

# **Tennessee Business Barometer**

In partnership with the Tennessee Chamber of Commerce and Industry

Office of Consumer Research Director Timothy R. Graeff, Ph.D., <u>Tim.Graeff@mtsu.edu</u>, 615-898-5124

October 19, 2017

# Tennessee Business Leaders' Optimism Rebounds; Professional Mentoring for College Students Viewed Very Positively

The Tennessee Business Barometer regained its upward momentum, reflecting improving optimism among Tennessee business leaders. The overall index rose to 577 from 461 in July. This gain was due to more positive perceptions of the current economy, increasing optimism about the future economy, and improving expectations regarding business/firm performance.

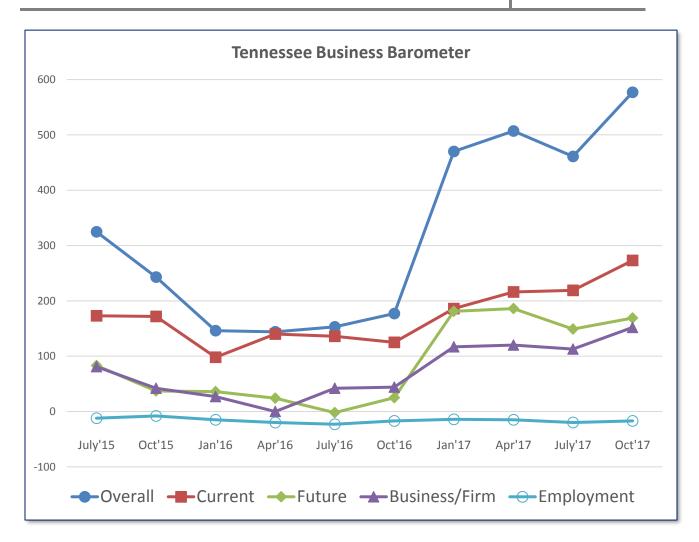
The current online survey of 81 business leaders from across Tennessee was conducted in partnership with the Tennessee Chamber of Commerce and Industry between October 5 and October 13. The sample of respondents includes business owners (21%), vice presidents (14%), senior managers (33%), and managers/others (33%) at firms of various sizes. The next Tennessee Business Barometer survey is scheduled for January 2018.

	Oct 2016	January 2017	April 2017	July 2017	October 2017 <sup>1</sup>
Overall Business Barometer	177	470	507	461	577
<b>Current Economic Situation Index</b>	125	186	216	219	273
Future Economic Expectations Index	25	181	186	149	169
Business/Firm Performance Index	44	117	120	113	152
Employment Outlook Index	-17	-14	-15	-20	-17

#### **Tennessee Business Barometer Index and Sub-Indices**

<sup>&</sup>lt;sup>1</sup> The Tennessee Business Barometer Index scores are based on business leaders' responses to 17 questions measuring their perceptions of the current and future economic and regulatory conditions for the country as a whole, Tennessee, their industry, and their individual firm/business. Five questions make up the Current Economic Situation Index. Five questions make up the Future Economic Expectations Index. Five questions make up the Business/Firm Performance Index. Two questions make up the Employment Outlook Index. The Overall Business Barometer Index is based on all 17 questions combined. The complete questions are shown at the end of this report.

The scores for each index are computed by adding the percentage of favorable responses to each question and subtracting the percentage of negative responses to each question. A net score of zero would indicate the percentage of business leaders who hold negative views of the economy is equal to the percentage of business leaders who hold positive views of the economy. A net positive views of the economy outnumber those who hold negative views of the economy.



<u>*Current Economy*</u>. Tennessee Business leaders increasingly believe economic conditions are improving. The Current Situation Index gained to 273 from 219 in July. A strong majority (66%) said economic conditions in the U.S. are "good." Perceptions of the Tennessee economy are even more positive, as the percent who said economic conditions in Tennessee are "good" climbed to 83 from 73. In addition, perceptions of economic conditions for individual firms improved. The percent who said economic conditions for their firm/business are "good" rose to 70 from 51. However, perceptions of regulatory conditions declined. While the percent who said regulatory conditions for their industry are "good" dipped slightly to 20 from 21, the percent who said they are "bad" increased to 19 from 13. In sum, even though Tennessee business leaders might have growing concerns about the regulatory environment, their view is the overall economy is improving.

*Future Economy*. Tennessee business leaders have also become more optimistic regarding the future of the economy. The Future Expectations Index rose to 169 from 149. This was due in large part to greater expectations for the Tennessee economy. The percent who said economic conditions in Tennessee will be "better 12 months from now" gained to 48 from 43, while the percent who said conditions will be "worse 12 months from now" dropped to zero.

**Describing the U.S. Economy**. The word cloud below shows the 15 words most often given when asked, "What one word comes to mind when you think about the future of the overall **American economy**?" The size of each word reflects the relative frequency with which it was mentioned. There is a hopeful tone to the words business leaders use to describe the overall American economy (improving, growth, optimistic, bright), tempered with some uncertainty.



**Describing the Tennessee Economy**. The word cloud below shows the 15 words most often given when respondents were asked, "What one word comes to mind when you think about the future of the economy in Tennessee?" There is a more uniformly positive tone to the words business leaders use to describe the Tennessee economy compared to the national economy (optimistic, growing, improving, robust, stable).

bright diversified growing growth improving Leadership Optimistic positive robust stable steady strong vibrant workforce

**Business and Firm Performance**. The Business/Firm Performance Index also improved, rising to 152 from 113. Although there was no net change in expectations for firm growth, there were improved expectations for future investment, sales, profitability, and inventories.

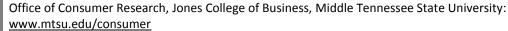
The word cloud below shows the 15 words most often given when respondents were asked, "*What one word comes to mind when you think about the future of your firm/business?*" The words reflect that although business leaders perceive challenges ahead, they are optimistic about the future for their firms.

