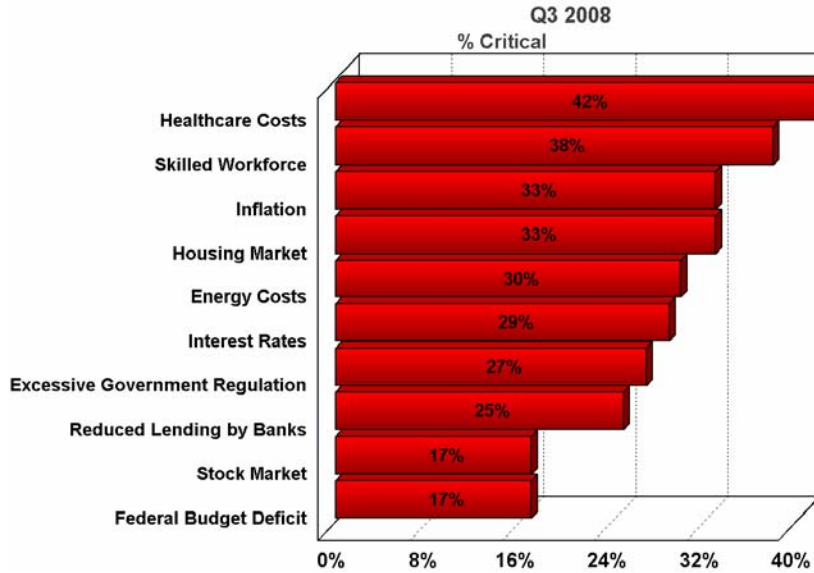


O'Neil Associates | ASBA  
**ARIZONA ECONOMIC INDICATORS MONITOR**

Quarter 3, 2008

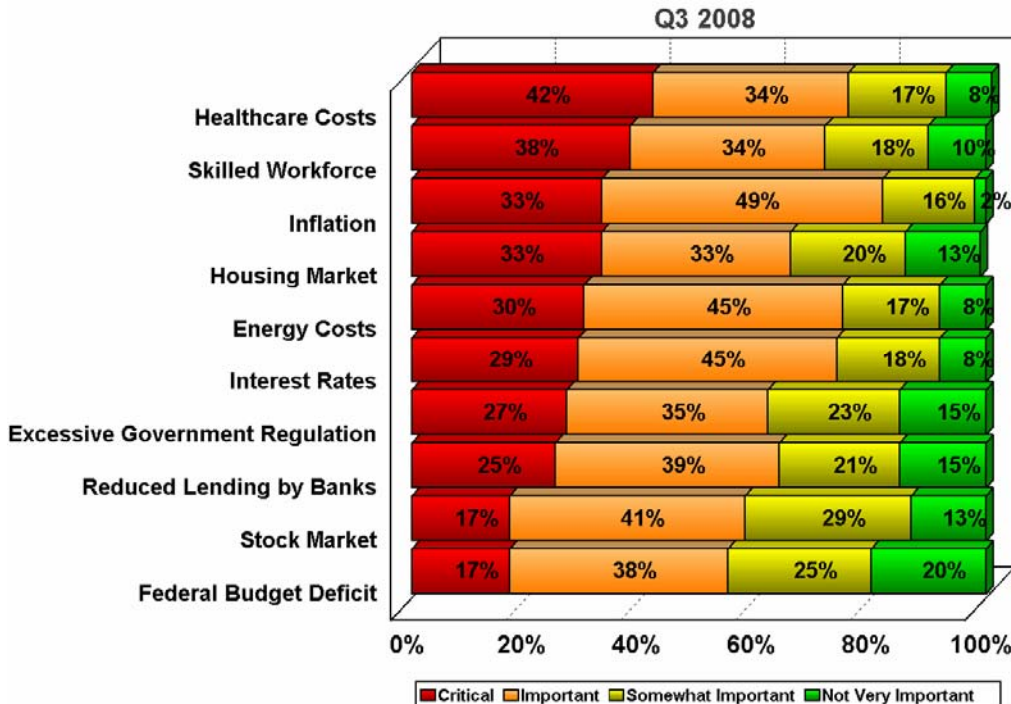
**Healthcare, Skilled Workforce  
 Dominate Critical Issues for Arizona Businesses  
 Inflation, Housing Market, Energy Costs Follow in Importance**



We asked Arizona small businesses to indicate how important each of ten separate issues were for their business. Each was rated as being either “critical,” “important,” “somewhat important,” or “not very important.” There is ample reason for focusing predominantly on issues which are considered to be absolutely critical. When we employ this criterion, healthcare costs (42%) and skilled workforce (38%) are the dominant responses.

