

First Business Economic Survey of Northeast Wisconsin

2008 Survey Results

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Prepared by:

Chanchal B Tamrakar, Paul Hahn, Michael Kirk
A.C. Nielsen Center for Marketing Research
UW-Madison School of Business

Executive Summary

This report highlights the findings of the 2008 First Business Economic Survey of Northeast Wisconsin, which was conducted by the University of Wisconsin's A.C. Nielsen Center for Marketing Research between September and October 2008. This was the first year that the study was conducted in this geographic market. The survey was sent to 7,500 businesses in Northeast Wisconsin that were reported to have one or more employees and was addressed to the CEO, CFO, President, and/or business owner. The survey asked questions regarding eight key economic indicators in each of the following areas: Sales Revenue, Profitability, Total Operating Costs as a % of Revenue, Capital Expenditures, Number of Employees, Overall Wage Change, Change in Pricing, and Operating Capacity. The survey also asked questions pertaining to changes in expenses, and the impact of the slowdown in the housing market.

Overall, businesses saw an increase in revenues in 2008. There was some variance among geographic markets served and across sectors, which contributed to a wide dispersion in the results reported (while most businesses reported increases, a fairly substantial number of them reported decreases also). With the exception of the Technology sector, a substantial number of businesses also reported increases in their total operating costs (more than two-thirds of businesses in most categories). There was a great deal of variability with regard to capital expenditures in 2008. "No change" was reported most often, but the data tended to skew slightly toward small increases. The data reflected a similar variability for Profitability. A relatively equal number of businesses report decreases and increases. Most businesses reported "no change" in the number of employees in 2008. If they did report changes, they seemed to be in the 1 to 3% range. Most businesses reported an increase in wages and an increase in pricing. These changes tended to be overwhelmingly in the 1 to 3% and 4 to 6% ranges.

On the whole, businesses seem to have moderate expectations for 2009. There are some areas of optimism, but most businesses project similar results to 2008. Fewer businesses expect to see a decrease in revenues in 2009, and fewer expect an increase in costs. These changes are made up in terms of businesses reporting "no change" in these variables. Overall, fewer businesses expect to increase their capital expenditures in 2009, with more electing to hold these figures constant. There is less optimism with regard to profitability, but this variable exhibited a significant amount of dispersion. More businesses expect to keep the number of employees at their businesses constant in 2009, while fewer expect there to be wage increases. Most businesses expect pricing to stabilize and remain fairly constant.

Key Summary Results

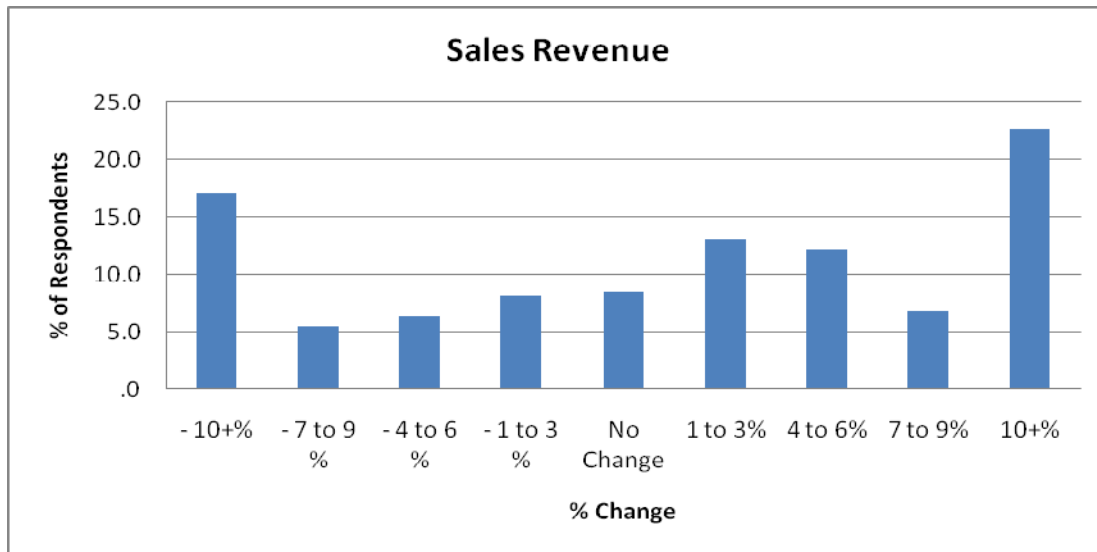
The table on the following page illustrates the percentage of companies surveyed which are reporting (2008) or expecting (2009) changes in each area of interest.

Area	2008 Results	2009 Expectation
Sales Revenue	54.44% saw an increase	52.99% see an increase
	8.58 % saw no change	17.66% see no change
	36.98% saw a decrease	29.34% see a decrease
Operating Cost as a % of Revenue	69.12% saw an increase	60.06% see an increase
	13.64% saw no change	21.03% see no change
	17.24% saw a decrease	18.91% see a decrease
Capital Expenditure	41.80% saw an increase	35.89% see an increase
	37.10% saw no change	44.29% see no change
	21.10% saw a decrease	19.82% see a decrease
Profitability	42.77% saw an increase	44.39% see an increase
	14.61% saw no change	26.21% see no change
	42.62% saw a decrease	29.39% see a decrease
Number of Employees	25.63% saw an increase	23.25% see an increase
	49.78% saw no change	62.44% see no change
	24.59% saw a decrease	14.31% see a decrease
Overall Wage Change	69.13% saw an increase	62.09% see an increase
	24.82% saw no change	33.28% see no change
	6.06% saw a decrease	4.63% see a decrease
Change in Pricing	69.15% saw an increase	64.30% see an increase
	24.29% saw no change	27.53% see no change
	6.56% saw a decrease	8.17% see a decrease
Capacity Utilization	20.27% were under 70%	
	42.47% were between 70 to 90%	
	37.26% were over 90%	
Overall	23.55% exceeded expectations	
	32.79% met expectations	
	43.67% performed below expectations	

Detailed Findings

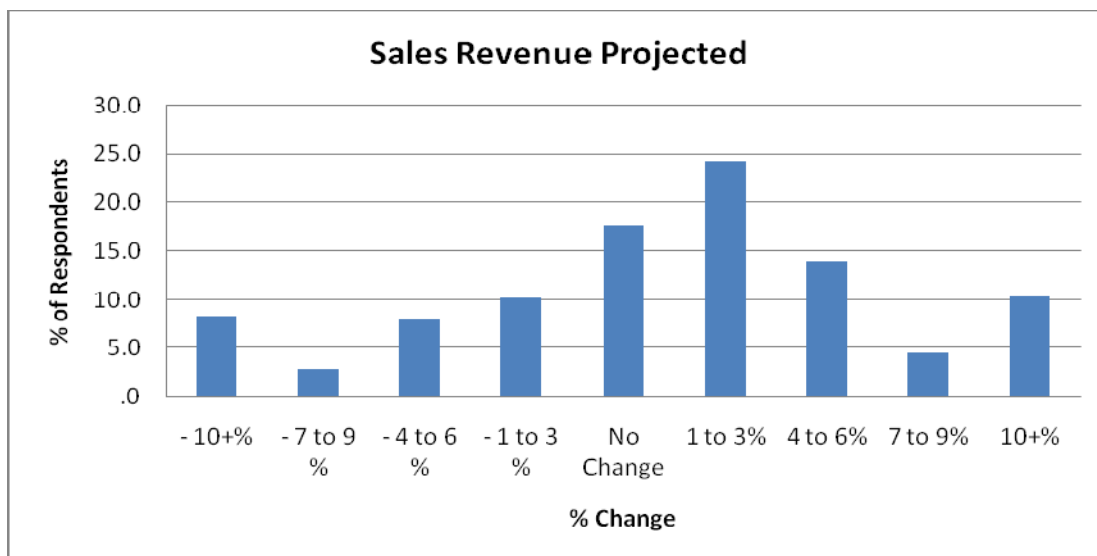
Sales Revenue Overall

Sales Revenue				Sales Revenue Projected			
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2008	36.98%	8.58 %	54.44%	2009	29.34%	17.66%	52.99%



Actual Results:

In the Northeast Wisconsin economic market, more businesses reported an increase in sales revenue as opposed to a decrease in 2008. What is interesting when looking at the chart above is that increases and decreases tended to be substantial—10% or more in either direction was the most common response.



Projections for 2009:

The data for sales revenue projections for 2009 appear very similar to the actual results for 2008. However, more businesses project no change in sales revenue in 2009. In addition, the chart above illustrates that more of those that do expect a change in revenue expect it to be to a lesser degree than the actual results for 2008.

Sales Revenue by Geography

NE Wisconsin- Actual			Midwest - Actual			National/International - Actual			
Sales Revenue			Sales Revenue			Sales Revenue			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2008	41.91%	7.80%	50.29%	32.22%	11.11%	56.67%	30.83%	6.77%	62.41%

Actual Results:

The data concerning sales revenue by geography suggest that a greater number of businesses that serve an increasingly broad market reported an increase in sales revenue in 2008. 42% of businesses serving the NE Wisconsin market reported a decrease in revenue in 2008, compared to only 31% of those who serve the National/International market.

