

2008 CHAMBER MEMBER ISSUES SURVEY – FINAL REPORT

The Brooklyn Chamber of Commerce, under the direction of the Government Affairs Committee, conducts an annual survey of its membership to inform the Chamber's position on key economic and legislative issues affecting the local economy, as well as issues vital to you and the growth of your business, and as a means to prioritize its advocacy agenda.

The survey itself was structured into the following six sections:

- I. The Brooklyn Economy** – Questions related to Members' perceptions of the Brooklyn economy and the ramifications on their business.
- II. NYC Projects and Issues** – Questions measuring support for, or opposition to, specific NYC economic development projects and legislative issues that will have an impact on Brooklyn.
- III. Education and Workforce Development** – Measuring Members' perceptions of public education and training as it relates to their workforce.
- IV. Health Care** – Questions related to Members' health insurance coverage.
- V. Quality of Life** – Measuring the degree to which specific quality of life concerns affect Members' businesses.
- VI. Obstacles to Growth** – Questions measuring the degree to which Members perceive certain problems as significant obstacles to their individual businesses' growth.

This final report represents a summary of the responses to questions contained in the survey. Where appropriate, comparative information from previous surveys is included.

If you have any questions regarding this report, or for additional information, please contact Leticia Theodore-Greene at (718) 875-1000 ext. 115, or by email at ltheodore@brooklynchamber.com.

SURVEY DEMOGRAPHICS

Survey Reach: 1,146
 Number of Responses: 109
 Response Rate: 10%

RESPONSES BY INDUSTRY CATEGORY:

Services (all types)	31%
Non-Profit/Cultural	17%
Industrial	17%
FIRE (finance, industrial, real estate)	15%
Education/Training	11%
Retail	8%
Health Care	2%

RESPONSES BY SIZE OF BUSINESS:

0 employees (entrepreneur)	9%
1-4 employees	20%
5-10 employees	10%
11-20 employees	14%
21-49 employees	12%
50-99 employees	6%
100+ employees	19%
N/A (no Brooklyn office)	9%

SECTION I – THE BROOKLYN ECONOMY

A. Looking back over the past year, what was the overall trend for your business? Would you say net revenue was:

- 38% Greater than 2007
- 24% About the same as 2007
- 26% Less than 2007
- 13% Don't know or N/A

B. What do you attribute this trend to? (Check all that apply)

- 48% General business environment
- 11% Credit markets including the ability to acquire a loan
- 6% Increased/ Decreased number of tourists
- 5% Increased/ Decreased number of residents
- 9% Increased/ Decreased competition
- 18% Increased/ Decreased promotion/ marketing of your area
- 40% Other (please specify): *strong management, hard work and long hours, increased networking, broaden product lines and varieties; cutback in government funding, decline in value of homes, poor job market, etc.*

C. How has the credit crisis affected your business? (Check all that apply)

- 6% My line of credit has been reduced
- 25% I have less liquid capital than at this time last year
- 13% I have had a difficult time paying bills, covering payroll or purchasing inventory
- 47% My business has not yet been affected by the credit crisis
- 25% Other (please specify): *difficulty fundraising, placed a premium on capital, much harder to find credit resources regardless of non-cash asset values, customers cut back on discretionary spending, cancelled contracts, etc.*

D. What is your outlook on the Brooklyn economy for 2009?

- 10% It will be better than 2008
- 17% It will be about the same as 2008
- 57% It will be worse than 2008
- 17% Don't know or N/A

2007	2006
43% - Better than 2007	46% - Better than 2006
25% - About the same as 2007	42% - About the same as 2006
18% - Worse than 2007	3% - Worse than 2006

E. What is the outlook for your business for 2009?

- 27% It will be better than 2008
- 12% It will be about the same as 2008
- 53% It will be more challenging in 2009
- 8% Don't know or N/A

2007	2006
59% - Better than 2007	56% - Better than 2005
17% - About the same as 2007	26% - About the same as 2005
17% - Worse than 2007	9% - Worse than 2005

F. How many new full-time and part-time employees do you expect to hire in the coming year?

- 32% 1 – 5
- 2% 6 – 10
- 2% 11 – 20
- 5% 21 or more
- 57% I do not plan on hiring new employees
- 3% N/A

2007	2006
50% - 1 to 5 employees	43% - 1 to 3 employees
8% - 6 to 10 employees	10% - 4 to 6 employees
-	5% - 7 to 10 employees
4% - 11 to 20 employees	2% - 11 to 20 employees
6% - 21 or more employees	11% - 20 or more employees
31% - do not plan to hire	22% - do not plan to hire

G. How many employees do you anticipate having to lay off in the coming year?

- 20% 1 – 5
- 2% 6 – 10
- 0% 11 – 20
- 2% 21 or more
- 78% I do not anticipate having to lay off employees in the coming year

H. As the incoming Obama administration considers a federal economic stimulus package, what do you think should be included in the package? (Please be as specific as possible in the answers you write in the space provided)

