

2010-2011 BizFed Survey LA County BizPoll June 2011

A Look at BizFed Today

- Comprised of 85+ top business associations including: industry trade groups, chambers of commerce, ethnic business groups, business improvement districts along with premier independent companies and agencies
- We represent over 150,000 businesses and over 2 million employees across Los Angeles County
- BizFed is recognized as a credible voice for business in Los Angeles, Sacramento and Washington DC

LA's BizPoll

The annual BizPoll takes the pulse of business owners and executives throughout LA County to find out key issues of concern that they deem most critical to the ongoing operation and growth of their business

Topics Surveyed

- Quality of Life
- Business Outlook 2011
- Capital Investment
- Purchase/lease-non-durable goods
- Access to Credit
- Federal Stimulus
- Federal Jobs Bill
- International Trade
- Transportation
- Water
- Workers' Compensation
- City Government/
Business Friendly
- State Budget
 - Tax Increases vs. Spending Cuts
 - Elimination of Enterprise Zones
 - Local Government Control
 - Public/Private Partnerships
- Public Pension Reform
- Health Care Reform
- Immigration

Top Five Issues in 2011

1. Taxes and Fees
2. Government Regulations/Compliance
3. Health Care
4. State and Local Budgets
5. Access to Credit

Top Issues: 2007 to 2011

Four-Year Trend

	2007	2008	2009	2011*
Transportation: Reduce Commute Time	1	8	5	13
Curb urban crime and gang activity	2	6	n/s	14
Improve and reform K-12 Education	3	5	n/s	7
Controlling workers' compensation costs	4	3	8	10
Transportation: Invest in public transportation	5	14	5	15
Transportation: Freeway infrastructure	6	10	5	15
Water conservation and access	7	7	3	18
Affordable healthcare coverage	8	9	1	3
Streamlining the local permitting processes	9	4	2	9
Availability of monetary credit	n/s	1	4	5
Reduce the State budget deficit	12	2	n/s	4
Taxes and Fees	17	16	n/s	1
Government Regulation/ Compliance	18	13	n/s	2
Legislative Gridlock (State and Federal)	n/s	n/s	n/s	6
Environmental Regulations	26	29	n/s	8

**Poll conducted in early 2011 due to 2010 BizFed
Election-year Poll*

Proprietary

Analyzing the Trends

- Over time, quality of life issues have been surpassed by bottom-line, economic concerns
- Today, business is most concerned with the burdens placed upon their operations by government
- Still reeling from the recession, business continues to struggle and is wary of the future uncertainty

Significant Changes for 2011

1. Transportation: Big change (from 10% to 56%) indicating movement in the right direction
2. Water: Awareness successful, but fewer now believe they are impacted, and less concerned
3. Health Care Reform: Wanted reform, dislike result
4. Hiring outlook is improving for 2011 (fewer layoffs and some improvement in anticipated hiring)
5. Access to credit is tighter 63% vs. 71%

Summary, Top Issues, Results by Supervisorial District

Area Surveyed - Topic & Statement	Countywide Results	Molina 1 st District	Ridley-Thomas 2 nd District	Yaroslavsky 3 rd District	Knabe 4 th District	Antonovich 5 th District
Federal Stimulus Funds						
% of businesses that did not have funds available, not aware, or did not apply:	93%	95%	98%	93%	92%	100%
Federal Jobs Bill						
% of businesses that did not take advantage or were not aware of the program:	88%	84%	88%	89%	87%	84%
Redevelopment Agencies						
% of businesses that did not qualify or was not sure how to access program benefits:	71%	57%	73%	70%	71%	74%
Access to Credit						
% of businesses that believe credit is still tight or did not apply:	71%	53%	72%	66%	72%	80%
Public Pension Reform						
% of businesses that favored voter initiative:	56%	51%	52%	69%	59%	58%
% of businesses that favored legislative action:	68%	74%	66%	66%	73%	57%
Business Outlook 2011						
% of businesses that anticipate hiring in 2011:	33%	36%	43%	37%	29%	39%
Percent of companies that see "Business Improvement from 2010 to 2011":	62%	62%	73%	65%	60%	65%
Immigration (Enforcement, or lack thereof, rules and policies)						
% of businesses unaffected:	57%	58%	60%	72%	45%	67%
% of businesses impacted by higher taxes due to immigration:	47%	48%	34%	41%	54%	41%