NE Wisconsin- Projected			Midwest - Projected			National/International - Projected			
Sales Revenue Projected			Sales Revenue Projected			Sales Revenue Projected			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2009	34.59%	16.28%	49.13%	23.16%	20.90%	55.93%	21.54%	16.92%	61.54%

Projections for 2009:

Businesses across geographic markets reported very similar projections for 2009. The data suggest that businesses who serve the Midwest and National/International markets increasingly expect a sales revenue increase in 2009.

Sales Revenue by Business Type

Retail Actual			Service Actual			
Sales Revenue			Sales Revenue			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2008	32.65%	4.08%	63.27%	34.35%	8.02%	57.63%

Manufacturing Actual			Technology Actual			Other Actual			
Sales Revenue			Sales Revenue			Sales Revenue			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2008	37.35%	7.83%	54.82%	37.50%	6.25%	56.25%	41.46%	11.59%	46.95%

Actual Results:

In the Northeast Wisconsin market, more Retail businesses reported an increase in revenue (63%) than any other sector. Businesses in the Service, Manufacturing, and Technology sectors reported similar results in terms of sales revenue for 2008.

Retail Projected			Service Projected			
Sales Revenue Projected			Sales Revenue Projected			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2009	36.00%	20.00%	44.00%	27.59%	17.62%	54.79%

Manufacturing Projected			Technology Projected			Other Projected			
Sales Revenue Projected			Sales Revenue Projected			Sales Revenue Projected			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2009	25.15%	18.40%	56.44%	28.57%	0.00%	71.43%	33.54%	18.01%	48.45%

Projections for 2009:

Technology businesses project interesting results in 2009. There were no businesses that projected no change in revenues in 2009. In addition, over 71% of Technology businesses expect to achieve sales revenue increases in 2009. In contrast, only 44% of Retail businesses project a sales revenue increase in 2009.

Sales Revenue by Business Classification

Business to Business - Actual			Business to Consumer - Actual			Both - Actual			
Sales Revenue			Sales Revenue			Sales Revenue			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2008	32.08%	7.50%	60.42%	33.80%	9.15%	57.04%	43.01%	9.19%	47.79%

Actual Results:

Business to Business and Business to Consumer firms revealed similar results for actual sales revenue in 2008. 48% of Business to Both firms reported an increase in sales revenue, which was somewhat different from the other classifications.

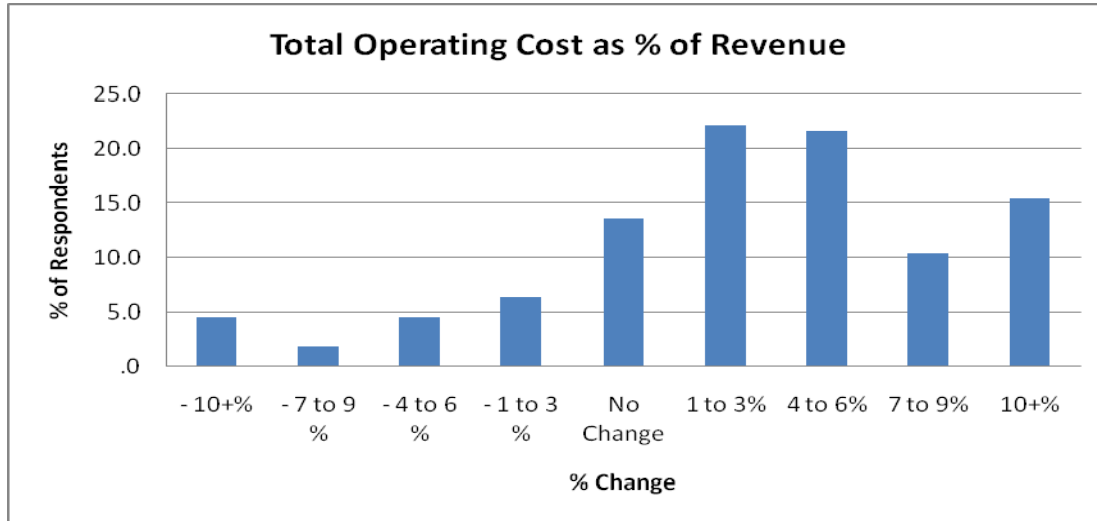
Business to Business - Projected			Business to Consumer - Projected			Both - Projected			
Sales Revenue Projected			Sales Revenue Projected			Sales Revenue Projected			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2009	24.58%	16.95%	58.47%	30.00%	15.71%	54.29%	32.96%	19.63%	47.41%

Projections for 2009:

The different business classifications project similar sales revenue results in 2009 relative to the actual results for 2008. This is true across the different classifications as well.

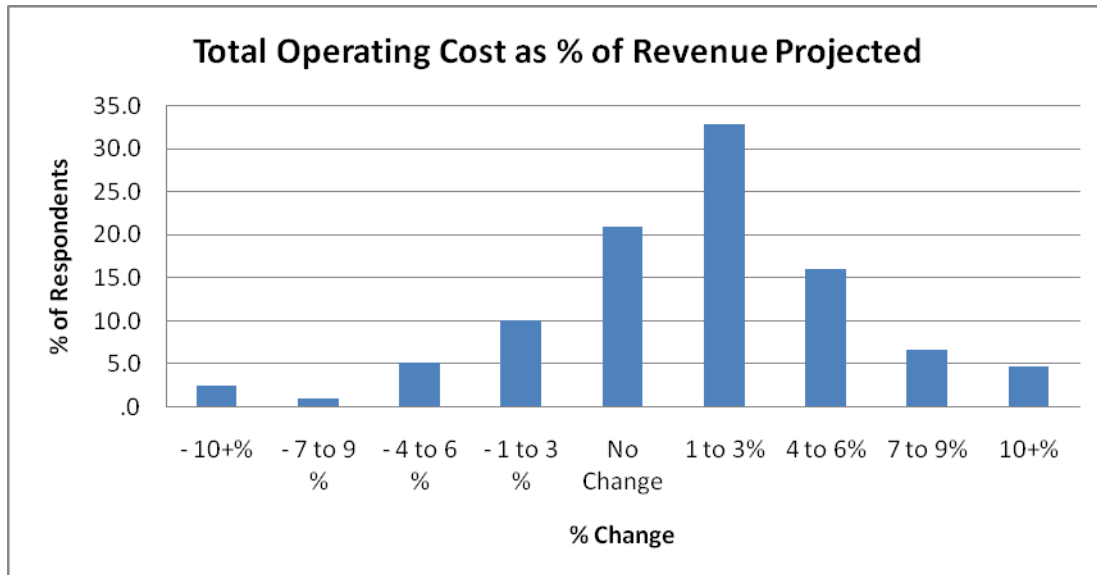
Total Operating Costs Overall

Total Operating Cost			Total Operating Cost Projected				
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2008	17.24%	13.64%	69.12%	2009	18.91%	21.03%	60.06%



Actual Results:

A vast majority of businesses overall reported an increase in total operating costs in 2008 (69%). Most of these businesses reported increases in the 1 to 3% and 4 to 6% range.



Projections for 2009:

Fewer businesses project an increase in total operating costs in 2009 relative to the actual results for 2008. The bulk of this difference is accounted for in the “no change” category. The businesses that do project an increase overwhelmingly expect it to be in the 1 to 3% range.

Total Operating Costs by Geography

NE Wisconsin- Actual			Midwest - Actual			National/International - Actual			
Total Operating Costs as a % of Revenue			Total Operating Costs as a % of Revenue			Total Operating Costs as a % of Revenue			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2008	19.88%	13.45%	66.67%	13.48%	10.67%	75.84%	16.92%	19.23%	63.85%

Actual Results:

Businesses serving the Midwest market revealed an overwhelming account of an increase in total operating costs for 2008 at close to 76%. A similar number of businesses serving the NE Wisconsin and National/International markets reported an increase in operating costs.

NE Wisconsin- Projected			Midwest - Projected			National/International - Projected			
Total Operating Costs as a % of Revenue Projected			Total Operating Costs as a % of Revenue Projected			Total Operating Costs as a % of Revenue Projected			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2009	18.58%	18.58%	62.83%	18.18%	22.73%	59.09%	22.48%	25.58%	51.94%

Projections for 2009:

More businesses serving the NE Wisconsin and Midwest markets project an increase in total operating costs in 2009 than those firms that serve the National/International marketplace.

Total Operating Costs by Business Type

Retail Actual			Service Actual			
Total Operating Costs as a % of Revenue			Total Operating Costs as a % of Revenue			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2008	20.41%	16.33%	63.27%	16.54%	15.00%	68.46%

Manufacturing Actual			Technology Actual			Other Actual			
Total Operating Costs as a % of Revenue			Total Operating Costs as a % of Revenue			Total Operating Costs as a % of Revenue			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2008	17.18%	11.66%	71.17%	31.25%	25.00%	43.75%	17.50%	12.50%	70.00%

Actual Results:

A greater number of Service, Manufacturing, and “Other” businesses reported an increase in total operating costs in 2008 (all near 70%). Only 43% of Technology firms revealed an increase in total operating costs in 2008.