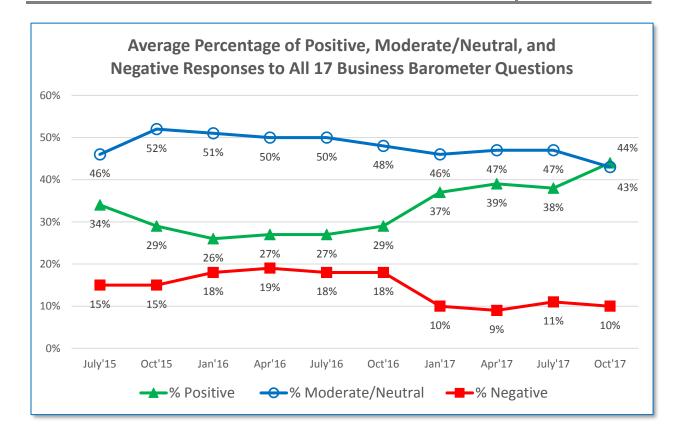
accelerating challenging challenging consolidation growing growth hopeful opportunity optimistic promising solid steady strong technology transition

**Employment**. The Employment Outlook Index improved only slightly and remained in the negative range. The fact that this index is still in the negative range means respondents with negative responses continue to outnumber those with positive responses. This is due in large part to continuing frustration from an inability to find qualified employees. Only four percent said qualified employees are "easy to find," while the majority (53%) said qualified employees are "hard to find."

### **Average Attitude**

The general attitude of Tennessee business leaders is improving. The chart below shows the average percentage of positive, moderate/neutral, and negative responses to all 17 questions that make up the Tennessee Business Barometer Index. This shows that most responses are either positive or moderate/neutral. Very few responses are negative. This means that when responding to our questions, the vast majority of business leaders think economic conditions are "good" or "in between" and think future economic conditions will be "better" or "stay the same." In sum, Tennessee business leaders' general perception of the economy continues to improve since the end of 2016.

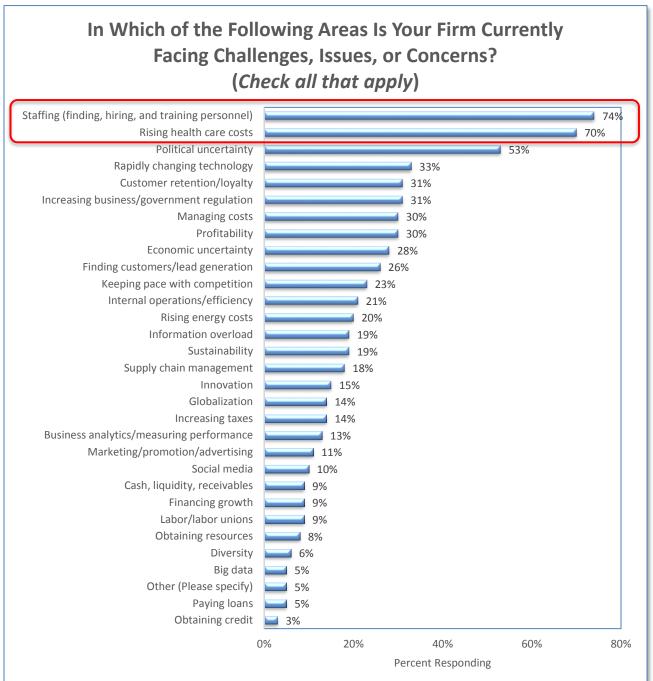




## **Business Challenges**

6

Respondents were also asked to identify the areas in which their firm/business is currently facing challenges. The chart below shows the percent of respondents who selected each issue. Difficulties finding qualified employees and rising health care costs continue to be foremost on the minds of most Tennessee business leaders.



### **Business Challenges—Summated Rankings**

The table below shows the summated rankings for these business challenges. The rankings are compiled the same way sports teams are ranked. Given that each respondent was asked to rank his or her top five challenges, the issue ranked first was assigned a score of 5, the second-ranked issue was assigned a score of 4, and so on. The summated rank reflects the ordinal ranking of all issues. Personnel-related issues (staffing and rising health care costs), along with political uncertainty, continue to be of most concern to Tennessee business leaders. Apprehensions about increasing regulation and customer retention are rising.

Rank	Challenge / Issue / Concern	Total Summated Rank	Times Ranked First	Change in Rank from July
1	Staffing (finding, hiring, and training personnel)	211	24	0
2	Rising health care costs	151	13	0
3	Political uncertainty	80	4	0
4	Increasing business/governmental regulation	54	6	+4
5	Finding customers/lead generation	53	2	-1
6	Customer retention/loyalty	53	2	+4
7	Profitability	52	4	0
8	Economic uncertainty	48	2	-3
9	Internal operations/efficiency	46	5	+4
10	Managing costs	43	3	-4
11	Rising energy costs	37	2	-2
12	Rapidly changing technology	36	1	+3
13	Increasing taxes	32	0	-1
14	Keeping pace with competition	29	1	-3
15	Financing growth	23	0	+11
16	Supply chain management	23	0	0
17	Sustainability	21	1	+1
18	Innovation	17	1	+2
19	Business analytics/measuring performance	16	1	+6
20	Cash, liquidity, receivables	15	2	+2
21	Labor/labor unions	13	0	-7
22	Information overload	11	0	+2
23	Marketing/promotion/advertising	11	0	-2
24	Obtaining resources	10	0	-7
25	Globalization	10	2	-6
26	Social media	9	1	+3
27	Paying loans	8	0	+1
28	Diversity	6	0	-5
29	Obtaining credit	3	0	-2
30	Big data	3	0	0

