

2024 Q1

CFI Business Climate Survey

Regional Economic Research Institute
Florida Gulf Coast University

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About the Regional Economic Research Institute

The Regional Economic Research Institute studies, analyzes and reports on the regional economy encompassing Collier, Lee, Charlotte, Hendry and Glades counties. Established in 2005, it serves as a public service and economic development unit of the Lutgert College of Business' Dean's Office and strives to connect Southwest Florida to the resources of Florida Gulf Coast University.

In its many regular and occasional publications, and custom economic research, the RERI focuses on areas such as economic development and forecasting, economic impact analysis, secondary data analysis and surveys. The RERI often partner with different economic development organizations and chambers of commerce in our region, and works closely with the Lucas Institute for Real Estate Development and Finance, the Small Business Development Center and the Southwest Florida Leadership Institute, all of which are housed in the Lutgert College of Business at FGCU, as well as the Institute for Entrepreneurship.

Project Information

This report was created by Florida Gulf Coast University's Regional Economic Research Institute for the Charitable Foundation of the Islands and the SanCap Chamber of Commerce. This work would not have been possible without the RERI's student researchers.



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Executive Summary

The CFI Business Climate Survey was distributed to 257 email addresses provided by the Charitable Foundation of the Islands (CFI) and the SanCap Chamber of Commerce on February 21st, 2024. The survey remained open until March 29th 2024, during which three reminder emails were sent out. Both the CFI and SanCap Chamber provided support in reaching out to members to encourage participation. The survey received 70 full and partial responses, giving the survey a response rate of 27.2 percent.

In an effort to determine the percentage of businesses currently open on the islands, results from the CFI Business Climate Survey were compared to data collected by the SanCap Chamber of Commerce in July 2023 and September 2023. Fifty-five of the 70 respondents (78.6 percent) indicated that they were currently open for business, up 7.8 percentage points from the 2023 Q4 measure and 0.7 percentage points above data collected from the SanCap Chamber of Commerce in September 2023.

Thirteen of 70 respondents (19 percent) indicated their business primarily operated in the accommodations industry, while the other 57 of 70 respondents (81 percent) were non-accommodations. Below are some additional findings from both the accommodation and non-accommodation portions of the survey.¹

Accommodations

- 6 of 13 respondents (46 percent) said their business had more than 100 units prior to Hurricane Ian. Comparisons of pre-Ian and today found that 38 percent of respondents indicated their total number of units decreased, while 62 percent remained unchanged.
- Majority of accommodation respondents (12 of 13) said that less than 60 percent of total units were currently available for occupancy.
- 27 percent of accommodation respondents attributed at least a 50 percent chance of being fully available in the next 6 months.
- 64 percent of accommodation respondents gave at least a 50 percent chance of being fully available in the next 12 months.
- The major obstacles consistently cited to becoming fully operational included construction related obstacles (82 percent of all respondents) and issues with insurance claims (64 percent).
- 8 of 11 respondents (73 percent) said employment levels at their business were less than 40 percent compared to before Hurricane Ian.

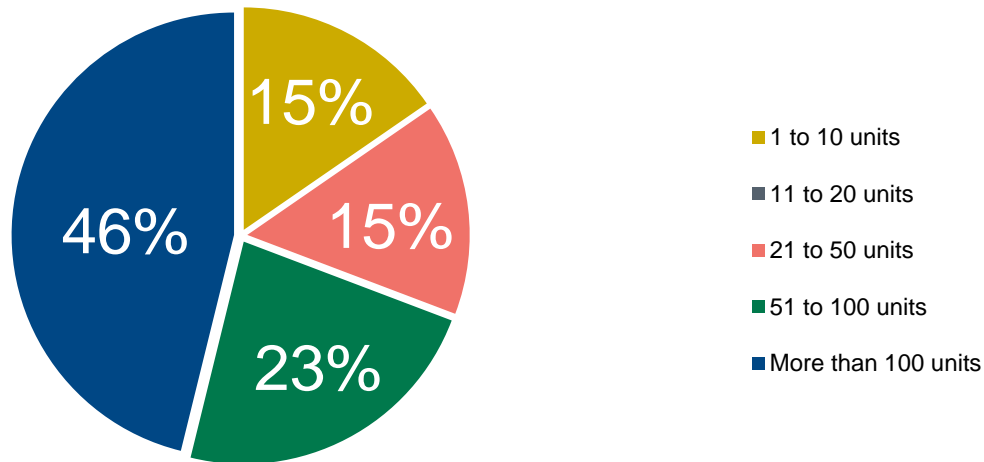
Non-Accommodations

- 83 percent of non-accommodation respondents indicated they were currently open for business on the island, while 9 percent said they had relocated off island but planned to reopen on island.
- 41 percent of non-accommodation respondents that were currently open said their business was fully operational compared to pre-Hurricane Ian.
- Of the non-accommodation respondents not operating at full capacity, 34 percent gave at least a 50 percent chance operating at full capacity in the next 6 months.
- Of the non-accommodation respondents not operating at full capacity, 56 percent gave at least a 50 percent chance operating at full capacity in the next 12 months.
- The major obstacles most often cited by non-accommodation respondents to being fully open included lack of accommodations (67 percent of all respondents), access to labor (49 percent) and construction related (42 percent).
- 18 of 56 respondents (32 percent) indicated that employment levels at their business were between 81 and 100 percent compared to before Hurricane Ian. Furthermore, 11 percent said employment levels were more than 100 percent.

¹Some respondents did not provide answers to every question. In these situations, percentages are only calculated based on total number of responses toward the question.

About 77 percent of respondents identified themselves as holding an executive position such as executive director, vice president, president or owner. This meant 22 percent of responses were provided by individuals with managerial or operational roles within the business they were responding on behalf of. It's important to acknowledge this as a limitation of the survey, as those in operational or managerial positions may have limited knowledge regarding business decisions and expectations.

Chart 1. Prior to Hurricane Ian, how many total units did your business have available for rent?
(N = 13)



Prepared by the Regional Economic Research Institute

Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

Accommodations Survey

Prior to Hurricane Ian, how many total units did your business have available for rent?

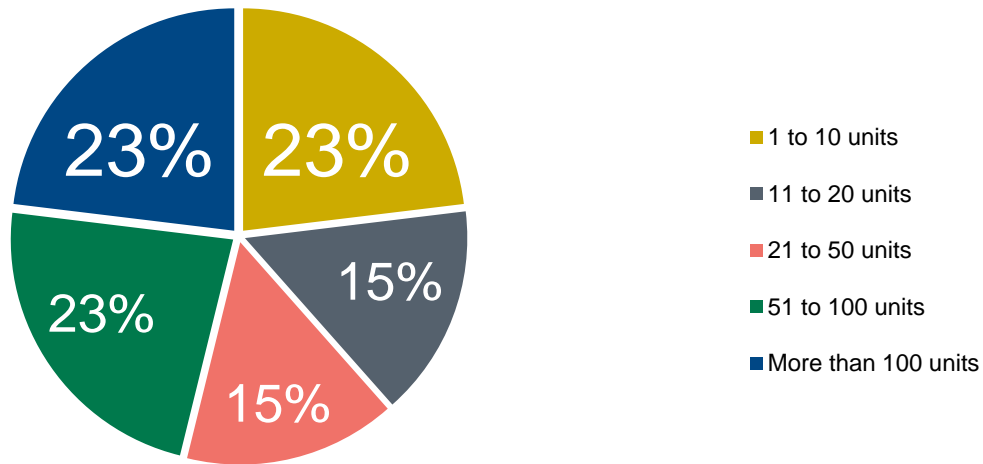
Table 1 reports the number of total units that a business had available for rent prior to Hurricane Ian. Out of 13 responses, nearly half of the respondents reported having more than 100 units (46.2 percent) available for rent prior to Hurricane Ian. Furthermore, 23.1 percent of respondents said they had 51 to 100 units available for rent prior to Hurricane Ian, while 15.4 percent each said they had 1 to 10 units and 21 to 50 units available for rent. There were no responses with 11 to 20 units.

Table 1. Prior to Hurricane Ian, how many total units did your business have available for rent?

Response	2024 Q1		2023 Q4	
	Count	Percent	Count	Percent
1 to 10 units	2	15.4%	5	23.8%
11 to 20 units	0	0.0%	0	0.0%
21 to 50 units	2	15.4%	3	14.3%
51 to 100 units	3	23.1%	3	14.3%
More than 100 units	6	46.2%	10	47.6%
Overall	13	100.0%	21	100.0%

Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

Chart 2. How many total units does your business currently have? (N = 13)



Prepared by the Regional Economic Research Institute

Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

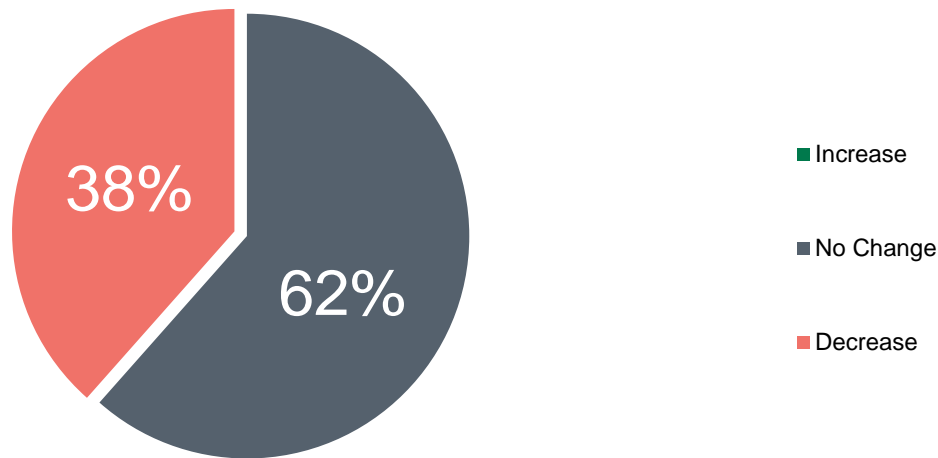
How many total units does your business currently have?

Table 2 represents the number of total units businesses have currently. Out of 13 total responses, 23.1 percent each indicated they currently had more than 100 units, 51 to 100 units, and 1 to 10 units. Moreover, 15.4 percent of respondents each said that they had 11 to 20 units and 21 to 50 units.

Table 2. How many total units does your business currently have?

Response	2024 Q1		2023 Q4	
	Count	Percent	Count	Percent
1 to 10 units	3	23.1%	6	30.0%
11 to 20 units	2	15.4%	2	10.0%
21 to 50 units	2	15.4%	4	20.0%
51 to 100 units	3	23.1%	2	10.0%
More than 100 units	3	23.1%	6	30.0%
Overall	13	100.0%	20	100.0%

Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

Chart 3. Change in total number of units, pre-Hurricane Ian to today (N = 13)

Prepared by the Regional Economic Research Institute

Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

Change in Number of Units, Pre-Hurricane Ian to Today

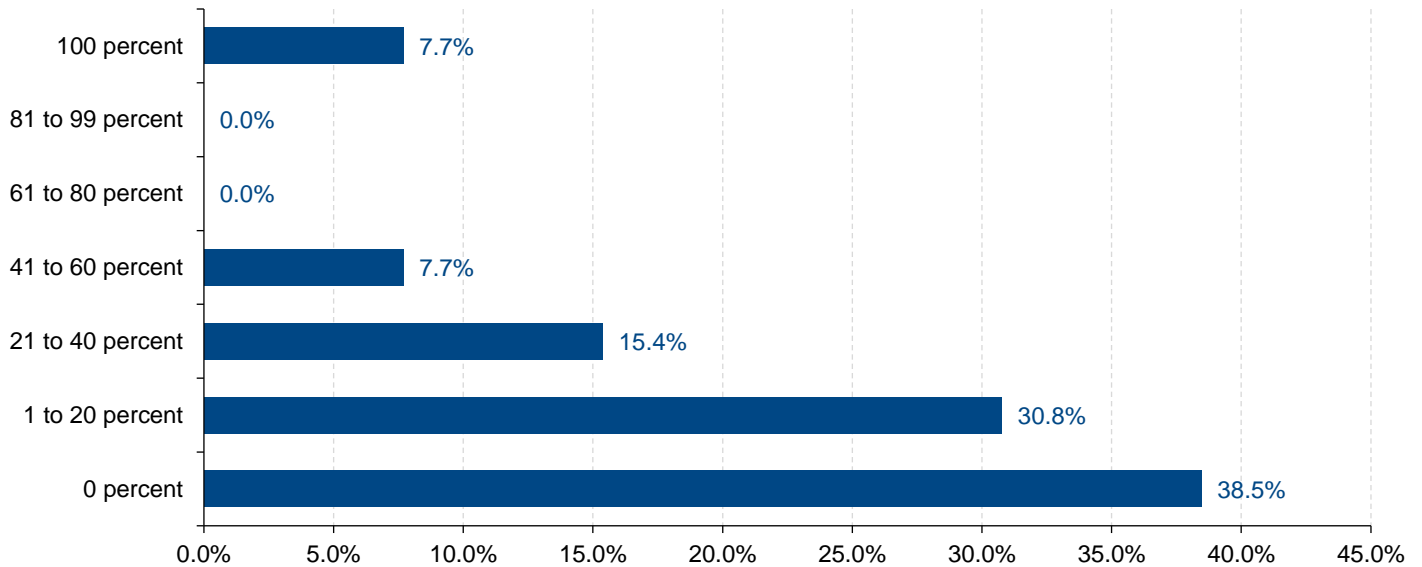
Results were compared to determine how businesses have adjusted the total number of units available at their accommodations, pre-Hurricane Ian to today. The total number of units represents all the units at the establishment, regardless of whether or not it is currently available for rent. The total number of units is defined to have increased if the range of units available currently is greater than the range of units available prior to Hurricane Ian, whereas total number of units is defined to have decreased if the range of units available currently is less than the range of units available prior to Hurricane Ian. If the same range was provided for both questions, then it is determined that no change in total number of units was made.