Summary, Top Issues, Results by Supervisorial District

Area Surveyed - Topic & Statement	Countywide Results	Molina 1 st District	Ridley-Thomas 2 nd District	Yaroslavsky 3 rd District	Knabe 4 th District	Antonovich 5 th District
Transportation % of businesses that believe government is moving in the right direction to ease traffic:	56%	70%	65%	57%	52%	58%
Water Access and Conservation % of businesses that believe they won't be impacted by the lack of reliable water access and/or cost of water:	56%	61%	56%	52%	53%	65%
State Budget Solve deficit by spending cuts only, % of businesses:	52%	42%	55%	48%	58%	52%
Health Care Reform % of businesses that believe Congress should repeal the reform:	51%	43%	42%	56%	51%	52%
Capital Investment-Durable Goods % of businesses that do not have reserves or will wait for rebound:	50%	41%	45%	48%	55%	52%
Purchase/Lease of Real Property, Non-Durable Goods % of businesses that will be conservative or will wait for rebound:	49%	50%	35%	37%	53%	58%
Workers' Compensation Costs have increased, % of businesses:	41%	37%	40%	27%	54%	41%
City Government % of businesses that believe city government is business friendly:	21%	19%	19%	15%	22%	35%

Where BizFed Stands

- Economic and regulatory issues (taxes, state budget, etc.) surpassing quality of life as major areas of concern
- Serious concerns about the cost of new taxes and a heightened regulatory environment



Where BizFed Stands

- More must be done to provide business access to credit
- Business understands that public pension reform must be addressed as part of any state budget solution



Where BizFed Stands

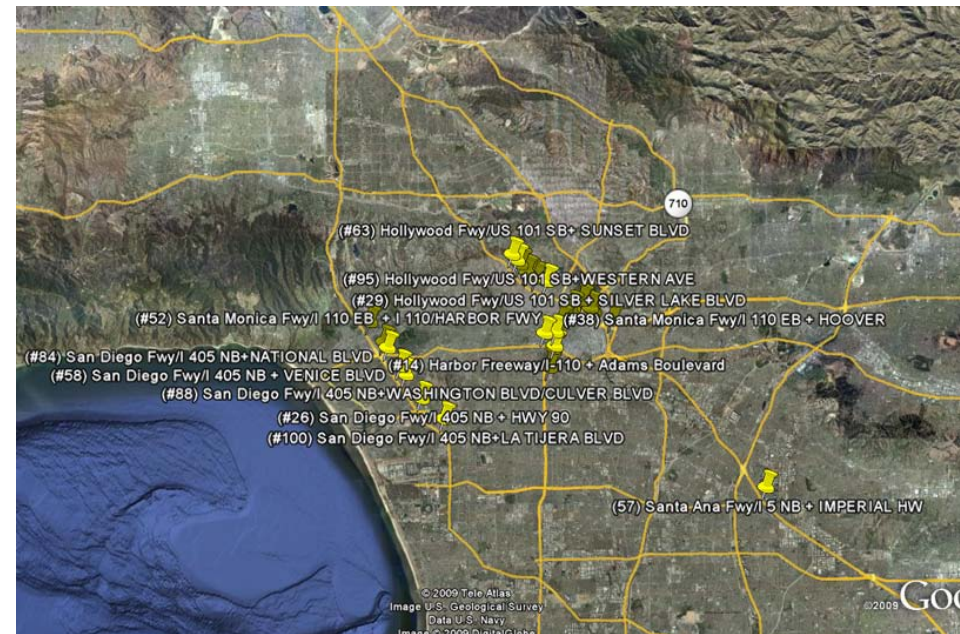
- Appropriate healthcare reform and reducing healthcare costs remains a top priority
- Advocacy, access and mobilizing the business community is critical



Additional Detail

Transportation

- Significant improvement (10% to 56%) that government is moving in the right direction
- BizFed efforts to highlight 30/10, work with elected officials in Los Angeles County and Washington DC, and to galvanize the business community have been fruitful



Water

- Education and communication has increased awareness but business impact has diminished significantly
- Double-digit increase in awareness of water issues (71% to 84%)
- “No impact” to business increased from 23% to 56%



