

Nov. 30, 2020

NJBIA's  
62<sup>nd</sup> ANNUAL  
**BUSINESS  
OUTLOOK  
SURVEY**



# Executive Summary

**Revenue losses** were severe and widespread due to the coronavirus response

**Hiring, profits** and **sales** were all way down

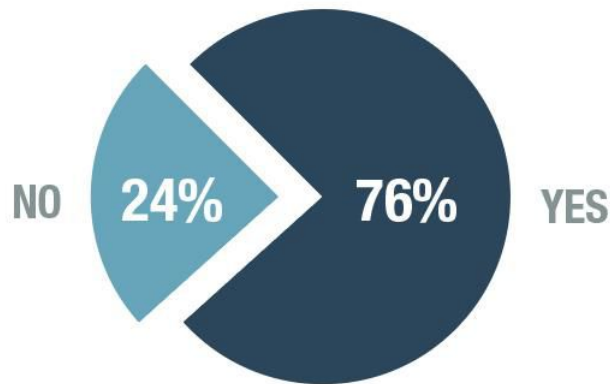
**Recovery** is anticipated to be slow for many

**2021 Outlook** in many categories is low – but not historically low. Growth is expected by some

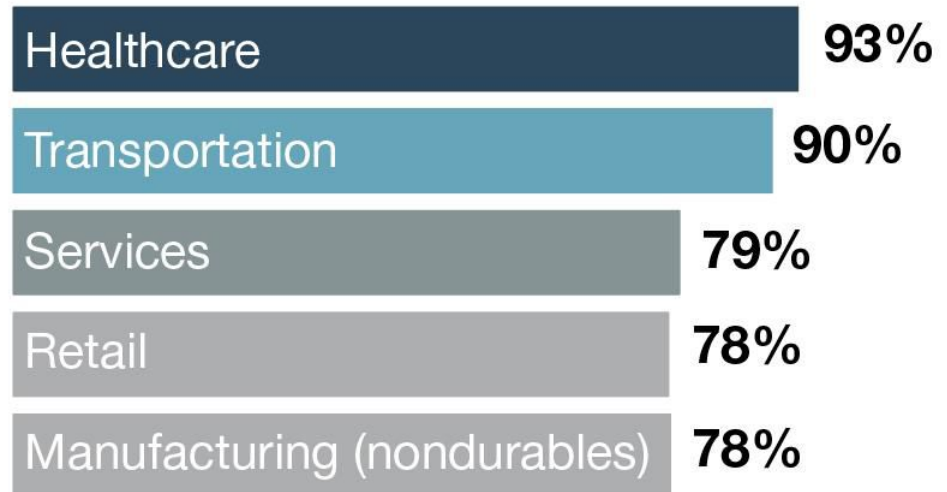
Opinion of New Jersey's **business climate** and **competitiveness** is extremely low

# Revenue Trends

Did your business incur a loss of revenue through the first 8 months of 2020?