Table 3 reports the change in total number of units available for rent from before Hurricane Ian to today. Of the 13 responding businesses, 61.5 percent reported no change in the total number of units. The remaining 38.5 percent of businesses reported a decrease. There were no businesses with increases in the total number of units for rent.

Table 3. Change in total number of units available for rent

Response	2024 Q1		2023 Q4	
	Count	Percent	Count	Percent
Increase	0	0.0%	0	0.0%
No Change	8	61.5%	15	75.0%
Decrease	5	38.5%	5	25.0%
Overall	13	100.0%	20	100.0%

Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

Chart 4. What percentage of your total units are currently available for occupancy? (N = 13)

Prepared by the Regional Economic Research Institute

Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

What percentage of your total units are currently available for occupancy?

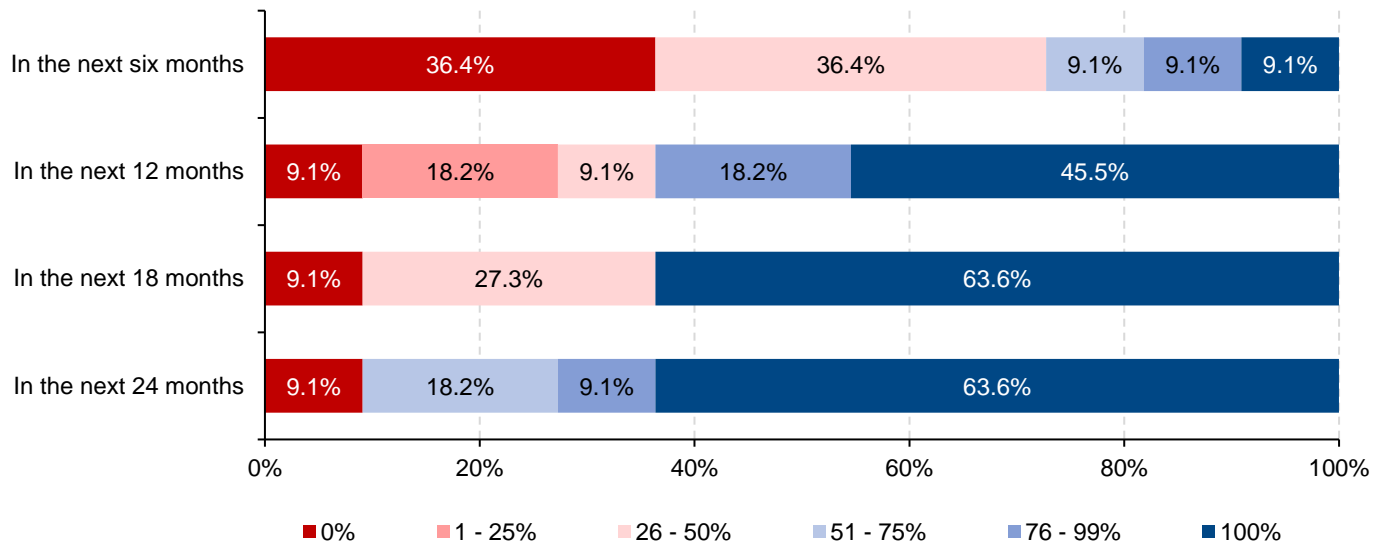
Table 4 reports the percentage of total units currently available for occupancy. In 2024 Q1, only one business reported that they have 100 percent of their total units currently available. The remaining 12 responses all fell within the range of 0 to 60 percent, with 38.5 percent indicating they had no units available for occupancy.

Table 4. What percentage of your total units are currently available for occupancy?

Response	2024 Q1		2023 Q4	
	Count	Percent	Count	Percent
0 percent	5	38.5%	8	38.1%
1 to 20 percent	4	30.8%	3	14.3%
21 to 40 percent	2	15.4%	5	23.8%
41 to 60 percent	1	7.7%	3	14.3%
61 to 80 percent	0	0.0%	0	0.0%
81 to 99 percent	0	0.0%	0	0.0%
100 percent	1	7.7%	2	9.5%
Overall	13	100.0%	21	100.0%

Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

Chart 5. What is the probability of your accommodations being 100 percent available for occupancy in the following time periods? (N = 11)



Prepared by the Regional Economic Research Institute

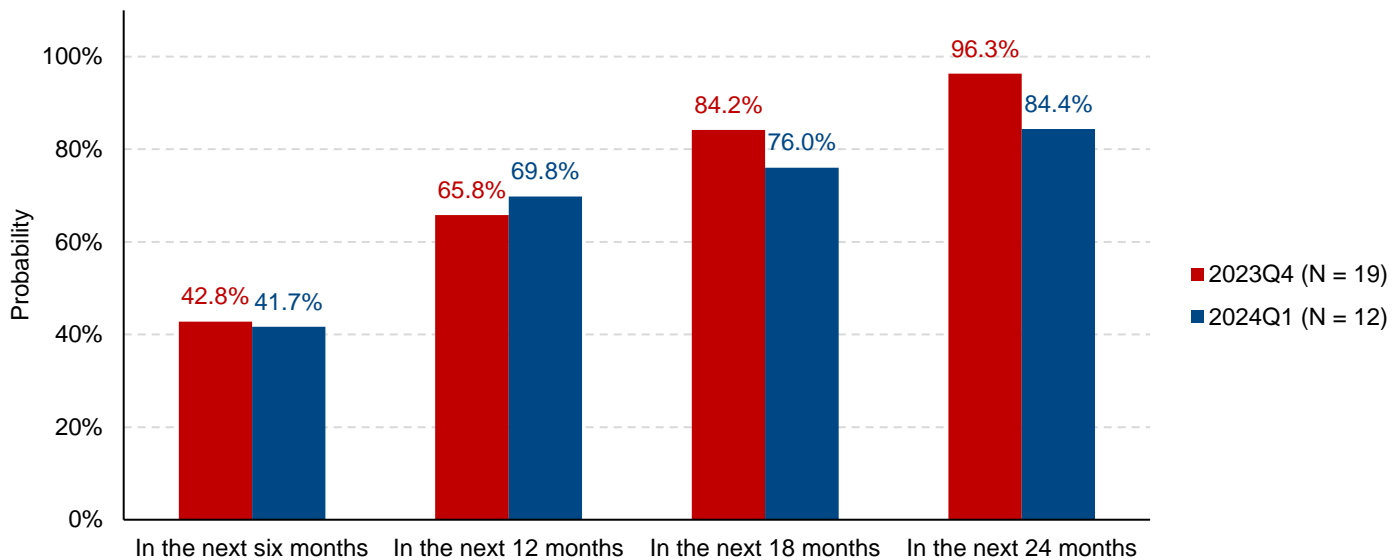
Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

What is the probability of your accommodations being 100 percent available for occupancy in the following time periods?

Respondents were asked to assess the probability that they would be fully available over the next six months, 12 months, 18 months and 24 months.² Of the 11 total businesses who responded to the question, 9.1 percent of businesses attributed 100 percent chance that they will be at full occupancy within the next six months. Within the next 12 months, the percentage of businesses who attribute a 100 percent chance at being fully available grows 36.4 percentage points to 45.5 percent. Within the next 18 months, this percentage continues to grow to 63.6 percent. In the largest time frame of within the next 24 months, the percent of businesses that believe that they will be 100 percent available in occupancy remains at 63.6 percent. Moreover, 9.1 percent of businesses believe there is only a 76 to 99 percent chance of being fully available in the next 24 months, 18.2 percent of businesses believe that there is only a 51 to 75 percent chance of being fully available, and the remaining 9.1 percent believe there is zero percent chance of being fully available over the same period.

² There were some instances in which a respondent answered 100 percent for a specific time period and then left larger time periods blank (i.e. the respondent assigned 100 percent probability to being fully open within the next 12 months, then left the 18 month and 24 month question blank). In these cases, we assume that a respondent will expect to remain fully available in later periods and impute these values as 100 percent probability as well.

Chart 6. Expected weighted probability of being 100 percent available over the next six, 12, 18 and 24 months for accommodations



Prepared by the Regional Economic Research Institute

Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

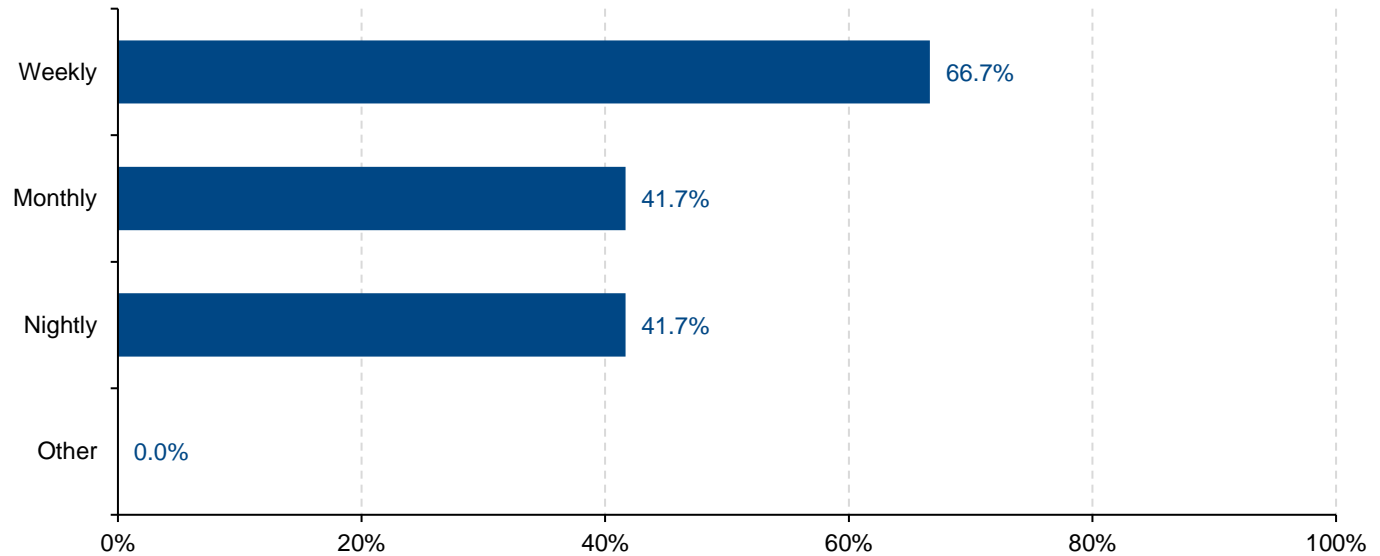
Using data from Table 4 and Chart 5, we calculate the expected weighted probability of all responding accommodation businesses being at full occupancy over the next six, 12, 18 and 24 months in Chart 6. These probabilities are calculated by multiplying the share of each probability range to the midpoint of each range in Chart 5.³ Furthermore, businesses that indicated that they are already operating at 100 percent capacity were factored in and are assumed to operate at 100 percent capacity over each of the time periods. Together, these values represent the overall probability of Sanibel and Captiva accommodations being fully open over the listed time periods.

Probabilities of opening at fully capacity in the next 12 months improved from the previous quarter, measured at 69.8 percent over the next 12 months. However, the probability of being fully open over the next 18 and 24 months declined (76.0 and 84.4 percent respectively). These results indicate that expectations on accommodations coming fully online within the next year improved compared to the previous quarter, while the outlook past the next year remains uncertain. It is worth noting that the low sample sizes in both the 2023 Q4 and 2024 Q1 results can play a role in the variability seen in these results.

³ For instance, if 36.4 percent of respondents said that there is a 26 to 50 percent chance of being open in the next six months, then we multiply 36.4 percent by 37.5 percent (the midpoint of 26 and 50 percent).

Chart 7. When your business is back to being fully operational, how will your units be rented?

(N = 12)



Prepared by the Regional Economic Research Institute

Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

When your business is back to being fully operational, how will your units be rented?

