Business Confidence: Remains High

Sonoma County business owners average confidence level, as measured on a 10-point scale, increased to 7.1/10 in winter 2017, its highest level ever.

The strong confidence level translates into increased hiring demands, more capital investments, and increased production among Sonoma County businesses.

Executives expressed a strong sense of optimism for the economy, with 43.6% of respondents being moderately optimistic, 12.8% optimistic, and 5.3% very optimistic. Only 10.5% expressed any degree of pessimism.

In the past 6 months:
- 57% increase in new customer orders
- 45% increase in employment levels
- 44% increase in production

In the next 6 months:
- 61% expect an increase in sales
- 49% anticipate an increase in employment levels
- 45% expect to make investments in location and equipment

Current Challenge: Staffing

Over the past 6 months, executives confirmed an oft-cited impediment to growth, trouble finding and hiring qualified candidates. The chart to the right shows the extent to which executives experienced difficulty finding qualified job seekers. Only 6.7% reported having no difficulty.

As employers struggle to find employees, economic activity in the region will slow. Business leaders cited the lack of affordable housing and the high cost of living as possible factors limiting workforce availability.
As reported by survey respondents,

**TOP IMPEDIMENTS TO GROWTH:**

1. Workforce Attraction & Retention  
2. Business Taxes & Fees  
3. Government Regulations

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**Sonoma County EDB**  
Helping Your Business Succeed

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**Start-Up & Entrepreneurial Services**

As you start your new business, Ethan Brown, the EDB’s start-up and entrepreneurial services manager, will help you navigate the permitting and licensing process, analyze markets and planning strategies, find business loans, evaluate environmental and sustainability options, and stay up-to-date on economic trends.

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**Workforce & Talent Development**

As you expand your team, Heather LoBue, the EDB’s workforce and talent development manager, provides research and resources to inform your hiring and employee retention practices including salary and job description development, wage reimbursement for employee training costs, and hiring tax credits.

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**Business Expansion & Retention**

As your business grows, Tim Ricard, the EDB’s business expansion and retention manager, will work with you one-on-one to navigate the local permitting and planning processes, research and evaluate commercial sites, discover statewide tax credits and subsidy programs, and provide free market research.

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Visit www.SonomaEDB.org for more information!

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**Survey Metrics**

135 Sonoma County businesses participated in the Winter 2017 Business Confidence Survey, representing a response rate of 22%. These businesses included a variety of industries, with responses providing their forecast on business conditions and key concerns for future growth.

<table>
<thead>
<tr>
<th>Business Size</th>
<th>Number Responded</th>
</tr>
</thead>
<tbody>
<tr>
<td>500+ employees</td>
<td>7</td>
</tr>
<tr>
<td>251-500 employees</td>
<td>6</td>
</tr>
<tr>
<td>101-250 employees</td>
<td>17</td>
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<tr>
<td>51-100 employees</td>
<td>14</td>
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<tr>
<td>16-50 employees</td>
<td>47</td>
</tr>
<tr>
<td>1-15 employees</td>
<td>43</td>
</tr>
</tbody>
</table>

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Please direct any questions regarding this information to Economic Research Coordinator Sean Werkema at sean.werkema@sonoma-county.org