Retail Projected				Service Projected		
Total Operating Costs as a % of Revenue Projected				Total Operating Costs as a % of Revenue Projected		
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2009	28.00%	18.00%	54.00%	18.68%	20.62%	60.70%

Manufacturing Projected			Technology Projected			Other Projected			
Total Operating Costs as a % of Revenue Projected			Total Operating Costs as a % of Revenue Projected			Total Operating Costs as a % of Revenue Projected			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2009	16.05%	27.78%	56.17%	35.71%	7.14%	57.14%	19.50%	18.24%	62.26%

Projections for 2009:

There are very small differences across business types in terms of total operating cost projections for 2009. On the whole, fewer businesses forecast an increase in costs in 2009 relative to the actual results for 2008.

Total Operating Costs by Business Classification

Business to Business - Actual			Business to Consumer - Actual			Both - Actual			
Total Operating Costs as a % of Revenue			Total Operating Costs as a % of Revenue			Total Operating Costs as a % of Revenue			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2008	17.75%	14.72%	67.53%	14.08%	14.08%	71.83%	19.49%	13.24%	67.28%

Actual Results:

The different business classifications revealed similar results for total operating costs in 2008. Over two-thirds of each reported an increase.

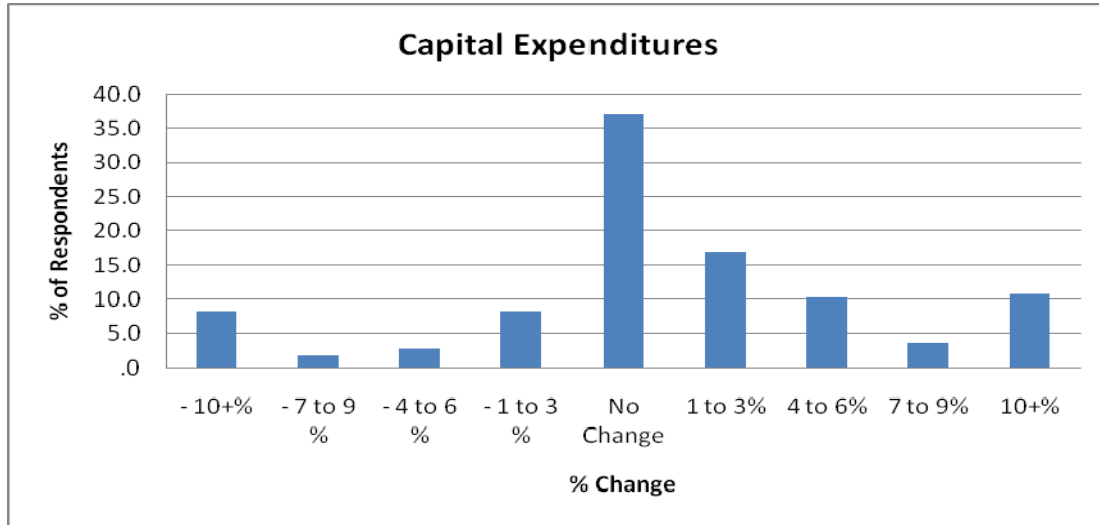
Business to Business - Projected			Business to Consumer - Projected			Both - Projected			
Total Operating Costs as a % of Revenue Projected			Total Operating Costs as a % of Revenue Projected			Total Operating Costs as a % of Revenue Projected			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2009	18.61%	24.24%	57.14%	21.58%	19.42%	58.99%	18.96%	20.07%	60.97%

Projections for 2009:

The projections of total operating costs for 2009 are similar across the different business classifications. It is important to note that fewer of these businesses project an increase in operating costs in 2009.

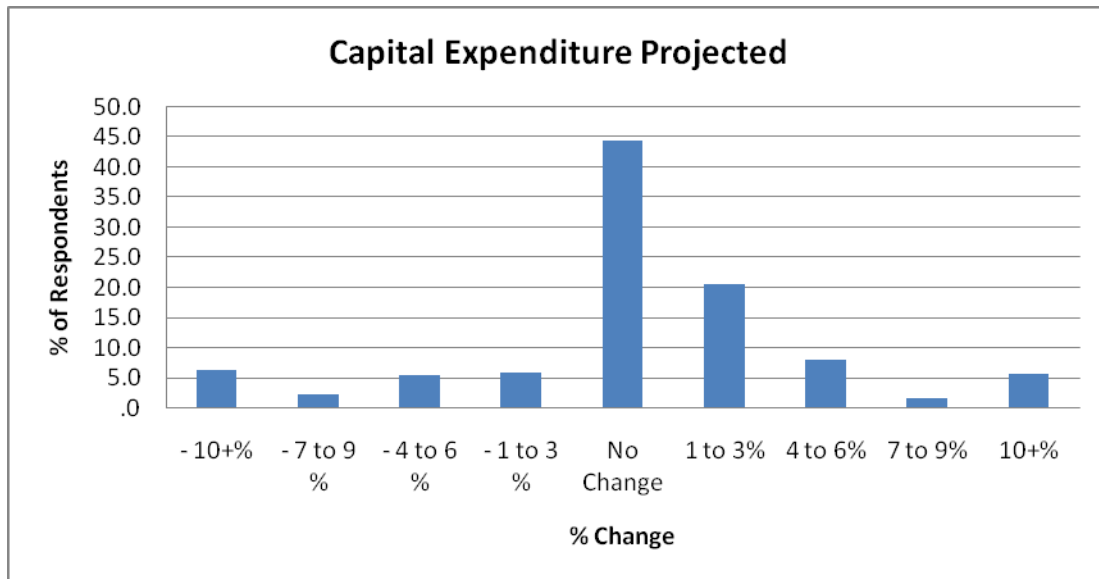
Capital Expenditures Overall

Capital Expenditure			Capital Expenditure Future				
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2008	21.10%	37.10%	41.80%	2009	19.82%	44.29%	35.89%



Actual Results:

Most businesses revealed no change in their capital expenditures for 2008.



Projections for 2009:

Most businesses project no change in their capital expenditures in 2009. More expect an increase than a decrease however, primarily in the 1 to 3% or 4 to 6% range. Fewer businesses project an increase relative to the actual results in 2008.

Capital Expenditures by Geography

NE Wisconsin- Actual			Midwest - Actual			National/International - Actual			
Capital Expenditures			Capital Expenditures			Capital Expenditures			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2008	23.03%	38.19%	38.78%	22.47%	34.27%	43.26%	13.85%	39.23%	46.92%

Actual Results:

More businesses that serve the Midwest and National/International markets reported an increase in capital expenditures in 2008 than those that served the local geography. Many of these businesses also report no change in capital expenditures as well.

NE Wisconsin- Projected			Midwest - Projected			National/International - Projected			
Capital Expenditures Projected			Capital Expenditures Projected			Capital Expenditures Projected			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2009	18.48%	48.09%	33.43%	22.03%	37.29%	40.68%	20.61%	41.22%	38.17%

Projections for 2009:

A greater number of businesses project capital expenditures to remain the same in 2009 than those that reported an actual "no change" in 2008. Those firms serving the local NE Wisconsin market reported the highest degree of this characteristic at 48%.

Capital Expenditures by Business Type

Retail Actual			Service Actual			
Capital Expenditures			Capital Expenditures			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2008	14.00%	32.00%	54.00%	21.92%	37.69%	40.38%

Manufacturing Actual			Technology Actual			Other Actual			
Capital Expenditures			Capital Expenditures			Capital Expenditures			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2008	22.70%	38.04%	39.26%	35.71%	28.57%	35.71%	19.14%	37.65%	43.21%

Actual Results:

Many of the business sectors report similar results for capital expenditures in 2008. The Retail sector stands out, however, as 54% of these business reported an increase in capital expenditures.

Retail Projected				Service Projected		
Capital Expenditures Projected				Capital Expenditures Projected		
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2009	24.00%	52.00%	24.00%	20.16%	41.47%	38.37%

Manufacturing Projected			Technology Projected			Other Projected			
Capital Expenditures Projected			Capital Expenditures Projected			Capital Expenditures Projected			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2009	20.25%	45.40%	34.36%	33.33%	20.00%	46.67%	16.77%	46.58%	36.65%

Projections for 2009:

The Retail sector reports the most surprising expectation for capital expenditures in 2009. Where 54% of these businesses reported an actual increase in 2008, only 24% of them project an increase in 2009. Most of the other business sectors report similar expectations to their results for 2008.

Capital Expenditures by Business Classification

Business to Business - Actual			Business to Consumer - Actual			Both - Actual			
Capital Expenditures			Capital Expenditures			Capital Expenditures			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2008	18.97%	37.93%	43.10%	18.44%	31.91%	49.65%	24.54%	39.56%	35.90%

Actual Results:

Business to Consumer firms reported the only noticeable contrast from other business types regarding capital expenditures. Almost 50% of these firms revealed an increase in capital expenditures in 2008.