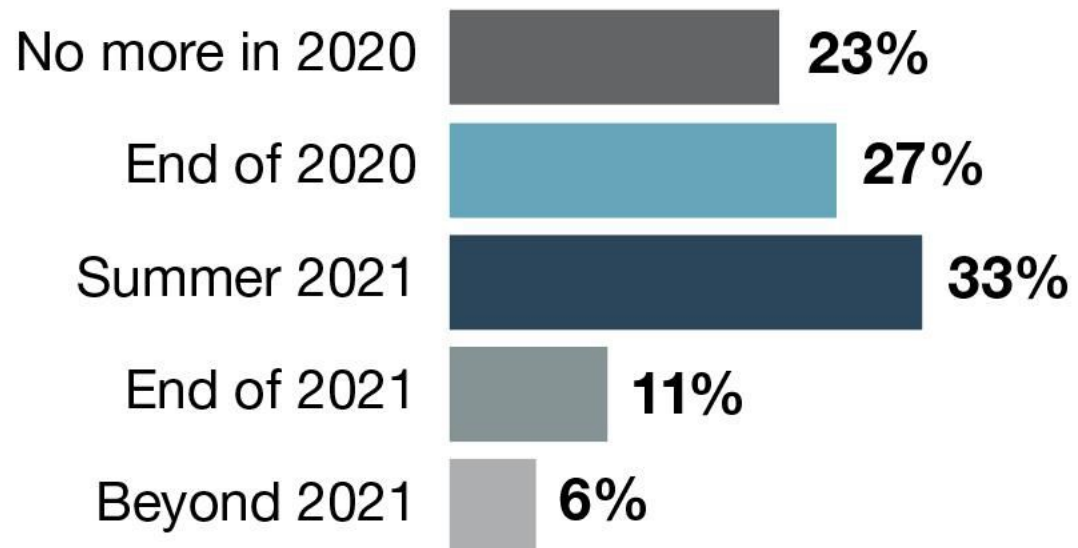


*By industry:*

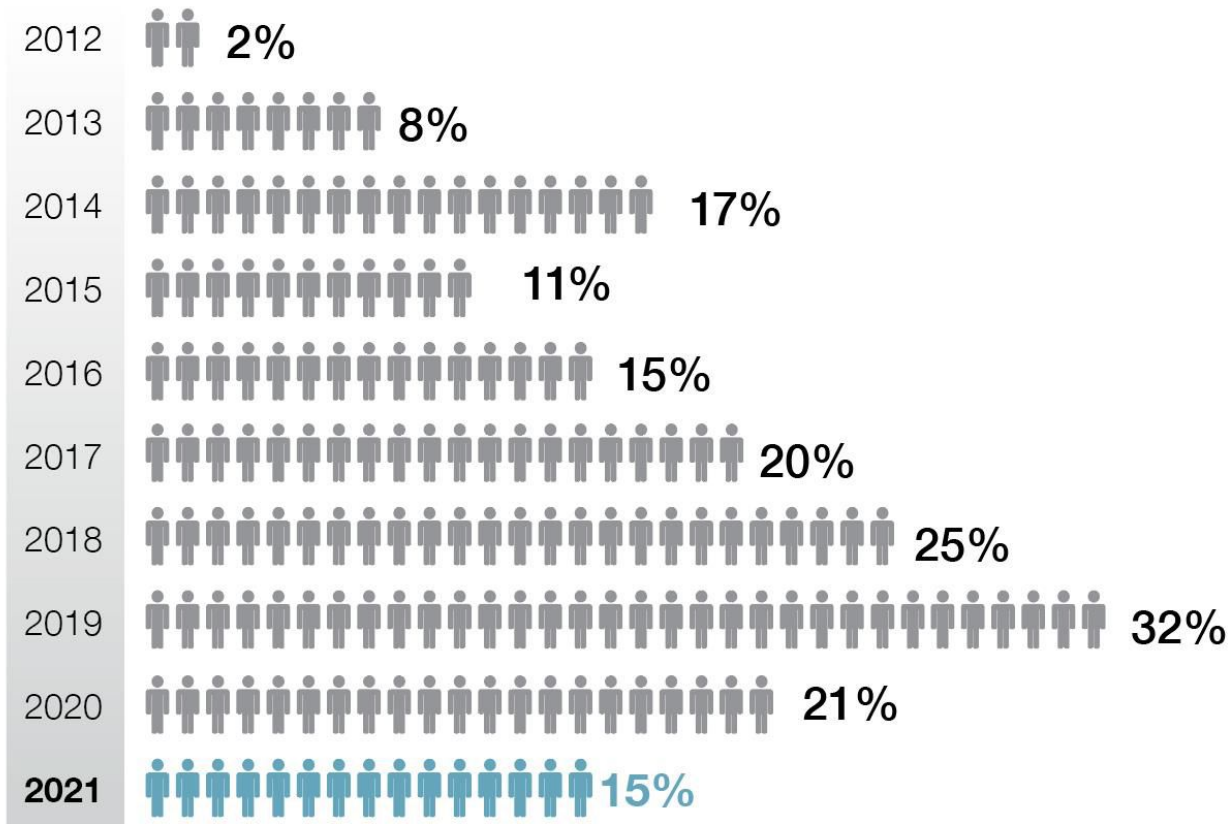


# Revenue Trends

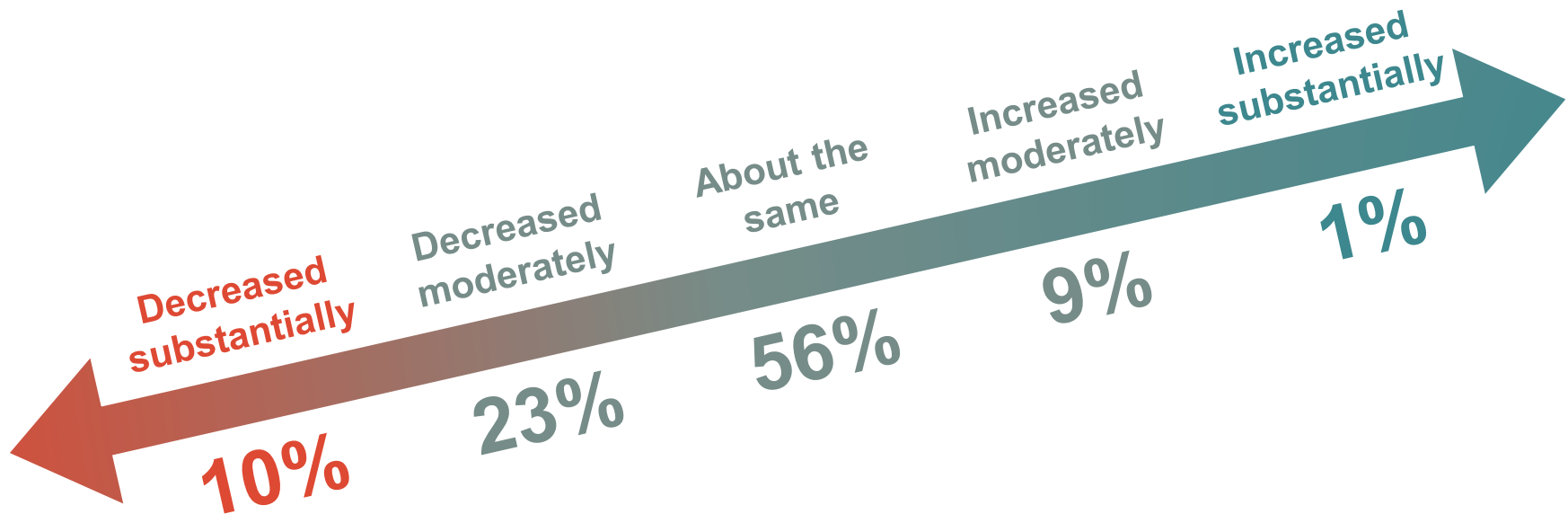
Those who lost revenue through the first 8 months of 2020 were asked how long they anticipated further losses:



