

Sonoma County business confidence hits record

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SANTA ROSA — Sonoma County business executives were more confident about the direction of the local economy this summer than in at least a dozen years, according to a [report released Wednesday](#).

The county's business-confidence index in the second quarter reached a record high average of 6.88 out of 10, based on 100 survey responses compiled by the Sonoma County Economic Development Board (edb.sonoma-county.org).

That tops the previous peak of 6.8 in summer 2006, just before the crash in the housing market that triggered the most recent local economic recession.

Sixty percent of respondents expect the national unemployment rate to fall over the next six months, and the overall labor market looks optimistic across industries.

Business investment outlook rises

The board's local rendering of a Purchasing Trends Index was 70.15 this summer. Any score above 50 suggests economic expansion. It's the second year Sonoma County's purchasing index has scored higher than that the U.S. since 2007, according to the report.

"This indicates that businesses feel less economically challenged operating in Sonoma County than in the U.S. as a whole," the report said.

The county's business outlook over the next six months is positive in several industries: hospitality, real estate and construction, retail and wholesale trade, professional and financial services, technology, health services, education and agriculture. The two surveyed industries with negative outlooks were manufacturing, and nonprofit and government.

In the purchasing trends part of the survey, a large proportion of executives reported expected future increases in wholesale profits and investments in locations and equipment.

Impacts of health care reform, staff retirement unclear

The board asked on the survey about the executive's knowledge about the Affordable Care Act and how retirement of staff will affect the business.

On a 1-to-10 scale of understanding requirements under the Affordable Care Act, with 10 indicating clear understanding, almost two-thirds responded with 5 or less. More than half agreed that a workshop on the requirements would be useful.

On looming staff retirements, local executives expect moderate business impact in the next five years, rating the matter 5.58 out of 10.

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