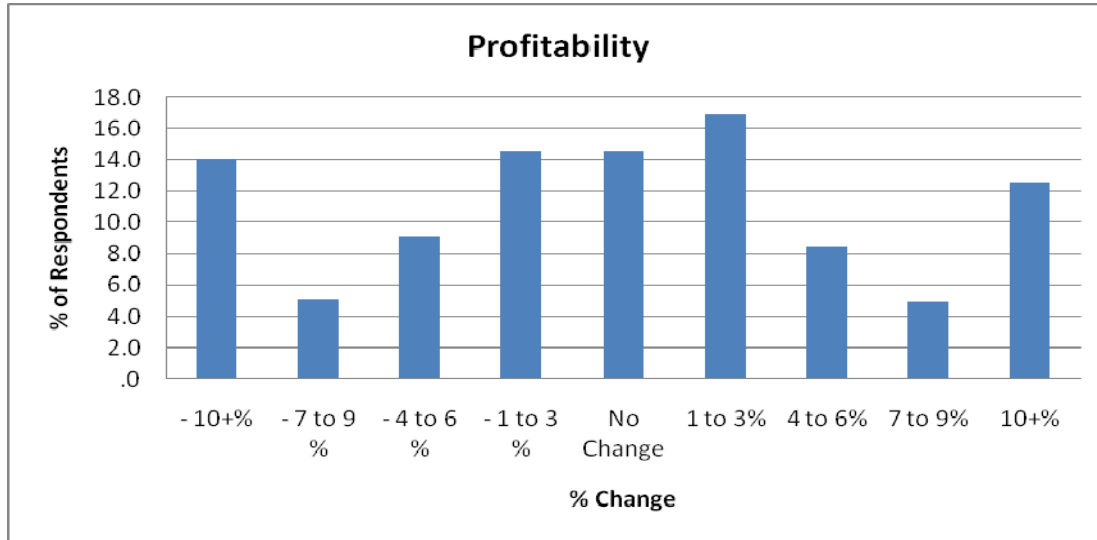
Business to Business - Projected			Business to Consumer - Projected			Both - Projected			
Capital Expenditures Projected			Capital Expenditures Projected			Capital Expenditures Projected			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2009	21.37%	42.31%	36.32%	18.71%	43.17%	38.13%	19.56%	45.39%	35.06%

Projections for 2009:

Fewer businesses across the classifications project an increase in capital expenditures in 2009. The Business to Consumer firms showed the largest change relative to 2008. Only 38% of them expect to increase capital expenditures next year.

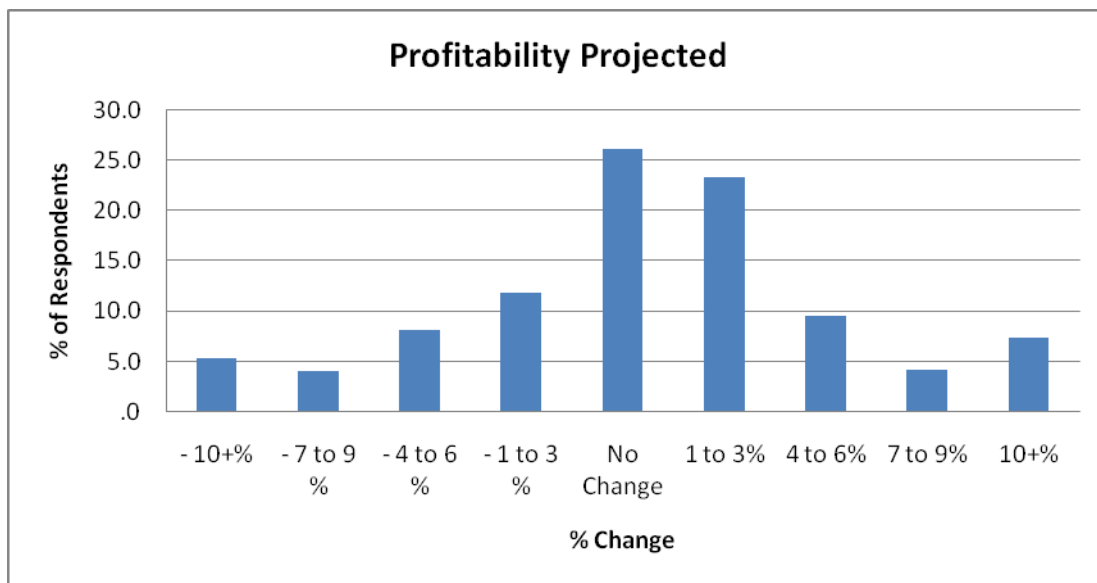
Profitability Overall

Profitability			Profitability Projected				
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2008	42.62%	14.61%	42.77%	2009	29.39%	26.21%	44.39%



Actual Results:

Both the data and the chart above reveal a great deal of variability about profitability. A relatively equal percentage of businesses reported an increase and a decrease in profitability in 2008. These profitability changes were widely distributed percentage-wise as well.



Projections for 2009:

Fewer businesses project a decline in profitability in 2009 when these numbers are compared to the actual results for 2008. This change is encompassed by those who report there will be no change in their profitability in 2009. The chart above bears out these differences, as there is more of a central tendency to the data.

Capital Expenditures by Geography

NE Wisconsin- Actual			Midwest - Actual			National/International - Actual			
Profitability			Profitability			Profitability			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2008	45.16%	16.13%	38.71%	45.45%	10.80%	43.75%	33.08%	14.62%	52.31%

Actual Results:

At 52%, businesses that serve the National/International markets reported the largest increase in profitability. Those firms serving the Midwest exhibited the greatest variability—a relatively equal number of them reported an increase and a decrease.

NE Wisconsin- Projected			Midwest - Projected			National/International - Projected			
Profitability Projected			Profitability Projected			Profitability Projected			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2009	32.84%	26.92%	40.24%	28.98%	23.86%	47.16%	19.38%	27.13%	53.49%

Projections for 2009:

Similar to the actual results above, a greater number of firms serving the National/International markets project an increase in profitability for 2009. There is still a high degree of variability within each market served.

Profitability by Business Type

Retail Actual			Service Actual			
Profitability			Profitability			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2008	40.82%	12.24%	46.94%	41.31%	15.06%	43.63%

Manufacturing Actual			Technology Actual			Other Actual			
Profitability			Profitability			Profitability			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2008	39.63%	14.63%	45.73%	53.33%	0.00%	46.67	46.84%	15.82%	37.34%

Actual Results:

The most interesting statistic above is the fact that no Technology businesses reported “no change” in profitability in 2008. Over 53% of them reported a decrease, which also contrasts with the other business types.

Retail Projected			Service Projected			
Profitability Projected			Profitability Projected			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2009	32.00%	22.00%	46.00%	28.02%	24.51%	47.47%

Manufacturing Projected			Technology Projected			Other Projected			
Profitability Projected			Profitability Projected			Profitability Projected			
	Decrease	Unchanged	Increase	Decrease	unchanged	Increase	Decrease	Unchanged	Increase
2009	22.98%	32.30%	44.72%	40.00%	0.00	60.00%	34.81%	26.58%	38.61%

Projections for 2009:

Most of the business types project similar results in profitability for 2009. There remains a wide variability in their expectations.

Profitability by Business Classification

Business to Business - Actual			Business to Consumer - Actual			Both - Actual			
Profitability			Profitability			Profitability			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2008	37.77%	13.73%	48.50%	41.61%	24.09%	34.31%	47.43%	10.29%	42.28%

Actual Results:

There is a fairly substantial difference between Business to Business firms and Business to Consumer firms when it comes to profitability. 48.5% of Business to Business firms reported an increase in profitability, while only 34% of Business to Consumer firms revealed an increase.

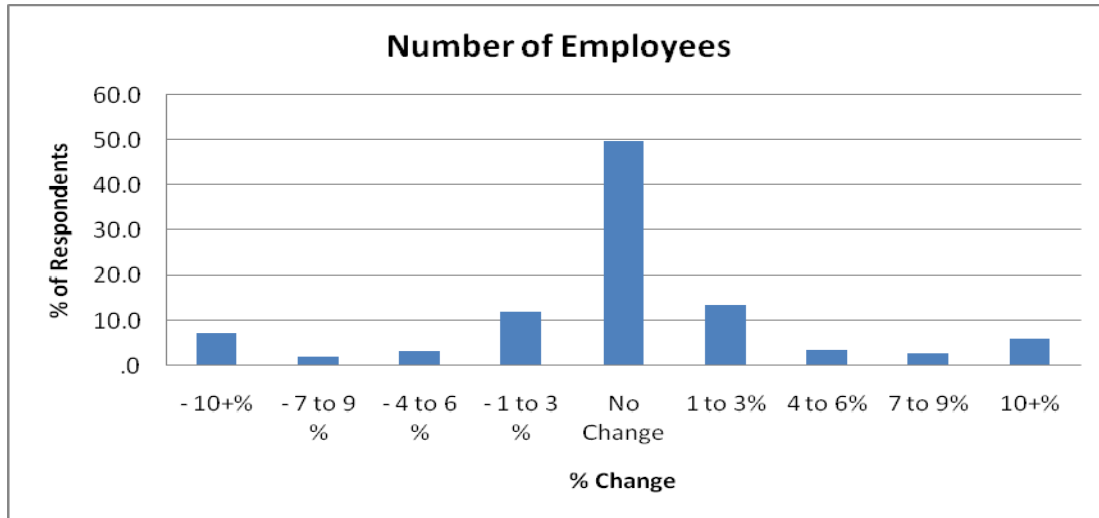
Business to Business - Projected			Business to Consumer - Projected			Both - Projected			
Profitability Projected			Profitability Projected			Profitability Projected			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2009	27.59%	24.57%	47.84%	28.99%	29.71%	41.30%	30.60%	25.37%	44.03%

Projections for 2009:

All classifications of businesses exhibit similarities in their projections for profitability in 2009. There is a wide variability across their expectations.

