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EXECUTIVE SUMMARY

Taxes and healthcare are the major policy issues that most concern business leaders in Southeastern Massachusetts according to the Business Confidence and Policy Priorities Survey commissioned by the law firm of Nutter McClennen and Fish LLP. The survey of 163 business leaders was conducted by mail and email in the winter of 2010 by the Center for Policy Analysis at UMass Dartmouth. It assesses the opinions and perspectives of Southeastern Massachusetts business leaders on a variety of issues that relate to the state of the regional economy, the financial prospects of their individual businesses and the policy issues of greatest significance to their future development. Respondents represent a broad spectrum in terms of local area, size, number of years in business, industry type, annual gross revenues, and legal form of business organization.

BUSINESS CLIMATE AND PLANS

While business leaders report some difficulties, including a stagnant business climate during the previous twelve months, many businesses met or exceeded their expectations for the previous year. For example, 39 percent of survey respondents report that their business achieved its performance goals for the previous twelve month period and 19 percent exceeded expectations, although expectations may have been lower in light of the difficult economic climate. Conversely, 42 percent of respondents report that their businesses did not meet performance goals. Businesses that performed below expectations cite uncertainty about the economic future (27%), higher operating costs (15%) and domestic sales shortfalls (13%) as the primary factors in the failure to meet expectations. These factors are explained mainly by higher energy costs, the closing of business tax loopholes, and healthcare costs in the state, along with continued weakness in consumer confidence and consumer demand, which stem from unemployment, falling home prices, and stagnant incomes. Not surprisingly, these factors have made businesses reluctant to invest in new expansion.

A majority of respondents rate business activity in their local area as moderate (59%), weak (26%) or very weak (6%), with only 9 percent rating business activity as very strong (2%) or strong (7%). Similarly, 62 percent of respondents feel that business activity in their local area is not changing, although over a quarter feel that business activity is getting stronger (25%) or much stronger (1%). A majority of respondents rate their individual firm’s activity as moderate (55%).

While obtaining financing has been an issue for the private sector nationally, it was not a major obstacle for respondents in Southeastern Massachusetts. Sixty-six percent of respondents report that they borrowed or accessed credit during the previous twelve month period. Of these, 92 percent report they were able to meet their borrowing or credit needs. However, there is some uncertainty regarding financing among respondents who plan to borrow over the next twelve months, with 43 percent reporting that they did not know if it would be easier or harder to obtain required financing during this period.

Respondents are somewhat optimistic of an improved regional business climate and predict some measure of business growth in Southeastern Massachusetts over the next twelve months; although more than half of respondents (55%) feel that business conditions will be the same twelve months from now, 33 percent feel business conditions will be better, and only 9 percent feel they will be worse (3 percent are not sure).

In terms of employment growth, 50 percent of respondents expect employment levels at their business to remain the same over the next twelve months, 38 percent plan to increase employment, and only 8 percent plan to decrease employment over the next year. Among businesses that plan to increase employment, more than half (51%) expect that new employees will be added to their payroll as opposed to hiring temporary or contract employees (18%). In addition, 52 percent of employers plan to make capital expenditures in the next 12 months.
TOP POLICY ISSUES

Business leaders were asked to identify the top three public policy issues of most concern because they have a direct impact on their business. The major public policy issues for business leaders are healthcare costs (24.0% of total responses) and taxes (16.1% of total responses). These results are particularly significant because this was asked as an open-end question rather than a prompted response. The top five responses are:

- Healthcare costs (24.0%).
- Taxes/Tax rates (16.1%)
- Government regulation (general) (3.1%)
- Economy/Economic climate (2.8%)
- Unemployment (2.5%)

Many of the top policy issues are echoed in respondents’ views of the most important factors to business success. Respondents rated the importance of twenty factors in terms of how important each are to the success of their business on a scale of 1 to 5, with 1 meaning not important and 5 meaning critically important. The most critical cited by respondents are:

- State tax rates (3.7 mean on 1 to 5 scale),
- Local tax rates (3.7 mean on 1 to 5 scale),
- Availability of an educated workforce (3.6 mean on 1 to 5 scale),
- Ease of permitting and regulatory procedures (3.6 mean on 1 to 5 scale),
- Good lending and credit environment (3.6 mean on 1 to 5 scale), and
- Well developed broadband infrastructure (3.6 mean on 1 to 5 scale).

Respondents were also asked to rate their level of concern regarding several public policy issues on a scale of 1 to 5, with one meaning they are not at all concerned and five meaning they are very concerned. Respondents rate each of the choices above 3 on the 1 to 5 scale, and again, taxes and healthcare are at the top of the list:

- The cost of doing business (taxes and fees) (4.5 mean on the 1 to 5 scale),
- Healthcare reform (4.4 mean on the 1 to 5 scale),
- Energy costs (4.2 mean on the 1 to 5 scale),
- Availability of skilled workers (3.8 mean on the 1 to 5 scale),
- Quality of public education (3.7 mean on the 1 to 5 scale),
- Housing costs (3.5 mean on the 1 to 5 scale),
- Public safety (3.4 mean on the 1 to 5 scale), and
- Transportation infrastructure (3.3 mean on the 1 to 5 scale).
CONDITIONS AFFECTING RESPONDENT’S BUSINESS

Respondents were asked the level at which they agree or disagree with various factors that may be affecting their business. The general economic climate is the primary concern for respondents; 47 percent strongly agree and 34 percent somewhat agree that “current economic conditions are keeping my business from expanding.” To a lesser degree, respondents indicate that other factors are affecting their business, as follows:

- Higher payroll costs have affected my ability to remain competitive (22% strongly agree/48% somewhat agree),
- The cost of health insurance has prevented my business from hiring new employees (22% strongly agree/43% somewhat agree),
- Higher costs (taxes and fees) have postponed my business investments (20% strongly agree/30% somewhat agree),
- Lack of a skilled/educated workforce has negatively impacted my business (15% strongly agree/25% somewhat agree), and
- Rising energy costs are slowing my business growth (14% strongly agree/39% somewhat agree).