Health Care Reform

- Last year, 75% indicated reform was needed
- Today, 64% don't like the reform as passed
- 51% are in favor of repealing reform



Business Outlook-Hiring

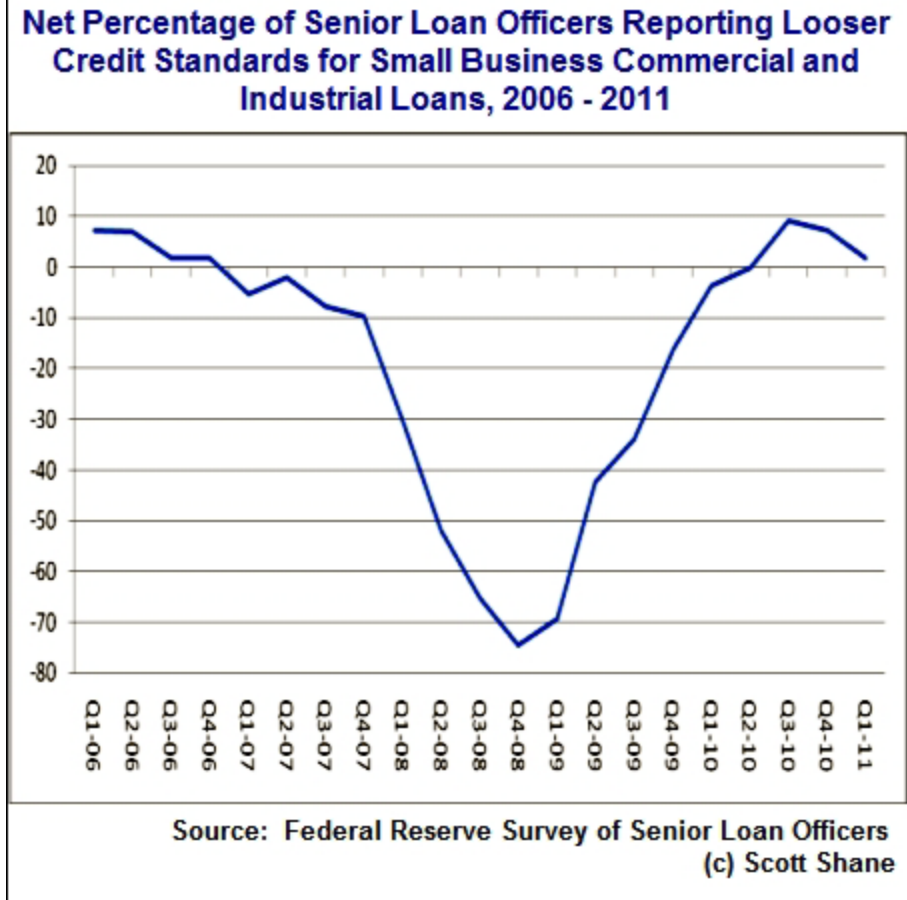
- Workforce levels appear to have **STABILIZED** with moderate growth anticipated for 2011
- Forecasted layoffs has declined from 33% to 20%
- Anticipated hiring has increased nearly two-fold from 18% to 33%



**Survey predates the spike in oil prices and Japan's natural and economic disaster.

Access to Credit

- Despite several efforts by financial institutions to make credit available and orient the business community, perception of tightening credit increased