## Net HIRING Outlook of Individual Companies



# How did employment within your company change in 2020?



# Outlook Summary

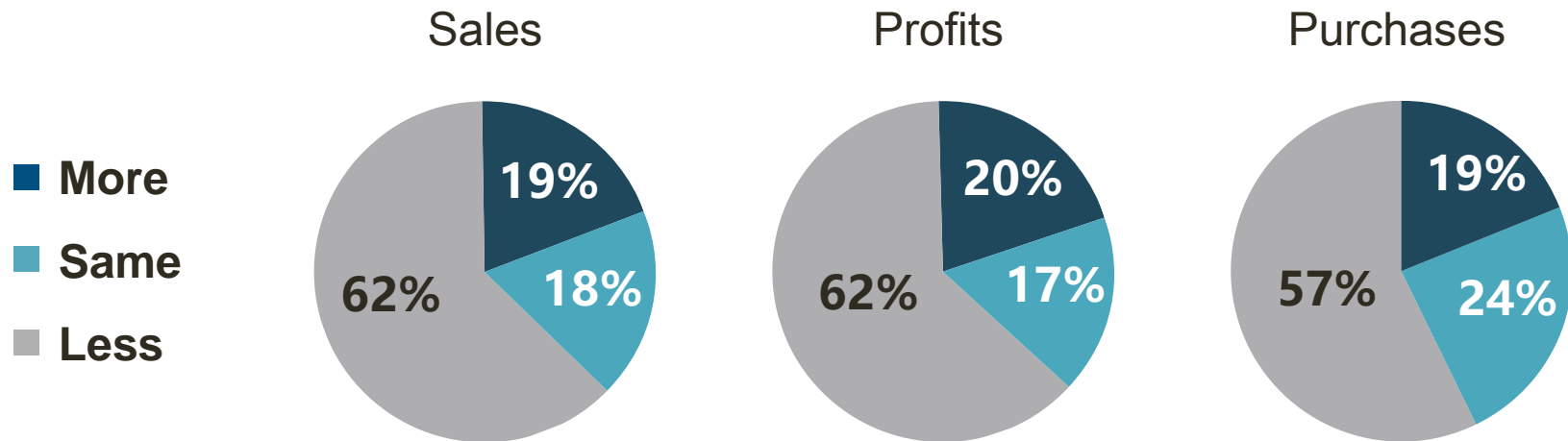
## Sales, Profits & Employment

	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>SALES</b>									
More	49%	57%	45%	50%	54%	58%	62%	54%	46%
Same	34	28	36	34	30	33	28	32	31
Less	17	15	18	16	16	9	9	14	23
<b>Net outlook*</b>	<b>32%</b>	<b>42%</b>	<b>27%</b>	<b>34%</b>	<b>38%</b>	<b>49%</b>	<b>53%</b>	<b>40%</b>	<b>23%</b>
<b>PROFITS</b>									
More	45%	52%	50%	45%	48%	55%	59%	49%	41%
Same	34	31	33	35	35	33	28	33	33
Less	22	18	17	20	17	12	13	17	27
<b>Net outlook*</b>	<b>23%</b>	<b>34%</b>	<b>33%</b>	<b>25%</b>	<b>31%</b>	<b>43%</b>	<b>46%</b>	<b>32%</b>	<b>14%</b>
<b>EMPLOYMENT</b>									
More	19%	26%	22%	25%	29%	31%	39%	30%	25%
Same	69	65	67	65	62	63	54	61	65
Less	11	9	11	10	9	6	7	9	10
<b>Net outlook*</b>	<b>8%</b>	<b>17%</b>	<b>11%</b>	<b>15%</b>	<b>20%</b>	<b>25%</b>	<b>32%</b>	<b>21%</b>	<b>15%</b>

Understanding this table: The net percentage of respondents anticipating they will experience a higher dollar volume of sales in 2021, for example, is calculated by subtracting those expecting less sales (23%) from those anticipating more sales (46%). The net percentage anticipating more sales in 2021 in this example is, therefore, +23%." Changes are calculated before rounding. Totals may not equal 100%.

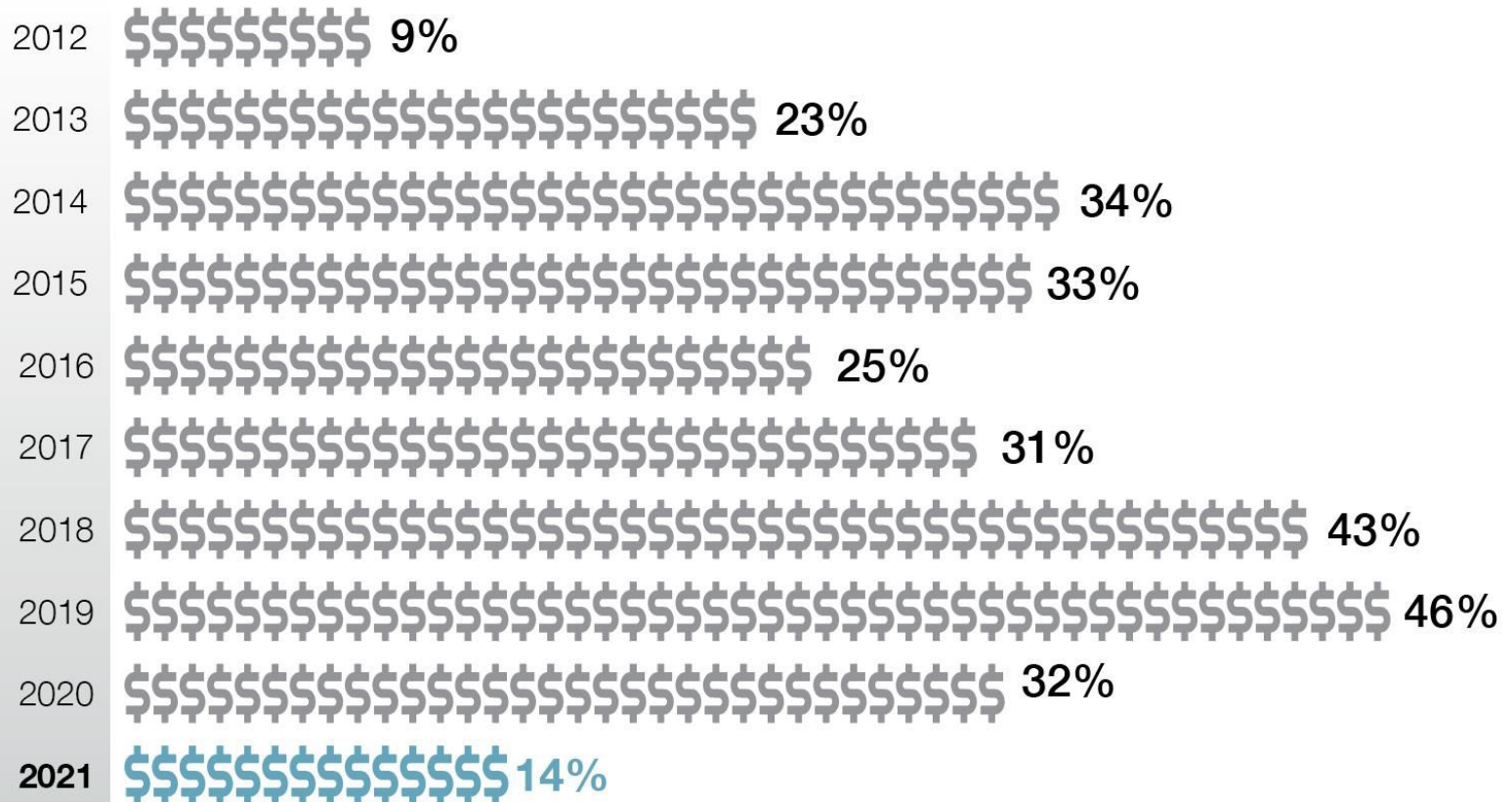
# 2020 Sales, Profits and Purchases

By what % did the dollar value of your company's sales, profits and purchases change since last year?