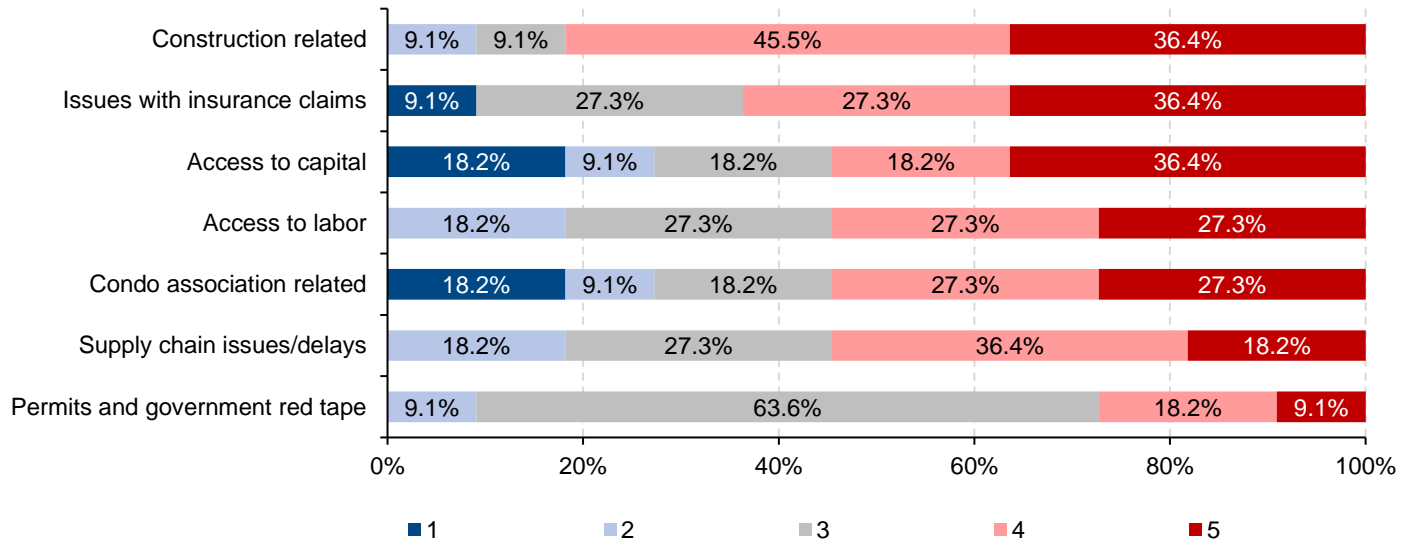
Respondents who indicated that less than 100 percent of their total units are currently available for occupancy were asked how they would rent their units once they became fully operational, and were allowed to select multiple responses. Table 5 reports how units will be rented whenever the business is back to fully operational. In 2024 Q1, eight of the 12 businesses (66.7 percent) responded that their units would have the option to be rented weekly. There were also 5 businesses who will have the option of renting units nightly. Five of the businesses will be available to rent monthly.

Table 5. When your business is back to being fully operational, how will your units be rented?

Response	2024 Q1		2023 Q4	
	Count	Percent	Count	Percent
Weekly	8	66.7%	12	63.2%
Monthly	5	41.7%	12	63.2%
Nightly	5	41.7%	7	36.8%
Other	0	0.0%	0	0.0%
Overall	12	100.0%	19	100.0%

Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

Chart 8. On a scale of 1 to 5, with one being not an obstacle at all and five being a major obstacle, how big of an obstacle are the following in becoming fully operational? (N = 11)



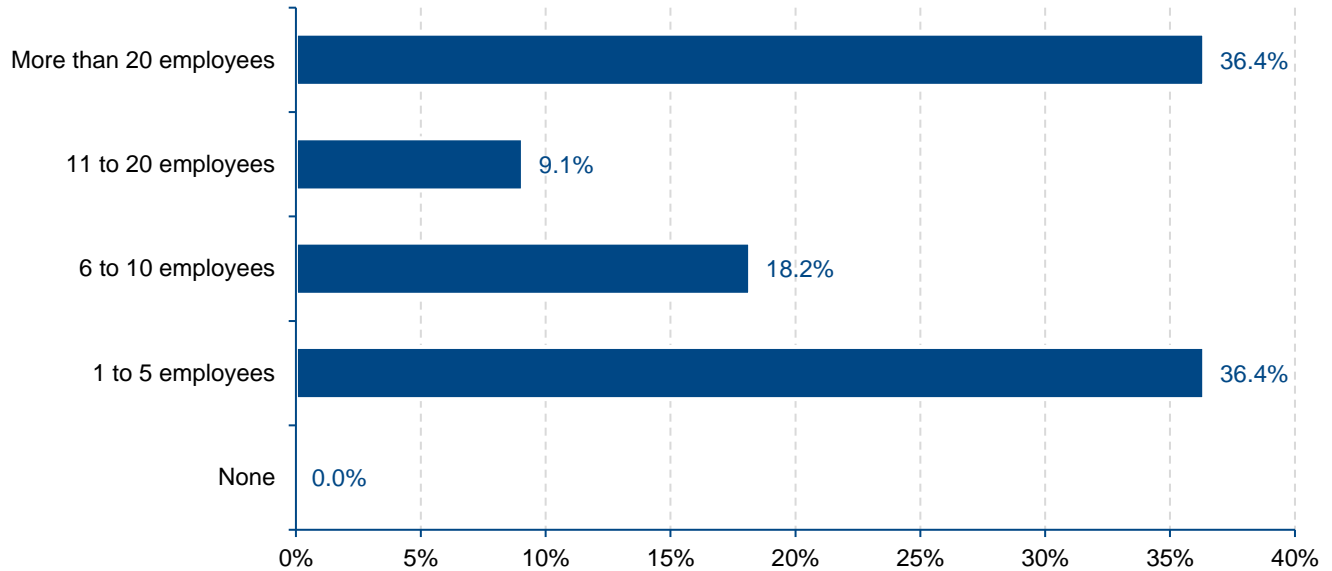
Prepared by the Regional Economic Research Institute

Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

How big of an obstacle are the following in becoming fully operational?

Respondents who indicated that less than 100 percent of their total units are currently available for occupancy were asked to rate various potential obstacles on a scale, with one meaning not an obstacle at all and five being a major obstacle. For the purposes of analyzing this question, we define an obstacle as significant if it was rated at least a 4 on the scale.

Construction related issues was the most often cited obstacle for responding businesses, with 81.9 percent of respondents signaling it as an obstacle to becoming fully operational. Issues with insurance claims was cited as a significant obstacle by 63.7 percent of respondents, and access to capital, access to labor, condo association related and supply chain issues each being cited as a significant obstacle by 54.6 percent of respondents.

Chart 9. How many employees did you employ on the island prior to Hurricane Ian? (N = 11)

Prepared by the Regional Economic Research Institute

Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

How many employees did you employ on the island prior to Hurricane Ian?

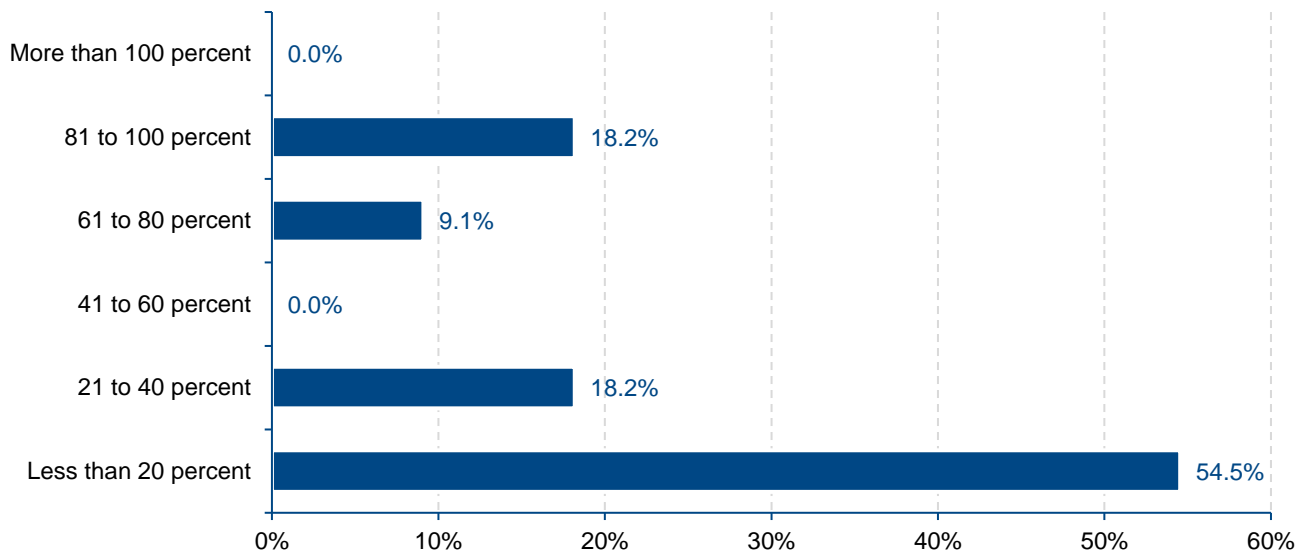
Table 6 reports the number of employees who were employed on the island prior to Hurricane Ian. Out of the 11 businesses who responded in 2024 Q1, 4 respondents (36.6 percent) reported that they had more than 20 employees, while 9.1 percent indicated they had 11 to 20 employees before Hurricane Ian. Furthermore, 54.6 percent of respondents said they had no more than 10 employees prior to Hurricane Ian. No businesses reported having zero employees prior to Hurricane Ian.

Table 6. How many employees did you employ on the island prior to Hurricane Ian?

Response	2024 Q1		2023 Q4	
	Count	Percent	Count	Percent
None	0	0.0%	2	9.5%
1 to 5 employees	4	36.4%	4	19.0%
6 to 10 employees	2	18.2%	3	14.3%
11 to 20 employees	1	9.1%	3	14.3%
More than 20 employees	4	36.4%	9	42.9%
Overall	11	100.0%	21	100.0%

Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

Chart 10. How many employees are currently working for your business compared to before Hurricane Ian, as a percentage? (N = 11)



Prepared by the Regional Economic Research Institute

Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

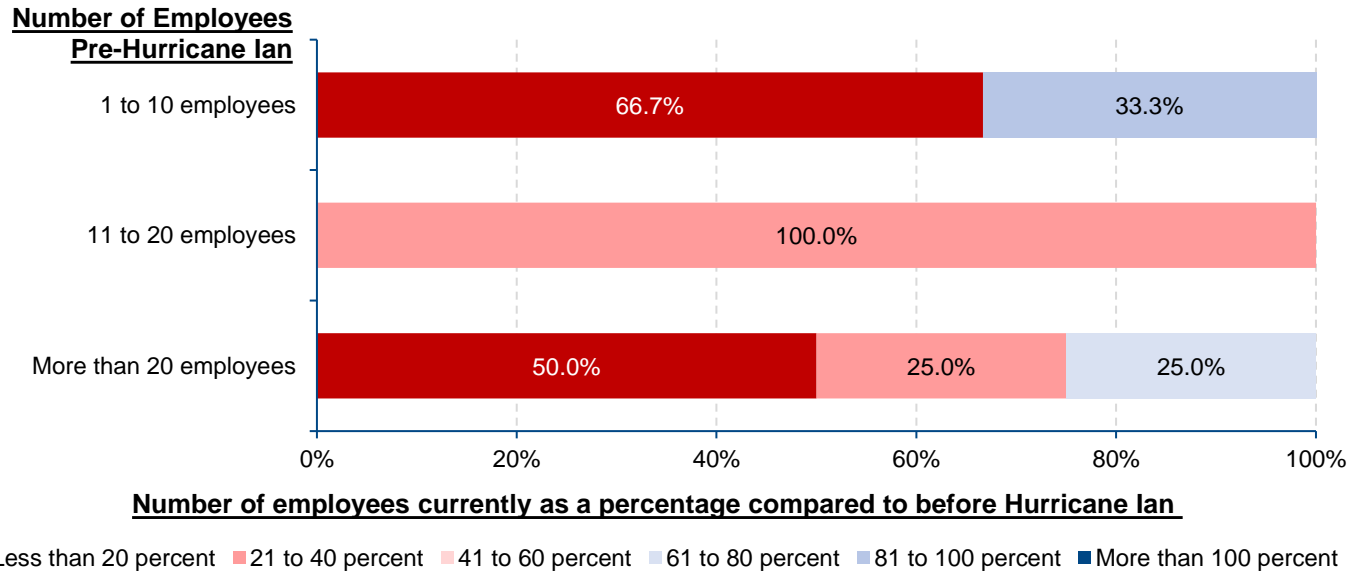
How many employees are currently working for your business compared to before Hurricane Ian, as a percentage?

