

**Company Performance**

| | Q4 2016 | Q1 2017 | Q2 2017 | Q3 2017 | Q4 2017 | Q4 2018 |
|------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 1) Current outlook for firm: | | | | | | |
| Improve significantly | 5% | 7% | 5% | 2% | 7% | 6% |
| Improve somewhat | 35% | 30% | 24% | 35% | 31% | 34% |
| Remain stable | 39% | 47% | 57% | 40% | 46% | 46% |
| Worsen somewhat | 19% | 15% | 13% | 20% | 14% | 13% |
| Worsen significantly | 2% | 1% | 1% | 4% | 2% | 2% |

Performance Indicators

| | | | | | | |
|------------------------------|-----|-----|-----|-----|-----|-----|
| 2) Size of firm's workforce: | | | | | | |
| Improve significantly | 1% | 2% | 1% | 2% | 2% | 6% |
| Improve somewhat | 23% | 24% | 22% | 19% | 26% | 28% |
| Remain stable | 65% | 66% | 66% | 63% | 54% | 58% |
| Worsen somewhat | 10% | 7% | 11% | 13% | 15% | 10% |
| Worsen significantly | 1% | 1% | 1% | 4% | 2% | 0% |

Credit/Financing

| | | | | | | |
|---|-----|-----|-----|-----|-----|-----|
| 3) What types of financing has your firm used in the last three months? | | | | | | |
| Bank loan/line of credit | 86% | 85% | 43% | 45% | 45% | 40% |
| Vendor credit | 30% | 28% | 16% | 9% | 17% | 15% |
| Private loan | 10% | 20% | 8% | 8% | 11% | 7% |
| Government-sponsored loan program | 2% | 10% | 4% | 4% | 4% | 3% |
| Public issuance of stock | 0% | 0% | 1% | 0% | 0% | 1% |
| Private placement of stock | 0% | 0% | 0% | 0% | 0% | 0% |
| Leasing | 18% | 8% | 5% | 8% | 2% | 7% |
| Private placement of debt | 2% | 0% | 2% | 1% | 0% | 0% |
| Credit cards | 11% | 20% | 11% | 9% | 15% | 18% |
| Earning of business | 10% | 18% | 6% | 9% | 6% | 9% |
| Other | 4% | 5% | 2% | 5% | 0% | 1% |

| | Q4 2016 | Q1 2017 | Q2 2017 | Q3 2017 | Q4 2017 | Q4 2018 |
|---|---------|---------|---------|---------|---------|---------|
| 4) What type of financing do you need most? | 48% | 27% | 27% | 26% | 24% | 28% |
| Working capital (for day-to-day operations, bridge loans, etc.) | 26% | 15% | 14% | 18% | 18% | 14% |
| Capital for machinery and equipment purchases | 13% | 8% | 3% | 4% | 2% | 7% |
| Capital for expansion of existing plant or office space | 7% | 2% | 1% | 0% | 0% | 1% |
| Capital for research and development | 1% | 2% | 3% | 3% | 3% | 4% |
| Capital for new product or service development | 4% | 46% | 50% | 48% | 48% | 43% |
| None/not applicable | 2% | 1% | 1% | 1% | 4% | 4% |
| Other | | | | | | |
| 5) Is credit availability a problem for your firm? | 18% | 15% | 17% | 13% | 13% | 10% |
| Yes | 82% | 86% | 83% | 88% | 87% | 90% |
| No | | | | | | |
| 6) Has your firm used financing in the last three months specifically to meet credit needs? | | | | | | |
| Yes | 29% | 30% | 33% | 37% | 24% | 35% |
| No | 71% | 70% | 67% | 63% | 76% | 65% |
| 7) In the last three months, has your primary lending institution changed the terms of any loan you have? | | | | | | |
| Yes | 11% | 15% | 18% | 12% | 14% | 10% |
| No | 89% | 85% | 82% | 88% | 86% | 52% |
| Not Applicable | | | | | | 37% |

Current Credit Conditions

| | | | | | | |
|--|-----|-----|-----|-----|-----|-----|
| 8) How would you characterize the current lending climate in Connecticut? | | | | | | |
| Excellent | 6% | 6% | 10% | 9% | 9% | 10% |
| Good | 18% | 13% | 9% | 11% | 25% | 15% |
| Average | 52% | 57% | 61% | 62% | 52% | 59% |
| Fair | 22% | 22% | 19% | 16% | 11% | 12% |
| Poor | 2% | 2% | 2% | 2% | 3% | 4% |
| 9a) What are your expectations for Connecticut's lending climate over the next three months? | | | | | | |
| Excellent | 4% | 5% | 8% | 10% | 8% | 7% |
| Good | 15% | 11% | 10% | 12% | 25% | 17% |
| Average | 56% | 59% | 62% | 56% | 53% | 57% |
| Fair | 21% | 20% | 21% | 19% | 9% | 15% |
| Poor | 3% | 4% | 0% | 3% | 3% | 3% |

| | Q4 2016 | Q1 2017 | Q2 2017 | Q3 2017 | Q4 2017 | Q4 2018 |
|--|---------|---------|---------|---------|---------|---------|
| 9b) During the last three months, was your firm able to satisfy its borrowing needs? | | | | | | |
| Yes | 90% | 85% | 86% | 74% | 84% | 54% |
| Partially | 4% | 9% | 10% | 20% | 11% | 7% |
| No | 6% | 5% | 4% | 6% | 5% | 2% |
| Not applicable | | | | | | 38% |