## Net PROFITS Outlook of Individual Companies



# Investments

Did you make investments to improve productivity in 2020?



**50%**  
**YES**

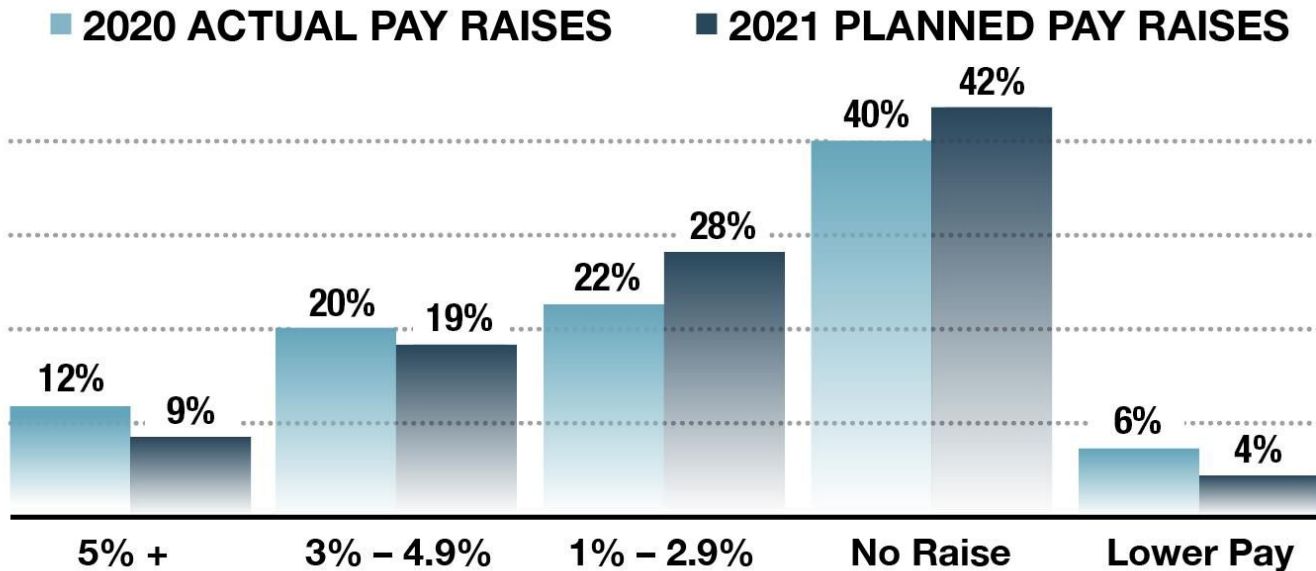


**50%**  
**NO**

# Pay Raises 2020 vs 2021

What average percentage pay increase did you give your employees in 2020?

What pay increase do you anticipate giving in 2021?



# Challenges

Issues cited as the biggest concerns by members:



Property Taxes  
30%



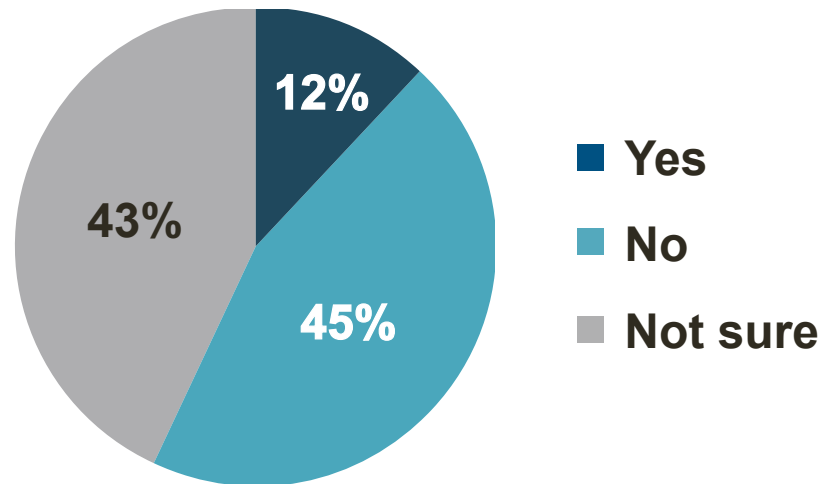
Cost of Doing  
Business  
24%



Health Insurance Costs  
14%

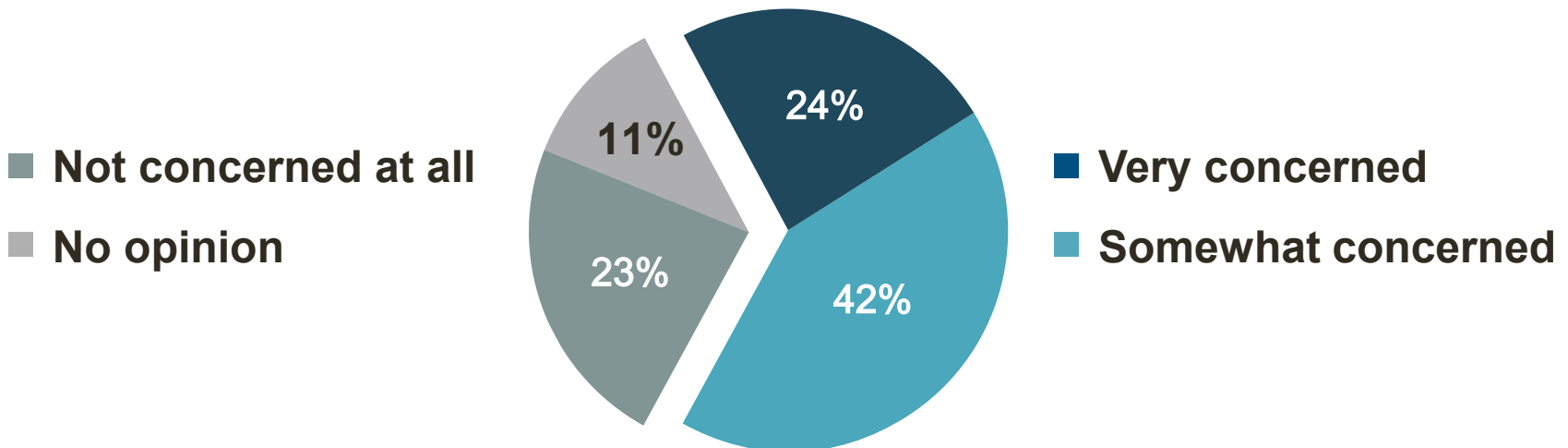
# Workplace

If liability protections are not in place, will you be able to **afford litigation costs** to defend from those who claim they contracted coronavirus at your place of business?