- More credit/capital to businesses and individuals
- Sufficient funding for not-for-profit organizations to increase youth development and child care programs for working families
- Incentives for sustainable business practices and products
- Relief for the middle class
- Tax benefits for new businesses that helps the neighborhood grow and improve
- More access to low cost credit with government guarantees
- Bringing the maritime industry back to full strength in the port of NY
- Federal match increase for health care spending in NY
- Low interest loans to small businesses
- Green industries (solar, bio-fuel, energy conservation), middle-class and small business tax cuts, tax increases on wealthy corporations
- Money for private schools who do well – not just funding for charter schools

SECTION II – NYC PROJECTS AND ISSUES

PROJECT	Support	Oppose	Neutral	Don't know or N/A
Working Ports in Brooklyn – Brooklyn should maintain its working ports (Brooklyn Marine Terminal/ Red Hook Container Terminal and South Brooklyn Marine Terminal).	71%	2%	16%	10%
Gowanus Tunnel – The construction of a tunnel under the Brooklyn waterfront to replace the existing elevated Gowanus Expressway.	45%	7%	28%	20%
JFK Rail Link – Creating a rail link from JFK and the LIRR stop in Jamaica Queens to lower Manhattan, provided there would be two stops in Downtown Brooklyn.	69%	1%	20%	10%
Cross Harbor Rail Freight Tunnel – Building a tunnel under New York Harbor from New Jersey to Sunset Park, Brooklyn, to allow for the rail transportation of freight. The plan also would include a new intermodal facility in Maspeth, Queens, and would decrease the amount of freight transported using trucks.	29%	4%	17%	16%
Gowanus Rezoning – In light of recent rezonings to residential use in South Brooklyn, do you support further rezonings from industrial/commercial to residential use in the Gowanus area?	24%	21%	28%	19%

ISSUE	Support	Oppose	Neutral	Don't know or N/A
Impact of Development – Overall, development in Brooklyn has been helpful to mom and pop businesses, small manufacturers and the service industry.	50%	14%	22%	15%
Eminent Domain – The acquisition of private residential and commercial property by the government for major development projects – including private projects – to support economic growth in an area.	24%	50%	16%	15%
Going Green and Sustainable – With increasing emphasis on environmentally conscious business and building practices, government should provide more incentives to businesses to improve or make the switch to sustainable business and building technology.	78%	4%	11%	7%
NYC Public Transportation – Governor Paterson appointed a special Metropolitan Transportation Commission chaired by former MTA chief Richard Ravitch to address the massive budget deficit faced by the agency. The commission has made several recommendations that will impact the City and, in turn, the business community. Please let us know your opinion on the following:				
Tolls – Do you support the tolling of the East and Harlem river crossings if the funds raised go to the Metropolitan Transportation Authority to fund the upkeep of bridges and mass transit?	29%	53%	9%	10%
New Mobility Tax – This is an excise tax that would be levied on employers in the 12-county Commuter District that would be equal to one-third of one percent of wages paid and will represent a deductible expense for federal tax purposes. The mobility tax also will be imposed on self-employed individuals.	31%	36%	17%	17%
Commuter Tax – The commuter tax is levied on individuals who work in the five boroughs of New York City but live elsewhere. Do you support the reinstatement of this tax that was rescinded in 1999?	57%	23%	10%	10%
Are there other issues you would like to see the Brooklyn Chamber consider (please write them in the space provided)?				
<ul style="list-style-type: none"> ▪ Bike lanes on commercial strips adversely affect business owners and the flow of commercial traffic 				

- Better public transportation into two fare zones
- More community and public forum meetings with better and advanced notice, especially where developers are concerned
- Rail link for LIRR terminal from Atlantic-Pacific to Penn Station and PATH link from Atlantic-Pacific to New Jersey
- Reduce alternate side parking across the borough to no more than twice a week
- Eliminate dollar vans – they rob revenue from the MTA and create traffic havoc in downtown Brooklyn
- Lessen taxes on the cost of doing business in NYS – tolls, mobility and commuter taxes make it overly expensive to do business
- Incentives for e-waste recycling

SECTION III – EDUCATION AND WORKFORCE

A. Overall, would you say current applicants are job ready?

- 27% Most are job ready
- 40% Most can use additional education and/or job preparation
- 5% Most are not close to being job ready
- 28% N/A

B. How would you rate the caliber of candidates you have seen for entry to mid-level jobs in the past year?

- 17% Fell well below meeting the basic requirements for the job
- 43% Met basic requirements for the job
- 9% Exceeded basic requirements for the job
- 2% Are overqualified for the job
- 29% Don't know or N/A

C. What types of training for your current workers would be helpful to your business? (Check all that apply)

- 17% English language training
- 13% Adult basic education (reading, writing, math)
- 33% Sales/customer service training
- 30% Supervisory/management training
- 37% Computer software training
- 20% Financial literacy training (understanding credit, money management and budget)
- 11% Specific machinery/equipment training
- 35% N/A

