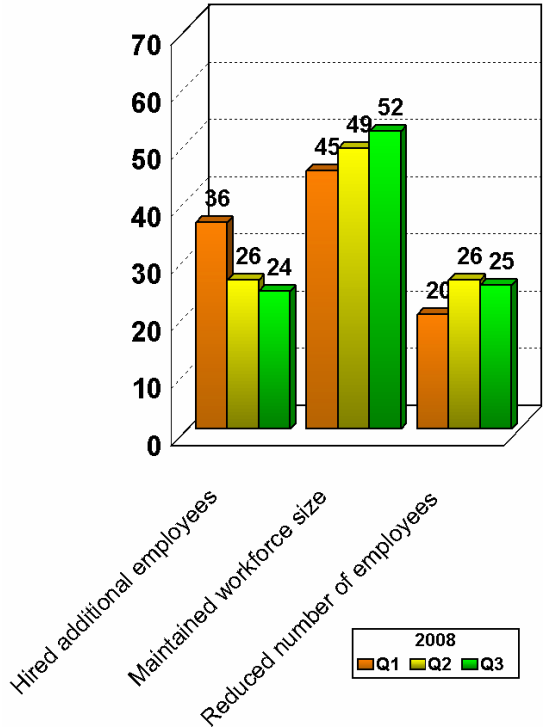


Quarter 3, 2008

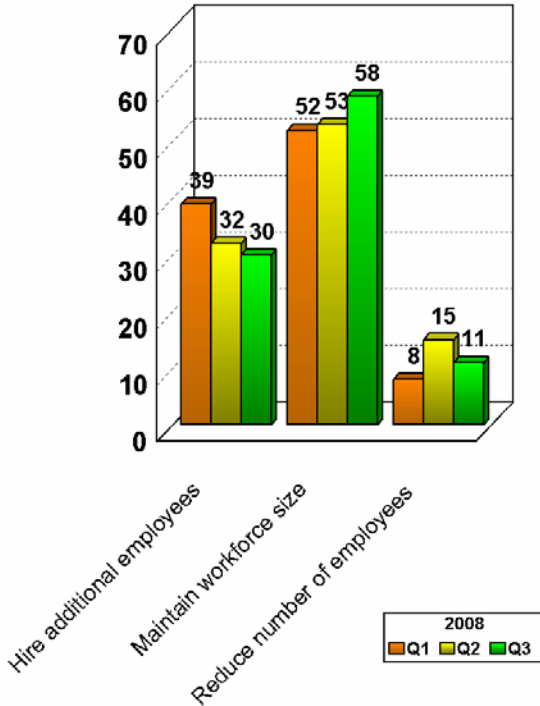
## ***Employment Patterns: Hiring and Firing in a Down Economy***

The O'Neil Associates/ASBA Arizona Economic Indicators Monitor asked small businesses to look back over the last 12 months and report whether they had hired additional employees, reduced the number of employees, or maintained their workforce size. The proportion who had hired additional employees has dropped over the three quarters we have conducted his study from 36% in Q1, to 26% in Q2, and finally 24% in Q3. The proportion reducing the number of employees this quarter is roughly the same as what we observed last quarter (26%).

Past 12 Months



Next 12 Months



When we asked these same small businesses about prospects for the next 12 months, their projections were still more optimistic than pessimistic. The proportion who reported an intention to hire additional employees (30%) exceeded the proportion who expected to reduce the number of employees (11%) by almost a three-to-one margin. This ratio, however, is far less lopsided than the five-to-one ratio noted in Q1 when 39% expected to hire additional employees and only 8% expected to reduce the number of employees. The Poll's director, Dr. Michael O'Neil observed *"Small businesses tend to be optimistic concerning their own prospects. Most likely this results in projections that tend to be on the 'rosy' side. Notwithstanding this, we take some comfort in the reduction in the number of businesses which project reducing the number of employees from 15% to 11% this quarter."*

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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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