SURVEY OF BUSINESS CONDITIONS

2015 Quarter 2
Released on 6/26/2015

SUMMARY

In this Survey of Business Conditions collected during the end of the second quarter of 2015, the majority of respondents indicated that their businesses have improved or experienced no change in the past three months. However, the percentage of positive responses falls by more than half from the previous survey in March. Declining sales activity during recent months is the major reason for a less bright business outlook. But business confidence remains robust.

Nearly one in five respondents (18%) saw better business conditions in the past 3 months, compared to 32% in the last survey. The percentage of respondents experiencing worse business conditions stayed the same. With economic hurdles facing South Texas, the outlook for improvement in the next 6 months is less bright among the respondents. However, only 15% of them expected business conditions to get worse in the next 6 months. Relatively high business confidence held up plans for hiring and investing in equipment.

In response to the question about the most significant challenge, the sales condition (34%) tops the list. Three months ago, no respondent regarded weak sales as an issue. Although labor costs were no longer the top business issue as in the previous survey, 25% of the respondents still considered hiring as a major concern.

Shorten URL for the online survey:  http://goo.gl/s0EZHJ

Survey results will be updated periodically at SouthTexasEconomy.com. For questions, please contact Jim Lee at jlee@tamucc.edu.
1. How have overall business conditions changed since the last time you responded to this survey (or the last 3 months)?

![Question 1 Diagram]

2. How do you expect overall business conditions to change over the next 6 months?

![Question 2 Diagram]
3. **What changes in your company's sales or business activity do you expect over the next 6 months?**

![Bar chart for Question 3](chart3.png)

4. **Is your company hiring?**

![Bar chart for Question 4](chart4.png)
5. Is your company investing in new equipment or software?

![Question 5 graph]

6. Is your company investing in new office or other space?

![Question 6 graph]
7. How easy is it for your company to obtain financing on reasonable terms?

![Bar chart showing the difficulty of obtaining financing in June and March.]

8. What is the most significant problem facing your company?

![Bar chart showing the most significant problems in June and March.]

**Question 7**

- **Very Easy**: 33% June, 36% March
- **Somewhat Easy**: 47% June, 42% March
- **Neutral**: 21% June, 11% March
- **Somewhat Difficult**: 3% June, 0% March
- **Very Difficult**: 6% June, 0% March

**Question 8**

- **Weak Sales**: 34% June, 0% March
- **Lack of Pricing Power**: 21% June, 6% March
- **Labor Costs and Availability**: 25% June, 0% March
- **Ability to Obtain Financing**: 47% June, 0% March
- **Borrowing Costs**: 0% June, 0% March
- **Regulatory and Legal Requirements**: 22% June, 11% March
- **Availability and Cost of Supplies**: 0% June, 0% March
- **Other (elaborate on Q9 below)**: 9% June, 11% March