Tennessee Business Barometer October 2017

(%)     (%)     (%)     (%)     July*       Overall economic conditions in the U.S. are: $c^{1}$ in between Bad     Codd 2     2     44     1     +17       Twelve months from now overall economic conditions in the U.S. will be: "     Better Worse     53     50     40     38     +1       Twelve months from now overall economic conditions in the U.S. will be: "     Good     65     62     73     83     +12       In Tennessee are: C     In between Bad     30     2     0     0     10	Tennessee		Jan	April	July	Oct	Net
Overall economic conditions in the U.S. are: $c$ Good In between Bad   29   46   52   66   +17     Twelve months from now borerall economic conditions overall economic conditions in the U.S. will be: $f$ How res   53   50   40   38   41     Twelve months from now borerall economic conditions in the U.S. will be: $f$ About same bad   26   41   50   54   55     Economic conditions in Tennessee are: $c$ Good   65   62   73   83   412     Twelve months from now economic conditions in Tennessee will be: $f$ Good   65   62   73   83   411     In Tennessee will be: $f$ Worse   54   6   0   6   6   0     Twelve months from now economic conditions in rour industry are: $c$ In between   44   47   43   48   +11     Bad   3   5   6   0   41   6   0   6   7   41   6   6   7   41   6   6   7   41   6   6   7   41   6   6   7   6   6   7   6	Business Barometer		-				Change from
In between   70   52   44   33     Twelve months from now   Bad   2   2   4   1     Twelve months from now   Better   53   50   40   38   +1     overall economic conditions   About same   26   41   50   54   55   56   8   5     Economic conditions   Good   65   62   73   83   +12   1     Twelve months from now   Better   44   47   43   48   51   51   6   0   1   1     Twelve months from now   Better   44   47   43   48   51   51   1				(%)		. ,	
Bad     2     2     4     1       Twelve months from now overall economic conditions in the U.S. will be: f     About same Worse     26     41     50     54     +1       Economic conditions in Tennessee are: C     Good     65     62     73     83     +12       Twelve months from now economic conditions     Good     65     62     73     83     +12       Twelve months from now economic conditions     Better     44     47     43     48     +11       Twelve months from now economic conditions     About same     52     48     51     51       Twelve months from now economic conditions     Good     48     53     52     57       Twelve months from now economic conditions     Good     48     53     56     59       Twelve months from now economic conditions     About same     50     55     56     59       Twelve months from now regulatory conditions will be: f     Worse     32     23     21     20       Twelve months from now regulatory conditions sof roy your firm/business are: C     In between     53<		Good	-		-		+17
Twelve months from now overall economic conditions   Better Moves   53   50   40   38   41     in the U.S. will be: $f$ Worse   15   6   8   5   41   50   54   41   50   54   41   50   54   54   50   54   50   54   50   54   50   54   50   54   51   56   8   51   51   56   8   52   18   53   52   68   51   51   6   8   51   51   6   6   0   7 <t< td=""><td>in the U.S. are: <sup>c</sup></td><td>In between</td><td></td><td></td><td></td><td>33</td><td></td></t<>	in the U.S. are: <sup>c</sup>	In between				33	
overall economic conditions in the U.S. will be: $f$ About same Worse   26 15   41 6   50 8   54 5     Economic conditions in Tennessee are: $c$ Good In between Bad   65 30   62 38   73 83   83 25   +12     Twelve months from now economic conditions in Tennessee will be: $f$ Better   44 44   47 42   43 48   48 51   +11     Economic conditions in your industry are: $c$ Good   48 Bad   53 52   52 57   57 4   +11     Economic conditions in your industry are: $c$ Good   48 Bad   53 55   52 56   59 59 59   59 59   60 59   +11     Regulatory conditions in your industry will be: $f$ Good   23 23   21 20   20 77   -7 4     Twelve months from now pour industry will be: $f$ Better   32 35   59 59   69 69 68 63   65 6   6     Twelve months from now economic conditions sin your firm/business are: $c$ In between Bad   50 33   51 5   70 6   41 3     Twelve months from now economic conditions for your firm/business will be: $f$ More About same 42   46 43   43 44   43 43   6 5   5 5   6 6   6 6   41 43   13 4		Bad	2	2	4	1	
overall economic conditions in the U.S. will be: $^{r}$ About same Worse   26 15   41 6   50 8   54 5     Economic conditions in Tennessee are: $^{C}$ Good In between Bad   65 30   62 38   73 83   83 25   +12     Twelve months from now economic conditions in Tennessee will be: $^{r}$ Better Worse   44 52   47 48   43 51   48 51   +11     Economic conditions in opur industry are: $^{C}$ Good In between Bad   48 3   53 56   52 59   57 4   +11     Economic conditions in your industry are: $^{C}$ Good In between Bad   39 39   32 32   34 34   48 3   +5     Regulatory conditions in your industry will be: $^{r}$ Good Worse   23 59   23 59   20 69   -7 4     Twelve months from now pour industry are: $^{C}$ Better Bad   32 3   29 5   19 5   19 5   19 6   -7 6     Twelve months from now economic conditions for your firm/business are: $^{C}$ Better About same Worse   32 5   47 5   47 6   51 6   70 6   42 6   44 43 7   43 7   43 7   44 7   43 7   44 7   43 7   44 7   44 7   44 7   44 7   44 7   <	Twelve months from now	Bottor	53	50	40	38	+1
in the U.S. will be: <sup>f</sup> Worse   15   6   8   5     Economic conditions in Tennessee are: <sup>C</sup> In between Bad   30   38   25   18 Bad   +12     Twelve months from now economic conditions in Tennessee will be: <sup>F</sup> Worse   52   48   51   51 bit   51 bit   +11     Economic conditions in rennessee will be: <sup>F</sup> Good   48   53   52 bit   57 bit   +11     Economic conditions in your industry are: <sup>C</sup> in between in your industry are: <sup>C</sup> Good   48   53 bit   52 bit   55 bit   56 bit   59 bit   +11     Regulatory conditions in your industry will be: <sup>F</sup> Good   23 bit   23 bit   21 bit   20 bit   -7 bit     Twelve months from now economic conditions in your industry are: <sup>C</sup> in between Bad   Good   23 bit   23 bit   21 bit   20 bit   -7 bit     Twelve months from now economic conditions for your firm/business are: <sup>C</sup> in between Bad   S0 bit   3 bit   5 bit   6 bit   -1 bit     Twelve months from now economic conditions for your firm/business will be: <sup>F</sup> About same Worse   S2 bit   47 bit   47 bit   5 bit   +21 bit							