Table 7 reports the number of employees that businesses currently have working for them compared to the number of employees before Hurricane Ian. More than half (54.5 percent) of responding businesses reported having less than 20 percent of their employees compared to before Hurricane Ian, and 18.2 percent reported having between 21 and 40 percent. Moreover, 9.1 percent of respondents reported having 61 to 80 percent of employees compared to pre-Hurricane Ian, and 18.2 percent said they had 81 to 100 percent of employees compared to before Hurricane Ian.

Table 7. How many employees are currently working for your business compared to before Hurricane Ian, as a percentage?

Response	2024 Q1		2023 Q4	
	Count	Percent	Count	Percent
Less than 20 percent	6	54.5%	9	45.0%
21 to 40 percent	2	18.2%	4	20.0%
41 to 60 percent	0	0.0%	3	15.0%
61 to 80 percent	1	9.1%	2	10.0%
81 to 100 percent	2	18.2%	1	5.0%
More than 100 percent	0	0.0%	1	5.0%
Overall	11	100.0%	20	100.0%

Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

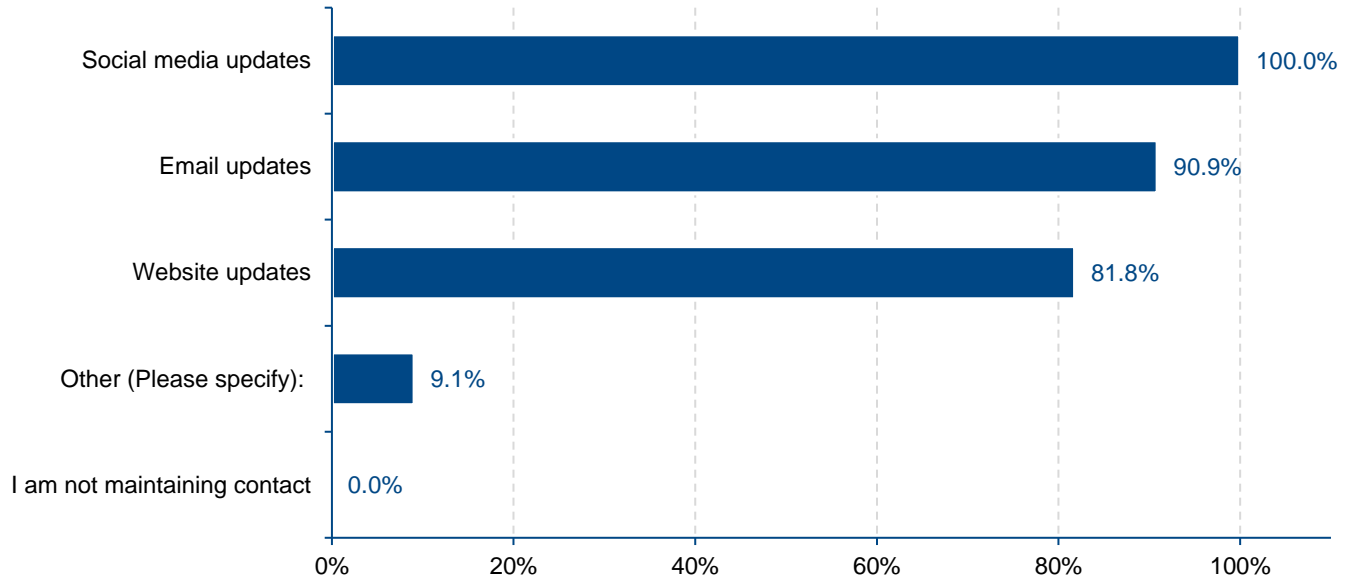
Chart 11. Employment prior to Hurricane Ian to now for accommodation businesses (N = 11)

Prepared by the Regional Economic Research Institute

Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

Change in Number of Employees from Pre-Hurricane Ian to Today

Results were compared to determine how the share of employees today relative to before Hurricane Ian changed depending on the size of the firm. Chart 11 illustrates this by number of employees the business had prior to Hurricane Ian. For businesses that had between 1 and 10 employees before Hurricane Ian, two-thirds (66.7 percent) of respondents said they currently had an employment level that was less than 20 percent compared to before the hurricane. The remaining 33.3 percent said that they currently had an employment level that was between 81 to 100 percent compared to before the hurricane. Only one business had between 11 to 20 employees before the hurricane and reported that they now have 21 to 40 percent of employees compared to before the hurricane. For businesses with more than 20 employees before the hurricane, half of the respondents (two of 4) said they currently had an employment level that was less than 20 percent compared to before the hurricane, a quarter said their current employment was between 21 to 40 percent compared to before the hurricane, and the remaining quarter said between 61 and 80 percent.

Chart 12. How are you maintaining contact with your customers? (N = 11)

Prepared by the Regional Economic Research Institute

Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

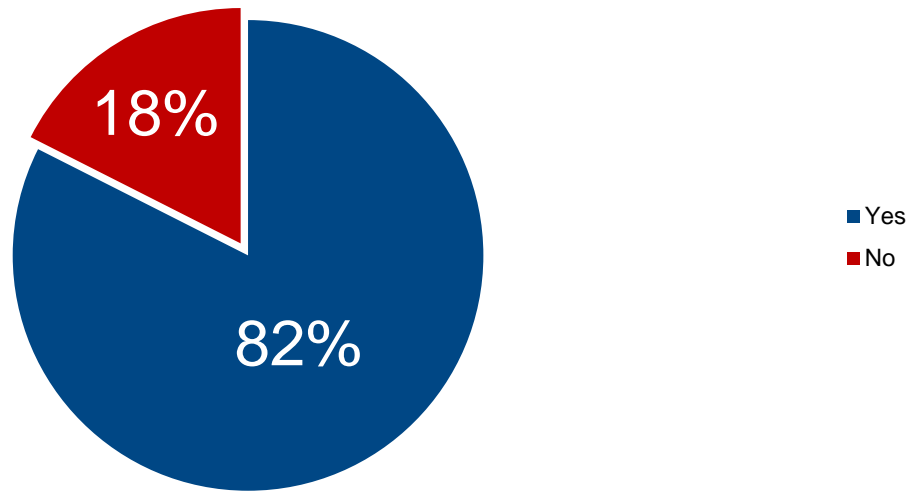
How are you maintaining contact with your customers?

Table 8 reports the different ways that businesses are currently maintaining contact with their customers. Respondents were able to select multiple responses. In 2024 Q1, social media updates had the largest number of responses (11 responses, 100 percent), followed by email updates (10 responses, 90.9 percent), and website updates (9 responses, 81.8 percent). One business reported that they are maintaining contact in other ways.

Table 8. How are you maintaining contact with your customers?

Response	2024 Q1		2023 Q4	
	Count	Percent	Count	Percent
Social media updates	11	100.0%	18	85.7%
Email updates	10	90.9%	18	85.7%
Website updates	9	81.8%	18	85.7%
Other (Please specify):	1	9.1%	3	14.3%
I am not maintaining contact	0	0.0%	1	4.8%
Overall	11	100.0%	21	100.0%

Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

Chart 13. Are you currently open for business on the Sanibel and Captiva Islands? (N = 57)

Prepared by the Regional Economic Research Institute

Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

Non-Accommodations Survey

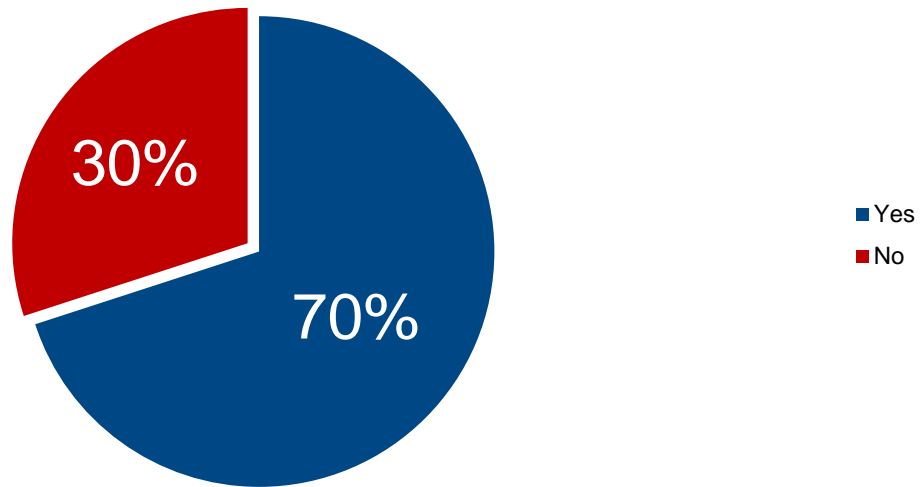
Are you currently open for business on Sanibel and Captiva Islands?

Table 9 displays the breakdown of the number of businesses currently open on Sanibel and Captiva Islands. The majority of the total businesses are currently open for business (82.5 percent) in 2024 Q1. This was up from 2023 Q4, when 78.6 percent of businesses said they were currently open. The remaining 10 businesses who responded are not currently open (17.5 percent).

Table 9. Are you currently open for business on the Sanibel and Captiva Islands?

Response	2024 Q1		2023 Q4	
	Count	Percent	Count	Percent
Yes	47	82.5%	55	78.6%
No	10	17.5%	15	21.4%
Overall	57	100.0%	70	100.0%

Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

Chart 14. Have you relocated your business off island? (N = 10)

Prepared by the Regional Economic Research Institute

Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

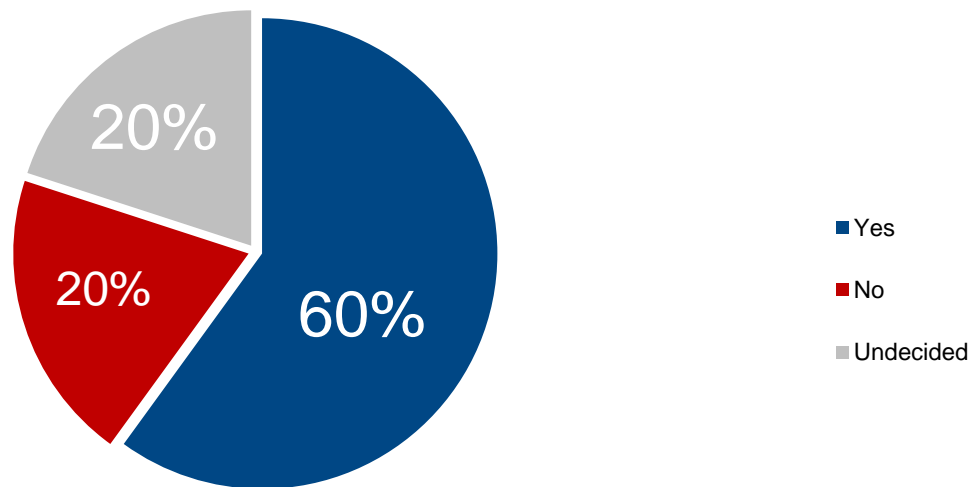
Have you relocated your business off island?

Respondents who indicated that they were not currently open for business on Sanibel and Captiva Islands were asked if they relocated off the island. The majority of the businesses that are not open did relocate their business off of the island (70.0 percent). However, the remaining 3 businesses did not relocate (30.0 percent).

Table 10. Have you relocated your business off island?

Response	2024 Q1		2023 Q4	
	Count	Percent	Count	Percent
Yes	7	70.0%	3	23.1%
No	3	30.0%	10	76.9%
Overall	10	100.0%	13	100.0%

Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

Chart 15. Do you plan on reopening your business on the islands? (N = 10)

Prepared by the Regional Economic Research Institute

Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

Do you plan on reopening your business on the islands?

Respondents who indicated that they were not currently open for business on Sanibel and Captiva Islands were asked if they planned on reopening their business back on the islands. In 2024 Q1, most of the businesses responded that they are planning on reopening their business back on the island (60.0 percent), slightly below the 61.5 percent reported in 2023 Q4. Two businesses decided that they are not planning to reopen on the island (20.0 percent) and the remaining 2 businesses are undecided (20.0 percent).

Table 11. Do you plan on reopening your business on the islands?

