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CBIA survey: 47% of CT companies expect 2020 profit

[By Joe Cooper](#)

Less than half of companies surveyed by Connecticut's largest business lobby say they are expecting a profitable year in 2020, as the COVID-19 outbreak has forced the majority of executives to reduce staff and operations during the pandemic.

Of the record 962 executives polled by the Connecticut Business & Industry Association (CBIA) and **accounting and advisory firm Marcum LLP** in their annual survey of Connecticut businesses 47% of respondents are projecting a profitable year, 28% expect losses and 25% expect to break even. By comparison, 77% of companies posted profits in 2019, while 13% broke even and 11% operated at a loss.

Meanwhile, 47% of companies surveyed said they were profitable through the first two quarters this year, as 32% posted losses and 21% broke even.

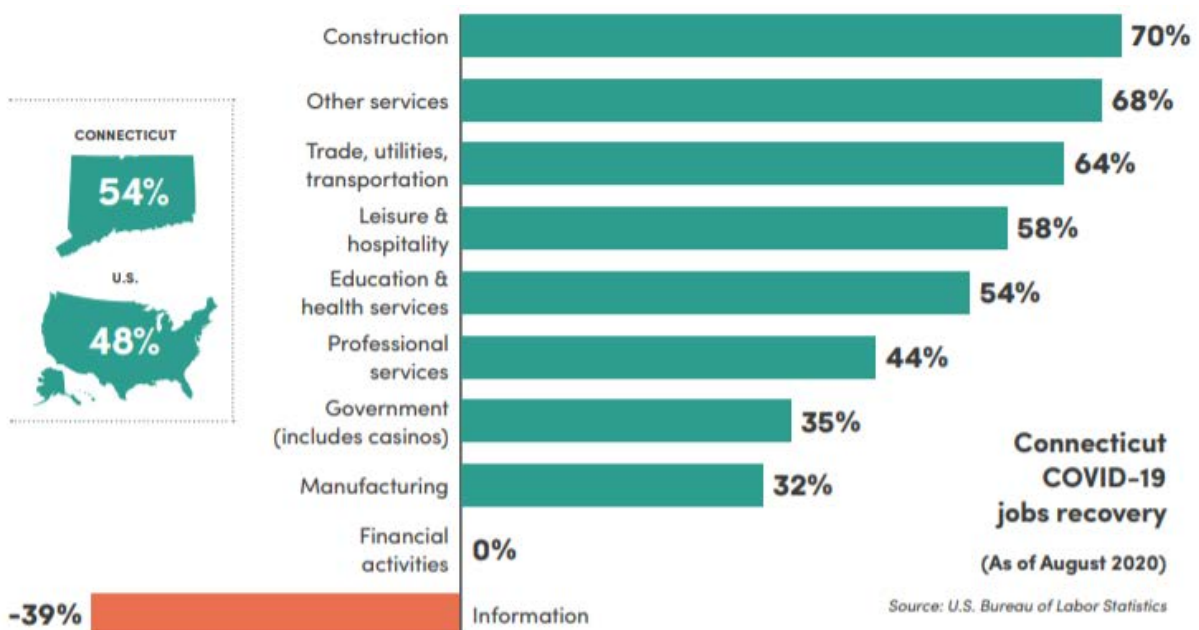
The outlook was more optimistic for the manufacturing and financial services industries, as 55% expect a profitable year, 23% a net loss, and 22% breaking even.

Meanwhile, more than half of companies surveyed say they either laid off workers, cut hours or imposed furloughs amid the COVID-19 outbreak this year, as just a quarter expect sales growth

in the next year. A quarter of respondents say they made no changes to their workforce as a result of the pandemic, the survey says.

Connecticut's economy lost a historic 291,300 jobs in March and April, which amounts to more than 17% of the state's workforce.

The [19-page 2020 Survey of Connecticut Businesses](#) also states that 86% of respondents applied for a federal Paycheck Protection Program (PPP) loan and 19% applied for one of the state's emergency assistance programs.



[Newly appointed CBIA president and CEO Chris DiPentima](#) on Thursday said that while Connecticut is recovering better than most states, the survey illustrates just how much more damage the pandemic has caused compared to the 2008 financial crisis.

“We must do everything we can to support and nurture employers, particularly small businesses, as they lead the recovery,” DiPentima said. “This is about creating a strong, more sustainable environment for the state’s economic recovery and addressing the issues that traditionally hamper growth or will block future growth.”

When asked how the pandemic has impacted their business, 69% of executives cited a decline in sales and revenues, and 13% pointed to reduced operations and job losses.

Executives were also far more pessimistic about Connecticut's economic outlook compared to the national economy.

Almost 60% of respondents expect Connecticut's economy to contract over the next 12 months, and 18% project a "strong decline in growth." Twelve percent expect the state's economy to grow in the next year and 29% project economic conditions to remain flat.

Companies suggested that state government could support Connecticut's economic recovery by cutting spending and taxes.

In fact, 31% called for cutting government spending and lower taxes; 25% asked for additional financial recovery assistance; 15% wanted an easing of pandemic-related restrictions and shut downs; and 14% cited less government interference in the private sector. Nine percent pushed for unidentified policies that would support and improve economic growth.

Surveys were mailed and emailed to more than 6,600 executives statewide from July 8 through July 29, CBIA said.

The majority of respondents were small businesses from the manufacturing (32%), construction (14%), professional services (12%), retail (6%), finance and insurance, nonprofit and medical (5%) industries.

The margin of error in the survey is plus or minus 3 points.