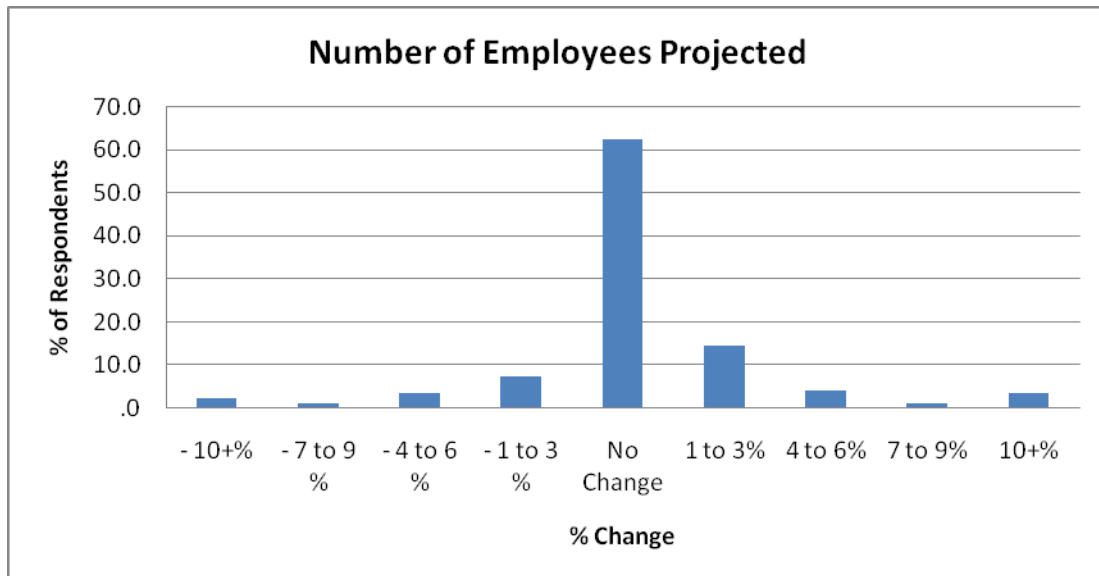
Number of Employees Overall

	No. Of Employees				No. of Employees Projected		
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2008	24.59%	49.78%	25.63%	2009.00	14.31%	62.44%	23.25%



Actual Results:

Most businesses reported no change in the number of employees in 2008. An equal number reported a decrease and an increase in this figure. The above bar chart displays this.



Projections for 2009:

Fewer businesses expect a decrease in the number of employees in 2009 relative to what they reported in 2008. Far more businesses expect there to be no change in the number of employees in 2009.

Number of Employees by Geography

NE Wisconsin- Actual			Midwest - Actual			National/International - Actual			
Number of Employees			Number of Employees			Number of Employees			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2008	26.07%	51.58%	22.35%	20.90%	50.28%	28.81%	26.52%	41.67%	31.82%

Actual Results:

The NE Wisconsin and Midwest markets exhibit very similar tendencies with regard to number of employees in 2008. Far fewer firms serving National/International markets observed no change in the number of employees in 2008. Slightly more reported an increase.

NE Wisconsin- Projected			Midwest - Projected			National/International - Projected			
Number of Employees Projected			Number of Employees Projected			Number of Employees Projected			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2009	14.41%	66.57%	19.02%	11.93%	61.93%	26.14%	16.03%	50.38%	33.59%

Projections for 2009:

Far fewer businesses that serve any of the geographies project a decrease in the number of employees for 2009. Most of this difference is accounted for in the "Unchanged" response.

Number of Employees by Business Type

Retail Actual			Service Actual			
Number of Employees			Number of Employees			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2008	10.00%	70.00%	20.00%	23.48%	47.35%	29.17%

Manufacturing Actual			Technology Actual			Other Actual			
Number of Employees			Number of Employees			Number of Employees			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2008	32.12%	41.21%	26.67%	7.14%	64.29%	28.57%	23.93%	53.37%	22.70%

Actual Results:

Firms in the Retail, Technology, and Other categories reveal some similarities. Many of these firms reported no change in their employment numbers for 2008. There is a great deal of variability across choices for Service and Manufacturing firms.

Retail Projected				Service Projected		
Number of Employees Projected				Number of Employees Projected		
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2009	10.00%	78.00%	12.00%	13.03%	58.62%	28.35%

Manufacturing Projected				Technology Projected			Other Projected		
Number of Employees Projected				Number of Employees Projected			Number of Employees Projected		
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2009	15.85%	57.93%	26.22%	21.43%	57.14%	21.43%	15.34%	67.48%	17.18%

Projections for 2009:

A very significant number of all types of firms expect the number of employees to remain the same in 2009. The largest numbers of firms that expect the number of employees to increase are in the Service and Manufacturing sectors.

Number of Employees by Business Classification

Business to Business - Actual				Business to Consumer - Actual			Both - Actual		
Number of Employees				Number of Employees			Number of Employees		
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2008	20.25%	46.41%	33.33%	20.42%	56.34%	23.24%	30.29%	48.91%	20.80%

Actual Results:

Businesses across classifications are fairly similar. The greatest number of firms that observed an increase in the number of employees for 2008 are in the Business to Business classification (over 33%).

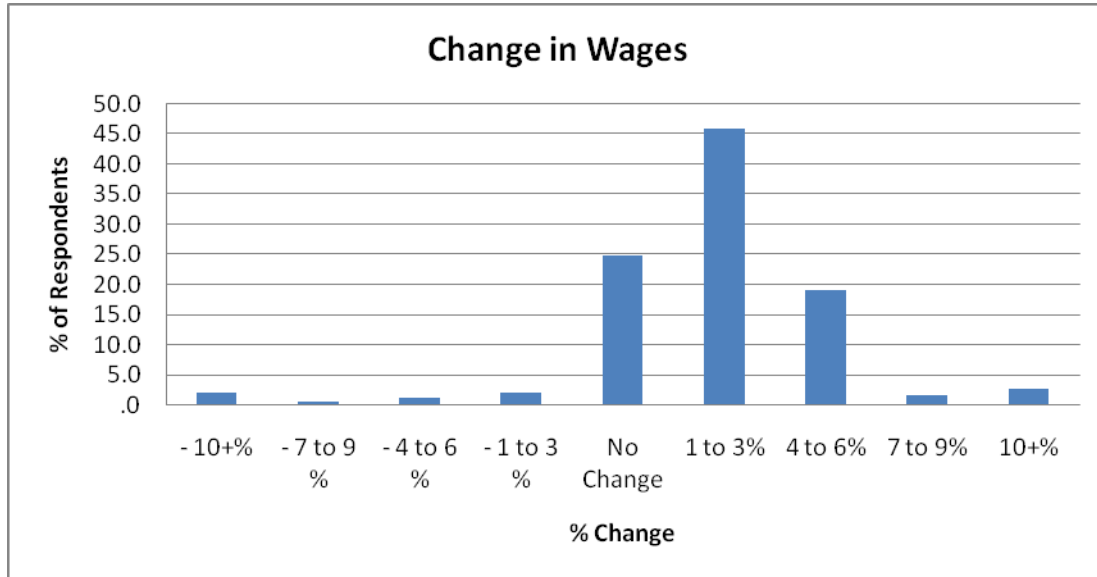
Business to Business - Projected				Business to Consumer - Projected			Both - Projected		
Number of Employees Projected				Number of Employees Projected			Number of Employees Projected		
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2009	15.19%	53.16%	31.65%	12.86%	72.14%	15.00%	14.34%	64.71%	20.96%

Projections for 2009:

Most of the firms expect the number of employees to remain unchanged in 2009. Over 31% of the Business to Business firms expect employment to increase (the greatest incidence across classifications).