# Workplace

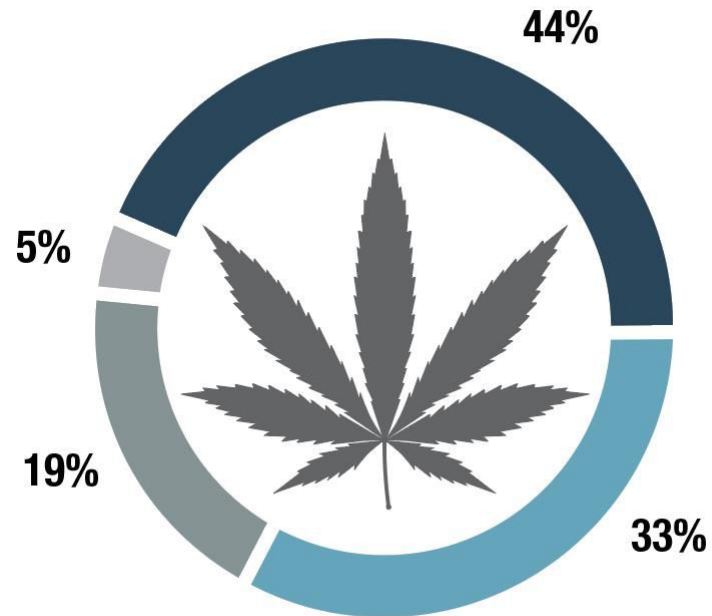
What level of concern do you have about being **sued by patrons** claiming they contracted COVID-19 at your workplace?



# Marijuana Legalization

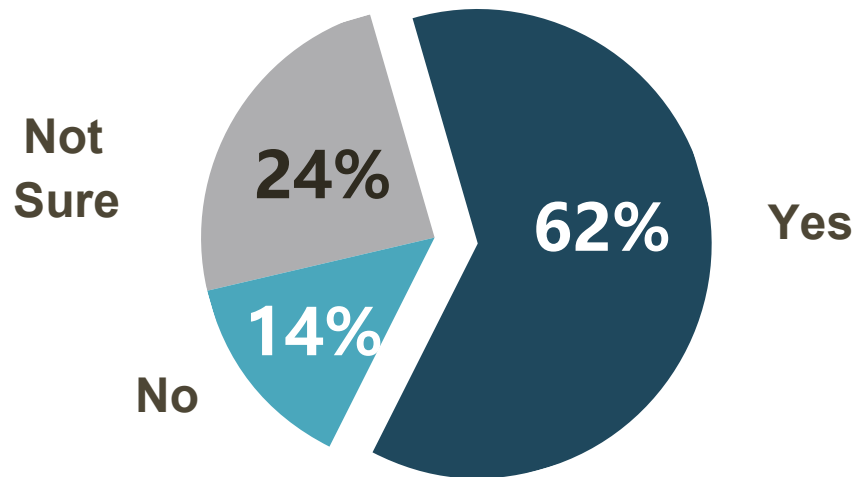
**77%** have concerns about the legalization of recreational marijuana in NJ.

- Substantially concerned
- Moderately concerned
- Not concerned at all
- No opinion



# Marijuana Legalization

Do you believe any employee using medical marijuana should serve only in non-safety sensitive positions?





**51%**

of members say  
minimum wage  
increase would  
impact their  
business by  
2024