Response	2024 Q1		2023 Q4	
	Count	Percent	Count	Percent
Yes	6	60.0%	8	61.5%
No	2	20.0%	2	15.4%
Undecided	2	20.0%	3	23.1%
Overall	10	100.0%	13	100.0%

Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

Current Status of Non-Accommodations

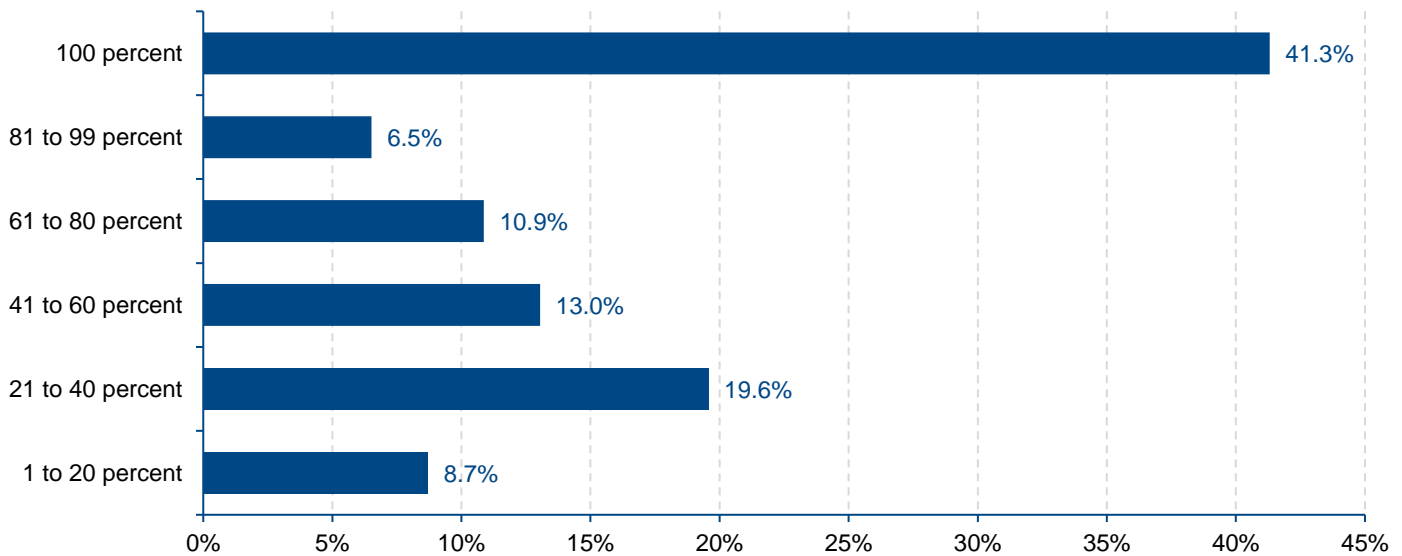
Table 12 reports the current status of non-accommodation businesses. In 2024 Q1, forty-seven of the 57 businesses that responded are open for business on the island (82.5 percent of total). Seven businesses have relocated off of the island, with five planning to reopen on the island (8.8 percent of total), one that has no plan to reopen on the island (1.8 percent of total) and one that is undecided on whether to open on the island (1.8 percent of total). Three businesses are not open for business, one plans to reopen on the island, one business has no plan to reopen on the island, and one business is undecided on whether to reopen on the island.

Overall, 53 of the 57 respondents (92.9 percent) from the 2024 Q1 survey were either currently open for business on the island or plan to reopen on the island at some point. This was consistent with the 2023 Q4 survey, when 63 of 68 respondents (92.6 percent) indicated they were either open or planned to reopen on the island.

Table 12. Current status of non-accommodation businesses

Response	2024 Q1		2023 Q4	
	Count	Percent	Count	Percent
Open for business on island	47	82.5%	55	80.9%
Relocated off Island, plan to reopen on island	5	8.8%	1	1.5%
Relocated off island, no plan to reopen on island	1	1.8%	0	0.0%
Relocated off island, undecided on whether to reopen on island	1	1.8%	2	2.9%
Not open for business, plan to reopen on island	1	1.8%	7	10.3%
Not open for business, no plan to reopen on island	1	1.8%	2	2.9%
Not open for business, undecided on whether to reopen on island	1	1.8%	1	1.5%
Overall	57	100.0%	68	100.0%

Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

Chart 16. At what volume is your business operating compared to before Hurricane Ian? (N = 46)

Prepared by the Regional Economic Research Institute

Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

At what volume is your business operating compared to before Hurricane Ian?

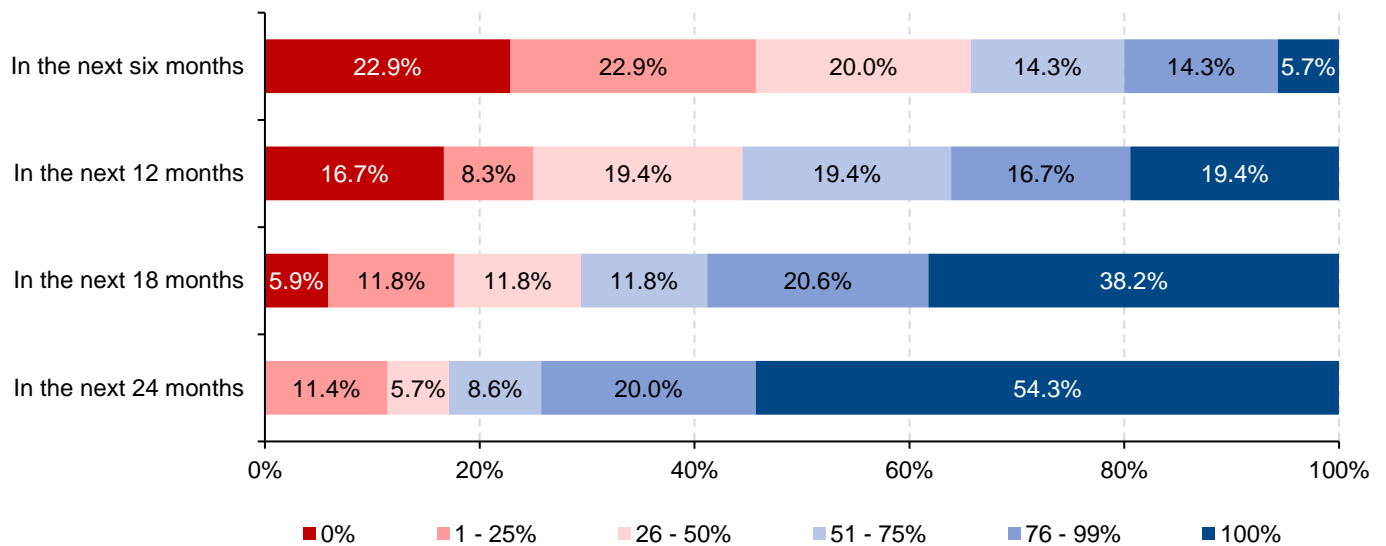
Respondents that said they were currently open for business on the islands were asked about the current volume their business was operating at compared to before Hurricane Ian. In 2024 Q1, the majority of businesses reported that their business is operating at 100 percent when compared to before Hurricane Ian (41.3 percent). Furthermore, 17.4 percent of respondents indicated that their business was operating at 61 to 99 percent compared to before Hurricane Ian and 41.3 percent said they were operating at less than 60 percent.

Table 13. At what volume is your business operating compared to before Hurricane Ian?

Response	2024 Q1		2023 Q4	
	Count	Percent	Count	Percent
1 to 20 percent	4	8.7%	11	20.0%
21 to 40 percent	9	19.6%	9	16.4%
41 to 60 percent	6	13.0%	7	12.7%
61 to 80 percent	5	10.9%	2	3.6%
81 to 99 percent	3	6.5%	2	3.6%
100 percent	19	41.3%	24	43.6%
Overall	46	100.0%	55	100.0%

Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

Chart 17. What is the probability of your business operating at 100 percent capacity over the following time periods? (N = 55)



Prepared by the Regional Economic Research Institute

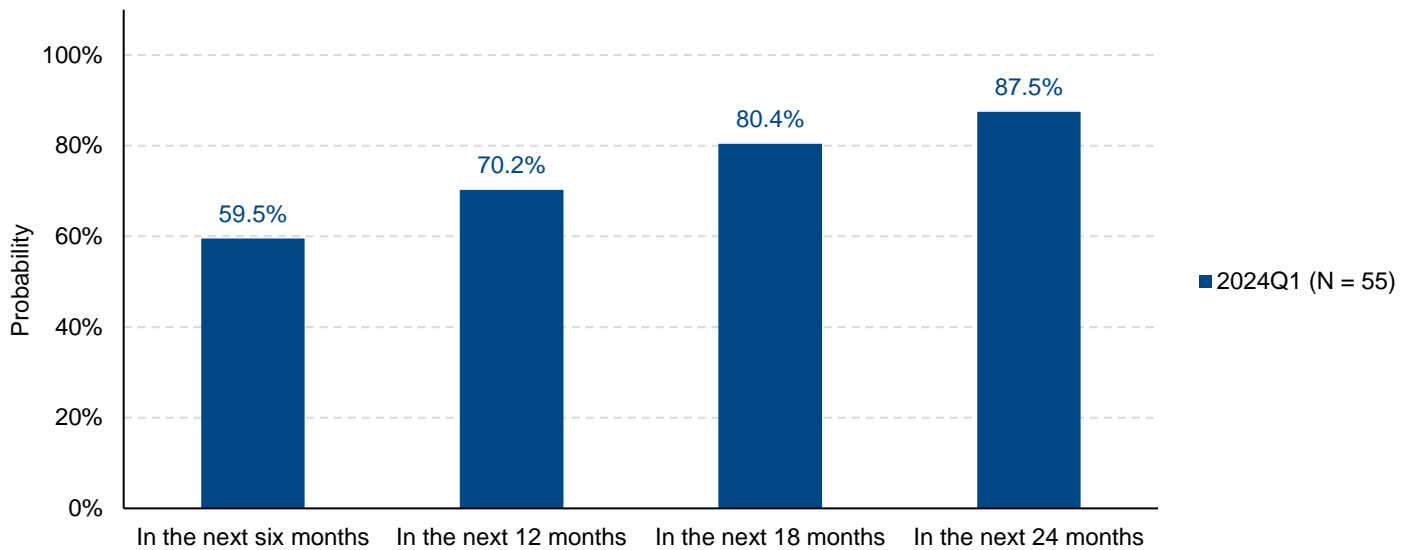
Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

What is the probability of your business operating at 100 percent capacity over the following time periods?

Respondents were asked to assess the probability that their business would be able to operate at 100 percent capacity over the next six months, 12 months, 18 months and 24 months.⁴ Of the 55 total businesses who responded to the question, only 5.7 percent of businesses attribute a 100 percent chance to operating at full capacity within the next six months. When expanding the time frame to within the next 12 months, the percentage of businesses who attribute a 100 percent chance to operating at full capacity grows 13.7 percentage points to 19.4 percent. Within the next 18 months, this share continues to grow to 38.2 percent. In the largest time frame of within the next 24 months, the percent of businesses that attribute a 100 percent chance to operating at full capacity rises again to 63.6 percent.

⁴ There were some instances in which a respondent answered 100 percent for a specific time period and then left larger time periods blank (i.e. the respondent assigned 100 percent probability to being fully open within the next 12 months, then left the 18 month and 24 month question blank). In these cases, we assume that a respondent will expect to remain fully available in later periods and impute these values as 100 percent probability as well.

Chart 18. Expected weighted probability of being 100 percent available over the next six, 12, 18 and 24 months for non-accommodations



Prepared by the Regional Economic Research Institute

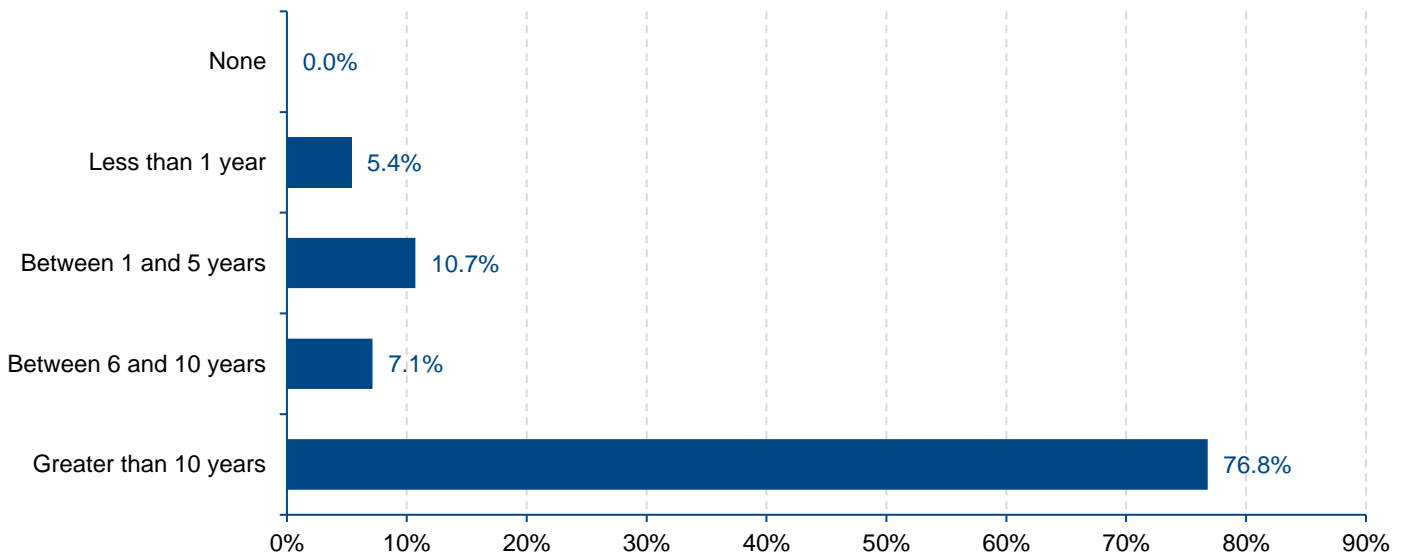
Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

Using data from Table 13 and Chart 17, we calculate the expected weighted probability of all responding non-accommodations businesses operating at full capacity over the next six, 12, 18 and 24 months in Chart 18. Probabilities are calculated by multiplying the share of each probability range to the midpoint of each range in Chart 17.⁵ Furthermore, businesses that indicated that they are already operating at 100 percent capacity were factored in and are assumed to operate at 100 percent capacity over each of the time periods. Together, these values represent the overall expected probability of Sanibel and Captiva non-accommodations being fully open over the listed time periods.