REGIONAL POLICY ISSUES

Respondents were asked to provide their perspectives on various regional policy issues. Results include:

- **Quality of commuter rail service:** Sixty-three percent of respondents (63%) rate the quality of commuter rail service from their local area to Boston as good (38%) or excellent (25%).
- **Condition of Route 3 and Route 24:** Thirty-three percent of respondents indicate that Route 3 does not meet the needs of their business and 28 percent of respondents feel that Route 24 does not meet the needs of their business.
- **New Route 44 connector:** Twenty-nine percent of respondents believe that the new Route 44 connector will spur business growth in Bristol County, while 4 percent disagree, 23 percent are not sure and 44 percent do not know.
- **Proposed extension of commuter rail to New Bedford and Fall River:** Sixty-one percent of respondents support the proposed extension of commuter rail to New Bedford and Fall River, while 14 percent are opposed and 25 percent are not sure.
- **Impact of the redevelopment of the South Weymouth Naval Air Station:** Fifty-five percent of respondents believe that the redevelopment of the South Weymouth Naval Air Station will have a positive impact on the Southeastern Massachusetts economy, while 2 percent disagree, 17 percent feel it will not affect the economy either way, and 26 percent do not know.
- **Quality of hospitals:** Thirty-one percent of respondents rate the quality of their local hospitals as excellent, while 48 percent rate the quality of their local hospitals as good, 20 percent rate them as fair and, 1 percent rate them as poor.
- **Quality of local area’s Broadband Infrastructure:** Seven percent of respondents rate the quality of their local area’s broadband infrastructure as excellent, while 68 percent rate the quality of their area’s broadband as good, 20 percent rate it as fair, and 5 percent rate it as poor.
- **Impact of resort casinos:** Nearly two-thirds of respondents (65%) believe that a casino in Southeastern Massachusetts will benefit that region’s economy, while 22 percent believe it will hurt the region’s economy, and 13 percent believe it will neither benefit nor hurt the regional economy. Respondents believe that resort casinos in Boston or Western Massachusetts will have smaller positive impacts on the Southeastern Massachusetts economy.
• **Quality of the local public K-12 schools**: Ten percent of respondents (10%) rate the quality of the local public K-12 schools as excellent, while 40 percent rate the schools as good, 38 percent rate them as average, and 12 percent rate them as poor.

• **Overall importance of higher education institutions to the region’s economic vitality**: Respondents rate the importance of the region’s higher education institutions as very important to the vitality of the regional economy, with respondents rating the importance of each an average of 3.8 or higher on a 1 to 5 scale of importance:
  - UMass Dartmouth (4.3 mean on 1 to 5 scale)
  - Bridgewater State University (4.2 mean on 1 to 5 scale)
  - Bristol Community College (4.0 mean on 1 to 5 scale)
  - Massasoit Community College (3.8 mean on 1 to 5 scale)

• **Industries that will provide significant future employment growth in region**: In rating the likelihood that various emerging industries will provide significant future employment growth in Southeastern Massachusetts, respondents rate the following higher than 3 on the 1 to 5 scale:
  - Marine Sciences  (3.8 mean on 1 to 5 scale)
  - Biotech  (3.7 mean on 1 to 5 scale)
  - Professional Services  (3.7 mean on 1 to 5 scale)
  - Green Energy (3.7 mean on 1 to 5 scale)
  - High Technology (3.6 mean on 1 to 5 scale)
  - Environmental Technology (3.6 mean on 1 to 5 scale)
  - Resort Casinos (3.2 mean on 1 to 5 scale)

**Earnings and Cost**

Respondents were asked to rate the cost that most affects business profitability in their company. Respondents cite employee health insurance as the cost that has most affected profitability, with nearly twice the percentage of the next closest response:

• Employee health insurance (71%)
• Energy, including gasoline and electricity (37%)
• Other Employee mandates (e.g., worker’s compensation & unemployment insurance) (37%)
• Employee wages and salaries (36%)
• State taxes (34%)
• Facilities costs (rent, mortgage, maintenance, repair) (29%)
• Local taxes (28%)
• Goods, supplies and materials (27%)

The top strategies that respondents plan to utilize to adjust to these costs include:

• Absorbing costs with lower earnings or profits (37%)
• Freezing or cutting employee wages or benefits (26%)
• Laying off some employees or not filling existing vacancies (25%)
• Cutting, eliminating, or delaying capital investment (23%)
• Raising selling prices (21%)
• Reducing total volume of energy used through conservation measures (17%)
• Don't Know (9%)
• Nothing (7%)
1.00 INTRODUCTION

The law firm of Nutter McClennen & Fish LLP seeks to understand the opinions and perspectives of Southeastern Massachusetts business leaders with regard to the state of the regional economy, the financial prospects of their individual businesses and the public policy issues of greatest significance. Accordingly, the firm retained the Center for Policy Analysis at UMass Dartmouth to conduct a business confidence and policy priorities survey of senior executives and private sector leaders in Southeastern Massachusetts. The survey covers a variety of topics, including business background, future business plans, the regional business climate and the most critical regional public policy issues.

1.10 THE SOUTHEASTERN MASSACHUSETTS REGION

Southeastern Massachusetts includes the forty seven towns and cities in Bristol and Plymouth Counties (see Figure 1). The region has been defined historically by its five cities (Attleboro, Brockton, Fall River, New Bedford and Taunton) and their role as traditional manufacturing and industrial centers. Gradually, however, Southeastern Massachusetts is separating into three distinct economic areas: SouthCoast, South Shore and Tri-Cities. These areas are differentiated by commuting patterns, economic bases, demographic profiles and the influence of the Boston and Providence metropolitan economies and each has its own distinct economic character and policy challenges.

Figure 1

2.00 METHODOLOGY

The business confidence and policy priorities survey was administered both electronically and by mail using a questionnaire developed by the Center for Policy Analysis in cooperation with Nutter McClennen & Fish LLP. Business leaders were initially defined as the top local or regional executives of any firm that employs 100 or more individuals in the region or as an individual who sits as an executive officer or member of a board of directors of any business organization. These organizations include Chambers of Commerce, Workforce Investment Boards, Economic Development Councils, Industrial Foundations and similar organizations. The application of these criteria resulted in the identification of 583 individuals.

Follow-up emails or mail surveys were sent two weeks after the initial contact to increase the response rate. Additionally, an email was sent by the South Shore Chamber of Commerce inviting its members to participate in the survey. An announcement of the survey was also included in the Plymouth Area Chamber of Commerce’s monthly newsletter. A total of 91 surveys were completed by email and 72 were completed by mail for a total of 163.

1 A copy of the questionnaire can be found in Appendix A.
2 A list of these organizations can be found in Appendix B.
3.00 RESULTS

3.10 BUSINESS BACKGROUND

Respondents represent a broad spectrum in terms of region, business size, number of years in business, industry type, annual gross revenues and legal form of business.

3.11 REGION

Forty-six percent of respondents have a business or business organization located in the Tri-Cities area, while 33 percent are located in the South Shore and 21 percent are located in the SouthCoast.

3.12 BUSINESS SIZE

Respondents represent a range of business size, with half employing less than 50 employees, 10 percent employing 50 to 99 employees and 40 percent employing 100 employees or greater (see Table 1).

3.13 NUMBER OF YEARS IN BUSINESS

A majority of respondents have been in business for more than 25 years, with 38 percent having been in business for more than 50 years (see Table 2).

3.14 INDUSTRY CATEGORY

Professional and technical services represents the highest percentage of survey respondents in terms of industry type (18%), followed by manufacturing businesses (15%), healthcare and social services (12%), finance (9%) and insurance (8%) (see Table 3).