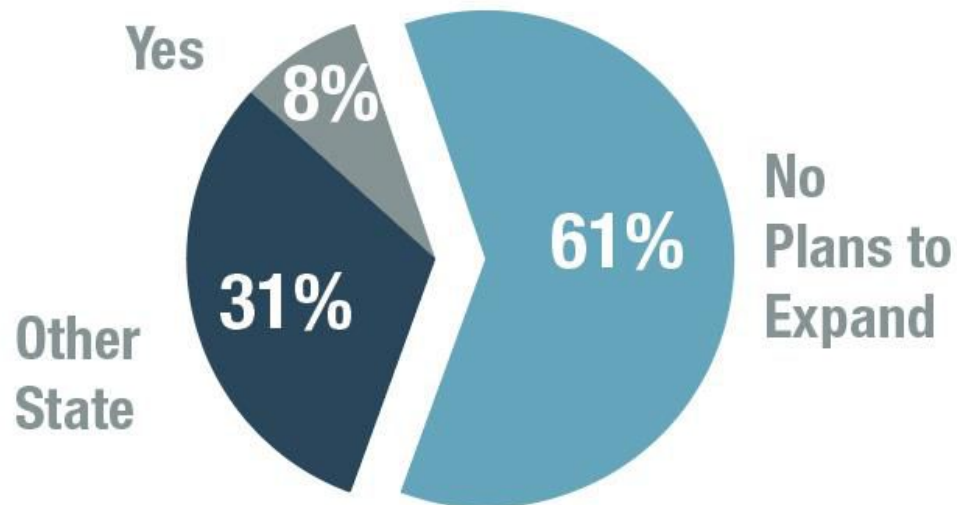
## \$15 Minimum Wage Impact

% Distribution of Responses



# Economic Climate

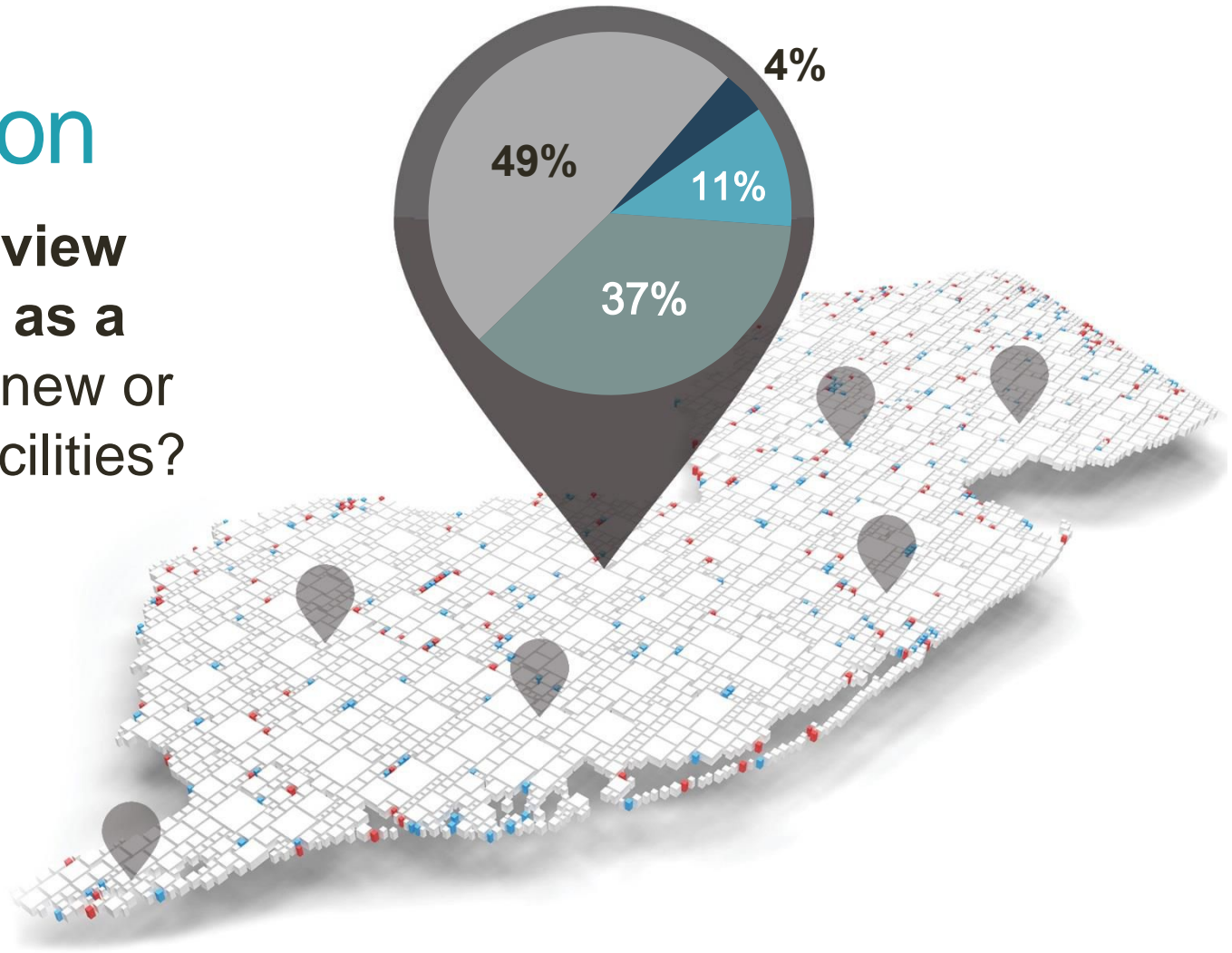
If you were planning to expand, would you open another location in New Jersey?



# Expansion

How do you **view New Jersey as a location** for new or expanded facilities?

- Excellent
- Good
- Fair
- Poor



# Expansion

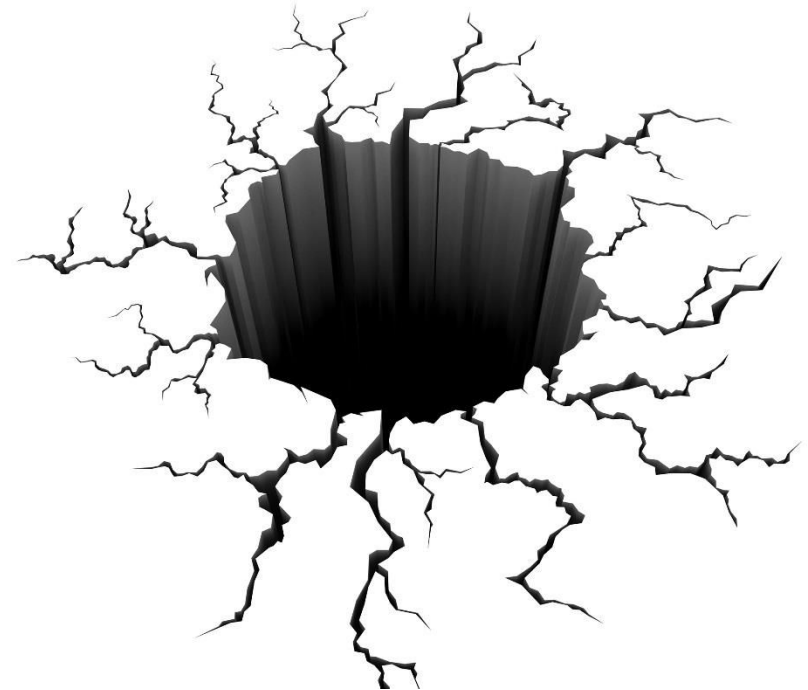
Do you think NJ has made progress over the last year in easing regulatory obstacles for business?