The expected weighted probability of being fully open in the next six months was 59.5 percent for non-accommodations, and increases to 70.2 percent when expanded to 12 months. These probabilities further increase to 80.4 percent and 87.5 percent for 18 and 24 month intervals respectively.

⁵ For instance, if 36.4 percent of respondents said that there is a 26 to 50 percent chance of being open in the next six months, then we multiply 36.4 percent by 37.5 percent (the midpoint of 26 and 50 percent).

Chart 19. How many years had your business been operating on the Islands prior to Hurricane Ian? (N = 56)



Prepared by the Regional Economic Research Institute

Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

How many years had your business been operating on the Islands prior to Hurricane Ian?

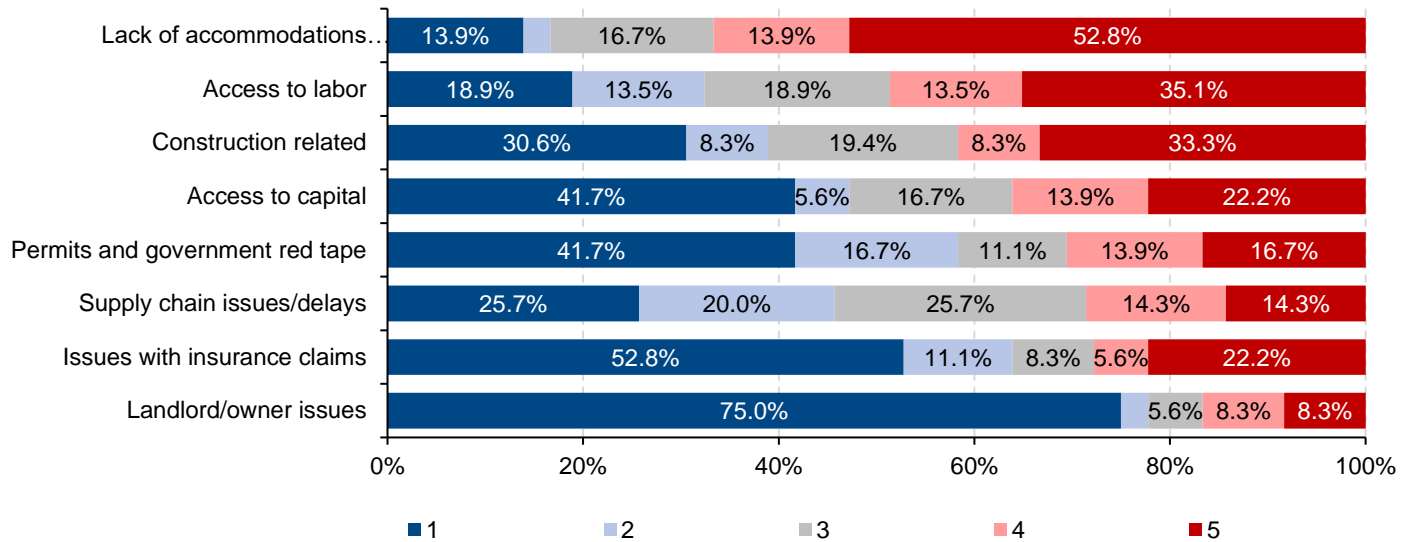
Table 14 reports the number of years a business had been operating on the islands prior to Hurricane Ian. The majority of respondents in the 2024 Q1 survey had been on the island for greater than 10 years (76.8 percent). There were 4 businesses who were on the Islands for between 6 and 10 years (7.1 percent), 6 businesses who were there for between 1 and 5 years (10.7 percent), and 3 businesses that were on the Islands for less than a year (5.4 percent).

Table 14. How many years had your business been operating on the Islands prior to Hurricane Ian?

Response	2024 Q1		2023 Q4	
	Count	Percent	Count	Percent
None	0	0.0%	0	0.0%
Less than 1 year	3	5.4%	2	3.0%
Between 1 and 5 years	6	10.7%	4	6.0%
Between 6 and 10 years	4	7.1%	5	7.5%
Greater than 10 years	43	76.8%	56	83.6%
Overall	56	100.0%	67	100.0%

Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

Chart 20. On a scale of 1 to 5, with one being not an obstacle at all and five being a major obstacle, how big of an obstacle are the following in becoming fully operational? (N = 36)



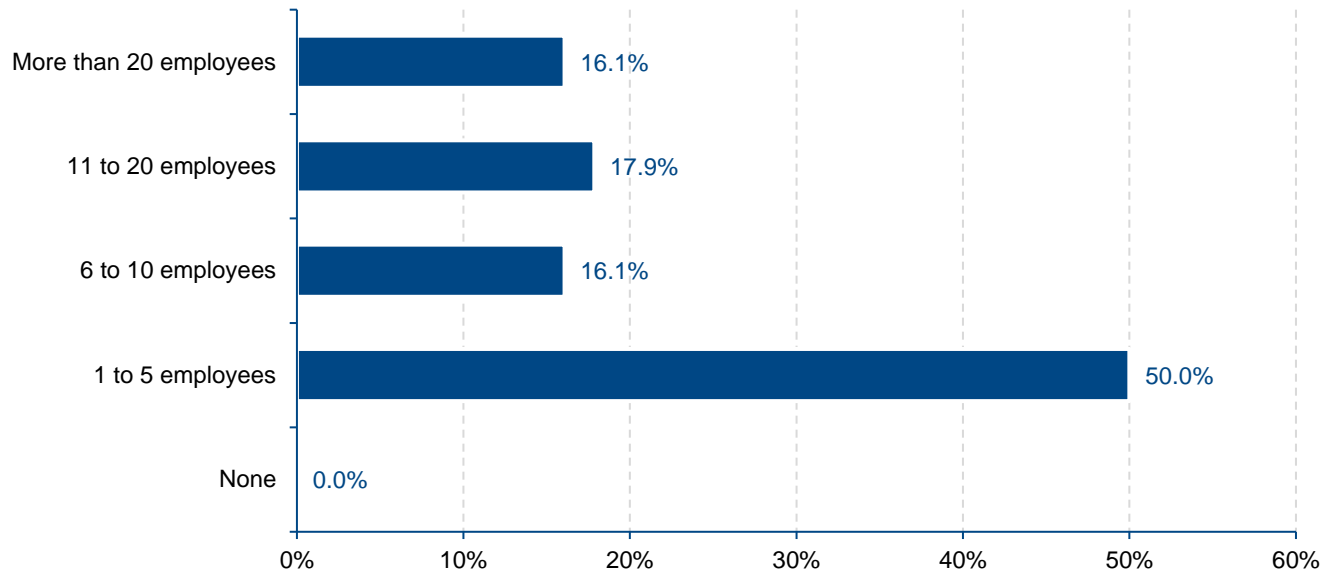
Prepared by the Regional Economic Research Institute

Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

How big of an obstacle are the following in becoming fully operational?

Respondents who indicated that their business was not fully operational were asked to rate various potential obstacles on a scale, with one meaning not an obstacle at all and five being a major obstacle. For the purposes of analyzing this question, we define an obstacle as significant if it was rated at least a 4 on the scale.

Lack of accommodations was identified as the most significant obstacle to becoming fully operational in the 2024 Q1 survey, with 66.7 percent of respondents stating it as significant obstacle. Access to labor issues was the next most significant obstacle indicated by non-accommodation respondents (48.6 percent), followed by construction related obstacles (41.6 percent), access to capital (36.1 percent) and permits and government red tape (30.6 percent).

Chart 21. How many employees did you employ on the island prior to Hurricane Ian? (N = 56)

Prepared by the Regional Economic Research Institute

Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

How many employees did you employ on the island prior to Hurricane Ian?

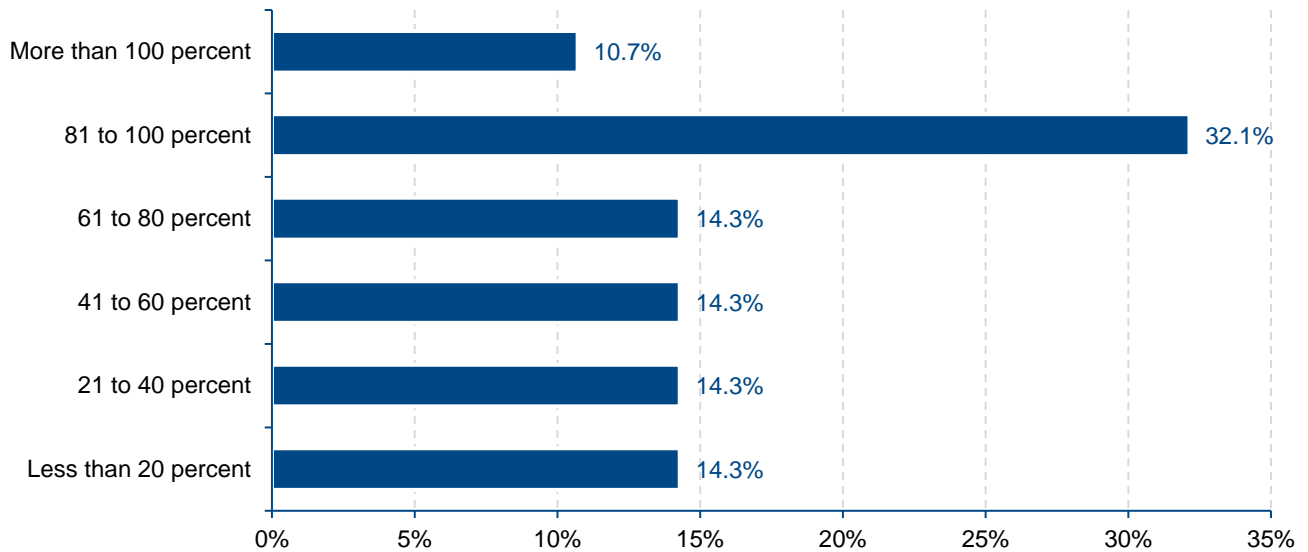
Table 15 reports the number of employees who were employed on the island prior to Hurricane Ian. Out of the 56 businesses who responded, 9 respondents (16.1 percent) reported that they had more than 20 employees prior to Hurricane Ian. Furthermore, 17.9 percent said they had 11 to 20 employees, 16.1 percent said they had 6 to 10 employees and 50.0 percent of respondents indicated they had 1 to 5 employees prior to Hurricane Ian. No businesses reported that they did not have any employees prior to Hurricane Ian.

Table 15. How many employees did you employ on the island prior to Hurricane Ian?

Response	2024 Q1		2023 Q4	
	Count	Percent	Count	Percent
None	0	0.0%	1	1.6%
1 to 5 employees	28	50.0%	27	42.2%
6 to 10 employees	9	16.1%	14	21.9%
11 to 20 employees	10	17.9%	10	15.6%
More than 20 employees	9	16.1%	12	18.8%
Overall	56	100.0%	64	100.0%

Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

Chart 22. How many employees are currently working for your business compared to before Hurricane Ian, as a percentage? (N = 56)



Prepared by the Regional Economic Research Institute

Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

How many employees are currently working for your business compared to before Hurricane Ian, as a percentage?

