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CBIA survey finds nearly 90% of executives say costs are rising



HBJ PHOTO | DAVID KRECHEVSKY

Speakers (from left) Michael Brooder of Marcum LLP, Foster Charles of Charles IT, Carolina Cavalcante of Tilcon Connecticut and Ed Rodriguez of Penmar Industries Inc., discuss the Connecticut Business & Industry Association's 2024 Survey of Connecticut Businesses during the organization's annual breakfast at the Hartford Marriott Hotel.

By David Krechevsky

Almost nine in 10 business executives surveyed by the Connecticut Business & Industry Association say the cost of doing business in the state is rising, while just 8% say the state's business climate is improving.

CBIA's 2024 Survey of Connecticut Businesses, its 22nd annual, was conducted by Marcum LLP, which contacted more than 2,800 top executives statewide from June 11 to July 18, with a response rate of 14%, or 392. It has a margin of error of 2%.

Nearly 90% of those responding said costs are rising, citing the cost of labor, goods and supplies and state taxes.

Only 8% of respondents believe the state's business climate is improving; 41% say it's static, while 39% say it's declining. The lack of skilled job applicants, cited by 33% of respondents, and the high cost of living, cited by 21%, were the main factors executives cited as hampering growth.

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A majority of respondents, 78%, also reported difficulty finding and retaining workers, while 46% listed employee recruitment and retention as their top investment priority.

Other key findings include:

Just 28% of respondents say they expect to grow their workforce in the next six months, while 8% expect to reduce staff.

60% said the availability of affordable, quality child care is important for recruiting and retaining workers.

73% of respondents reported profits in 2023, down three percentage points from 2022, with 13% breaking even and 14% posting losses.

According to the survey, 24% of respondents expect the state's economy to expand, roughly the same as in the previous survey, while 18% forecast a contraction, down three percentage points from a year earlier.

“While workforce remains a priority issue for businesses throughout the state,” the survey notes, “respondents make it clear that costs continue to increase – in what already is one of the most expensive states in the country – and state government mandates and regulations remain significant hurdles.”

The survey adds that business leaders “expressed confidence in the administration’s fiscal responsibility track and emphasis on state spending limits, but feel the state legislature is largely ‘anti-business’ and lacks focus on the needs of small businesses, the heartbeat of the state’s economy.”

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Of the nearly 400 respondents, 41% were manufacturers, while 10% were in construction and 10% were in professional services. Other industries represented included medical, retail, wholesale distribution, automotive/transportation, finance, software/technology, real estate, education/child care, hospitality and tourism, research and development, and other.



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