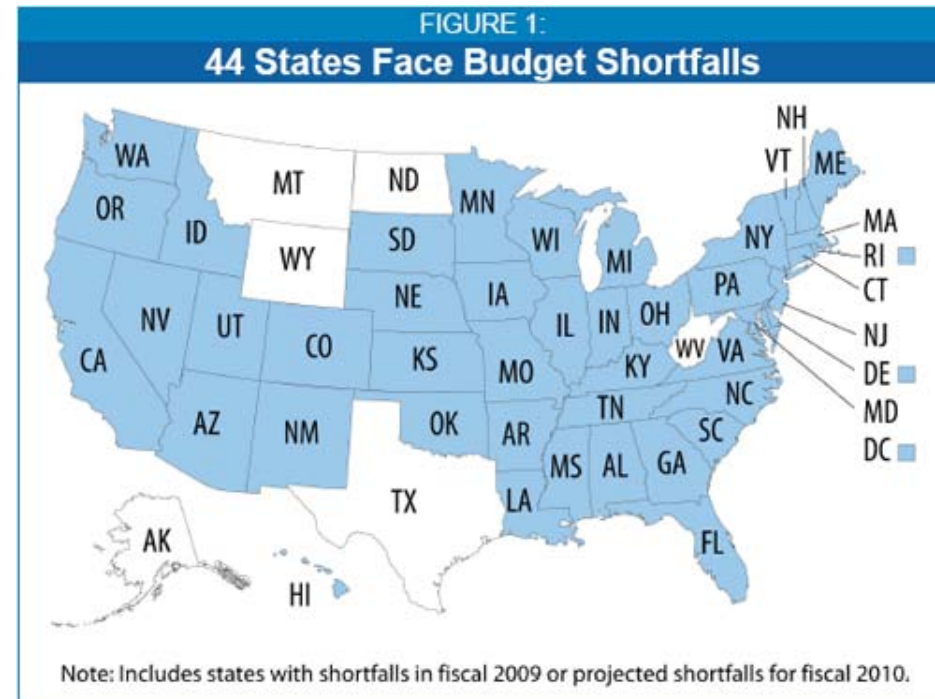


“Has Small Business Access to Credit Improved?”
<http://smallbiztrends.com/2011/02/has-small-business-access-to-credit-improved.html>

Proprietary

State Budget

- Reducing the state budget and breaking legislative gridlock are Top 10 issues for business in Los Angeles County
- Significant # of business favor increasing public/private partnerships
- More than half (57%) favor more local government control of services and programs



Public Pension Reform

- 56% voters favor voter on public pension reform
- 68% favor legislative action on public pension reform
- A decline from last year when 3 out of 4 favored reform



Redevelopment Agencies

- 29% utilized the programming and benefits of redevelopment agencies
- 44% did not qualify for redevelopment programs
- 26% weren't sure how to access program benefits



Federal Jobs Bill

- 63% did not take advantage of legislative benefits
- 25% were not aware of the program(s)



Immigration

- 57% indicate that current enforcement of immigration rules and policies don't affect business
- 47% indicate that immigration impacts business by higher taxes



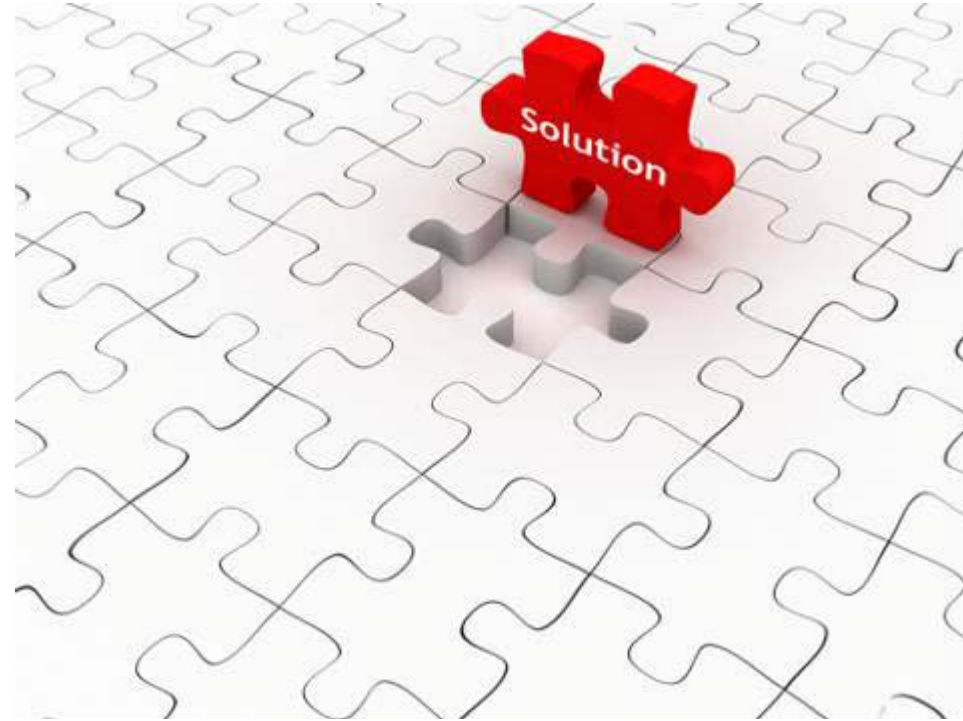
Trade

- Consumer of imported goods and materials (28%)
- Ancillary/Support business supporting trade initiatives (29%)
- Not directly involved with trade (28%)