Economic conditions in Tennessee are: $c^{1}$ in between Bad   Good 30   65 32   73 38 25   83 38   +12     Twelve months from now economic conditions in Tennessee will be: $r^{1}$ worse   Better Worse   44   47   43 51   48 51   +11     Economic conditions in your industry are: $c^{1}$ in your industry are: $c^{2}$ in petween cocomic conditions   Good Good   48 53   52 52   57 4   +11     Twelve months from now economic conditions in your industry are: $c^{2}$ in petween for your industry will be: $r^{1}$ worse   Good 65   23 53   21 56   60 59 56   41     Regulatory conditions in your industry are: $c^{2}$ in the tween for your industry are: $c^{2}$ bad   In between 52   53 59 56   56 69 68 5   7 4   -7 4     Twelve months from now per regulatory conditions will be: $r^{2}$ your firm/business are: $c^{2}$ in between for About same your firm/business are: $c^{2}$ in between bad   Better 50   36 5   43 5   28 5   +21 5     Twelve months from now economic conditions for your firm/business are: $c^{2}$ in between bad   52 5   47 5   47 5   51 6   +21 6     Compared to last year will your firm grow: $B^{1r}$ About same will your firm invest: $B^{1r}$ Worse   35 5   33 5   28 5   38 5   +19 5						-	
in Tennessee are: $^{c}$ In between Bad30382518 0Twelve months from now economic conditions in Tennessee will be: $^{f}$ Better44474348 51\$11The economic conditions in Tennessee will be: $^{f}$ Worse5460Economic conditions in your industry are: $^{c}$ Good48535257 6 $^{411}$ 424041 42Bad356048535257 6 $^{411}$ 43 $^{411}$ 44 $^{42}$ 4041 41 42 $^{41}$ 43 $^{41}$ 42 $^{41}$ 43 $^{41}$ 42 $^{41}$ 43 $^{41}$ 42 $^{41}$ 43 $^{41}$ 42 $^{41}$ 42 $^{41}$ 43 $^{41}$ 42 $^{41}$ 43 $^{41}$ 43 $^{41}$ 44 $^{42}$ $^{40}$ 41 43 $^{41}$ 43 $^{41}$ 43 $^{41}$ 43 $^{41}$ 44 $^{42}$ 40 $^{41}$ 41 $^{41}$ 42 $^{41}$ 43 $^{41}$ 43 $^{41}$ 45 $^{41}$ 45 $^{41}$ 45 $^{41}$ 45 $^{41}$ 45 $^{41}$ 45 $^{41}$ 45 $^{41}$ 45 $^{41}$ 45 $^{41}$ 46 $^{41}$ 43 $^{41}$ 45 $^{41}$ 45 $^{41}$ 45 $^{41}$ 45 $^{41}$ 46 $^{41}$ 43 $^{41}$ 45	in the 0.5. will be:	worse	15	U	0	5	
Bad   3   0   2   0     Twelve months from now economic conditions in Tennessee will be: f   Better Worse   44   47   43   48   51   51     Economic conditions in Tennessee will be: f   Good   48   53   52   57   41   6   0     Economic conditions in your industry are: C   Good   48   53   52   57   411     Bad   3   5   6   0   0   44   42   40   41     In between in your industry are: C   Bad   3   5   6   0   45     Regulatory conditions in your industry will be: F   Worse   6   5   7   4     Regulatory conditions in your firm/business are: C   Good   23   23   21   20   -7     Twelve months from now pregulatory conditions for your firm/business are: C   Better   32   29   19   19   -7     Twelve months from now pregulatory conditions for your firm/business will be: F   Good   47   60   51   70   +21     Twelve months from now economic conditions for your firm/business will be: F<	Economic conditions	Good	65	62	73	83	+12
Twelve months from now economic conditions   Better About same   44   47   43   48   +11     Twelve months from now economic conditions   Mores   5   4   6   0   +11     Economic conditions   Good   48   53   52   57   +11     in your industry are: C   In between   44   42   40   41     Bad   3   5   6   0   -7     Twelve months from now economic conditions   Better   39   39   32   34   +5     Regulatory conditions in your industry are: C   Good   23   23   21   20   -7     Twelve months from now pregulatory conditions in your firm/business are: C   Good   23   23   21   20   -7     Twelve months from now pregulatory conditions for your firm/business are: C   Bad   3   5   6   6   -7     Twelve months from now economic conditions for your firm/business are: C   Good   47   60   51   70   +21     Twelve months from now economic conditions for your firm/business will be: F   Worse   5   5   6 <td>in Tennessee are: <sup>c</sup></td> <td>In between</td> <td>30</td> <td>38</td> <td>25</td> <td>18</td> <td></td>	in Tennessee are: <sup>c</sup>	In between	30	38	25	18	
economic conditions   About same   52   48   51   51     in Tennessee will be: $f$ Worse   5   4   6   0     Economic conditions   Good   48   53   52   57   +11     in your industry are: $c$ In between   44   42   40   41     Bad   3   5   6   0   +11     Twelve months from now   Better   39   39   32   34   +5     Regulatory conditions   About same   50   55   56   59   -7     Your industry are: $c$ In between   52   53   59   56   59   -7     Regulatory conditions in your industry are: $c$ Good   23   23   21   20   -7     Twelve months from now   Better   32   29   19   19   -7     regulatory conditions will be: $f$ About same   53   59   66   68   -7     your firm/business are: $c$ In between   50   36   43   28   44     your firm		Bad	3	0	2	0	
economic conditions in Tennessee will be: $^{F}$ About same Worse   52   48   51   51     Economic conditions in your industry are: $^{C}$ In between Bad   44   42   40   41     Twelve months from now economic conditions in your industry will be: $^{F}$ Better   39   39   32   34   +5     Regulatory conditions in your industry are: $^{C}$ Good   23   23   21   20   -7     Twelve months from now economic conditions in your industry are: $^{C}$ Good   23   23   21   20   -7     Regulatory conditions in your industry are: $^{C}$ Good   23   23   59   56   59   -7     Twelve months from now regulatory conditions will be: $^{F}$ About same   53   59   69   68   -7     Twelve months from now regulatory conditions for your firm/business are: $^{C}$ In between   50   36   43   28   +21     Twelve months from now economic conditions for your firm/business will be: $^{F}$ More   32   34   38   41   0     Twelve months from now economic conditions for your firm/business will be: $^{F}$ More   32					40		
in Tennessee will be: <sup>f</sup> Worse   5   4   6   0     Economic conditions in your industry are: <sup>C</sup> Good   48   53   52   57   +11     Bad   3   5   6   0   +11   +11     Bad   3   5   6   0   +11     Twelve months from now economic conditions in your industry will be: <sup>f</sup> Better   39   39   32   34   +5     Regulatory conditions in your industry are: <sup>C</sup> Good   23   23   21   20   -7     In between   52   53   59   56   59   56   59   56     Bad   18   18   13   19   -7   -7   -7     Twelve months from now regulatory conditions for your firm/business are: <sup>C</sup> Better   32   29   19   19   -1     Twelve months from now economic conditions for your firm/business will be: <sup>f</sup> Good   47   60   5   6   6     Twelve months from now economic conditions for your firm/business will be: <sup>f</sup> More   32   34   38   41   0 </td <td></td> <td></td> <td></td> <td></td> <td></td> <td>-</td> <td>+11</td>						-	+11
