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Guarded optimism for gradual economic recovery; small workforce cuts seen in Tech Council survey

MADISON, Wis. – Business leaders surveyed by the Wisconsin Technology Council are more optimistic about recovery prospects for their own firms than they are for the broader economy in Wisconsin or the United States.

Two-thirds of those responding to the informal survey (68%) said they expect their own businesses to start recovering this summer or fall, compared to 52% for Wisconsin’s economic recovery overall and 43% for the economy across the United States.

The caution about the national recovery was reflected in the finding that 35% think it will take “a year or more” for the U.S. economy to rebound.

About 11% of respondents said they have yet to feel significant business effects from the COVID-19 crisis, with many reporting modest gains in sales and revenues – especially if they are engaged in services tied to information technology or life sciences.

Asked about the workforce status of their firms, a plurality of respondents (40%) reported they are “status quo” in terms of employees, 19% are hiring, 23% have frozen hiring and the remainder (18%) are laying off, furloughing or taking other interim steps to manage the size of their workforce.

Respondents were asked: “What do you need most to make your business more successful in the months ahead?”

Nearly half (46%) called for gradual lifting of Wisconsin’s “safer at home” order, with some saying the process should be guided by science-based metrics; 16% urged an immediate lifting of the order; 14% cited more U.S. Small Business Administration loans; 8% called for federal or state tax relief; 5% urged government regulatory relief and the remainder (11%) offered other solutions, such as more federal support for research, re-training and infrastructure improvements.

In separate reports to state policymakers, the Tech Council has recommended a science-based approach to lifting “safer at home” restrictions, with components being testing; mortality and hospitalization rates; use of nationally recognized computer models; consideration of a phased regional plan; and a transparent “scorecard” for citizens to chart progress weekly so they’re not left to guess about how long the lockdown will continue.

Most of the respondents (70%) said they’re engaged in business or professional services, information technology and life sciences, with most of the remainder working in advanced manufacturing, agriculture,

arts and entertainment, construction, consumer products, education, engineering, physical sciences and retail.

Most respondents (87%) said they're the chief executive officer, president or a manager in their respective organization. About 13% were employees. Sixty-three percent of respondents said their companies are relatively small, meaning 50 employees or fewer; 33 percent reported five employees or fewer.

The unscientific survey was conducted from April 16 through April 23 by the Tech Council with 111 respondents. All but four respondents were from Wisconsin; most are members or associates of the Tech Council Innovation Network.

The Tech Council is the independent, non-profit and bipartisan policy adviser to the governor and the Legislature, and operates programs such as the Tech Council Innovation Network, the Tech Council Investor Networks, the Governor's Business Plan Contest, the Wisconsin Entrepreneurs' Conference, the Wisconsin Early Stage Symposium and the Wisconsin Tech Summit.

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