---

Figure 2
Region Business is Located

Table 1
Business Size

<table>
<thead>
<tr>
<th># Employees</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 25</td>
<td>43%</td>
</tr>
<tr>
<td>25 to 49</td>
<td>7%</td>
</tr>
<tr>
<td>50 to 99</td>
<td>10%</td>
</tr>
<tr>
<td>100 to 499</td>
<td>30%</td>
</tr>
<tr>
<td>&gt; 500</td>
<td>10%</td>
</tr>
</tbody>
</table>

Table 2
Number of Years in Business

<table>
<thead>
<tr>
<th>Years</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 10 years</td>
<td>10%</td>
</tr>
<tr>
<td>11 to 25 years</td>
<td>20%</td>
</tr>
<tr>
<td>26 to 50 years</td>
<td>32%</td>
</tr>
<tr>
<td>51 to 99 years</td>
<td>20%</td>
</tr>
<tr>
<td>100+ years</td>
<td>18%</td>
</tr>
</tbody>
</table>

Table 3
Industry Category

<table>
<thead>
<tr>
<th>Industry</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional and Technical Services</td>
<td>18%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>15%</td>
</tr>
<tr>
<td>Healthcare and Social Services</td>
<td>12%</td>
</tr>
<tr>
<td>Finance</td>
<td>9%</td>
</tr>
<tr>
<td>Insurance</td>
<td>8%</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>5%</td>
</tr>
<tr>
<td>Other Services</td>
<td>4%</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>4%</td>
</tr>
<tr>
<td>Arts, Entertainment and Recreation</td>
<td>4%</td>
</tr>
<tr>
<td>Construction</td>
<td>4%</td>
</tr>
<tr>
<td>Real Estate and Rental and Leasing</td>
<td>4%</td>
</tr>
<tr>
<td>Accommodation and Food Services</td>
<td>3%</td>
</tr>
<tr>
<td>Other</td>
<td>3%</td>
</tr>
<tr>
<td>Transportation and Warehousing</td>
<td>2%</td>
</tr>
<tr>
<td>Information</td>
<td>2%</td>
</tr>
<tr>
<td>Educational Services</td>
<td>1%</td>
</tr>
<tr>
<td>Utilities</td>
<td>1%</td>
</tr>
<tr>
<td>Management of Companies</td>
<td>1%</td>
</tr>
</tbody>
</table>

Note: “Other” industry categories include non-profit, chamber of commerce, government and trade association.
3.15 **Annual Gross Revenue**

A majority of respondents report annual gross revenue above $5 million, with 40 percent reporting annual gross revenues above $10 million (see Table 4).

<table>
<thead>
<tr>
<th>Gross Revenue</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; $500,000</td>
<td>18%</td>
</tr>
<tr>
<td>$500,000 - $999,999</td>
<td>9%</td>
</tr>
<tr>
<td>$1,000,000 - $4,999,999</td>
<td>20%</td>
</tr>
<tr>
<td>$5,000,000 - $9,999,999</td>
<td>13%</td>
</tr>
<tr>
<td>$10,000,000 +</td>
<td>40%</td>
</tr>
</tbody>
</table>

3.16 **Legal Form of Business**

A third of businesses (33%) identify their legal form of business as an S-Corporation, 24 percent are organized as C-Corporations and 18 percent are Limited Liability Companies (Table 5).

<table>
<thead>
<tr>
<th>Gross Revenue</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>S-Corp</td>
<td>33%</td>
</tr>
<tr>
<td>C-Corp</td>
<td>24%</td>
</tr>
<tr>
<td>LLC</td>
<td>18%</td>
</tr>
<tr>
<td>Proprietorship</td>
<td>6%</td>
</tr>
<tr>
<td>Partnership</td>
<td>5%</td>
</tr>
<tr>
<td>501(c)(3)</td>
<td>4%</td>
</tr>
<tr>
<td>Publicly Traded</td>
<td>3%</td>
</tr>
<tr>
<td>Non-profit</td>
<td>2%</td>
</tr>
<tr>
<td>Mutual Company</td>
<td>2%</td>
</tr>
<tr>
<td>State Agency/Government</td>
<td>2%</td>
</tr>
<tr>
<td>Credit Union</td>
<td>1%</td>
</tr>
</tbody>
</table>

3.20 **Business Plans**

Respondents were asked to outline their business plans over the next twelve months, including whether they plan to hire new employees, if they achieved their performance goals over the past year and if they plan to make capital expenditures.

3.21 **Hiring Plans Over Next Twelve Months**

Half of businesses expect employment levels to remain the same over the next twelve months, while 38 percent plan to increase employment, 8 percent plan to decrease employment and 4 percent are not sure (see Figure 3). Among businesses that plan to increase employment, more than half (51%) expect that these new employees will be added to payroll (see Figure 4).

38 percent of employers plan to increase employment in the next 12 months. Of these hires, 51% are expected to be permanent hires.

---

Figure 3

Do You Expect the Number of People Working for You to Increase, Decrease, or Stay the Same?

---

Figure 4

Will New Employees Be Added to Your Payroll, or Will They Be Temporary, Leased, or Contract Employees?
3.22 Quality of Applicants

Seventy-three percent of respondents who have filled or attempted to fill job openings in the last twelve months report there were sufficient qualified applicants for the positions (see Table 6).

<table>
<thead>
<tr>
<th>Table 6</th>
<th>Were there Sufficient Qualified Applicants for the Positions?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Percent</td>
</tr>
<tr>
<td>Yes</td>
<td>73%</td>
</tr>
<tr>
<td>No</td>
<td>27%</td>
</tr>
</tbody>
</table>

3.23 Performance Goals

Thirty-nine percent of respondents report their business achieved its performance goals for the past year, while 19 percent exceeded expectations. However, 42 percent of respondents report their business did not meet expectations (see Figure 5).

<table>
<thead>
<tr>
<th>Figure 5</th>
<th>Did Your Business Achieve its Performance Goals for the Past Year?</th>
</tr>
</thead>
<tbody>
<tr>
<td>No, below expectations, 42%</td>
<td></td>
</tr>
<tr>
<td>Yes, exceeded expectations, 19%</td>
<td></td>
</tr>
<tr>
<td>Yes, achieved expectations, 39%</td>
<td></td>
</tr>
</tbody>
</table>

42 percent of employers report their business did not meet performance goals for the past year.

3.23A Reason Business Performed Below Expectations

Businesses that performed below expectations cite uncertainty in the economic future (27%), higher operating costs (15%) and domestic sales shortfalls (13%) as the primary factors (see Figure 6).

Figure 6
Why Did Your Business Perform Below Expectations?

