

## **FALL 2024 EMPLOYER SURVEY – TOPLINE RESULTS**

A regional business survey was conducted to assess current and projected economic conditions. The survey was designed in partnership with: Capital Area Regional Planning Commission; City of Madison; Destination Madison; Downtown Madison, Inc.; Greater Madison Chamber of Commerce; Hmong Wisconsin Chamber of Commerce; Madison Area Builders Association; Madison Black Chamber of Commerce; Madison Gas and Electric; Madison Region Economic Partnership; StartingBlock; University Research Park; Urban Land Interests; Wisconsin Latino Chamber of Commerce; Workforce Development Board of South Central Wisconsin.

Responses from 261 employers were collected from September 26-October 9, 2024. While a diverse set of industries, locations and business sizes participated in the survey, a majority of responses came from small, locally owned employers. There was a broad cross-section of business types representing 20 major employment categories.

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### **OPTIMISM**

- 85% said their workforce either did not change, expanded or they wanted to expand but experienced talent shortages in 2024.
- 71% had either no change or increased revenue YTD compared to 2023.
- 92% rate the quality of local talent as average or above.
- 92% rate the business climate as average or above.
- 94% expect either no change to their workforce, expansion or wanting to expand with concerns about potential talent shortages next year.
- 96% of small businesses (1-25 employees) expect no change to their workforce, expansion or wanting to expand with concerns about talent shortage next year.
- 82% expect increased revenue next year.

### **TALENT**

- The toughest positions to hire for include customer service (25%), skilled trades (25%), sales and marketing (23%), management (18%) and hospitality (12%).
- Employee retention has been generally favorable over the last 12 months, with 85% of respondents indicating no significant change or improvement with retention.
- Of those with retention challenges, the identified reasons include work-life balance, increased competition, compensation and generational differences in work expectations.
- To support workforce retention, employers are providing new types of emerging benefits, including flexible schedules (63%), professional development (61%) and paid mental health (41%). Other types of emerging benefits include childcare reimbursement, pet insurance and subsidized transit passes.
- 83% of respondents said Greater Madison's reputation as a place to live and do business is important to their talent recruitment efforts.

### **BARRIERS**

- The top barriers to business are access to talent (49%) and increased operating costs such as inflation (47%), interest rates (35%) and healthcare costs (29%).
- A growing barrier is the availability and affordability of workforce housing (26%).

## OFFICE PLANS

- 57% of respondents have no remote workers (fully in-person workplace). This compares to 66% when surveyed in 2021. 4% are currently fully remote, compared to 8% of those surveyed in 2021. These trends are expected to hold in 2025 with 57% of respondents intending to have no remote workforce and 3% being fully remote.
- 40% of respondents have a hybrid workforce, with different applications of when and how employees use office workspaces. Some employers require specific days for employees to be in the office every week (44%), while others give employees the flexibility to decide which days of the week to comply (43%).
- The effect of remote work on productivity is mixed, with 49% reporting no measurable difference, 18% reporting productivity improvement, and 30% believing it hinders productivity.
- Of the respondents that have implemented some form of remote work, only 6% have decreased the size of office space. Looking ahead to the next three years, 56% of all respondents plan to either maintain the same amount of office space, invest in new improvements or move to new space of the same size. 14% expect to increase office space, while 8% plan to decrease.
- The proximity economy matters in office location decisions. In addition to parking (53%), desired nearby amenities include restaurants (39%), neighborhoods (28%) and public transportation (28%).

## Other Notes

- Local business use of artificial intelligence is relatively low, with 49% of respondents not using AI in any capacity and 46% not anticipating any additional investments in AI in the future.
- The most desired non-stop air service destinations from Dane County Regional Airport include BOS (Boston), LAS (Las Vegas), LAX (Los Angeles), SFO (San Francisco) and BNA (Nashville).

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