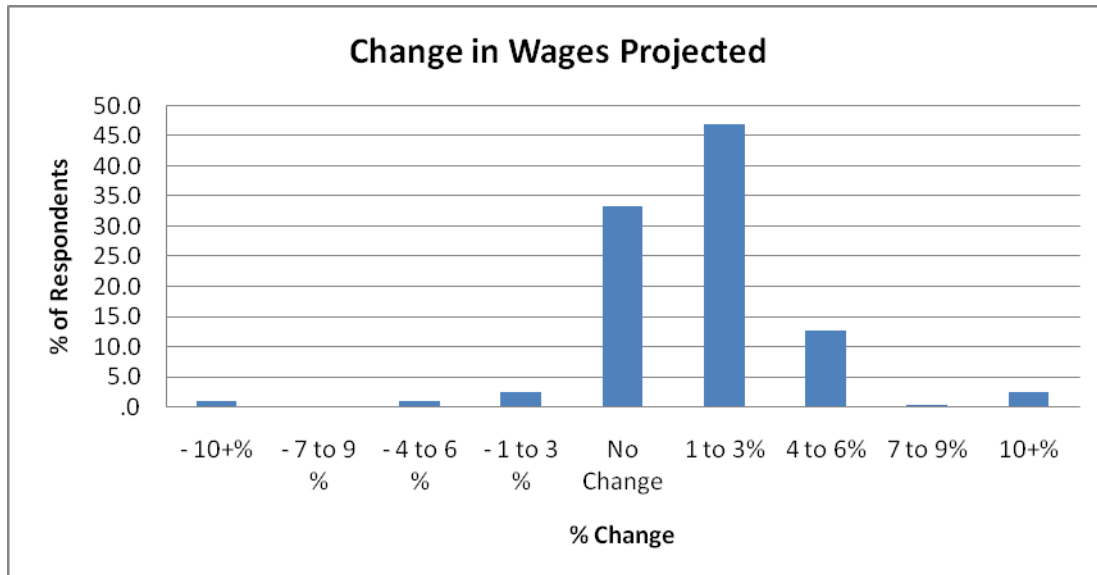
Change in Wage Overall

	Change in Wage				Change in Wage Projected		
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2008	6.06%	24.82%	69.13%	2009	4.63%	33.28%	62.09%



Actual Results:

Overall, most businesses reported an increase in wages in 2008. The chart above shows that most of these wage increases were in the 1 to 3% and the 4 to 6% ranges. Only 6% of businesses reported a decrease in wages.



Projections for 2009:

More businesses think wages will go unchanged in 2009 than those that reported no change in 2008. An overwhelming number of businesses still project wages to increase, mostly in the 1 to 3% range.

Change in Wage by Geography

NE Wisconsin- Actual			Midwest - Actual			National/International - Actual			
Change in Wages			Change in Wages			Change in Wages			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2008	7.14%	25.14%	67.71%	5.62%	21.91%	72.47%	3.03%	29.55%	67.42%

Actual Results:

The data above show that geography explains very little in terms of a change in wage. A significant number of firms serving the NE Wisconsin, Midwest, and National/International markets reported an increase in wages.

NE Wisconsin- Projected			Midwest - Projected			National/International - Projected			
Change in Wages Projected			Change in Wages Projected			Change in Wages Projected			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2009	5.22%	34.78%	60.00%	5.08%	33.33%	61.58%	3.05%	27.48%	69.47%

Projections for 2009:

Most firms' projections for 2009 are similar to the actual reports for 2008. Slightly more firms that serve the NE Wisconsin and Midwest markets expect wages to go unchanged in 2009.

Change in Wage by Business Type

Retail Actual			Service Actual			
Change in Wages			Change in Wages			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2008	6.00%	38.00%	56.00%	7.20%	20.83%	71.97%

Manufacturing Actual			Technology Actual			Other Actual			
Change in Wages			Change in Wages			Change in Wages			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2008	3.64%	18.18%	78.18%	14.29%	50.00%	35.71%	4.85%	32.12%	63.03%

Actual Results:

Half of all firms in the Technology sector reported that wages went unchanged in 2008. This report is significantly different from the other sectors. Only 36% of Technology firms reported an increase in wages.

Retail Projected			Service Projected			
Change in Wages Projected			Change in Wages Projected			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2009	2.00%	40.00%	58.00%	6.46%	29.66%	63.88%

Manufacturing Projected			Technology Projected			Other Projected			
Change in Wages Projected			Change in Wages Projected			Change in Wages Projected			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2009	3.05%	26.83%	70.12%	14.29%	42.86%	42.86%	3.75%	41.25%	55.00%

Projections for 2009:

Fewer firms in the Service, Manufacturing, and Other sectors project a wage increase in 2009. What is interesting is that more Technology firms project an increase in wages relative to what they reported in 2008.

Change in Wage by Business Classification

Business to Business - Actual			Business to Consumer - Actual			Both - Actual			
Change in Wages			Change in Wages			Change in Wages			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2008	4.64%	22.36%	73.00%	5.63%	23.94%	70.42%	6.52%	27.54%	65.94%

Actual Results:

Businesses reported similar results across their respective classifications. About 70% reported an increase in wages in 2008.

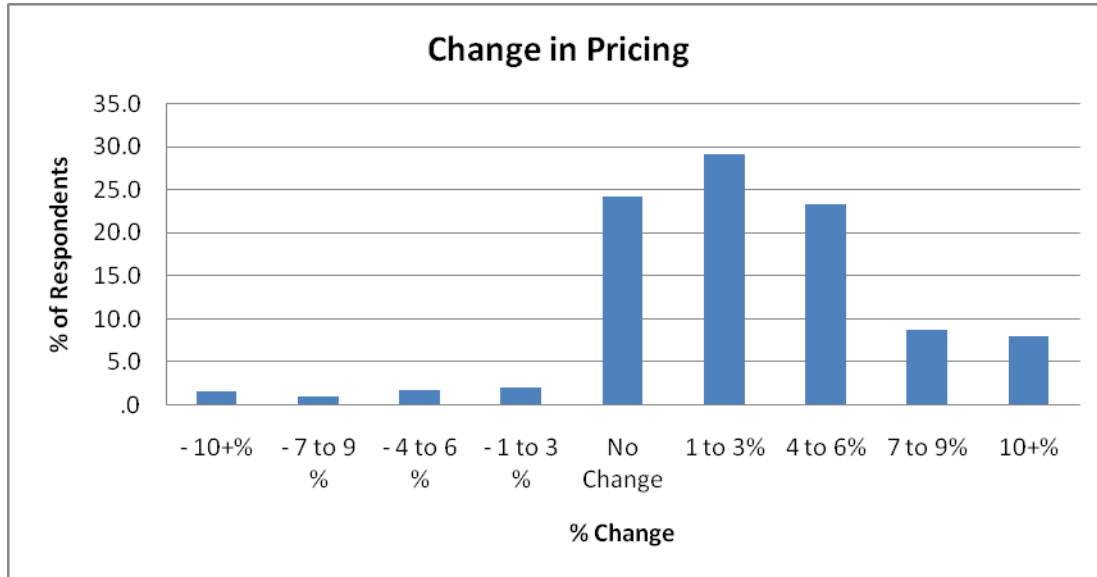
Business to Business - Projected			Business to Consumer - Projected			Both - Projected			
Change in Wages Projected			Change in Wages Projected			Change in Wages Projected			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2009	4.22%	29.54%	66.24%	6.43%	35.00%	58.57%	4.43%	34.32%	61.25%

Projections for 2009:

Fewer firms project wage increases for 2009 (most of these are accounted for in the unchanged category). There are still few differences across business classification.

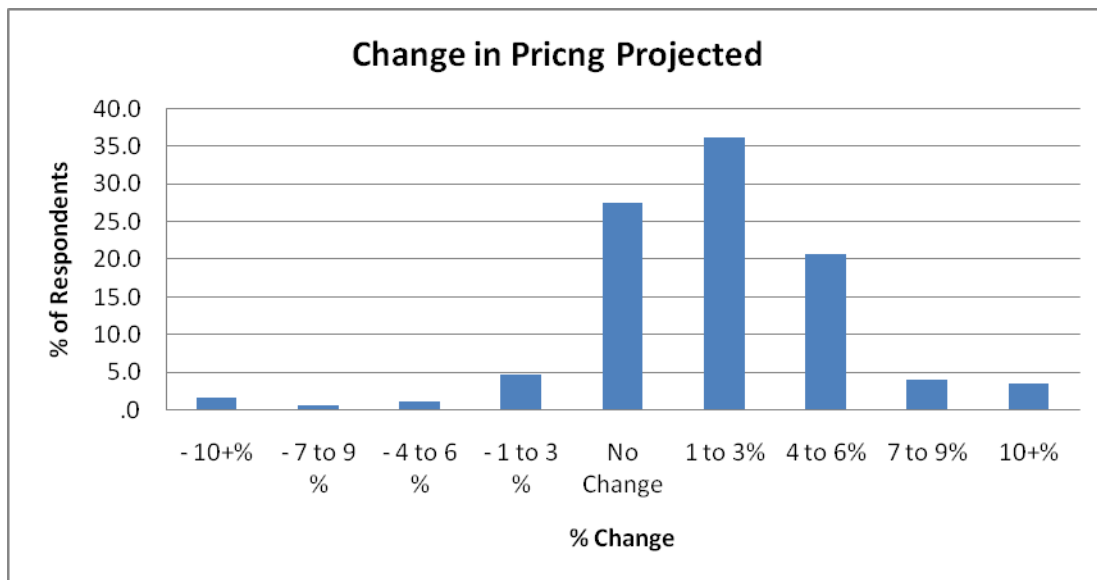
Change in Pricing Overall

Change in Pricing			Change in Pricing Projected				
	Decrease	Unchanged	Increase		Decrease	Unchanged	Increase
2008	6.56%	24.29%	69.15%	2009	8.17%	27.53%	64.30%



Actual Results:

More than two-thirds of all businesses reported an increase in pricing in 2008. Over half of this change was in the 1 to 3% and 4 to 6% ranges.