Demographic Information

| | | | | | | |
|--|-----|-----|-----|-----|-----|-----|
| 10) Which best describes your firm? | | | | | | |
| Construction | 11% | 7% | 11% | 9% | 9% | 7% |
| Manufacturing | 36% | 45% | 41% | 46% | 46% | 41% |
| Retail trade | 11% | 9% | 7% | 6% | 7% | 10% |
| Wholesale trade | 8% | 6% | 6% | 8% | 8% | 5% |
| Information technology | 2% | 4% | 3% | 2% | 1% | 3% |
| Finance, insurance, and real estate | 12% | 5% | 7% | 3% | 5% | 8% |
| Business and professional services | 19% | 11% | 12% | 14% | 11% | 10% |
| Education | 1% | 0% | 1% | 2% | 0% | 1% |
| Leisure and hospitality | 2% | 2% | 1% | 2% | 1% | 1% |
| Government | 0% | 0% | 0% | 0% | 0% | 0% |
| Other | 7% | 0% | 7% | 5% | 9% | 11% |
| Medical | 2% | 4% | 4% | 3% | 3% | 4% |
| 11) How many people are employed at your Connecticut operations? | | | | | | |
| Fewer than 10 | 17% | 16% | 15% | 15% | 18% | 18% |
| 10 to 49 | 59% | 57% | 61% | 61% | 47% | 55% |
| 50 to 99 | 14% | 15% | 15% | 15% | 20% | 15% |
| 100 to 249 | 7% | 7% | 6% | 5% | 10% | 7% |
| 250 to 499 | 4% | 3% | 1% | 2% | 4% | 3% |
| 500 or more | 1% | 2% | 2% | 2% | 1% | 2% |

| | Q4 2016 | Q1 2017 | Q2 2017 | Q3 2017 | Q4 2017 | Q4 2018 |
|--|---------|---------|---------|---------|---------|---------|
| 12) In which county is your firm's primary Connecticut location? | | | | | | |
| Fairfield | 15% | 13% | 13% | 17% | 19% | 16% |
| Hartford | 41% | 38% | 40% | 41% | 38% | 40% |
| Litchfield | 5% | 5% | 6% | 6% | 3% | 4% |
| Middlesex | 9% | 10% | 7% | 4% | 7% | 12% |
| New Haven | 21% | 24% | 24% | 21% | 23% | 23% |
| New London | 1% | 0% | 3% | 4% | 4% | 1% |
| Tolland | 3% | 5% | 4% | 5% | 3% | 3% |
| Windham | 4% | 4% | 2% | 2% | 2% | 2% |
| 13) What are your sales for the current fiscal year? | | | | | | |
| Less than \$500,000 | 5% | 4% | 2% | 3% | 3% | 2% |
| \$500,000 to \$999,999 | 10% | 6% | 11% | 6% | 7% | 10% |
| \$1 million to \$2.9 million | 23% | 30% | 30% | 26% | 27% | 25% |
| \$3 million to \$4.9 million | 19% | 14% | 17% | 17% | 11% | 17% |
| \$5 million to \$9.9 million | 20% | 21% | 20% | 21% | 15% | 15% |
| \$10 million to \$24.9 million | 16% | 13% | 12% | 15% | 21% | 19% |
| \$25 million or more | 8% | 11% | 7% | 12% | 17% | 12% |

Questions of the Quarter

1) What impact would significant tax increases at the state level have on your business?

| | |
|--|-----|
| Reduce or eliminate investments in machinery/facilities/capacity | 16% |
| Reduce workforce | 11% |
| Not hire new workers | 17% |
| Reduce employee benefits | 13% |
| Not raise employee wages | 18% |
| Consider moving business out of Connecticut | 11% |
| Consider moving personal residence out of Connecticut | 11% |
| Other | 3% |
| Would have no impact | 1% |

2) Lawmakers will consider raising the state's minimum hourly wage from \$10.10 to \$15 over three years during the 2019 General Assembly session. What impact would this have on your business?

| | |
|-------------|-----|
| Significant | 24% |
| Moderate | 18% |
| Minor | 15% |
| None | 41% |
| Unsure | 2% |

3) Lawmakers will consider mandating paid family and medical leave for businesses with as few as two employees. Employees would contribute a percentage of their salary and be eligible for up to 12 weeks of paid family and medical leave each year at 100% pay, capped at \$1,000 per week. Businesses would be required to continue providing non-wage benefits for individuals out on leave. What impact would this mandate have on your business?

| | |
|-------------|-----|
| Significant | 63% |
| Moderate | 19% |
| Minor | 8% |
| None | 7% |
| Unsure | 4% |

4) Mandatory paid sick leave could be expanded beyond its current scope to require that companies, including manufacturers and nonprofits with 20 or more employees, provide employees up to five days of annual leave. What impact would this have on your business?

| | |
|-------------|-----|
| Significant | 19% |
| Moderate | 17% |
| Minor | 15% |
| None | 41% |
| Unsure | 8% |

In the field mid-January and early February 2019. 6.3% response rate; margin of error +/-7.5%.