**10%**  
YES

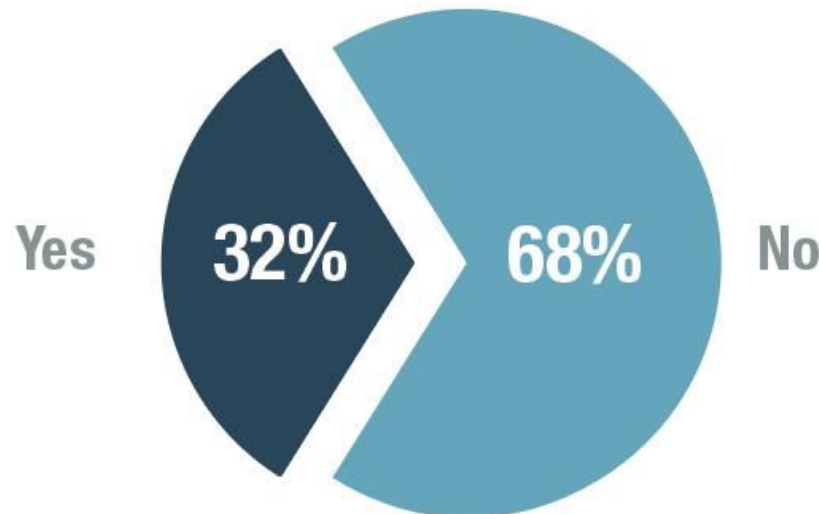


**90%**  
NO



# Economic Climate

Do you plan to continue keeping New Jersey as your domicile in retirement?

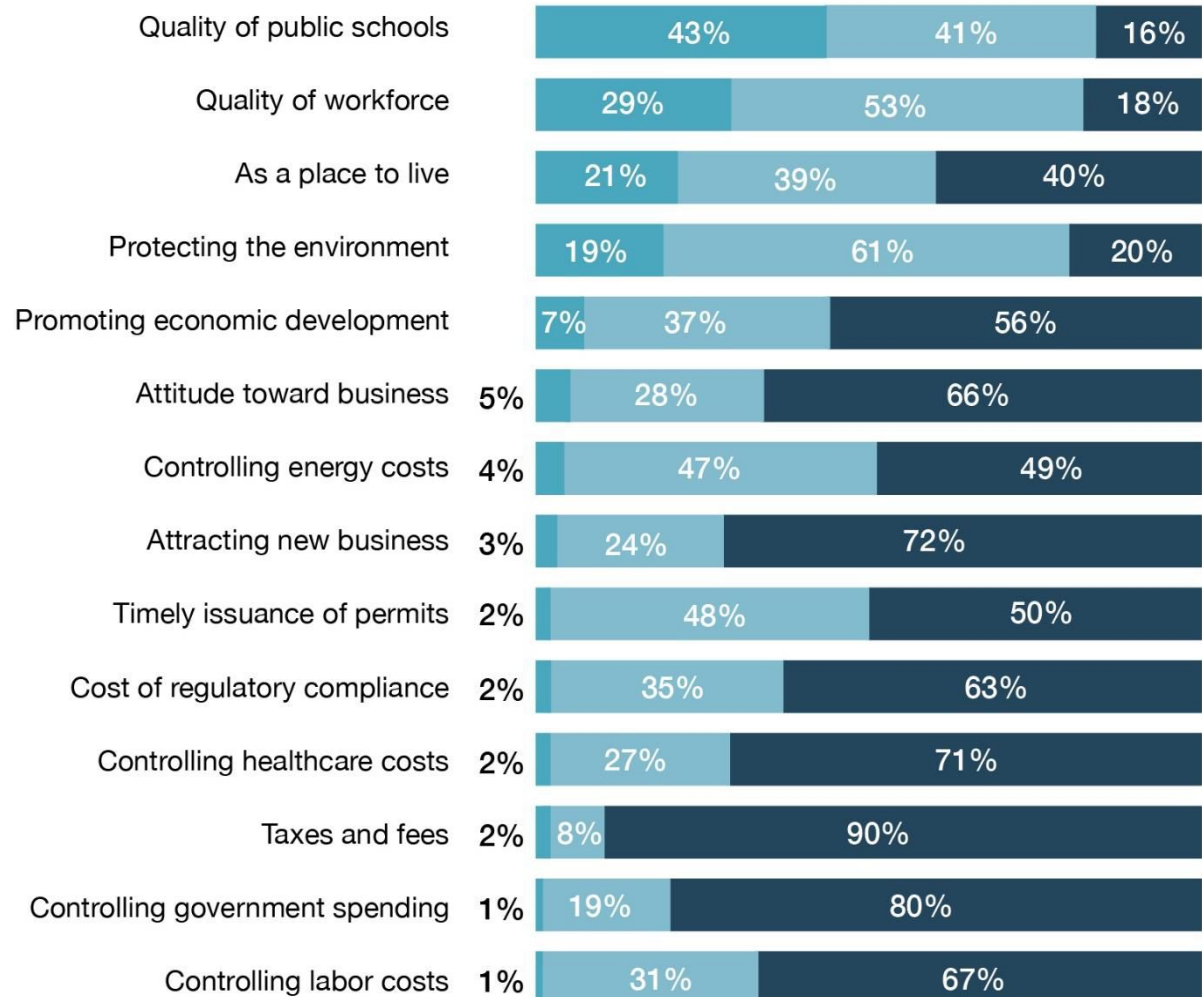


## New Jersey's Performance Compared with all Other States

■ **Better**

■ **Same**

■ **Worse**

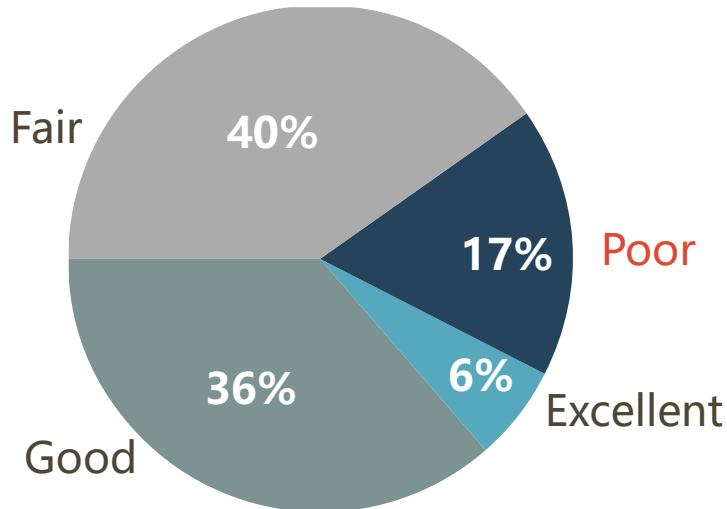


Percentages are rounded. Totals may not equal 100%.