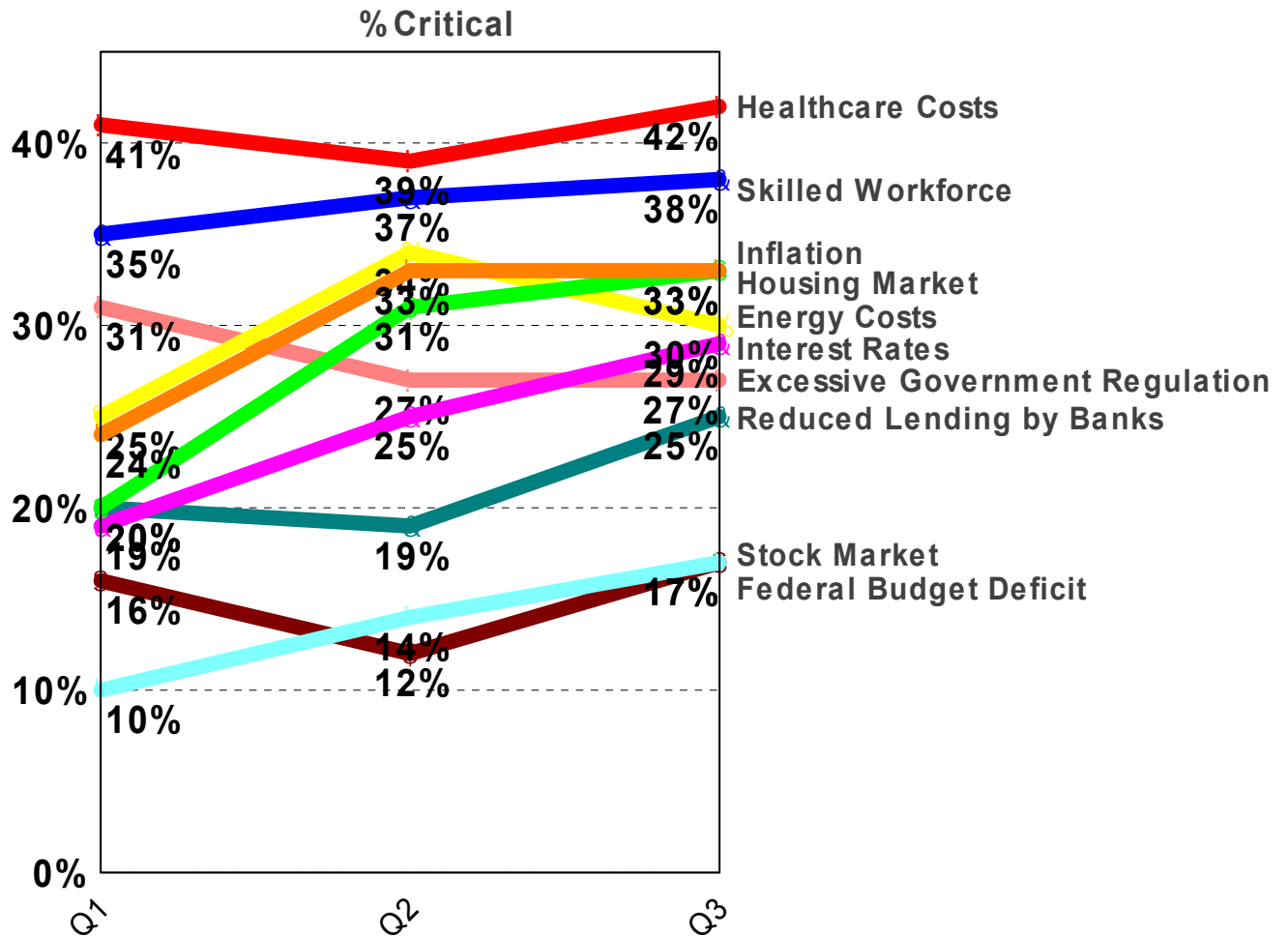
Second tier responses are inflation (33%), the housing market (33%), and energy costs (30%).

When we add in those responses which considered items important, the rank ordering of responses tends to be similar; although, the relative importance given to inflation goes up dramatically. Energy costs, interest rates and reduced bank lending also loom large.



## Time Trends

We had asked this question last quarter. As Dr. Michael O’Neil, the poll’s director, explains, *“The primary changes which we observed from last quarter were increases in the percentages who rated each of the following critical: reduced lending by banks (up 6% since Q2), federal budget deficit (up 5% since Q2), and interest rates (up 5% since Q2). When we look at overall trends over the last two quarters, the biggest increase in concern is for the housing market (up 13% since Q1), inflation (up 9% since Q1), and the stock market (up 7% since Q1). To a lesser extent we see increases in concern about energy costs (up 5% since Q1) and reduced lending by banks (up 5% since Q1).”*



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These results are taken from the Q3 **O'Neil Associates/ASBA Arizona Economic Indicators Monitor**. This project provides insights to support business leaders in companies of all sizes to make key economic decisions, as well as sharing small business attitudes on major political issues. **O'Neil Associates**, a national public opinion research firm based in Tempe, sent surveys to ASBA's membership of 3,000 small businesses across the state as it did at the end of Q1 and Q2 2008. The survey covered a wide range of economic issues, including business performance, revenue and job growth, and overall business confidence ratings. Results provide insights into the perceptions of business owners on the economic health and vitality of the Arizona economy. The survey has a margin of error (at the 95% confidence level) of approximately +/-6%.  
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**Results of this survey may be cited freely with the proviso that they be cited as the "O'Neil Associates/ASBA Arizona Economic Indicators Monitor"**

The O'Neil Associates/ASBA Arizona Economic Indicators Monitor is made possible by a cooperative effort of

- **O'Neil Associates**, a national public opinion research firm based in Tempe, has done over 1700 public opinion and marketing research projects since 1981. These include surveys and focus group projects for a wide array of businesses throughout the country.
- **ASBA**, the Arizona Small Business Association, is the leading voice for small businesses in the State of Arizona.

For a complete copy of all **O'Neil Associates/ASBA Arizona Economic Indicators Monitor** reports released to date, as well as opinion research reports on an array of other topics visit <http://www.oneilresearch.com/publicdomain> or click on the banner below.



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