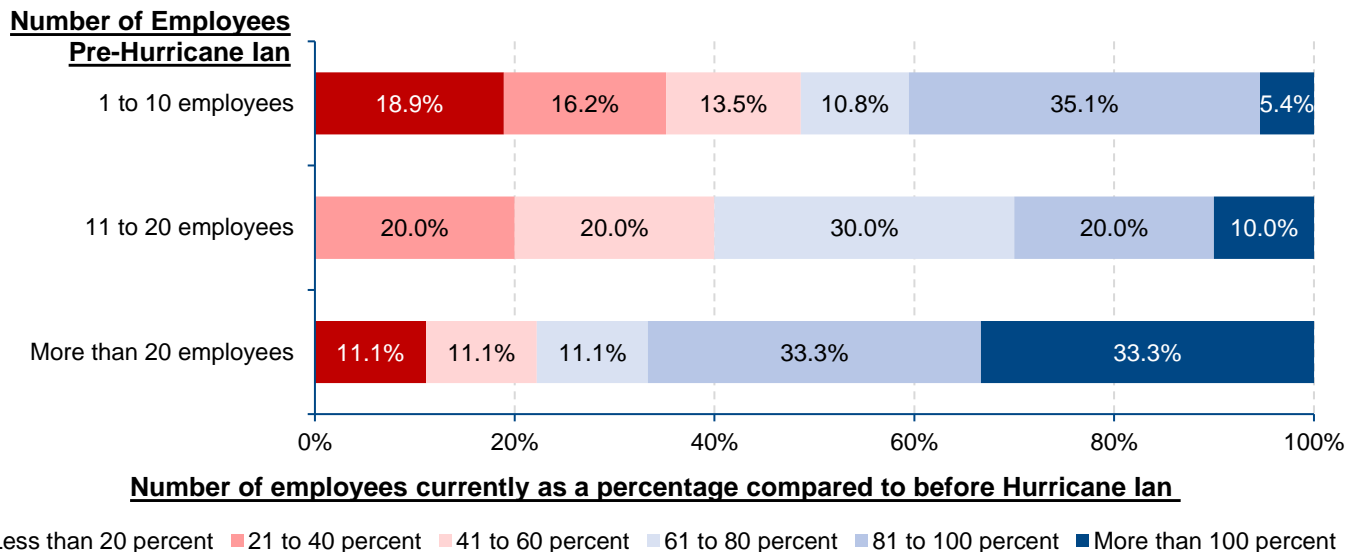
Table 16 reports the number of employees that businesses currently have working for them compared to the number of employees before Hurricane Ian. The largest response group was businesses who indicated that they have between 81 and 100 percent of their employees compared to before Hurricane Ian (18 businesses, 32.1 percent). Furthermore, 10.7 percent of businesses reported that their employee base was more than 100 percent of their employees compared to before Hurricane Ian. The remaining four categories each had 8 responses from businesses, accounting for 14.3 percent of total businesses each.

Table 16. How many employees are currently working for your business compared to before Hurricane Ian, as a percentage?

Response	2024 Q1		2023 Q4	
	Count	Percent	Count	Percent
Less than 20 percent	8	14.3%	12	18.5%
21 to 40 percent	8	14.3%	9	13.8%
41 to 60 percent	8	14.3%	7	10.8%
61 to 80 percent	8	14.3%	4	6.2%
81 to 100 percent	18	32.1%	24	36.9%
More than 100 percent	6	10.7%	9	13.8%
Overall	56	100.0%	65	100.0%

Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

Chart 23. Employment prior to Hurricane Ian to now for non-accommodation businesses (N = 56)

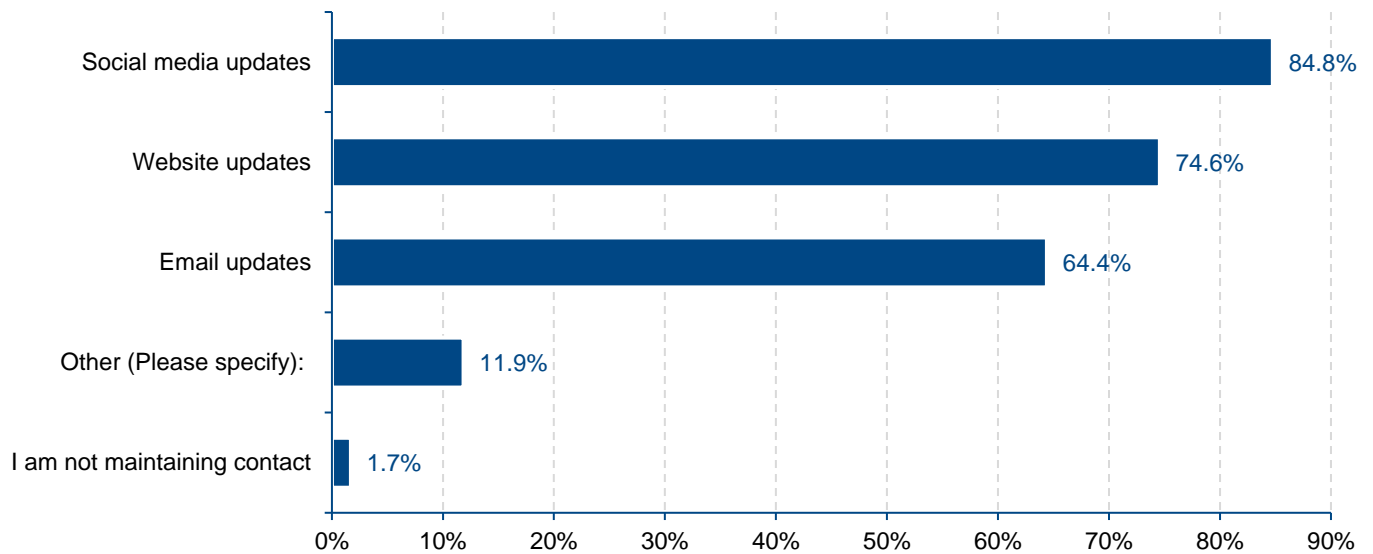


Prepared by the Regional Economic Research Institute

Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

Change in Number of Employees from Pre-Hurricane Ian to Today

Results were compared to determine how the share of employees today relative to before Hurricane Ian changed depending on the size of the firm. Chart 23 illustrates this by number of employees the business had prior to Hurricane Ian. For businesses that had between 1 and 10 employees before Hurricane Ian, 48.6 percent of respondents said their business currently had an employment level that was less than 60 percent compared to before the hurricane. This percentage was slightly lower for businesses that had 11 to 20 employees before the hurricane (40.0 percent), and was 22.2 percent for businesses with more than 20 employees pre-Hurricane Ian.

Chart 24. How are you maintaining contact with your customers? (N = 59)

Prepared by the Regional Economic Research Institute

Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

How are you maintaining contact with your customers?

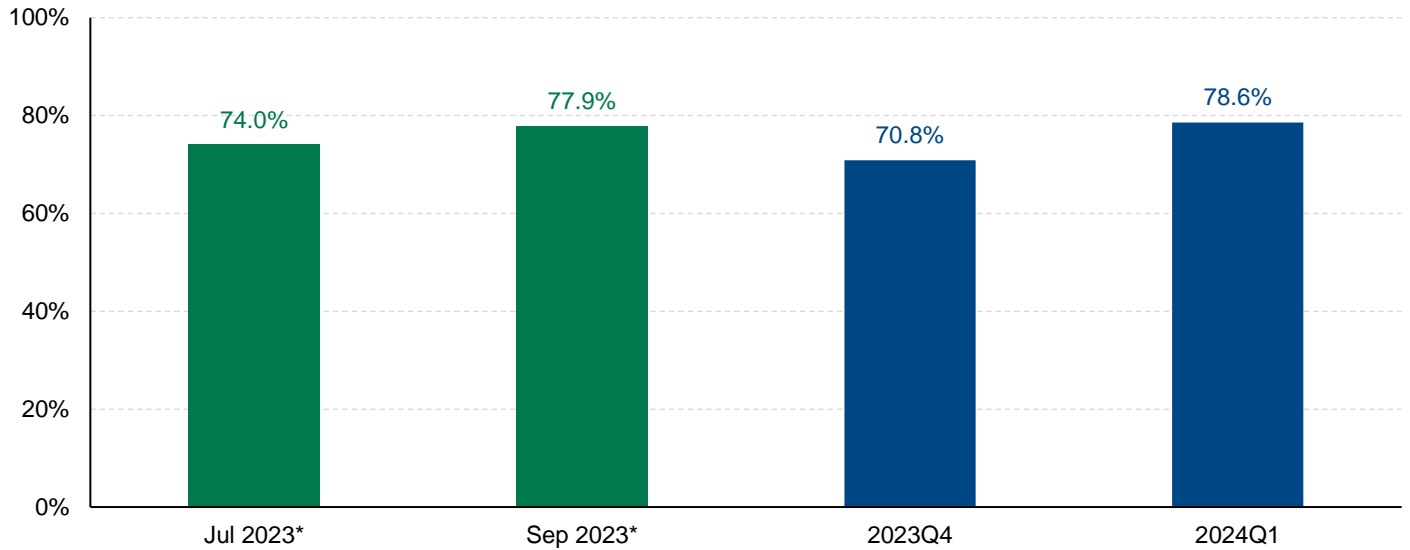
Table 17 reports the break down of how businesses are remaining in contact with their customers. Respondents were able to select multiple responses. In 2024 Q1, fifty businesses reported that they were maintaining contact through social media (84.8 percent). Furthermore, 44 businesses reported using website updates (74.6 percent) and 38 businesses using website updates (64.4 percent). There were seven businesses who reported that they are using other methods of communication (11.9 percent). One business reported that they are not maintaining contact.

Table 17. How are you maintaining contact with your customers?

Response	2024 Q1		2023 Q4	
	Count	Percent	Count	Percent
Social media updates	50	84.8%	55	78.6%
Website updates	44	74.6%	43	61.4%
Email updates	38	64.4%	46	65.7%
Other (Please specify):	7	11.9%	10	14.3%
I am not maintaining contact	1	1.7%	0	0.0%
Overall	59	100.0%	70	100.0%

Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

Chart 25: Current Business Conditions
Percent of total businesses open in Sanibel and Captiva



Prepared by the Regional Economic Research Institute

Note: Data denoted with an asterisk (*) provided by the SanCap Chamber of Commerce

Source: RERI analysis of data obtained from the SanCap Chamber of Commerce and CFI Business Climate Survey

Current Business Conditions

Chart 25 illustrates current business conditions in Sanibel and Captiva. Data for July 2023 and September 2023 was provided by the SanCap Chamber of Commerce, while data from 2023 Q4 and 2024 Q1 comes from the CFI Business Climate Survey. Comparison of the two different data sources helps establish a baseline for the index.

Approximately 78.6 percent of businesses surveyed in the 2024 Q1 CFI Business Climate Survey were currently open for business, up 7.8 percentage points from the 2023 Q4 survey. This was also slightly higher than the September 2023 value. Despite the improvements, note that variability could exist due to different sampling designs used for each survey. We will continue to track this indicator in subsequent surveys.

Focus Group

A subset of respondents were identified to answer some longer form questions relating to the strengths, weaknesses, threats and opportunities that the Sanibel and Captiva Islands for businesses to reopen in the aftermath of Hurricane Ian. The focus group received a total of nine responses for these questions – five from accommodations and four from non-accommodations. Below we highlight the overarching theme from the responses received from these questions. A complete list of responses (de-identified to maintain respondent confidentiality) can be found in Appendix A.

Please describe the strengths in Sanibel/Captiva Islands for businesses to reopen.

When asked to describe the strengths of the Sanibel/Captiva Islands for businesses to reopen, “community support” was a commonality amongst most of the respondents, and was consistent between both accommodations and non-accommodations. Some respondents also acknowledged communication, assistance from local government, and tourists loyal to the area. As one respondent mentioned,

“Tight knit community. Strong local government. Strong support from Lee County. Loyal tourists. Overall wealth of Island residents.”

Please describe the weaknesses (impediments) in Sanibel/Captiva Islands for businesses to reopen.

When asked to describe weaknesses and impediments of the Sanibel/Captiva Islands for businesses to reopen, a number of different responses were offered. Traffic remained the number one issue in the latest quarter, cited by majority of respondents from both accommodations and non-accommodations.

“Traffic will never change. Businesses that are located along the busiest corridors will continue to struggle during peak congestion and miss out on foot traffic for retail and food sales.”

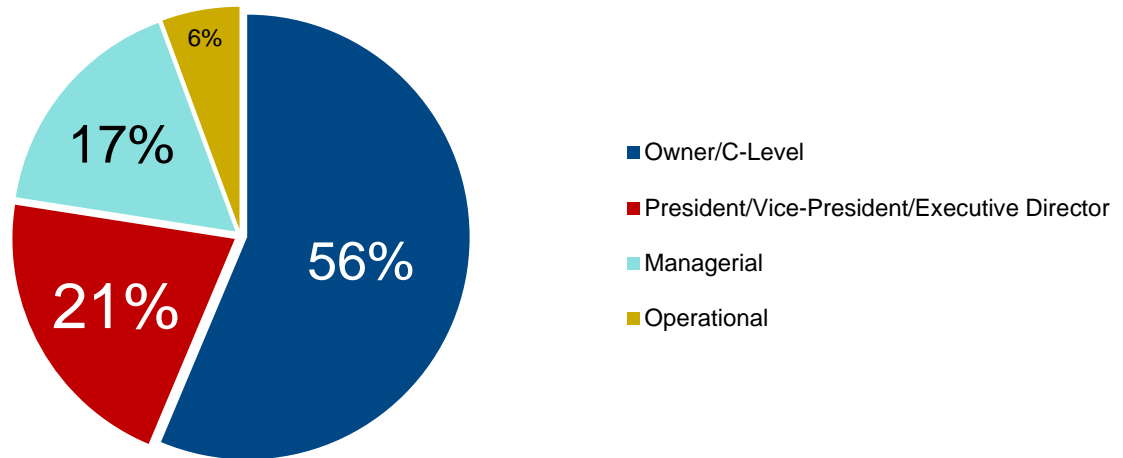
Other weaknesses cited by respondents included permitting, lack of accommodations, insurance, and staffing.

