2018 Business Outlook

- What impacts job creation in Shelby County?
 - Cost of workers comp

2018 Business Outlook

- What impacts job creation in Shelby County?
 - Cost of workers comp
- NO – little to no impact on creating jobs

2018 Business Outlook

- What impacts job creation in Shelby County?
 - Taxes and fees

2018 Business Outlook

- What impacts job creation in Shelby County?
 - Taxes and fees
- NO – little to no impact on creating jobs

2018 Business Outlook

- What impacts job creation in Shelby County?
 - Cost of benefits like health insurance

2018 Business Outlook

- What impacts job creation in Shelby County?
 - Cost of benefits like health insurance

- NO – little to no impact on creating jobs

2018 Business Outlook

- What impacts job creation in Shelby County?
 - Difficulty in finding skills and experience you need

2017 Business Outlook

- What impacts job creation in Shelby County?
 - Difficulty in finding skills and experience you need
- YES – this is a challenge in Shelby County and does effect job creation

2018 Business Outlook

- What impacts job creation in Shelby County?
 - Growth in sales / demand for your business or service

2018 Business Outlook

- What impacts job creation in Shelby County?
 - Growth in sales / demand for your business or service
- YES – this is the top driver of job creation

2018 Business Outlook

- What impacts job creation in Shelby County?
 - NOT cost of unemployment insurance
 - NOT taxes and fees
 - NOT cost of benefits like health insurance
 - SOMEWHAT difficulty in finding skills and experience you need
 - YES growth in sales / demand for your business or service

2017 Business Outlook

- SUMMARY for Shelby County
 - Expectations are very high
 - Employment will increase
 - Profits will increase
 - Capital investment will increase – especially at the \$1 million and above
 - Despite any regulatory or benefits cost, Shelby County business will create jobs when there is business to be done

Stephens College of Business

- World-class MBA program - in Pelham
 - Evenings courses with simulcast
 - Great value investment!
- Internships for students
 - Management, Marketing, Finance and Accounting majors



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