Projections for 2009:

Slightly fewer firms project pricing increases in 2009, but there are still almost two-thirds of them that do. They expect this increase to occur overwhelmingly in the 1 to 3% and 4 to 6% ranges.

Change in Pricing by Geography

NE Wisconsin- Actual			Midwest - Actual			National/International - Actual			
Change in Pricing			Change in Pricing			Change in Pricing			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2008	6.67%	26.96%	66.38%	6.21%	21.47%	72.32%	5.30%	22.73%	71.97%

Actual Results:

There are few differences in reported results in price changes across geographic markets served. More than two-thirds of the businesses that serve each market reported a pricing increase in 2008.

NE Wisconsin- Projected			Midwest - Projected			National/International - Projected			
Change in Pricing Projected			Change in Pricing Projected			Change in Pricing Projected			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2009	7.40%	26.63%	65.98%	9.66%	24.43%	65.91%	9.23%	32.31%	58.46%

Projections for 2009:

The major change in firms' projections for 2009 occurred among those that serve the National/International markets. Just over 58% (down from 72%) of these firms project an increase in pricing in 2009.

Change in Pricing by Business Type

Retail Actual			Service Actual			
Change in Pricing			Change in Pricing			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2008	8.00%	12.00%	80.00%	6.11%	29.39%	64.50%

Manufacturing Actual			Technology Actual			Other Actual			
Change in Pricing			Change in Pricing			Change in Pricing			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2008	6.67%	17.58%	75.76%	7.14%	35.71%	57.14%	5.59%	26.71%	67.70%

Actual Results:

The smallest number of firms reporting an increase in pricing came in the Technology sector. Still, 57% of these firms reported an increase. 80% of firms in the Retail sector reported an increase in pricing.

Retail Projected				Service Projected		
Change in Pricing Projected				Change in Pricing Projected		
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2009	10.00%	20.00%	70.00%	5.36%	28.74%	65.90%

Manufacturing Projected			Technology Projected			Other Projected			
Change in Pricing Projected			Change in Pricing Projected			Change in Pricing Projected			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2009	11.04%	24.54%	64.42%	7.14%	50.00%	42.86%	10.39%	27.92%	61.69%

Projections for 2009:

Technology firms overwhelmingly project pricing to remain unchanged in 2009, relative to the other sectors. Two-thirds of the businesses in the Retail, Service, and Manufacturing sectors still project pricing increases in 2009.

Change in Pricing by Business Classification

Business to Business - Actual			Business to Consumer - Actual			Both - Actual			
Change in Pricing			Change in Pricing			Change in Pricing			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2008	5.98%	28.63%	65.38%	5.00%	22.86%	72.14%	7.25%	22.10%	70.65%

Actual Results:

There are few differences across business classifications when it comes to pricing changes. About two-thirds of each reported an increase in pricing in 2008.

Business to Business - Projected			Business to Consumer - Projected			Both - Projected			
Change in Pricing Projected			Change in Pricing Projected			Change in Pricing Projected			
	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase	Decrease	Unchanged	Increase
2009	12.93%	27.16%	59.91%	5.80%	26.81%	67.39%	5.93%	27.41%	66.67%

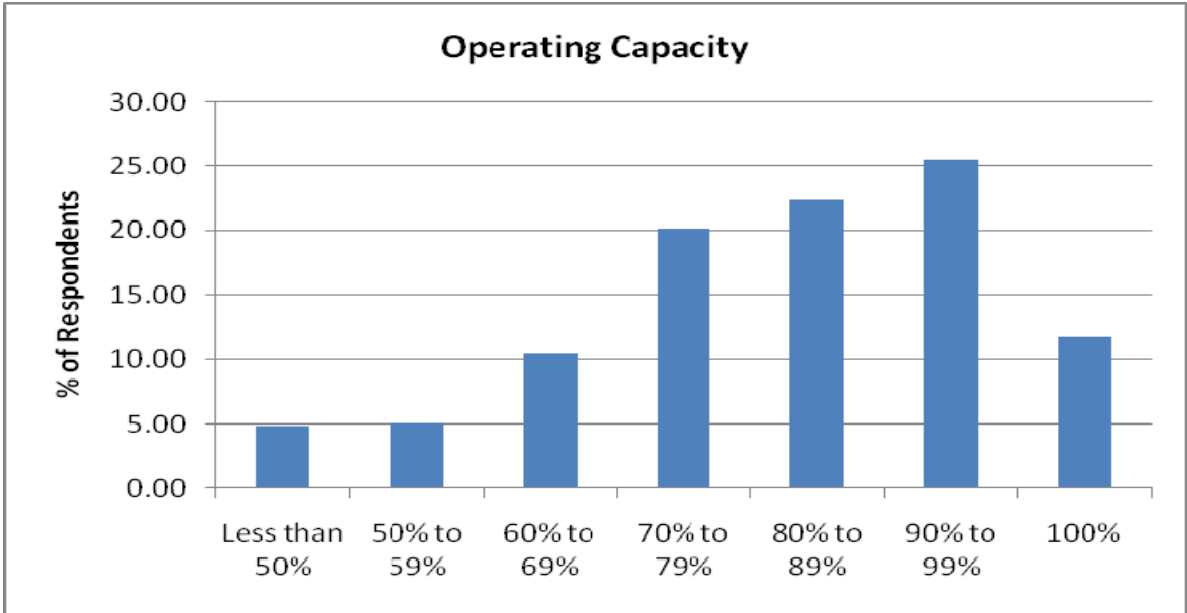
Projections for 2009:

There remain few differences in the firms' projections for 2009. Still, about two-thirds of each business classification expects pricing to increase in 2009.

Overall Business Performance

Operating Capacity:

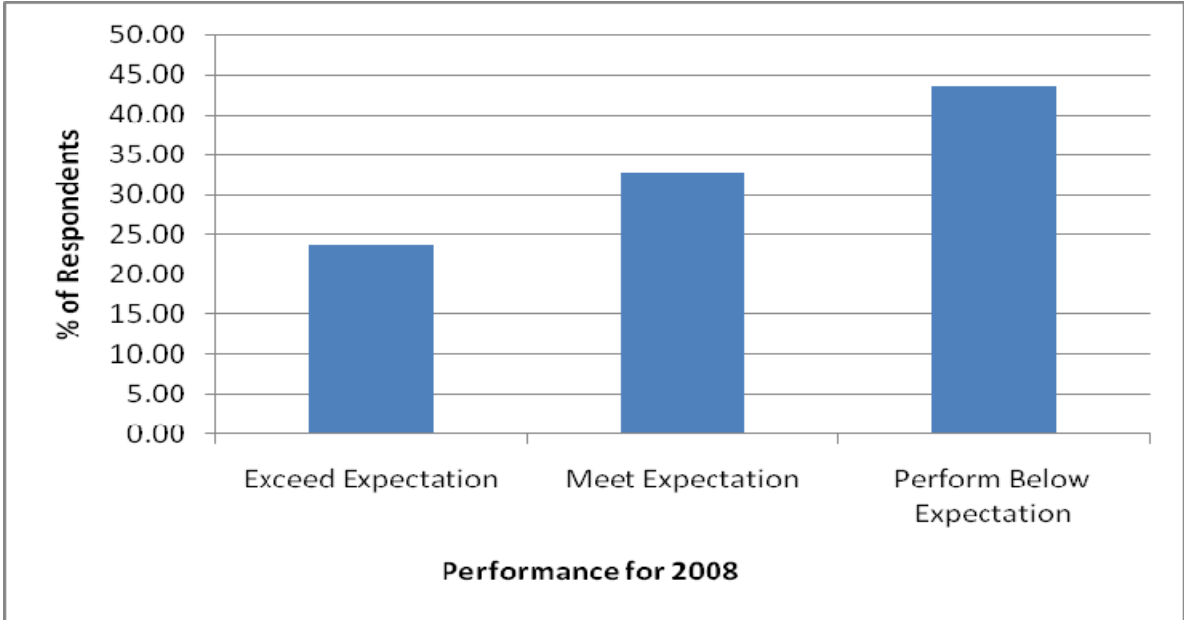
Operating Capacity	2008
Less than 50%	4.83%
50% to 59%	5.02%
60% to 69%	10.42%
70% to 79%	20.08%
80% to 89%	22.39%
90% to 99%	25.48%
100%	11.78%
Total respondents	518



About 80% of the businesses responding performed at or above 70% of operating capacity in 2008. Just over 25% of them are performing in the 90% range.