D. Do you currently provide any of the following forms of training for your employees? (Check all that apply)

- 60% On the Job Training (OJT)
- 18% Tuition reimbursement
- 9% Workplace based education or language classes
- 19% Paid time off for classes and seminars
- 28% N/A
- 11% Other (please specify): *bring trainers to the job place, advanced computer training including HTML/ CS3 Suite/ CSS language, skills training and management training*

E. Should government sponsor On-the-Job-Training programs where companies would be entitled to a wage subsidy?

- 60% Yes
- 13% No
- 28% Don't know or N/A

F. If such a program were available would you use it?

- 36% Yes
- 11% No
- 15% I'm not sure

38% I would need more information about the program or N/A

G. Does a majority of your workforce speak a native language other than English?

26% Yes
53% No
21% N/A

H. Would your company be interested in taking advantage of free or low-cost English language classes for your non-English speaking employees?

10% Yes
30% No
10% I'm not sure
49% I would need more information about the program or N/A

I. Do you offer services to your displaced workers?

8% Yes
20% No
26% I have no knowledge of such programs
46% I have no need for such services or N/A

J. Would you be interested in learning about services for displaced workers?

24% Yes
20% No
56% I have no need for these services or N/A

SECTION IV: HEALTH CARE

A. Your business offers health care insurance for (check all that apply):

43% All employees
21% Some employees
8% Employee dependents
15% We do not offer health insurance
22% N/A

B. If you do not provide health benefits to your employees, why have you made this decision?

(Check all that apply)

12% High cost of health insurance
3% Do not need to offer health benefits to attract and retain key workers
0% Do not think it is an employer's responsibility to provide health benefits to workers
75% N/A
12% Other (please specify): *it should be the government's responsibility to provide quality health care for its citizens, negotiated agreements, we offer a plan employees can pay for*

C. If you do not offer health insurance, has this impacted your ability to attract and retain qualified workers?

6% Yes
11% No
84% Don't know or N/A

D. If you provide health insurance to your employees, what are the most important factors considered when choosing your plan?

40% Affordability of plan
16% Benefits package
8% Doctors/ Providers/ Hospitals in network
36% N/A or Other

E. Do you think the United States needs some form of universal health insurance coverage for its citizens?

- 72% Yes
- 11% No
- 17% Not sure or N/A

F. Should employers be required to contribute to the cost of their employees' health insurance?

- 57% Yes
- 14% No
- 29% Not sure or N/A

SECTION IV – QUALITY OF LIFE

To what degree are you concerned about the following quality of life issues?	Percentage citing problem or severe problem	Current rank	Rank in 2007 (Top 3)	Rank in 2006 (Top 3)
Traffic (congestion)	73%	1	(2) 74%	(1) 80%
Parking (availability/ violations)	72%	2	(1) 79%	(2) 79%
Potholes and poor street conditions	64%	3	(3) 68%	(3) 70%
Rats and vermin	55%	4	–	–
Litter	53%	5	–	–
Public Transportation	46%	6	–	–
Public safety and security	40%	7	–	–
Graffiti	39%	8	–	–
Excessive noise	36%	9	–	–
Other (please specify): <i>increase in illegal vendors and street beggars, increase in bicyclists create safety hazards because they disregard traffic signals, lack of affordable housing, lack of green space availability and few tree lined streets, culture of the government employees and traffic/police officers is just to fill quotas and is not for the betterment of the community as in other cities</i>				

SECTION V – OBSTACLES TO GROWTH

Obstacle	Percentage citing problem or severe problem	Current rank	Rank in 2007 (Top 8)	Rank in 2006 (Top 8)
Increased cost of providing health insurance for my employees	55%	1	(2) 52%	(1) 62%
Fuel or energy costs (gas, diesel, electric, oil, etc.)	51%	2	(1) 55%	(3) 54%
Cost of general liability insurance	48%	3	(3) 50%	(2) 58%
Traffic/transportation problems	46%	4	(3) 50%	(4) 50%
Workers' Compensation costs	44%	5	(7) 39%	(5) 49%
Labor costs	38%	6	(5) 43%	
Access to credit/liquidity problems	38%	6		

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Rising cost of real estate	35%	7	(4) 48%	(8) 41%
Burdensome/costly government regulations	31%	8	(7) 39%	(7) 43%
Finding/hiring reliable workers	29%	9	(5) 43%	(6) 48%
Finding/hiring qualified, trained workers	28%	10	(6) 41%	(4) 50%
Corporate taxes	25%	11	(8) 30%	
Unemployment insurance	24%	12	-	-
Real estate taxes	23%	13	-	-
Sales taxes (city, state)	23%	13	-	-
Fines and violations	22%	14	-	-
Water and sewage charges	18%	15	-	-
Increased competition in my industry	18%	15	-	-
Continuing entrepreneurial training to improve my business	13%	16	-	-
Accessing information relevant to the sustainability of my business	12%	17	-	-
Sanitation/private carting	10%	18	-	-
Illegal street vendors	7%	19	-	-
Other (please specify): <i>city and state workers have tendency to leave their jobs early, city and state corporate taxes are too high</i>				