



UNIVERSITY *of*
MONTEVALLO

2019 Shelby County Business Outlook

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2019 Business Outlook

- Macro – US
 - Government Shut Down
 - Gross Domestic Product / Growth
 - Lower Consumer Confidence
 - Trade Wars and Tariffs
 - Results of Tax Overhaul
 - US Federal Debt
 - Market Performance
 - Recession Fears
 - Employment
- Shelby County
 - Study findings

2019 Business Outlook

- What about Shelby County?

2019 Business Outlook

- Shelby County Study
 - Partnership between the Shelby County Chamber and the Stephens College of Business at the University of Montevallo
 - Data collected via online questionnaire
 - Received 232 responses from Shelby County Chamber and Affiliate Members

2019 Business Outlook

- Respondent employment
 - 17 = median number of employees among respondent
 - 64% respondents have less than 50 FTE
 - 10% respondents have 500 or more FTE

2019 Business Outlook

| SECTOR OF RESPONDENTS | |
|--------------------------|------|
| Education | 4.3 |
| Financial Services | 11.7 |
| Food Services | 1.75 |
| Government/Public Admin | 7.8 |
| Health Care | 9.1 |
| Hospitality / Tourism | 6.9 |
| Manufacturing / Industry | 10.4 |
| Nonprofit | 7.4 |
| Professional Services | 16.5 |
| Retail | 6.1 |
| Technology | 3.5 |
| Other | 14.7 |

2019 Business Outlook

- Revenues in 2019
 - 87% of respondents expect revenue to increase
 - 92% in 2018
 - 82% in 2017
 - 79% in 2016
 - 5% of respondents expect revenue to shrink
 - 3% in 2018
 - 7.4% in 2017
 - 11% in 2016

2019 Business Outlook

- Expenses in 2019
 - 74% of respondent expect expenses to increase slightly or increase significantly
 - 8.25% of respondents expect expenses to increase significantly compared to 1% in 2018

2019 Business Outlook

- Profit in 2019
 - 70% of respondents expect profits to increase slightly or significantly
 - 77% in 2018
 - 69% in 2017
 - 9% of respondents expect profits to decrease
 - 6.5% in 2018

2019 Business Outlook

- Debt in 2019
 - 80% of respondents expect debt to remain the same or decrease
 - 76% in 2018
 - 86% in 2017
 - Only 18% expect debt to increase
 - 24% in 2018
 - 14% in 2017

2019 Business Outlook

| EXPECTED CAPITAL EXPENDITURES IN 2017 | | COMPARED TO 2018 | COMPARED TO 2019 |
|--|--------|---------------------|---------------------|
| \$1,000,000 or more | 14.71% | 20.6% | 15.6% |
| \$500,000 to \$999,999 | 6.37% | 6.03% | 4.74% |
| \$250,000 to \$499,999 | 7.84% | 11.06% | 10.78% |
| \$100,000 to \$249,999 | 11.27% | 13.07% | 12.5% |
| \$10,000 to \$99,999 | 26.47% | 26.13% | 27.16% |
| Less than \$10,000 | 16.67% | 12.06% | 17.67% |
| None | 16.67% | 11.06% | 11.21% |

2019 Business Outlook

- Employment in 2019
 - 52% of respondents expect full-time employment to increase slightly or significantly
 - 52% in 2018
 - 43% in 2017
 - Only 5.6% of respondents expect full-time employment to decrease
 - 3.5% in 2018

2019 Business Outlook

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

2019 Business Outlook

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

2019 Business Outlook

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

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2019 Business Outlook

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

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 - Taxes and fees
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2019 Business Outlook

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

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2019 Business Outlook

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

2019 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

2019 Business Outlook

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

2019 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

2019 Business Outlook

- New Question...
 - Shelby County economy is headed in the right direction
 - 90% agree or strongly agree
 - 2.25% disagree or strongly disagree
 - The US Economy is headed in the right direction
 - 70% agree or strongly agree
 - 6.5% disagree or strongly disagree

2019 Business Outlook

- SUMMARY for Shelby County
 - Expectations for revenue growth are down slightly
 - Slightly higher expectation for increasing expenses
 - Lower expectations for profits
 - Expect less capital expenditures in the \$500 K and over and more in the \$10K and less range
 - The overwhelming driver of job creation is growth in sales/demand and not costs or regulatory issues
 - Respondents have higher confidence in the Shelby County economy compared to the US economy



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