Economic conditions in your industry are: c   Good In between   48 44 44 42 40 41 Bad   53 4 42 40 41 42 40 41 41   +11     Twelve months from now economic conditions in your industry will be: f   Better   39 50 55 56 57 4   39 56 59 56 59 56 59 56 59 56 59 56 59 56 59 56 59 56 59 56 59 56 7 4   -7     Regulatory conditions in your industry are: c   Good In between 52 53 59 56 8ad   23 23 23 23 23 21 20 18 18 18 13 19   -7     Twelve months from now regulatory conditions for your firm/business are: c   Better In between 50 8ad   32 59 60 68 67   29 19 19 19   19     Twelve months from now regulatory conditions for your firm/business are: c   Good In between 50 36 43 28 Bad   43 28 53   28 43 43 44   +21     Economic Conditions for your firm/business are: c   Good In between 50 36 43 28 56   43 44 43 66   +21     Twelve months from now economic conditions for your firm/business will be: f   More About same 42 46 44 43 43 40 44 43 40 40 41 12   44 43 40 41 40 41 40 41 41 40 41 40 41 40 41 40 41 41 40 41 41 40 41 41 40 41 41 40 41 41 40 41 41 41 41 41 41 41 41 41 41 41 41 41							
In your industry are: $^{\circ}$ In between Bad44 342 540 641 badTwelve months from now economic conditions in your industry will be: $^{r}$ Better About same brow see39 5032 5534 5645Regulatory conditions in your industry are: $^{\circ}$ Good In between Bad23 2323 21 2020 20-7Twelve months from now your industry are: $^{\circ}$ Good In between Bad23 2323 2321 20 2020 20-7Twelve months from now your industry are: $^{\circ}$ Better About same Worse32 5329 5919 56 5619 68Twelve months from now your firm/business are: $^{\circ}$ Better About same Worse32 50 5547 51 4641 43 43+21Twelve months from now your firm/business are: $^{\circ}$ Good In between Bad47 50 3651 3070 43+21Twelve months from now your firm/business will be: $^{r}$ More About same Worse32 547 5 547 647 43 4341 43 430Twelve months from now economic conditions for will your firm/business will be: $^{r}$ More About same 4232 4438 41 41 4341 430Compared to last year will your firm invest: $^{8/r}$ More About same 4833 4633 4628 4641 41 4341 44Compared to last year will your firm invest: $^{8/r}$ <td>in Tennessee will be: <sup>F</sup></td> <td>Worse</td> <td>5</td> <td>4</td> <td>6</td> <td>0</td> <td></td>	in Tennessee will be: <sup>F</sup>	Worse	5	4	6	0	
in your industry are: $\begin{tabular}{c}{c} & \mbox{In between} & 44 & 42 & 40 & 41 \\ \mbox{Bad} & 3 & 5 & 6 & 0 \\ \end{tabular}$ 44 & 42 & 40 & 41 \\ \mbox{Bad} & 3 & 5 & 6 & 0 \\ \end{tabular}41 & $\mbox{Better} & 39 & 39 & 32 & 34 \\ \mbox{About same} & 50 & 55 & 56 & 59 \\ \mbox{In your industry will be: } \begin{tabular}{c}{c} & \mbox{About same} & 50 & 55 & 56 & 59 \\ \mbox{In your industry will be: } \begin{tabular}{c}{c} & \mbox{About same} & 50 & 55 & 56 & 59 \\ \mbox{In your industry are: } \begin{tabular}{c}{c} & \mbox{In between} & 52 & 53 & 59 & 56 \\ \mbox{Bad} & 18 & 18 & 13 & 19 \\ \end{tabular}$ -7 \\ \mbox{In between} & 52 & 53 & 59 & 56 \\ \mbox{Bad} & 18 & 18 & 13 & 19 \\ \end{tabular}-7 \\ \mbox{In between} & 52 & 53 & 59 & 56 \\ \mbox{Bad} & 18 & 18 & 13 & 19 \\ \end{tabular}-1 \\ \mbox{About same} & 53 & 59 & 69 & 68 \\ \mbox{Worse} & 8 & 6 & 5 & 6 \\ \end{tabular}+21 \\ \end{tabular}Twelve months from now regulatory conditions for your firm/business are: $\begin{tabular}{c}{c} & 0 & 0 & 3 & 5 & 3 \\ \mbox{Worse} & 8 & 6 & 5 & 6 & 6 \\ \end{tabular}$ +21 \\ \end{tabular}+21 \\ \end{tabular}Twelve months from now setter conditions for About same 42 & 46 & 44 & 43 & 28 & 38 & 41 & 0 & 3 & 5 & 5 & 6 & 6 & 6 \\ \end{tabular}+21 & 44 & 43 & 46 & 44 & 43 & 44 & 44 & 44	Economic conditions	Good	48	53	52	57	+11
Bad     3     5     6     0       Twelve months from now economic conditions     Better About same     39     39     32     34     +5       acconomic conditions     About same     50     55     56     59     in       in your industry will be: <sup>F</sup> Worse     6     5     7     4     -7       Regulatory conditions in your industry are: <sup>C</sup> Good     23     23     21     20     -7       In between Bad     18     18     13     19     -7       Twelve months from now regulatory conditions will be: <sup>F</sup> Better     32     29     19     19     -1       Twelve months from now regulatory conditions for your firm/business are: <sup>C</sup> Better     32     29     19     19     -1       Twelve months from now economic conditions for your firm/business will be: <sup>F</sup> Moot same     50     36     43     28     -7       Twelve months from now economic conditions for your firm/business will be: <sup>F</sup> More     32     47     47     51     +44     46     44     43			44	42	40	41	
economic conditions in your industry will be: $^{f}$ About same Worse50555659Regulatory conditions in your industry are: $^{c}$ Good23232120-7In between Bad5253595659-74Twelve months from now regulatory conditions will be: $^{f}$ Better32291919-1About same worse5359696868-6-7Economic Conditions for your firm/business are: $^{c}$ Good47605170+21Twelve months from now economic conditions for your firm/business are: $^{c}$ Good47605170+21Twelve months from now economic conditions for your firm/business will be: $^{f}$ More523438410Compared to last year will your firm grow: $^{B/f}$ About same Less35332838+19Compared to last year will your firm invest: $^{B/f}$ More35332838+19More will your firm invest: $^{B/f}$ More35332838+19					-		
economic conditions in your industry will be: $^{F}$ About same Worse50555659Regulatory conditions in your industry are: $^{C}$ In between BadGood23232120-7Regulatory conditions in your industry are: $^{C}$ In betweenGood23232120-7Twelve months from now regulatory conditions will be: $^{F}$ About sameBetter32291919-1Twelve months from now regulatory conditions for your firm/business are: $^{C}$ In betweenGood47605170+21Economic Conditions for your firm/business are: $^{C}$ In betweenGood47605170+21Twelve months from now economic conditions for your firm/business will be: $^{F}$ More523438410Compared to last year will your firm grow: $^{B/F}$ About sameMore323438410Compared to last year will your firm invest: $^{B/F}$ MoreMore35332838+19Worse484650515051505170Compared to last year will your firm invest: $^{B/F}$ About same35332838+19							
in your industry will be: <sup>r</sup> Worse   6   5   7   4     Regulatory conditions in your industry are: <sup>c</sup> Good   23   23   21   20   -7     In between Bad   52   53   59   56   56   56   6   7   4     Twelve months from now regulatory conditions will be: <sup>r</sup> Better   32   29   19   19   19   -1     About same Worse   8   6   5   6   5   6   1		Better	39	39	-	34	+5