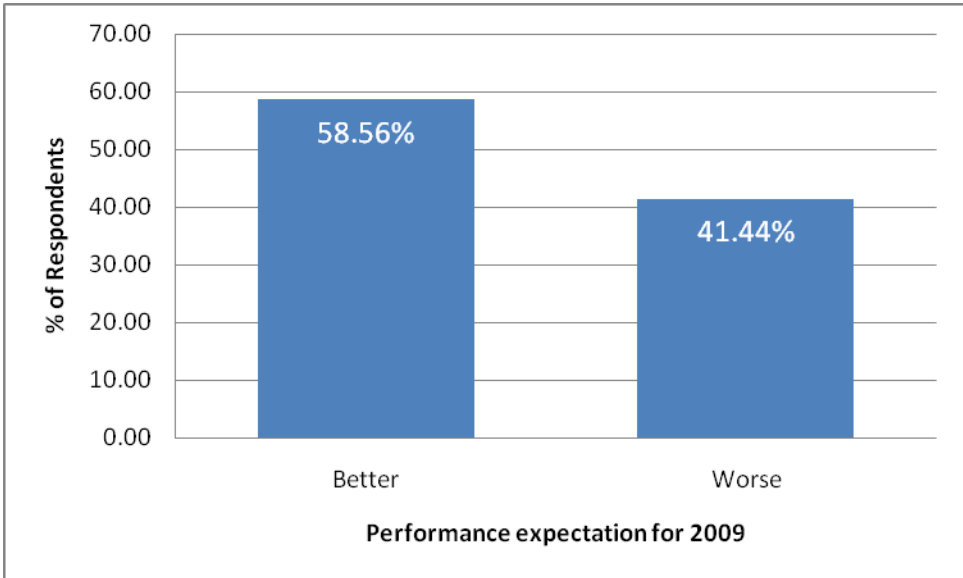
Performance to Expectations:

Performance for 2008		
Exceed Expectations	Meet Expectations	Perform Below Expectations
23.55%	32.79%	43.67%



More businesses performed below expectations in 2008 (close to 45%) than those that either met or exceeded expectations.

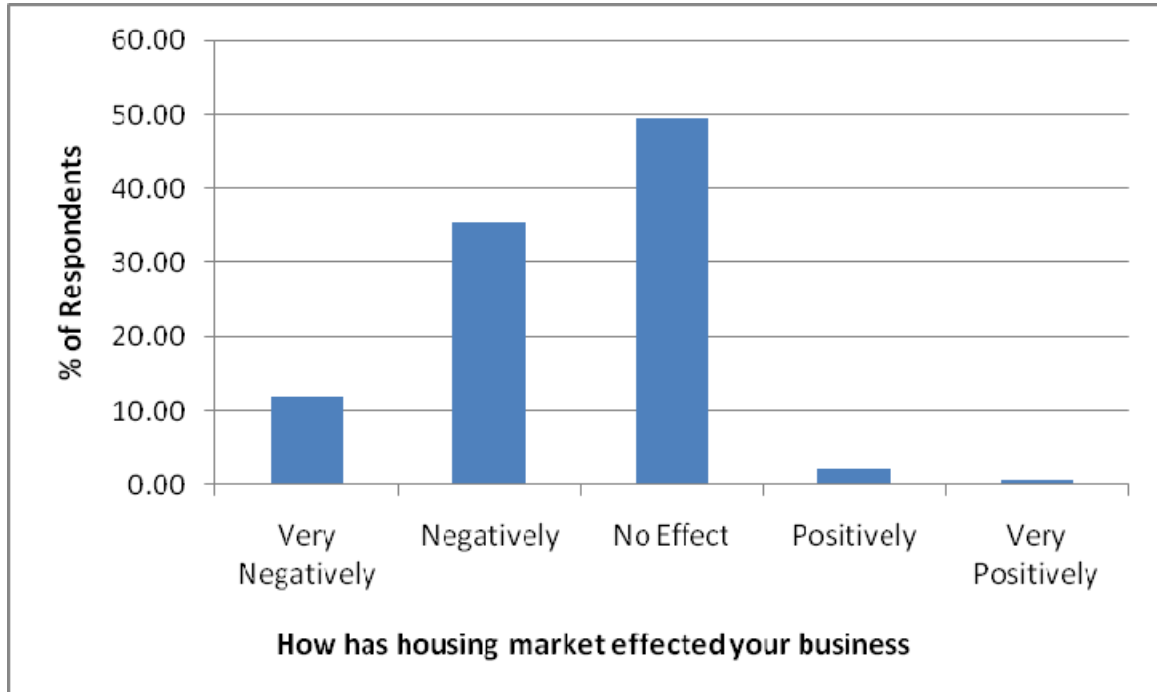
Performance Expectations for 2009:



Despite a high reporting of performing below expectations in 2008, close to 60% of the responding businesses expect to perform better in 2009.

Housing Market Impact:

	Effect of Housing Market				
	Very Negatively	Negatively	No Effect	Positively	Very Positively
2008	11.99	35.36	49.47	2.28	0.91



Almost half of the respondents reported that the housing market has had no effect on their businesses. However, most of the remaining respondents report that the housing downturn has negatively or very negatively impacted their businesses.

Appendix

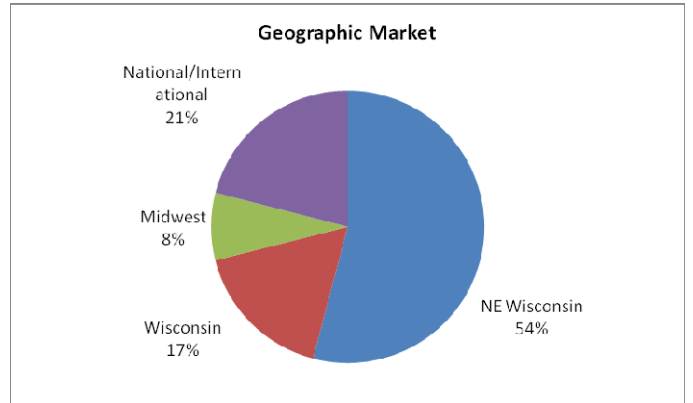
Methodology

The 2008 First Business Economic Survey of North East Wisconsin was sent to 7,500 local businesses. Of those 7,500 – 1700 were sent through email and 5,800 were sent via regular mail. Of those, there were a total of 790 surveys received which were adequately completed pertaining to the key economic indicators. This equates to a response rate of approximately 10.53%. Of the 790 surveys, 346 were entered online and the remaining 444 were received via fax/mail. This sample size has an error range of less than 0.05, and significant differences noted in this report are at the 95% confidence level.

Demographics

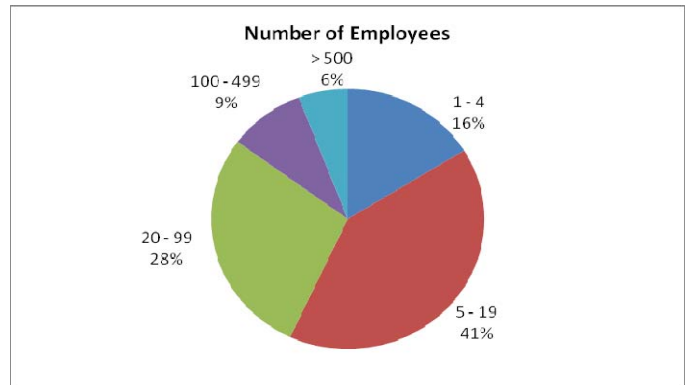
Geographic Market

	Frequency	Percent
NE Wisconsin	418	54.08%
Wisconsin	131	16.95%
Midwest	62	8.02%
National/International	162	20.96%
Total	773	100%



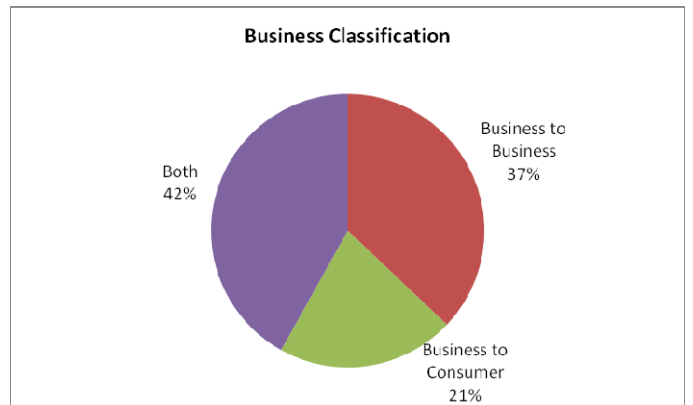
Number of Employees

	Frequency	Percent
1 - 4	125	16.17%
5 - 19	315	40.75%
20 - 99	218	28.20%
100 - 499	70	9.06%
> 500	45	5.82%
Total	773	100%



Business Classification

	Frequency	Percent
Business to Business	285	37.06%
Business to Consumer	161	20.94%
Both	322	41.87%
37	1	0.13%
Total	769	100%



Business Type

	Frequency	Valid Percent
Other	215	27.89%
Manufacturing	182	23.61%
Retail	53	6.87%
Service	301	39.04%
Technology	20	2.59%
Total	771	100%