- Uncertainty in economic future: 27%
- Higher operating costs: 15%
- Domestic sales shortfall: 13%
- Slow-down in housing market: 11%
- Government regulations: 10%
- Insufficient cash flow: 9%
- Internal sales shortfall: 9%
- Rising energy costs: 9%
- Other: 7%
- Staffing issues: 6%
- Access to capital: 4%
- Domestic competition: 4%
- Technology changes: 3%
- Internal competition: 1%

3 “Other” reasons businesses did not meet their performance goals include competitive rate changes, a decrease in client/customer spending, government funding delays, overall industry decline, reduced insurance payouts, merger costs, start-up issues and web issues.

4 Percentages do not add to 100 because respondents were able to choose more than one response.
3.24 **CAPITAL EXPENDITURES**

Fifty-two percent of employers plan to make capital expenditures in the next 12 months, while 40 percent do not plan to make capital expenditures and eight percent are not sure (see Figure 7).

![Figure 7](image)

Figure 7
In the Next Twelve Months Do You Expect to Make Any Capital Expenditures For Plant And/Or Physical Equipment?

- Yes, 52%
- No, 40%
- Don't Know, 8%

3.30 **BUSINESS CLIMATE**

3.31 **BUSINESS CONDITIONS**

More than half of respondents (55%) feel that business conditions will be the same twelve months from now, while 33 percent feel they will be better, 9 percent feel they will be worse and 3 percent are not sure (see Table 7).

<table>
<thead>
<tr>
<th>Better</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>About the same</td>
<td>55%</td>
</tr>
<tr>
<td>Worse</td>
<td>9%</td>
</tr>
<tr>
<td>Don't Know</td>
<td>3%</td>
</tr>
</tbody>
</table>

52 percent of employers plan to make capital expenditures in the next 12 months.
3.32 BUSINESS ACTIVITY

A majority of respondents rate the business activity in their area as moderate (59%), weak (26%), or very weak (6%), with only 9 percent rating business activity as very strong (2%) or strong (7%) (see Figure 8). Similarly, 62 percent of respondents feel that business activity in their area is not changing, although 26 percent feel business activity is getting stronger (25%) or much stronger (1%) (see Figure 9). A majority of respondents rate their individual firm’s activity as moderate (55%). (see Figure 10).

3.33 BORROWING/CREDIT

Sixty-six percent of respondents report that they borrowed or accessed credit during the previous twelve month period. Of these, 92 percent report they were able to meet their borrowing or credit needs (see Table 8). There is some uncertainty regarding financing among respondents who plan to borrow over the next twelve months, with 43 percent of respondents reporting that they did not know if it would be easier or harder to obtain their required financing over the next twelve months (see Table 9).

<table>
<thead>
<tr>
<th>Table 8</th>
<th>During the Last Twelve Months, Was Your Firm Able to Satisfy Its Borrowing or Credit Needs?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent</td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>92%</td>
</tr>
<tr>
<td>No</td>
<td>8%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table 9</th>
<th>Do You Expect to Find it Easier or Harder to Obtain Your Required Financing During the Next Twelve Months?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent</td>
<td></td>
</tr>
<tr>
<td>Easier</td>
<td>29%</td>
</tr>
<tr>
<td>Harder</td>
<td>28%</td>
</tr>
<tr>
<td>Don’t Know</td>
<td>43%</td>
</tr>
</tbody>
</table>
3.40 **TOP POLICY ISSUES**

Respondents were asked to indicate the top three current policy issues that most concern business leaders because they have a direct impact on their business or organization. The responses were varied and are broken out into several major categories. Overall, the major concerns for employers are healthcare costs (24.0% of total responses) and taxes (16.1% of total responses). These results are particularly significant because this was asked as an open-end question rather than a prompted response. (Note: Percentages represent the percentage of total responses overall, not the total within each category).

**Taxes and Fees**
- Taxes/Tax rate (16.1%)
- State taxes (1.7%)
- Corporate/Commercial tax rates (0.8%)
- Local taxes (0.8%)

**Healthcare and Related**
- Healthcare costs (24.0%)

**Economy/Business Environment**
- Economy/Economic climate (2.8%)
- Unemployment (2.5%)
- Jobs/Job creation (1.4%)
- Rising utility costs (0.8%)
- Business climate (0.6%)
- Small business lending (0.6%)
- Mortgage financing (0.6%)
- Residential foreclosures (0.6%)

**Regulation**
- Government regulation (general) (3.1%)
- State regulation (0.8%)
- Federal regulation (0.56%)

**Government Spending/Waste**
- Medicare funding (1.4%)
- Medicaid reimbursement (1.1%)
- Deficit spending (0.6%)

**Mandated Employee Costs**
- Workers comp (1.7%)
- Unemployment Insurance (0.8%)

**Miscellaneous**
- Education (1.4%)
- Housing (1.4%)
- Cost of living (healthcare, housing, etc.) (1.1%)
- Education funding (0.8%)

---

The major public policy issues for business leaders are taxes and healthcare costs.
3.50 **Most Important Factors of Business Success**

Respondents were asked to rate the importance of twenty factors in terms of how important each are to the success of their business. The most critical issues relate to state and local tax rates, broadband, lending and credit, permitting, and the availability of an educated workforce (see Figure 11).

![Figure 11: How Important are Each of the Following Factors to the Success of Your Business?](Mean on 1 to 5 Scale)
3.60 LEVEL OF CONCERN ABOUT VARIOUS PUBLIC POLICY ISSUES

Respondents were asked to rate their level of concern regarding several public policy issues on a scale of 1 to 5, with one meaning they are not at all concerned and five meaning they are very concerned. Respondents rate each of the choices above 3 on the 1 to 5 scale, with the most important concerns being the cost of doing business (taxes and fees), healthcare reform and energy costs (see Figure 12).

![Figure 12](thinking_about_your_business_level_of_concern.png)

3.70 CONDITIONS AFFECTING RESPONDENT’S BUSINESS

Respondents were asked the level at which they agree or disagree with various factors that may be affecting their business. Respondents most strongly agree that current economic conditions are keeping their business from expanding, (see Figure 13).

![Figure 13](conditions_affecting_business.png)
3.80 REGIONAL POLICY ISSUES

3.81 COMMUTER RAIL

3.81a Quality of Commuter Rail Service

Sixty three percent of respondents rate the quality of commuter rail service from their local area to Boston as good (38%) or excellent (25%) (see Figure 14).

![Figure 14](image-url)

**How Would You Rate the Quality of Commuter Rail Service from Your Local Area to Boston?**

Sixty-one percent of respondents support the proposed extension of commuter rail to New Bedford and Fall River, while 14 are opposed and 25 percent are not sure (see Figure 15).