Regulatory conditions in your industry are: <sup>C</sup> Good   23   23   21   20   -7     your industry are: <sup>C</sup> In between Bad   52   53   59   56   59   56     Bad   18   18   13   19   -1   10   10     Twelve months from now regulatory conditions will be: <sup>F</sup> About same   53   59   69   68   -7     Economic Conditions for your firm/business are: <sup>C</sup> Good   47   60   51   70   +21     Twelve months from now getter   S0   36   43   28   -3   -3   -7     Feconomic Conditions for your firm/business are: <sup>C</sup> In between 50   36   43   28   -3   -7     Twelve months from now getter   Bad   0   3   5   3   +4   44   43   -7     your firm/business will be: <sup>F</sup> More   32   34   38   41   0     Compared to last year   More   35   33   28   38   41   0     will your firm invest: <sup>B/F</sup> About same   47	economic conditions	About same				59	
Note of the second s	in your industry will be: <sup>F</sup>	Worse	6	5	7	4	
Note of the second s	Regulatory conditions in	Good	23	23	21	20	-7
Bad18181319Twelve months from now regulatory conditions will be: FBetter32291919About same53596968-1Sconomic Conditions for your firm/business are: CGood47605170In between50364328-3Bad0353-1Twelve months from now economic conditions for your firm/business will be: FBetter52474751Worse55666-1-1Compared to last year will your firm invest: $\frac{8}{F}$ More32343841Less14131215-1Compared to last year will your firm invest: $\frac{8}{F}$ More35332838+19Worse48465051-1							
Twelve months from now regulatory conditions will be: $^{F}$ Better About same Worse32 53 59 69 68 6719 68 68 668 668-1Economic Conditions for your firm/business are: $^{C}$ Good In between Bad47 50 36 643 3551 70 28 36+21 43 43 43Twelve months from now economic conditions for your firm/business will be: $^{F}$ Good More About same 42 46 444 444 43 43 4147 47 47 51 46 41 13 12+4 43 46Compared to last year will your firm invest: $^{B/F}$ More More About same 48 4833 46 5019 93 51	your moustry dre.						
regulatory conditions will be: <sup>F</sup> About same 53 59 69 68 Worse 8 6 5 6 Economic Conditions for Good 47 60 51 70 your firm/business are: <sup>C</sup> In between 50 36 43 28 Bad 0 3 5 3 Twelve months from now Better 52 47 47 51 44 economic conditions for About same 42 46 444 43 your firm/business will be: <sup>F</sup> Worse 5 5 6 6 6 Compared to last year More 32 34 38 41 13 12 15 Compared to last year More 35 33 28 38 +19 will your firm invest: <sup>B/F</sup> More 35 33 28 38 +19 will your firm invest: <sup>B/F</sup> About same 48 46 50 51		200	10	20	10		
Worse   8   6   5   6     Economic Conditions for your firm/business are: <sup>C</sup> Good   47   60   51   70   +21     In between Bad   50   36   43   28   28   3   5   3     Twelve months from now economic conditions for your firm/business will be: <sup>F</sup> Better   52   47   47   51   +4     Compared to last year will your firm grow: <sup>B/F</sup> More   32   34   38   41   0     Compared to last year will your firm invest: <sup>B/F</sup> More   35   33   28   38   +19	Twelve months from now	Better	32	29	19	19	-1
Economic Conditions for your firm/business are: $^{C}$ Good In between Bad47605170 a+21Twelve months from now economic conditions for your firm/business will be: $^{F}$ Better About same52474751 a+4Compared to last year will your firm grow: $^{B/F}$ More About same32343841 a0Compared to last year will your firm invest: $^{B/F}$ More About same353328 a38 a+19	regulatory conditions will be: <sup>F</sup>	About same	53	59	69	68	
your firm/business are: <sup>c</sup> Bad No Twelve months from now economic conditions for your firm/business will be: <sup>F</sup> Nore Compared to last year will your firm grow: <sup>B/F</sup> Nore About same Less Nore About same 47 51 46 41 13 12 48 48 46 50 51 48 48 46 50 51 48 48 46 50 51 48 48 46 50 51 48 48 46 50 51 48 48 46 50 51 41 41 48 46 50 51 48 48 46 50 51 41 41 41 41 41 41 41 41 41 41 41 41 41		Worse	8	6	5	6	
your firm/business are: <sup>c</sup> Bad No Twelve months from now economic conditions for your firm/business will be: <sup>F</sup> Nore Compared to last year will your firm grow: <sup>B/F</sup> Nore About same Less Nore About same 47 51 46 41 13 12 45 48 48 46 50 51 48 48 46 50 51 48 48 46 50 51 48 48 46 50 51 48 48 46 50 51 48 48 46 50 51 48 48 46 50 51 48 48 46 50 51 48 48 46 50 51 48 41 48 46 50 51 48 41 41 41 41 41 41 41 41 41 41 41 41 41	Economic Conditions for	Cood	17	60	51	70	+21
Bad0353Twelve months from now economic conditions for your firm/business will be: FBetter5247475142464443434343435556666Compared to last year will your firm grow: B/FMore32343841 41 131215Compared to last year will your firm invest: B/FMore35332838 46+19							721
Twelve months from now economic conditions for your firm/business will be: FBetter About same Worse52 42 46 547 47 47 6 6+4 43 43 6+4 43 43 6+4 43 43 6Compared to last year will your firm grow: B/F LessMore About same 47 14 1332 5 46 41 12 1533 41 46 41 12 150 48 46+1 48 460 47Compared to last year will your firm invest: B/FMore About same 48 48 4635 5033 5128 5138 51+19	your minipusitiess are. °						
economic conditions for worse About same 42 46 44 43 5 6 6 6 6 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		200			-	-	
your firm/business will be: F Worse 5 5 6 6 6 Compared to last year More 32 34 38 41 will your firm grow: <sup>B/F</sup> About same 47 51 46 41 Less 14 13 12 15 Compared to last year More 35 33 28 <b>38</b> will your firm invest: <sup>B/F</sup> About same 48 46 50 <b>51</b>	Twelve months from now	Better	52	47	47	51	+4
Compared to last year More 32 34 38 41 will your firm grow: <sup>B/F</sup> About same 47 51 46 41 Less 14 13 12 15 Compared to last year More 35 33 28 <b>38</b> +19 will your firm invest: <sup>B/F</sup> About same 48 46 50 <b>51</b>	economic conditions for	About same	42	46	44	43	
will your firm grow: <sup>B/F</sup> About same 47 51 46 41 Less 14 13 12 15 Compared to last year More 35 33 28 <b>38</b> will your firm invest: <sup>B/F</sup> About same 48 46 50 <b>51</b>	your firm/business will be: <sup>F</sup>		5	5	6	6	
will your firm grow: <sup>B/F</sup> About same 47 51 46 41 Less 14 13 12 15 Compared to last year More 35 33 28 <b>38</b> will your firm invest: <sup>B/F</sup> About same 48 46 50 <b>51</b>	Company data last service		22	24	20		•
Less     14     13     12     15       Compared to last year     More     35     33     28     38     +19       will your firm invest: <sup>B/F</sup> About same     48     46     50     51							U
Compared to last year     More     35     33     28     38     +19       will your firm invest: <sup>B/F</sup> About same     48     46     50     51	will your firm grow: <sup>B/F</sup>						
will your firm invest: <sup>B/F</sup> About same 48 46 50 <b>51</b>		Less	14	13	12	15	
will your firm invest: <sup>B/F</sup> About same 48 46 50 <b>51</b>	Compared to last year	More	35	33	28	38	+19
Less 6 <b>12</b> 19 <b>10</b>	,						

