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**2023 Business Outlook Survey Results Reveal Confidence Levels of
Business Leaders in the Oshkosh Area**

Oshkosh, Wis – Each year the Oshkosh Chamber of Commerce surveys business leaders in the area to gauge confidence levels throughout the business community. This year, despite the ongoing labor and supply chain challenges, there is an immense amount of optimism.

2023 Business Outlook Survey Results

What are local business leaders anticipating in Oshkosh for 2023? That is the question we asked local CEOs, business managers and owners. While it is impossible to predict our economic future with a high degree of specificity, and despite some interesting inflationary pressures, locally Oshkosh is doing well and has a position of strength in the marketplace. This past year, employment remained strong. According to the Wisconsin Department of Workforce Development (December 2022), the unemployment rate for Oshkosh remains below the national unemployment rate of 3.3 percent at 1.9 percent. This unemployment rate is amazing when you consider that in April 2020 the Oshkosh unemployment rate was 14.3 percent. Oshkosh-based businesses are employing more people than ever before. Local companies now employ 41,411 people in Oshkosh, up from 40,748 people last year. In 2022, we had investment in commercial and industrial property of more than \$44.4 million, with over \$100 million of new development anticipated for 2023.

This past year challenged the Oshkosh business community. People will look back on 2022 and remember high inflation, worker shortages, and supply chain issues. Even with these obstacles, Oshkosh continued to grow and prosper. Oshkosh continued to experience exceptional commercial growth, especially along the Oshkosh Avenue corridor with new hotels, restaurants and new office space. Our industrial sector continued to see numerous expansions, new multi-family housing growth is booming, and we continue to experience robust growth in our downtown and central city area. As we turn the page in 2023, businesses are focused on igniting the local economy and asserting their competitiveness. The year 2023 will be taking us beyond the pandemic recovery as local businesses continue to build their base.

The results of the Oshkosh Chamber's Annual Business Outlook Survey, a barometer that we use to gauge the degree of confidence of business leaders, indicated that area CEO's and business owners are confident heading into 2023. Overall, there is a growing degree of optimism among local CEOs and business owners with 81% of the participating CEOs rating their company's



outlook as good to excellent in the next 6 months, 88% rate the next 12 months as good to excellent and 86% rate their outlook as good to excellent in the next 1 – 3 years.

Look Back on 2022: Of the local CEOs and business owners who participated in our annual Business Outlook Survey, 74 percent reported that sales increased in 2022 over the previous year, 63 percent indicated that profits were up, and 79 percent increased wages. This past year, 47 percent of reporting companies added staff to their payrolls. In 2022, 62 percent of the respondents indicated that their companies met or exceeded profitability expectations. For those companies missing the mark on profitability expectations, they cited higher operating costs as the largest factor, followed by increased energy costs, lack of employees, and the rising cost of raw materials as the biggest causes.

Forecast 2023: When asked for their forecasts for 2023, 77 percent believe that sales will outperform the previous year's sales level. Overall, participating firms expect sales gains according to 59 percent of the reporting companies in the first quarter of 2023 compared to the previous quarter. 70 percent of these companies expect sales to increase in the first quarter of 2023 compared to the same quarter in 2022.

55% of area CEOs expect to hire more people in 2023. While this is all very good news, business leaders report that finding qualified workers remains a challenge, with 55 percent indicating they have job openings that are unfilled. This is down from 75% in 2022, however. These employers further indicated that recruiting qualified job applicants remains a challenge, 67% indicating 4 or few job applicants per job opening and 14% indicating there were no qualified candidates.

Manufacturers plan to increase their raw material inventories in the first quarter of 2023 compared to the same quarter one year ago according to 58 percent of Oshkosh-based manufacturers. In the first quarter of 2023, 59 percent of retailers, wholesalers and manufacturers anticipate a higher volume of finished goods inventory over 2022 fourth quarter levels. These are lead indicators of an expected sales volume increase in the months to come.

In the 2023 Survey, we asked CEOs about their perception of the region and of Oshkosh. Overall, CEOs felt very positive about the Quality of Life in the region. Responding companies indicated (Strongly Agreed to Agreed) the region has excellent community institutions with 95% indicating the hospitals and health care system is good to excellent; 87% indicating the education system was second to none; and 97% believed the region has great public safety departments. Additionally, 95% of CEO's felt very positively about our post-secondary education schools and 89% felt there were excellent local resources available for entrepreneurs.

When asked about Oshkosh, CEOs again felt very positive (good to excellent) about the community, with 95% indicating that Oshkosh is a great place for raising a family and 92% indicating that Oshkosh is on the right track. Further, 95% believed Oshkosh has a strong, vibrant economy; 89% thought Oshkosh was business-friendly, with 87% saying it is a great place to start a business.



While optimism remains high, only 42% of the responding CEOs indicated that the State of Wisconsin is headed in the right direction, up from 36% in 2022. Only 31% indicated the US is heading in the right direction in terms of the business climate, but up from 22% in 2022.

Local CEOs stated the top public policy issues facing Wisconsin are the labor shortage/the lack of qualified applicants and the rate of inflation. Local CEOs also said that rising material and construction costs along with supply chain issues continue to be a challenge.

CEOs, business managers and owners are probably some of the most optimistic personality types. True to form, our survey found Oshkosh business leaders inclined to be optimistic about 2023, but inflationary pressures, interest rate increases, labor shortages, and supply chain issues continue to provide some level of uncertainty. However, the severity of these threats to growth will play out over the course of the year.

About the Oshkosh Chamber of Commerce

For more than 100 years, the Oshkosh Chamber of Commerce has served as the advocate and guardian of business and industry to support the thriving Oshkosh and northeast Wisconsin region. As a five-star accredited Chamber of Commerce, our non-profit represents over 900 members, from small businesses to international corporations.

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