![Figure 15](image-url)

**Do You Support the Proposed Extension Of Commuter Rail to New Bedford and Fall River?**

3.82 STATE HIGHWAYS

3.82a Condition of Route 3 and Route 24

Respondents were asked the degree to which Route 3 and Route 24 meet the needs of their business. While a significant number of business leaders answered “Don’t Know,” 33 percent of respondents feel that Route 3 does not meet the needs of their business and 28 percent of respondents feel that Route 24 does not meet the needs of their business (see Figure 16).

![Figure 16](image-url)

**Which of the Following Statements Best Describes Your Opinion about the Condition of Route 3 and Route 24?**

3.82b New Route 44 Connector

Twenty-nine percent of respondents believe that the new Route 44 connector will spur business growth in Bristol County, while 4 percent disagree, 23 percent are not sure and 44 percent do not know (Figure 17).

![Figure 17](image-url)

**Do You Believe that the New Route 44 Connector Will Spur Business Growth in Bristol County?**

<table>
<thead>
<tr>
<th></th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>29%</td>
</tr>
<tr>
<td>No</td>
<td>4%</td>
</tr>
<tr>
<td>Maybe</td>
<td>23%</td>
</tr>
<tr>
<td>Don’t Know</td>
<td>44%</td>
</tr>
</tbody>
</table>

Sixty-one percent of respondents support the proposed extension of commuter rail to New Bedford and Fall River.
3.83 QUALITY OF HOSPITALS AND SCHOOLS

3.83a Quality of Local Hospitals

Thirty-one percent of respondents rate the quality of their local hospitals as excellent, while 48 percent rate the quality of their local hospitals as good, 20 percent rate them as fair and 1 percent rate them as poor (see Figure 18).

3.83b Quality of the Local Public K-12 Schools

Ten percent of respondents rate the quality of the local public K-12 schools as excellent, while 40 percent rate the schools as good, 38 percent rate them as average and 12 percent rate them as poor (see Figure 19).

3.83c Overall Importance of Higher Education Institutions to the Region’s Economic Vitality

Respondents place high regard in the importance of the region’s higher education institutions to the vitality of the regional economy (see Figure 20).

3.84 QUALITY OF YOUR LOCAL AREA’S BROADBAND INFRASTRUCTURE

Seven percent of respondents rate the quality of their local area’s broadband infrastructure as excellent, while 68 percent rate the quality of their area’s broadband as good, 20 percent rate it as fair and 5 percent rate it as poor (see Figure 21).
**3.85 IMPACT OF RESORT CASINOS**

Nearly two-thirds of respondents (65%) believe that a casino in Southeastern Massachusetts will benefit the region’s economy, while 22 percent believe it will hurt the region’s economy and 13 percent believe it will neither benefit or hurt the region’s economy (see Figure 22). Respondents believe that resort casinos in Boston or Western Massachusetts will have smaller positive impacts on the Southeastern Massachusetts economy.

Sixty-five percent of respondents believe that a casino in Southeastern Massachusetts will benefit the Southeastern Massachusetts economy.

**3.86 Emerging industries that will provide significant future employment growth in Region**

Respondents were asked to rate the likelihood that various emerging industries will provide significant future employment growth in Southeastern Massachusetts. Respondents rate each of the industries higher than a 3 on the 1 to 5 scale, with marine sciences ranked the highest and resort casinos ranked the lowest (see Figure 23).

**3.87 Impact of the redevelopment of the South Weymouth Naval Air Station on the Southeastern Massachusetts economy**

Fifty-five percent of respondents believe that the redevelopment of the South Weymouth Naval Air Station will have a positive impact on the Southeastern Massachusetts economy, while 2 percent disagree, 17 percent feel it will not affect the economy either way and 26 percent do not know (see Table 10).

**Table 10**

<table>
<thead>
<tr>
<th>What Impact Do You Think the Redevelopment of the South Weymouth Naval Air Station Will Have on the Southeastern Massachusetts Economy?</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive Impact</td>
<td>55%</td>
</tr>
<tr>
<td>Negative Impact</td>
<td>2%</td>
</tr>
<tr>
<td>Won’t Affect Either Way</td>
<td>17%</td>
</tr>
<tr>
<td>Don’t Know</td>
<td>26%</td>
</tr>
</tbody>
</table>
3.88 MassDevelopment Regional Office

Eleven percent of respondents have received assistance from the Mass Development regional office (see Table 11). Among these respondents, 48 percent rate quality of assistance they received as excellent, 32 percent rate the assistance as good, 5 percent rate it as fair and sixteen percent rate it as poor.\(^5\)

| Have You Ever Received Assistance from the MassDevelopment Regional Office? |
|-----------------------------|------------------|
|                              | Percent |
| Yes                         | 11%     |
| No                          | 89%     |

3.89 Member of Chamber of Commerce

Eighty-six percent of respondents are a member of a Chamber of Commerce. Specific chambers of which respondents are members include:

- Attleboro Area Chamber of Commerce (N=3)
- Boston Chamber of Commerce
- Cape Cod Chamber of Commerce (N=3)
- Cohasset Chamber of Commerce
- Cranberry Country Chamber of Commerce (N=4)
- Fall River Area Chamber of Commerce (N=11)
- Falmouth Chamber of Commerce
- Greater Providence Chamber of Commerce (N=2)
- Hyannis Area Chamber of Commerce
- Hyannis Chamber of Commerce
- Marlborough Regional Chamber of Commerce
- Marshfield Chamber of Commerce
- Metro South Chamber of Commerce (N=10)
- Neponsett Valley Chamber of Commerce (N=3)
- New Bedford Chamber of Commerce (N=20)
- Plymouth Area Chamber of Commerce (N=11)
- Quincy Chamber of Commerce (N=3)
- Randolph Chamber of Commerce
- South Shore Chamber of Commerce (N=61)
- Taunton Area Chamber of Commerce (N=13)
- Tri-Town Chamber of Commerce (N=2)
- United Regional Chamber of Commerce (N=4)

\(^5\) Due to the low number of responses (N=15), data regarding the quality of service received from MassDevelopment should be interpreted with caution.

3.90 Earnings and Cost

3.91 Business Costs that Most Affect Profitability

Employee health insurance is the cost that has most affected business profitability over the previous twelve months, with nearly twice the percentage of the next closest response (see Figure 24).

![Figure 24](image-url)

Over the Last Twelve Months, What Business Costs Have Most Affected your Ability to Do Business Profitably?

Other costs cited by respondents include:

- Ability to hire sufficient professional staff
- Banking regulations
- DEP regulations
- Unfair insurance labor rate
3.92 PLANS TO ADJUST TO COSTS

The top strategies that respondents plan to utilize to adjust to these costs include absorbing the costs, freezing or cutting employee wages/benefits, laying off employees or not filling vacancies, cutting, eliminating or delaying capital investment and raising selling prices (see Figure 25).

Figure 25
How Do you Plan to Adjust to Those Costs Over the Next Twelve Months?