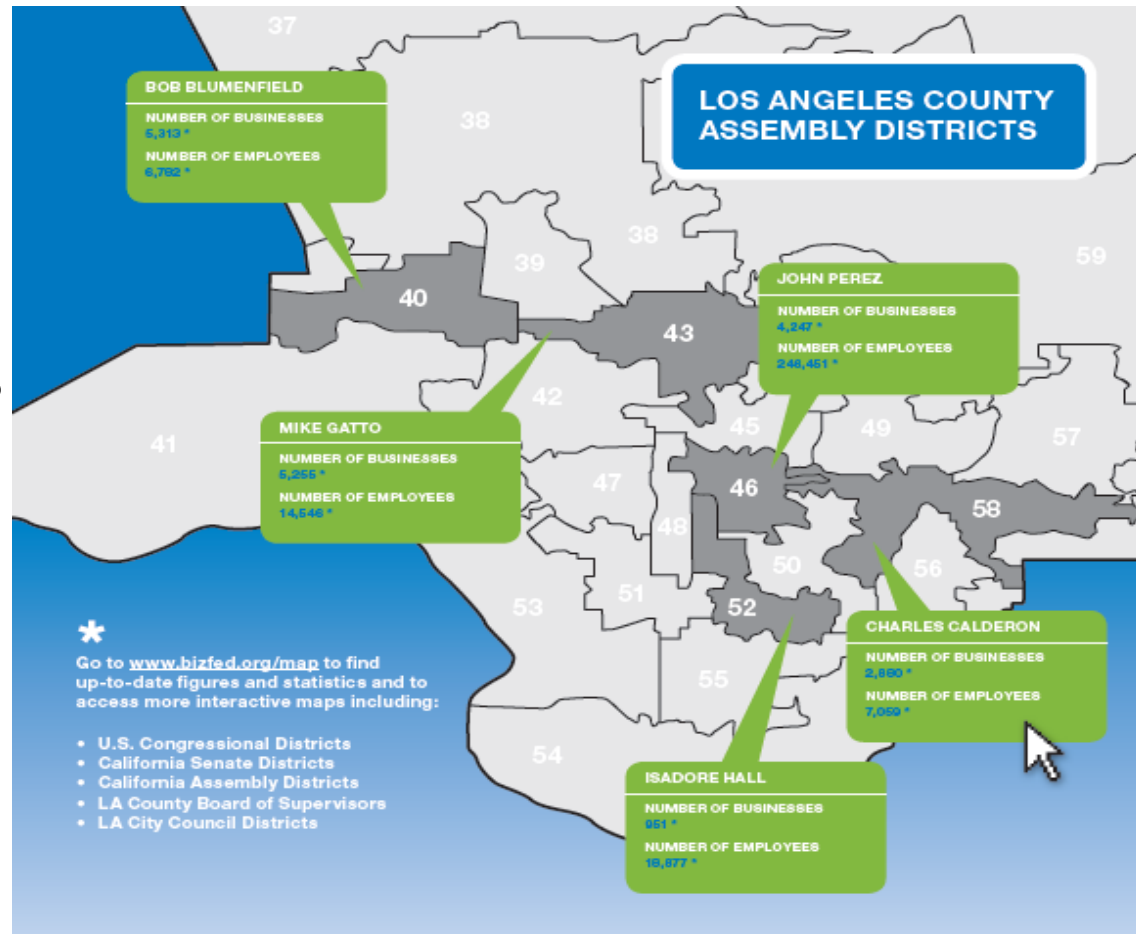
How does BizFed fit in?

- Credibility, strength and legitimacy in numbers
- Surveys and Research position BizFed with City, County, State and Federal Decisionmakers
 - District by District analyses provide compelling message to elected officials
- Rapid response mobilization



www.bizfed.org/map

- US Congress
- State Senate
- State Assembly
- County Supervisors
- City Council



Thank You.

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