8

Office of Consumer Research, Jones College of Business, Middle Tennessee State University: <u>www.mtsu.edu/consumer</u>

Increase	51	53	54	65	+8
Stay the same	28	39	35	19	
Decrease	6	4	8	11	
Increase	39	39	46	57	+8
Stay the same	38	49	40	23	
Decrease	12	8	12	15	
Increase	6	12	10	11	+4
Stay the same	50	49	50	52	
Decrease	8	14	12	9	
Increase	35	36	36	42	+2
Stay the same	56	60	56	47	
Decrease	8	1	6	10	
Easy to find	6	3	3	4	+1
, Found with effort	44	40	41	41	
Hard to find	47	53	53	53	
	Stay the same Decrease Increase Stay the same Decrease Increase Stay the same Decrease Increase Stay the same Decrease Easy to find Found with effort	Stay the same Decrease28 6Increase39 38 Decrease12Increase6 38 12Increase6 50 Decrease50 8Increase50 50 8Decrease8Easy to find Found with effort6 44	Stay the same2839Decrease64Increase3939Stay the same3849Decrease128Increase612Stay the same5049Decrease814Increase3536Stay the same5660Decrease81Increase81Easy to find63Found with effort4440	Stay the same283935Decrease648Increase393946Stay the same384940Decrease12812Increase61210Stay the same504950Decrease81412Increase66056Decrease816Stay the same566056Decrease816Easy to find633Found with effort444041	Stay the same   28   39   35   19     Decrease   6   4   8   11     Increase   39   39   46   57     Stay the same   38   49   40   23     Decrease   12   8   12   15     Increase   6   12   10   11     Stay the same   50   49   50   52     Decrease   8   14   12   9     Increase   35   36   36   42     Stay the same   56   60   56   47     Decrease   8   1   6   10     Easy to find   6   3   3   4     Found with effort   44   40   41   41

#### <sup>c</sup> Included in the Current Economic Situation Index

<sup>F</sup> Included in the Future Economic Expectations Index

<sup>B/F</sup> Included in the Business/Firm Performance Index

#### <sup>E</sup> Included in the Employment Outlook Index

9

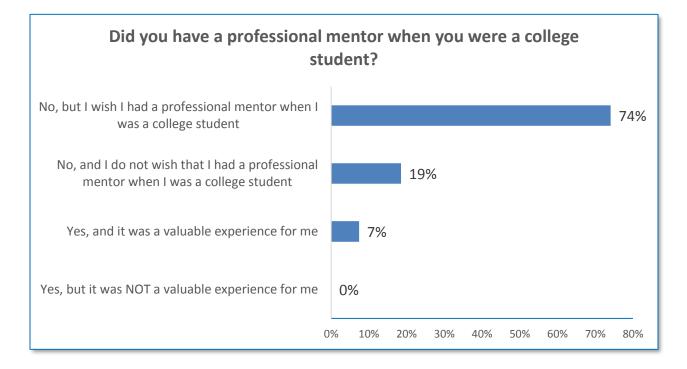
\* The Net Change score for each question is calculated based on the change in percent of both positive and negative responses to a question. The Net Change score increases when there are more positive responses as well as when there are fewer negative responses. For example, if there are 10 percent more positive responses, the net change score is +6. Alternatively, if there are 10 percent more positive responses and four percent more positive responses, then the net change score is +14.

#### **Professional Mentoring for College Students**

In response to concerns from business leaders that college graduates lack soft skills such as professionalism, colleges and universities are seeking to identify ways to incorporate soft skills and professionalism into their degree programs. Professional mentoring is a means by which professionalism can be integrated into college of business curriculum. Respondents were asked a series of questions related to professional mentoring and professionalism. These questions were preceded by the following introduction:

Now, we would like to ask you about professional mentoring for college students. By this, we mean when a student is paired with a professional who is currently working in a full-time career/job. The student and mentor might meet occasionally for lunch or at the professional's place of business. Mentoring might also include email and/or telephone communications between student and mentor.