- Absorbing costs with lower earnings or profits: 37%
- Freezing or cutting employee wages or benefits: 26%
- Laying off some employees or not filling existing vacancies: 25%
- Cutting, eliminating, or delaying capital investment: 23%
- Raising selling prices: 21%
- Reducing total volume of energy used through conservation measures: 7%
- Don't Know: 9%
- Nothing: 7%

Employee health insurance is the cost that has most affected respondents’ ability to do business profitably over the previous twelve months.
Appendix A – Questionnaire

Thank you for taking the time to complete the survey. Be assured that all responses are confidential and that no individual person or business will be identified in the published results. Please return your responses in the enclosed business reply envelope.

A. BUSINESS BACKGROUND

1. What is your business zip code? _______________

2. Approximately how many people do you employ?
   - <25
   - 25 to 49
   - 50 to 99
   - 100 to 499
   - >500

3. Which of the following industry categories best describes your business?
   - Accommodation and Food Services
   - Administrative and Waste Services
   - Arts, Entertainment and Recreation
   - Construction
   - Educational Services
   - Finance
   - Healthcare and Social Services
   - Information
   - Insurance
   - Management of Companies and Enterprises
   - Manufacturing
   - Other Services, Ex. Public Administration
   - Professional and Technical Services
   - Public Administration
   - Real Estate and Rental and Leasing
   - Retail Trade
   - Transportation and Warehousing
   - Utilities
   - Wholesale Trade
   - Other (please describe) _______________

4. How many years has your company been in business?
   - 1 to 10 years
   - 11 to 25 years
   - 26 to 50 years
   - 51 to 99 years
   - 100+ years

5. What is your company’s yearly gross revenue?
   - Less than $500,000
   - $500,000 – $999,999
   - $1,000,000 – $4,999,999
   - $5,000,000 – $9,999,999
   - >$10,000,000

6. What is your legal form of business?
   - Proprietorship
   - Partnership
   - S-Corp
   - C-Corp
   - LLC
   - Don’t Know
   - Other _______________
B. BUSINESS PLANS

7. In the next twelve months, do you expect the number of people working for you to increase, decrease, or stay the same?
   - Increase
   - Decrease
   - Stay the same
   - Don’t know

7a. [If employment will increase] Do you expect that these new employees will be added to your payroll, or will they be temporary, leased, or contract employees?
   - Permanent payroll
   - Temporary/contract
   - Both
   - Don’t know

8. If you have filled or attempted to fill any job openings in the last twelve months, were there sufficient qualified applicants for the position(s)?
   - Yes
   - No
   - Did not fill/atempt to fill openings
   - Don’t Know

9. Did your business achieve its performance goals for the past year?
   - Yes, exceeded expectations
   - Yes, achieved expectations
   - No, below expectations
   - Don’t Know

9a. [If below expectations] Why did your business perform below expectations (please choose all that apply)
   - Uncertainty in economic future
   - Domestic sales shortfall
   - Higher operating costs
   - Slow-down in housing market
   - Insufficient cash flow
   - Domestic competition
   - Government regulations
   - Rising energy costs
   - Access to capital
   - Staffing issues
   - Internal sales shortfall
   - Internal competition
   - Technology changes
   - Other _____________________

10. In the next twelve months, do you expect to make any capital expenditures for plant and/or physical equipment?
    - Yes
    - No
    - Don’t Know
### C. BUSINESS CLIMATE

<table>
<thead>
<tr>
<th>Question</th>
<th>Options</th>
</tr>
</thead>
</table>
| 11. Do you think that twelve months from now general business conditions will be better, about the same, or worse? | o Better  
o About the same  
o Worse  
o Don't Know |
| 12. How would you rate business activity in your local area?              | o Very strong  
o Strong  
o Moderate  
o Weak  
o Very weak  
o Don't Know |
| 13. Is business activity in your local area getting:                      | o Much stronger  
o Stronger  
o Not Changing  
o Weaker  
o Much weaker  
o Don't Know |
| 14. How would you rate your firm’s business activity?                     | o Very strong  
o Strong  
o Moderate  
o Weak  
o Very weak  
o Don't Know |
| 15. During the last twelve months, was your firm able to satisfy its borrowing or credit needs? | o Yes  
o No  
o Don't Know  
o Did not borrow |
| 16. Do you expect to find it easier or harder to obtain your required financing during the next twelve months? | o Easier  
o Harder  
o Don't Know  
o Do not plan to borrow |

### D. BUSINESS CLIMATE ISSUES

<table>
<thead>
<tr>
<th>Question</th>
<th>Options</th>
</tr>
</thead>
</table>
| 17. What are the top three current public policy issues that most concern you because they have a direct impact on your business or organization? | 1.  
2.  
3. |
18. How important are each of the following factors to the success of your business? Please respond on a scale of 1 to 5, with 1 meaning not important and 5 meaning critically important.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Not Important</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Don’t Know/NA</th>
</tr>
</thead>
<tbody>
<tr>
<td>State tax rates</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
</tr>
<tr>
<td>Close proximity to customers</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
</tr>
<tr>
<td>Availability of highly educated workforce</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
</tr>
<tr>
<td>Availability of equity capital</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
</tr>
<tr>
<td>Good lending and credit environment</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
</tr>
<tr>
<td>Low-interest loans</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
</tr>
<tr>
<td>Proximity to good highway infrastructure</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
</tr>
<tr>
<td>Gov’t. research and development grants</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
</tr>
<tr>
<td>State tax investment credits</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
</tr>
<tr>
<td>Ease of permitting and regulatory procedures</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
</tr>
<tr>
<td>Well developed Broadband infrastructure</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
</tr>
<tr>
<td>Proximity to a major city</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
</tr>
<tr>
<td>Local Tax Increment Finance Credits</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
</tr>
<tr>
<td>Local commercial/industrial property tax rates</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
</tr>
<tr>
<td>Proximity to a commercial airport</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
</tr>
<tr>
<td>Water and sewer infrastructure</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
</tr>
<tr>
<td>Quality of local public safety services</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
</tr>
<tr>
<td>Availability of scientists and engineers</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
</tr>
<tr>
<td>Availability of specialized technical personnel</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
</tr>
<tr>
<td>Proximity to a seaport</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
<td>Ο</td>
</tr>
</tbody>
</table>
19. Thinking about your business, please indicate your level of concern about each of the following public policy issues on a scale of 1 to 5, with one meaning you are not at all concerned and five meaning you are very concerned.

