

Greater Madison Chamber of Commerce; Destination Madison; Downtown Madison, Inc.; Madison Black Chamber of Commerce; Latino Chamber of Commerce: Talent shortages, higher operating costs top concerns in fall business survey

Posted on Thursday, Dec 2, 2021

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MADISON – Today the Greater Madison Chamber of Commerce; Destination Madison; Downtown Madison, Inc.; Madison Black Chamber of Commerce and Latino Chamber of Commerce released the results of a Fall 2021 Business Survey, which yielded responses from 305 Greater Madison businesses representing a diverse, mostly small or locally owned, cross-section of industries, as well as a significant percentage of women- and minority-owned businesses. The survey was conducted in partnership with the DeForest Windsor Area Chamber of Commerce, Fitchburg Chamber Visitor + Business Bureau, Middleton Chamber of Commerce and Verona Area Chamber of Commerce.

Among the survey's key findings are:

- The two largest barriers to local businesses are related to global challenges: 65 percent (up from 32 percent in Spring 2021) rated access to talent as a top barrier to their business, closely followed by increased operating costs at 59 percent (up from 43 percent);
- The next two largest barriers to local businesses were related to local factors:

- government regulations (34 percent) and lack of clarity in local government reopening plans (30 percent);
- 24 percent expanded their workforce in 2021, while an additional 30 percent wanted to expand but weren't able to due to talent shortages;
 - 65 percent experienced revenue growth in 2021, though the 24 percent that reported revenue losses were disproportionately small businesses;
 - 78 percent have a workforce that is at least three-quarters fully vaccinated, which exceeds Dane County's overall rate;
 - Among for-profit businesses, opinions on the Dane County indoor mask requirement are split, with 44 percent in favor and 44 percent opposed;
 - Among those that said the mask requirement has impacted their business positively or negatively, 71 percent said it has hurt their business;
 - The most common local spending reductions were on meetings and events (57 percent), entertainment (49 percent), restaurants (40 percent), catering (34 percent) and hotels (25 percent);
 - 66 percent said none of their employees are working fully remotely, up from 45 percent in Spring 2021 and nearing pre-pandemic levels, demonstrating that while remote work may increase, businesses continue to see value in returning to in-person work;
 - 35 percent rate Dane County's business climate as above average or excellent, up from 18 percent in Spring 2021, but down significantly from the 81 percent of Fall 2020 survey respondents who rated Dane County's pre-pandemic business climate as above average or excellent; and
 - 28 percent rate local elected officials' performance during the pandemic as above average or excellent (unchanged from Spring 2021).

"From talent shortages to a need for greater clarity on the path forward, there are factors both global and local that present challenges on the way to recovery," said Greater Madison Chamber of Commerce President Zach Brandon. "However, with a wider availability of vaccines, consumer confidence on the rise, and many businesses experiencing revenue growth or looking to expand their workforce, there are reasons for optimism heading into 2022."

"The hospitality industry was hit hardest by the pandemic and continues to be impacted the most as our local business economy works its way through recovery. We encourage Dane County businesses and organizations to hold meetings and events locally in 2022 to help our caterers, hotels and restaurants rebound from their devastating losses of the past two years," said Ellie Westman Chin, President

& CEO of Destination Madison.

“Support for small businesses remains a significant challenge, particularly as many business assistance programs are no longer a viable option,” said Madison Black Chamber of Commerce President and CEO Camille Carter. “While there are bright spots emerging in our economy and some businesses are on the road to recovery, there is still work ahead.”

“While there are encouraging data points, there are also many challenges as we continue to recover from this pandemic,” said Latino Chamber of Commerce President and CEO Jessica Cavazos. “Inclusive public- and private-sector partnerships that incorporate diverse voices are essential as we learn more about these barriers and look onward for solutions.”

“The latest survey provides some glimmers of hope for downtown Madison, including higher consumer confidence, increased local spending and more people returning to their offices,” said Jason Ilstrup, President of Downtown Madison, Inc. “Yet, downtown still has challenges with remaining COVID concerns and heightened barriers to business like access to talent and increased operating costs.”

Among the 305 unique businesses that responded, 80 percent have 50 or fewer employees, 90 percent are headquartered in Dane County, 74 percent have locations only in Dane County, 22 percent are owned or led by an individual who is non-white, and 49 percent are owned or led by someone who identified as a gender other than male.

This is the fourth survey conducted since the beginning of the pandemic to collect information regarding current business operations, challenges and potential opportunities. The results of the Fall 2021 survey will be used to inform policymakers through advocacy efforts aimed at balancing the needs of health, the economy and public confidence.

Topline survey results are available upon request by emailing Erik Greenfield at erik@madisonbiz.com.

About the Greater Madison Chamber of Commerce:

The Greater Madison Chamber of Commerce is the voice of business with more than 1,200 organizations – ranging from one-person shops to corporations with more than 10,000 employees – working to bring the Greater Madison area to its full

potential. The Greater Madison region is a leader in innovation. From cutting-edge technologies to distinctive retail shops to inventive services and products, our members vary greatly but are united by the region's entrepreneurial spirit. More information can be found at madisonbiz.com.

About Destination Madison:

Destination Madison is honored to play a key role in supporting the thousands of Dane County jobs supported by tourism. Promoting tourism in Madison since 1972, Destination Madison continues to work strategically to expand upon the more than \$1.4 billion generated by visitor spending in Dane County in 2019. For the most up-to-date information, visit our website at visitmadison.com.

About the Madison Black Chamber of Commerce:

The Madison Black Chamber of Commerce is a group of community members working to empower African American/Black people to cultivate and expand entrepreneurship. We believe that Black-owned businesses contribute significantly to the economic well-being of Madison. Learn more at madisonblackchamber.com.

About the Latino Chamber of Commerce:

Founded in 2003, the Latino Chamber of Commerce represents the Latino and non-Latino business community in the Greater Madison area and surrounding cities. We assist and promote the interests of our members and community through advocacy and programs that make an overall impact to Dane County's economic growth. The diverse relationship of our active members and partners is an ideal mixture of small business owners, corporate representatives and government leaders. Learn more at lccwi.org.

About Downtown Madison, Inc.:

Downtown Madison, Inc. (DMI) is committed to sustaining, planning for, and growing downtown Madison as a vibrant regional economic engine that offers a best-in-class quality of life for businesses, downtown workers, residents and visitors. Learn more at downtownmadison.org.