The majority of respondents did not have a professional mentor when they were in college. However, they see the value of mentoring. A strong majority (almost three-fourths) say they did not have a mentor but wished they did have a professional mentor as a college student.



When asked to indicate their level of agreement or disagreement with a series of statements related to professional mentoring, the value of a mentoring program for college students and degree programs becomes clear. The chart below shows the mean ratings on a 5-point scale, where 1 = strongly disagree; 5 = strongly agree. The accompanying table shows the percent responses to each question. For all but one question, the majority of respondents agreed with the statements (somewhat agree or strongly agree).



<u>Note</u>: All means are statistically significantly different from the scale midpoint (3.0) at p<.01, except "When I meet business students, I can tell those who have been mentored from those who have not."

11

Office of Consumer Research, Jones College of Business, Middle Tennessee State University: <u>www.mtsu.edu/consumer</u>

Tennessee Business Barometer October 2017

Please indicate your level of agreement or disagreement with the following statements. [ <i>Percent Responding</i> ]	Strongly disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Strongly agree	Percent somewhat agree or strongly agree
Professionalism is an important soft skill that should be given greater emphasis in business programs.	1%	3%	5%	38%	54%	91%
Students can learn soft skills by working with a mentor better than they can learn soft skills in their classes.	0%	8%	9%	48%	36%	84%
Having a professional mentoring program can add value to a business program.	1%	4%	19%	58%	19%	76%
Business programs should require all students majoring in business to take a course dedicated to professionalism.	3%	6%	19%	39%	33%	72%
Mentoring students is something that business professionals should want to do.	1%	6%	24%	48%	21%	69%
Professionalism is something that is lacking in today's business school graduates.	1%	5%	30%	39%	24%	63%
I know business professionals who would want to mentor students.	1%	9%	27%	43%	20%	63%
If a college of business required all of its students to have a professional mentor prior to graduating, that would increase the value of a degree from that school.	3%	10%	26%	53%	9%	61%
If a student has had a professional mentor, that would make me more likely to hire that student when they graduate.	3%	5%	36%	49%	8%	56%
Working with a professional mentor should be required of every college student majoring in business.	3%	13%	30%	43%	13%	55%
When I meet business students, I can tell those who have been mentored from those who have not.	4%	15%	58%	21%	3%	24%

#### About the Tennessee Business Barometer Survey

The Tennessee Business Barometer survey is a collaborative effort between Jones College of Business at Middle Tennessee State University and the Tennessee Chamber of Commerce and Industry. The survey measures the mood and outlook of business leaders statewide through online surveys. This report is also available on the MTSU Office of Consumer Research website (www.mtsu.edu/consumer).

The results reported here are based on an online survey of 81 business leaders throughout the state of Tennessee. The survey was conducted between October 5 and October 13. With a sample of 81 people, we can say with 95% confidence that the amount of survey error due to taking a random sample instead of surveying all members of the population is  $\pm$  10.8%. Other factors such as problems with question wording and interpretation can introduce additional bias or error into the results.

The Tennessee Business Barometer Index is based on all 17 survey questions outlined below. The score is computed by adding the percentage of positive responses to each question and subtracting the percentage of negative responses. The Current Economic Situation Index is based on questions 1, 3, 5, 7, and 9. The Future Economic Expectations Index is based on questions 2, 4, 6, 8, and 10. The Business/Firm Performance Index is based on questions 11, 12, 13, 14, and 15. The Employment Outlook Index is based on questions 16 and 17.

For more information about the Tennessee Business Barometer, contact Dr. Timothy Graeff, director of the Office of Consumer Research, at 615-898-5124 or <u>tim.graeff@mtsu.edu</u>.

For more information about the Tennessee Chamber of Commerce and Industry, visit <u>www.tnchamber.org</u> or call 615-256-5141.

### The Tennessee Business Barometer

**[C]** = included in the Current Economic Situation Index

[F] = included in the Future Economic Expectations Index

**[B/F]** = included in the Business (Firm) Performance Index

[E] = included in the Employment Outlook Index

- 1. **[C]** The current overall economic conditions in the COUNTRY AS A WHOLE are good, somewhere in between, or bad?
- 2. **[F]** In the next 12 months, do you expect the overall economic conditions in the COUNTRY AS A WHOLE to be better, stay about the same as they are today, or be worse?
- 3. **[C]** The current economic conditions in TENNESSEE are good, somewhere in between, or bad?
- 4. **[F]** In the next 12 months, do you expect the economic conditions in TENNESSEE to be better, stay about the same as they are today, or be worse?
- 5. **[C]** The current economic conditions for your INDUSTRY are good, somewhere in between, or bad?
- 6. **[F]** In the next 12 months, do you expect the economic conditions for your INDUSTRY to be better, stay about the same as they are today, or be worse?
- 7. **[C]** The current regulatory conditions for your industry are good, somewhere in between, or bad?
- 8. **[F]** In the next 12 months, do you expect the regulatory conditions for your industry to be better, stay about the same as they are today, or be worse?
- 9. **[C]** The current economic conditions for your FIRM/BUSINESS are good, somewhere in between, or bad?
- 10. **[F]** In the next 12 months, do you expect the economic conditions for your FIRM/BUSINESS to be better, stay about the same as they are today, or be worse?
- 11. **[B/F]** With respect to growth, compared to last year do you expect that your FIRM/BUSINESS will grow more than it did last year, grow about the same as it did last year, or grow less than it did last year?
- 12. **[B/F]** With respect to investing in your business, do you expect that compared to last year your FIRM/BUSINESS will invest more, about the same as last year, or less?
- 13. **[B/F]** With respect to sales revenues, compared to last year do you expect that your FIRM'S/BUSINESS'S sales revenues will increase, stay about the same as last year, or decrease?

- 14. **[B/F]** With respect to profitability, compared to last year do you expect that your FIRM'S/BUSINESS'S profitability will increase, stay about the same as last year, or decrease?
- 15. **[B/F]** With respect to inventories, in the next 12 months, do you expect that your FIRM/BUSINESS will increase inventories, keep inventories the same, or decrease inventories?
- 16. **[E]** With respect to employment, in the next 12 months, do you expect that your FIRM/BUSINESS will increase employment, keep employment at about the same level as it is today, or decrease employment?
- 17. **[E]** With respect to your FIRM/BUSINESS being able to find qualified employees in the local labor force, qualified employees are easy to find, can be found with effort, or are hard to find?