<table>
<thead>
<tr>
<th>Issue</th>
<th>Not at all Concerned</th>
<th>Very Concerned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of doing business (taxes and fees)</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>Energy Costs</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>Availability of skilled workers</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>Quality of public education</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>Transportation infrastructure</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>Healthcare reform</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>Housing costs</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>Public Safety</td>
<td>O</td>
<td>O</td>
</tr>
</tbody>
</table>

20. Please indicate how strongly you agree or disagree with the following statements on a scale of strongly agree, somewhat agree, somewhat disagree, or strongly disagree:

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree</th>
<th>Somewhat Agree</th>
<th>Somewhat Disagree</th>
<th>Strongly Disagree</th>
<th>Don’t Know/NA</th>
</tr>
</thead>
<tbody>
<tr>
<td>The cost of health insurance has prevented my business from hiring new employees.</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>Higher payroll costs have affected my ability to remain competitive.</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>Higher costs (taxes and fees) have postponed my business investments.</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>Rising energy costs are slowing my business growth.</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>Lack of a skilled/educated workforce has negatively impacted my business.</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>Current economic conditions are keeping my business from expanding.</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
</tbody>
</table>
E. REGIONAL POLICY ISSUES

21. How would you rate the quality of commuter rail service from your local area to Boston?
   - Excellent
   - Good
   - Fair
   - Poor
   - Don’t Know
   - No commuter rail in local area

22. Which of the following statements best describes your opinion about the condition of Route 3?
   - It meets the needs of my business and our customers
   - It does not adequately meet the needs of my business and our customers
   - No opinion/Don't know

23. Which of the following statements best describes your opinion about the condition of Route 24?
   - It meets the needs of my business and our customers
   - It does not adequately meet the needs of my business and our customers
   - No opinion/Don't know

24. Do you believe that the new Route 44 connector will spur business growth in Bristol County?
   - Yes
   - No
   - Maybe
   - Don’t Know

25. Do you support the proposed extension of commuter rail to New Bedford and Fall River?
   - Yes
   - No
   - Not sure

26. What impact do you think the redevelopment of the South Weymouth Naval Air Station will have on the Southeastern Massachusetts economy?
   - A positive impact
   - A negative impact
   - Won’t affect the economy much either way
   - Don’t know

27. How would you rate the quality of your local area’s hospitals?
   - Excellent
   - Good
   - Fair
   - Poor
   - Don’t Know

28. How would you rate the quality of your local area’s broadband infrastructure?
   - Excellent
   - Good
   - Fair
   - Poor
   - Don’t Know

29. Have you ever received assistance from the MassDevelopment regional office?
   - Yes
   - No

30. [If yes] How would you rate the quality of assistance you received from MassDevelopment?
   - Excellent
   - Good
   - Fair
   - Poor
   - Don’t Know

31. Are you a member of a Chamber of Commerce?
   - Yes
   - No

32. If yes, which Chamber? ________________
33. What impact do you believe a resort casino in each of the regions listed below will have on Southeastern Massachusetts economy?

<table>
<thead>
<tr>
<th>Region</th>
<th>Benefit the Economy in SE Mass</th>
<th>Hurt the Economy in SE Mass</th>
<th>Neither Benefit Nor Hurt the Economy in SE Mass</th>
<th>Don't Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>A resort casino in Southeastern Mass</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>A resort casino in Boston</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>A resort casino in Western Mass</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
</tbody>
</table>

34. On a scale of 1 to 5, with 1 meaning not important and 5 meaning very important, how would you rate the overall importance of the following educational institutions to the Southeastern Massachusetts region’s economic vitality?

<table>
<thead>
<tr>
<th>Institution</th>
<th>Not Important</th>
<th>Very Important</th>
<th>Don’t Know</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1  2  3  4  5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bridgewater State University</td>
<td>O  O  O  O  O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>Bristol Community College</td>
<td>O  O  O  O  O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>Massasoit Community College</td>
<td>O  O  O  O  O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>UMass Dartmouth</td>
<td>O  O  O  O  O</td>
<td>O</td>
<td>O</td>
</tr>
</tbody>
</table>

35. On a scale of 1 to 5, with 1 meaning not likely and 5 meaning very likely, how likely is it that the following industries will provide SIGNIFICANT future employment growth in Southeastern Massachusetts?

<table>
<thead>
<tr>
<th>Industry</th>
<th>Not Likely</th>
<th>Very Likely</th>
<th>Don’t Know</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1  2  3  4  5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Biotech</td>
<td>O  O  O  O  O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>Marine Sciences</td>
<td>O  O  O  O  O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>Professional Services</td>
<td>O  O  O  O  O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>Green Energy</td>
<td>O  O  O  O  O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>High Technology</td>
<td>O  O  O  O  O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>Environmental Technology</td>
<td>O  O  O  O  O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>Resort Casinos</td>
<td>O  O  O  O  O</td>
<td>O</td>
<td>O</td>
</tr>
</tbody>
</table>
36. How would you rate the quality of the local public K-12 schools that educate the children of your employees?
   o Excellent
   o Good
   o Average
   o Poor
   o Don’t Know

F. EARNINGS AND COST

37. Over the last twelve months, what business costs have most affected your ability to do business profitably? Has it been:
   o Employee health insurance
   o Goods, supplies and materials
   o Employee wages and salaries
   o Energy, including gasoline and electricity
   o Facilities costs (rent, mortgage, maintenance, repair)
   o State taxes
   o Local taxes
   o Other Employee mandates (e.g., worker’s compensation & unemployment insurance)
   o Don't Know
   o Other_________________________

38. How do you plan to adjust to those costs over the next twelve months? Is it by:
   o Raising selling prices
   o Laying off some employees or not filling existing vacancies
   o Absorbing costs with lower earnings or profits
   o Freezing or cutting employee wages or benefits
   o Cutting, eliminating, or delaying capital investment
   o Reducing total volume of energy used through conservation measures
   o Nothing
   o Don't Know
   o Other_________________________

39. Would you be interested in participating in a small focus group (2 hours) to further help us explore the issues examined in the survey? If yes, please supply your email address or other contact information below:

40. Any additional comments?

Thank you for your time. Please return the survey in the business reply envelope.
Appendix B – Organization Contact List

Executives and board members from the following organizations were mailed or emailed a survey:

1. Executives of any firm that employs 100 or more individuals in the region.

2. Individuals who sit as an executive officer or member of a board of directors of the following organizations:

   A. Workforce Investment Boards
      - Bristol Workforce Investment Board
      - Brockton Area Workforce Investment Board
      - Greater New Bedford Workforce Investment Board
      - Metro South/West Regional Employment Board
      - South Shore Workforce Investment Board

   B. Chambers of Commerce
      - Attleboro Area Chamber of Commerce
      - Cranberry Country Chamber of Commerce
      - Fall River Chamber of Commerce
      - Metro South Chamber of Commerce
      - New Bedford Chamber of Commerce
      - Plymouth Area Chamber of Commerce
      - South Shore Chamber of Commerce
      - Taunton Area Chamber of Commerce
      - United Regional Chamber of Commerce

   C. Economic Development Councils
      - Attleboro Economic Development Council
      - Brockton 21st. Century Economic Development Corporation
      - Fall River Office of Economic Development
      - New Bedford Economic Development Council
      - South Eastern Economic Development Corporation
      - Taunton Development Corporation

3. Members of the South Shore Chamber of Commerce
Appendix C – Top Public Policy Issues (Full List)

Respondents were asked “What are the top three current public policy issues that most concern you because they have a direct impact on your business or organization?”