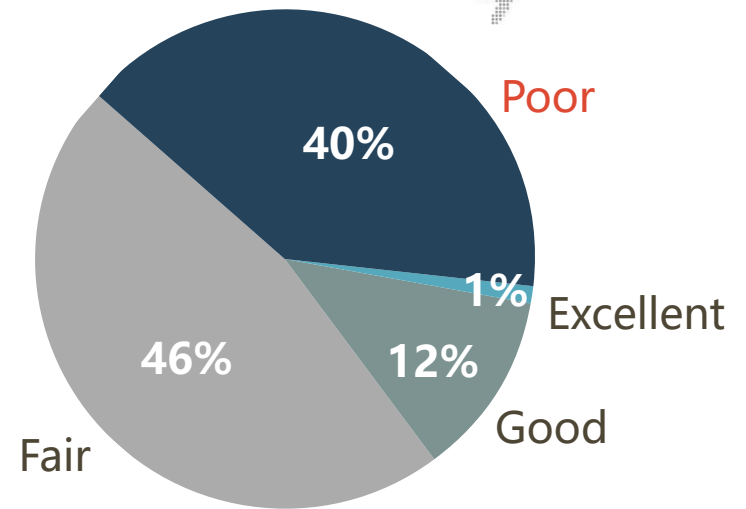
# How do you rate the recent performance of each of the following?



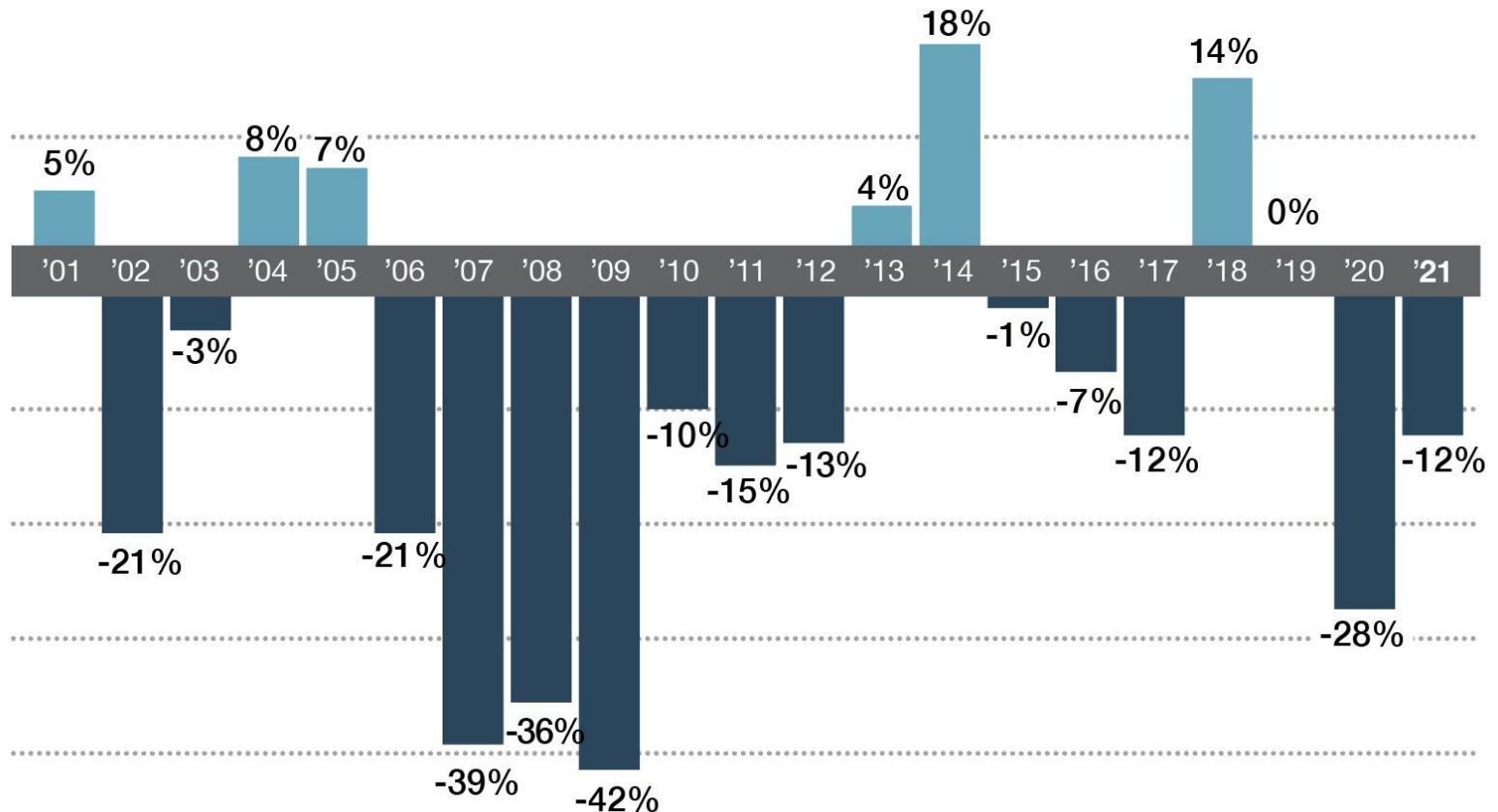
US Economy



NJ Economy



## Net Outlook for State Economy





# US Economic Outlook

	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>US Economic Outlook</b>									
Better	26%	36%	30%	31%	29%	54%	59%	32%	54%
Same	44	45	48	47	49	37	31	44	29
Worse	30	19	22	21	22	9	10	25	17
<b>Net outlook*</b>	<b>-4%</b>	<b>16%</b>	<b>7%</b>	<b>10%</b>	<b>7%</b>	<b>46%</b>	<b>49%</b>	<b>7%</b>	<b>37%</b>

The “net outlook” is calculated by subtracting the percentage of companies expecting conditions to worsen from the percentage anticipating conditions to improve over the first six months of the year ahead. Changes are calculated before rounding. Totals may not equal 100%.

# Conclusion

Overall results were indicative of a **historically challenging year** for New Jersey businesses

Despite these challenges, businesses do forecast they will **continue to hire and provide some pay increases** in 2021.

New Jersey needs to **improve business climate**, competitiveness with other states

New Jersey needs to **hit the pause button** on added mandates and costs to business