



*The National Network for Local Workplace Solutions*

## **2013 National Business Trends Survey U.S. Employers Act with Optimism**

Employer Associations of America, a not-for-profit national association of employers associations, announced the completion of the 2013 National Business Trends Survey Report. This annual report supplies business executives with insight on trends in the areas of: business outlook, business investment plans, staffing levels, hiring plans, job creation barriers, pay strategies, and cost cutting measures. This comprehensive national survey of 1660 organizations, covering locations in all 50 states, empowers executives to make data-driven decisions for their business.

### **Business Trends Revealed**

An impressive 87% of the executives surveyed report that 2012 was about the same or better when compared to 2011. In contrast, their optimism for 2013 seems to have tapered as 79% of the executives surveyed expect the outlook for the overall 2013 economy to be about the same or better compared to 2012 – down from 90% last year.

This decreasing optimism likely reflects the turbulent economic and political environment of the fourth quarter of 2012. Employers struggled with business planning given a sea of unknowns ranging from the presidential and state elections, health care reform to the ominous Fiscal Cliff.

Despite their more guarded response to the economic outlook, employers remain selfconfident. “We see an interesting contradiction in the survey responses. While employers indicate a less jubilant perspective for the 2013 economy, their actions speak louder than words. While only 30% anticipate the overall 2013 economy will be better than 2012; 61% of business executives expect increases in their own sales/revenue,” says Jerry Bumgarner, a representative from the Employer Associations of America (EAA) survey research committee. This self-confidence is demonstrated in their optimistic business plans for 2013.

### **Optimistic Actions**

Employer confidence has improved over one year ago with 72% of participating organizations actually giving a pay increase in 2012. This is up slightly from the 70% of participating organizations that planned an increase in 2012.

2013 compensation strategies demonstrate employer confidence as well. 66% of the respondents reported plans to award wage/salary increases in 2013, 35% are planning to award variable/bonus awards, and 9% will give lump sum awards during the year. A minority of the organizations surveyed 13%, plan to freeze or reduce pay - down from the actual 23% that froze or reduced pay as cost-cutting measures in 2012.

Another mark of employer confidence is an increase in staff. 34% of the respondents plan to hire additional staff, with most of those expected during the first half of 2013. These results are similar to the last several years.

An optimistic 36% of respondents have plans for significant new investments in people, facilities and/or equipment in home office locations to improve service capacity and/or revenue in 2013. Another 14% of respondents plan investments at other domestic locations and 5% at international locations.

### **Economy Still Cause for Concern**

Executives are still concerned about the economy. When executives were asked what they believe is the greatest barrier to business growth in their industry, 38% said economic considerations. This is followed by 22% of the executives who indicated that the biggest barrier is consumer demand.

Concern about the impact of future economic decline on job creation tapered slightly compared to one year ago. This year, 46% of executives deemed this the biggest barrier to job creation compared to 49% last year. The next two greatest response groups said the biggest barriers are limited consumer demand (19%) and government regulations (12%).

### **Survey Information**

The Employer Associations of America's data reflects national conditions. EAA surveyed 1660 companies: 45 percent were from manufacturing, 7 percent were from Professional and Business Services, 6 percent were from Health Services or Financial, and 36 percent from other industries. The survey also represents all sizes of companies, from 1-99 employees (55 percent), 100-249 employees (25 percent), 250-499 employees (11 percent), 500-999 employees (4.4 percent), and over 1,000 employees (4.5 percent). The survey data was collected in October through November of 2012.

### **About EAA**

The Employer Associations of America (EAA) consists of 35 regional employer associations that serve 48,000 companies and over 5,600,000 employees.

The EAA's mission is to advance a national presence as well the regional success of its members through collaboration, efficiency, and shared knowledge and resources.