### Taxes and Fees
- Taxes/Tax rate (14.5%)
- State taxes (1.7%)
- Corporate/Commercial tax rates (0.8%)
- Local taxes (0.8%)
- Estate taxes (0.3%)
- Expansion of the deposit "tax" on beverages (0.3%)
- Federal tax rates (0.3%)
- Federal tax uncertainty (0.3%)
- Increase in taxes will negatively impact the economy (0.3%)
- Increasing state and local fees (0.3%)
- Local lodging tax (0.3%)
- Personal income tax rates (0.3%)
- Potential new transfer tax (0.3%)
- Rising real estate taxes (0.3%)
- Rising taxes and shrinking tax deductions for small businesses (0.3%)
- Sales tax increase (0.3%)
- Tax decrease and its impact on state budget (0.3%)
- Tax regulations (0.3%)
- Tax relief for hiring the unemployed (0.3%)
- Tax revenues have to increase to support services (0.3%)

### Healthcare and Related
- Healthcare costs (24.6%)
- Downward pressure on healthcare expenditures (0.3%)
- Health benefits (0.3%)
- Healthcare legislation (0.3%)
- Inadequate supply of primary care physicians and healthcare specialty technicians (0.3%)
- Move toward electronic records (0.3%)

### Economy/Business Environment
- Economy/Economic climate (2.8%)
- Unemployment (2.5%)
- Jobs/Job creation (1.4%)
- Rising utility costs (0.8%)
- Business climate (0.6%)
- Small business lending (0.6%)
- Mortgage financing (0.6%)
- Residential foreclosures (0.6%)
- Anti-business legislature (federal and state) (0.3%)
- Changes in labor law. Disproportionate focus on union drives (0.3%)
- Commodity markets (0.3%)
- Consumer confidence (0.3%)
- Consumer confidence/retail climate (0.3%)
- Cost of living making it difficult to attract employees from out of state (0.3%)
- Credit (0.3%)
- Downtown development (0.3%)
- Economic policies (0.3%)
- E-verify (0.3%)
- Federal and state budget deficits (0.3%)
- Financial Services (0.3%)
- Housing/mortgage crisis (0.3%)
- Inflation (0.3%)
- Lack of available funds for startup business (0.3%)
- Lack of local economic development efforts (0.3%)
- Local business buying locally and supporting local business (0.3%)
- Manufacturing (domestic) (0.3%)
- Municipal retirement/pension costs (0.3%)
- Rising cost of materials to run business (0.3%)
- Rising interest rates (0.3%)
- State funding cuts (0.3%)
- State needs to create and retain jobs (0.3%)
- State support for tourism (0.3%)
- Support for U.S. based manufacturing (0.3%)
- Tort reform (0.3%)
- Unions (0.3%)
- Zoning (0.3%)
Regulation

- Government regulation (general) (3.1%)
- State regulation (0.8%)
- Federal regulation (0.6%)
- Banking regulations (0.3%)
- Environmental controls - move some of this to regulation (0.3%)
- Environmental regulations (0.3%)
- Financial industry regulations (0.3%)
- Over regulation of auto insurance by Attorney General (0.3%)
- Sarbanes Oxley regulations (0.3%)
- Slow permitting process (0.3%)

Government Policy

- 1099 regulations (0.3%)
- Changes in privacy regulations in Massachusetts (0.3%)
- Contract employee legislation (0.3%)
- CORI law changes (0.3%)
- Dodd/Frank reform (0.3%)
- Employment Law (0.3%)
- Federal policy on bank REO properties (0.3%)
- Government bureaucracy in general (0.3%)
- Government competition against private transportation provider (0.3%)
- Government interference with what beverage companies can sell to schools (0.3%)
- Government should get out of business, more privatization (0.3%)
- Government support of training with grants, credits, etc. (0.3%)
- Governor's race (0.3%)
- Lack of confidence in public officials and no leadership (0.3%)
- Lack of government officials to compromise and get any thing done (0.3%)
- Lack of loan modifications for homeowners (0.3%)
- Local elections (0.3%)
- Mandating sick leave by state (0.3%)
- Non-compete changes in favor of employee (0.3%)
- Political climate shift from Democrat to Republican (0.3%)
- Political party gridlock (0.3%)
- Potential loss of Mortgage Interest Deduction (0.3%)
- Privacy rules (0.3%)
- Pro-union administration (0.3%)
- Public policy toward alcohol (0.3%)
- Public programs to support domestic manufacturing (0.3%)
- Regional consolidation of municipal services (0.3%)
- Washington gridlock (0.3%)

Government Spending/Waste

- Medicare funding (1.4%)
- Medicaid reimbursement (1.1%)
- Deficit spending (0.6%)
- Delays in large Department of Defense programs (0.3%)
- Federal deficit (0.3%)
- Fiscal policy (0.3%)
- Government debt (0.3%)
- Government inefficiency and waste (0.3%)
- Increasing entitlement programs and associated cost to those paying for the programs (0.3%)
- Local government spending (0.3%)
- Overspending by government (federal, state, local) (0.3%)

Mandated Employee Costs

- Workers comp (1.7%)
- Unemployment Insurance (0.8%)
- Benefit costs (medical) (0.3%)
- Benefit laws (0.3%)
- Costs of employment-Tax (0.3%)
- Employee Free Choice Act (0.3%)
- Onerous employment laws in the Fair Labor Standards Act (0.3%)
- Unfair treatment against employers in cases of justified discharge (0.3%)

Miscellaneous

- Education (1.4%)
- Housing (1.4%)
- Cost of living (healthcare, housing, etc.) (1.1%)
- Education funding (0.8%)
- Benefits to philanthropists (0.3%)
- Child care funding (0.3%)
- Climate legislation (0.3%)
- Department of Environmental Protection (0.3%)
- Employee Free Choice Act (Card Check Bill) (0.3%)
- Employment pool skills (0.3%)
- Gambling as a source of tax revenue and job growth (0.3%)
- Illegal immigrants receiving state tuitions (0.3%)
- Illegal immigrants taking jobs (0.3%)
- Illegal immigration (0.3%)
- Legalized gambling/slots (0.3%)
- Need to attract and retain young professionals to the state (0.3%)
- Public moral (0.3%)
- Rising energy costs (0.3%)
- Security (0.3%)
- Sheet metal Licensing (0.3%)
- SouthCoast rail (0.3%)
- Support of arts education (0.3%)
- Support of arts/culture (0.3%)
- The opposition by conservative politicians to public projects, improving infrastructure, which would help put people back to work and help the economy (0.3%)