Please describe the challenges (threats) in Sanibel/Captiva Islands for businesses to reopen.

When asked to describe threats and challenges of the Sanibel/Captiva Islands for businesses to reopen, respondents offered various responses. Similar to weaknesses, traffic was the most often cited threat for the Sanibel/Captiva islands. Other threats identified included permitting, insurance, and the availability of labor on the islands.

Please describe the opportunities (lessons learned) in Sanibel/Captiva Islands for businesses to reopen.

When asked to describe opportunities and lessons learned of the Sanibel/Captiva Islands for businesses to reopen, there was no one common theme that popped up, but instead a number of different lessons learned. Some examples of lessons learned from respondents included having an emergency plan in place, having a good relationship with your banker, and more communication.

Chart 26. What best describes your role in your business? (N = 71)

Prepared by the Regional Economic Research Institute

Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

Demographics

What best describes your role in your business?

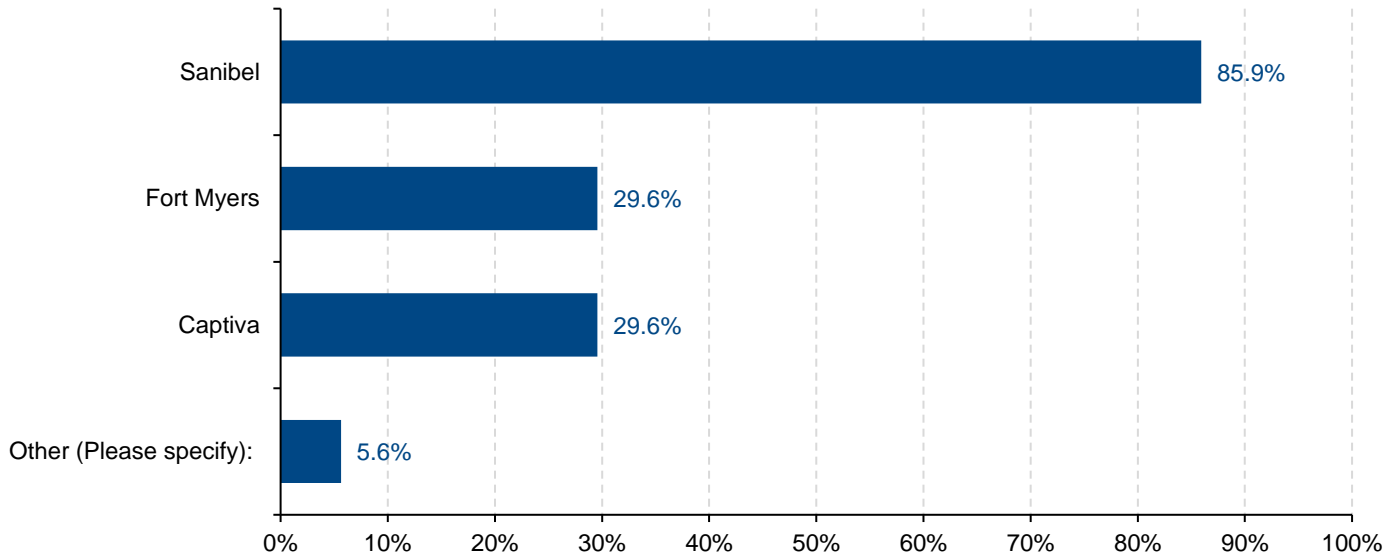
Table 18 reports the role that the respondent has in their business. Forty of the 71 respondents (56.3 percent) described themselves as the owner/C-level, 15 respondents describe themselves as the president/vice-president/executive director (21.1 percent), 12 respondents describe themselves as managerial (16.9 percent), and the remaining four respondents describe themselves in the operational role (5.6 percent).

This means 23 percent of total responses were provided by individuals with managerial or operational roles within the business they were responding on behalf of. It's important to acknowledge this as a limitation of the survey, as those in operational or managerial positions may have limited knowledge regarding business decisions and expectations.

Table 18. What best describes your role in your business?

Response	2024 Q1		2023 Q4	
	Count	Percent	Count	Percent
Owner/C-Level	40	56.3%	49	53.8%
President/Vice-President/Executive Director	15	21.1%	18	19.8%
Managerial	12	16.9%	20	22.0%
Operational	4	5.6%	4	4.4%
Overall	71	100.0%	91	100.0%

Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

Chart 27. Where in Lee County does your business primarily operate? (N = 71)

Prepared by the Regional Economic Research Institute

Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

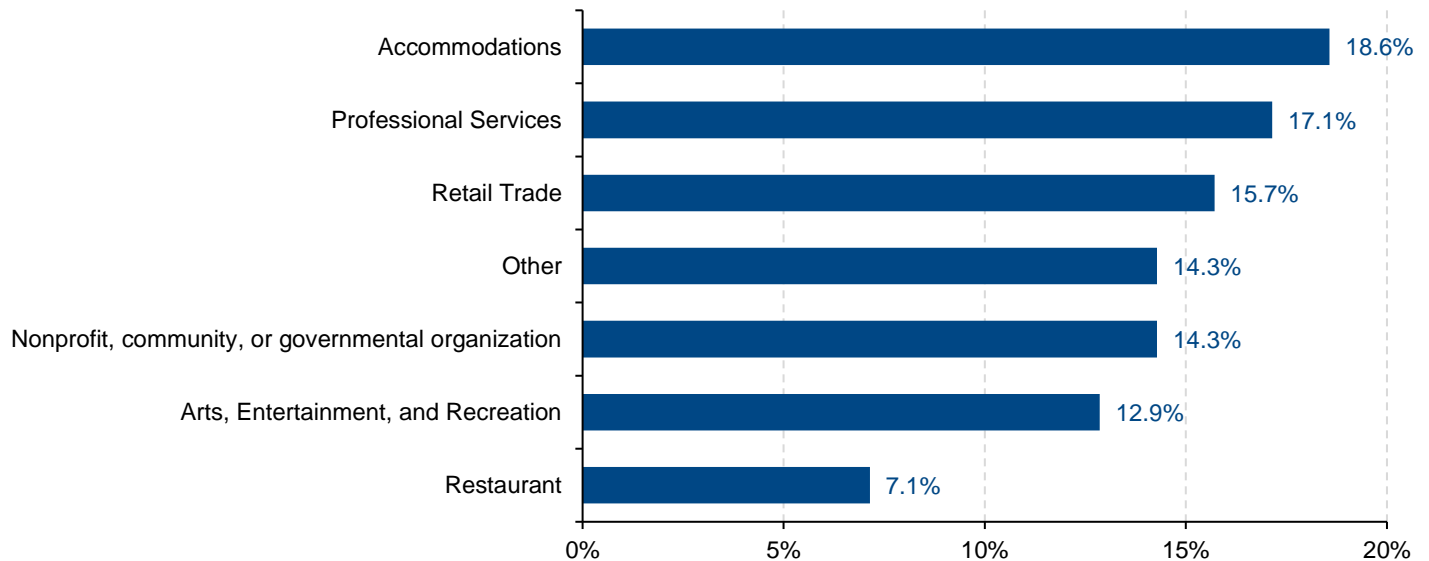
Where in Lee County does your business primarily operate?

Table 19 reports where in Lee County a business primarily operates. Respondents were allowed to select multiple responses. Sixty-one businesses responding to the 2024 Q1 survey reported that they operate primarily on Sanibel Island (85.9 percent), 21 businesses primarily operate in Fort Myers (29.6 percent), and 21 businesses primarily operate on Captiva Island (29.2 percent).

Table 19. Where in Lee County does your business primarily operate?

Response	2024 Q1		2023 Q4	
	Count	Percent	Count	Percent
Sanibel	61	85.9%	77	84.6%
Fort Myers	21	29.6%	31	34.1%
Captiva	21	29.6%	22	24.2%
Other (Please specify)	4	5.6%	9	9.9%
Overall	71	100.0%	91	100.0%

Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

Chart 28. What industry does your business primarily operate in? (N = 70)

Prepared by the Regional Economic Research Institute

Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

What industry does your business primarily operate in?

Table 20 reports what industry the businesses primarily operate in. In the 2024 Q1 survey, 13 of the 70 businesses reported that they primarily operate in accommodations (18.6 percent). Furthermore, twelve respondents reported that they primarily operate in professional services (17.1 percent), 11 respondents reported primarily operating in retail trade (15.7 percent), and 10 respondents said they operated primarily in the nonprofit, community, or governmental organization industry (14.3 percent).

Table 20. What industry does your business primarily operate in?

Response	2024 Q1		2023 Q4	
	Count	Percent	Count	Percent
Accommodations	13	18.6%	21	23.1%
Professional Services	12	17.1%	15	16.5%
Retail Trade	11	15.7%	11	12.1%
Other	10	14.3%	14	15.4%
Nonprofit, community, or governmental organization	10	14.3%	14	15.4%
Arts, Entertainment, and Recreation	9	12.9%	11	12.1%
Restaurant	5	7.1%	5	5.5%
Overall	70	100.0%	91	100.0%

Source: RERI analysis of data obtained from the CFI Business Climate Survey, conducted from February 21st, 2024 to March 29th, 2024

Appendix A. Focus Group Responses

The following lists include specific responses for each of the open-ended questions asked of focus group respondents. Some respondents did not answer all the focus group questions and left the questions blank.

Please describe the strengths in Sanibel/Captiva Islands for businesses to reopen.

1. We are here to help one another.

We have a huge global population that will only consider staying on Sanibel/Captiva for their vacation getaways.

We have the support of our local government officials.

We have resources (F.I.S.H., SCCF, CHR, Kiwanis and Rotary) to assist residents and business owners that are on island now.

2. Strong consumer demand remains. Nature coming back well. Water and beach quality has been generally good. Committed and overall helpful local government.
3. We currently have made a lot of progress and will be 100% effective March 1, 2024.
4. Community.
5. Tight knit community. Strong local government. Strong support from Lee County. Loyal tourists. Overall wealth of Island residents.
6. Community participation; optimism for future of Island; support of SanCap Chamber for business.
7. Current positive sentiment of visitors in the face of adversity
8. Support and strength of the Community
9. Strengths are the high percent of the island set aside for conservation. Nature recovers much faster than manmade additions. This feature attracts visitors as they have the ability to bike, fish, enjoy the beach and search for shells. Having visitors on island support the business that are able to open.

Please describe the weaknesses (impediments) in Sanibel/Captiva Islands for businesses to reopen.

1. If you didn't own your business location and were a tenant/renting, you are at the mercy of your landlord as to when your space would be available, and at what cost.

Accommodations drives commerce on the islands. Until hotels and properties in the resort housing district reopen to attract a sizable population with regularity, it will be difficult for a grocery, restaurants, shops and businesses that rely on bodies to forecast sales, purchase inventory, hire and schedule employees. This includes medical, bikes, fishing/eco tours, crib/high chair rentals, not-for-profit museums, theater arts and more.

Traffic will never change. Businesses that are located along the busiest corridors will continue to struggle during peak congestion and miss out on foot traffic for retail and food sales.

The lack of medical offices (pharmacy, eye doctor, physical therapy, chiropractor, etc) is impacting residents' and multi-month seasonal renters's decision to return to Sanibel. These people shop and dine and participate in social events. Their dollars are now unaccounted for.

2. Insurance. Affordable capital. Cost of construction. Lack of contractors willing to take island jobs. Engineering & permitting & design time, cost and availability. Lack of county, state or federal assistance with demo and cleanup.
3. Traffic, traffic, traffic. Lack of accommodations available, including our companies' hotels. That said. if they were open. Traffic would be even worse, the attempts the city has made to modify have helped a little. Need more traffic people on the road to keep things moving and allow cars to enter Perewinkle from side roads.
4. No condos.
5. TRAFFIC. Labor and contractor shortages.
6. Permitting; shortage of room nights; insurance; traffic issues
7. Staffing; traffic; low visitation
8. Traffic is the biggest issue that we face. It obstructs us from being able to complete our daily tasks.
9. Construction activities. It is necessary as it reflects progress but deters guests from traveling to Sanibel. Lack of "ready" accommodations.

Please describe the challenges (threats) in Sanibel/Captiva Islands for businesses to reopen.

1. Affordability of retail rents

Insurance costs for buildings, operations, and health insurance

Availability of labor and the development of the mainland. Fort Myers Beach will be re-emerging shiny and new, and they have 2 ways on and off the island. They offer a park-n-ride trolley service as well. With employees living further away than ever, commute times are longer. Employees can choose to work on the mainland, closer to home, and perform the same tasks as what we are seeking on island. Pools, landscaping, housekeeping, grocery delivery, bike rental, maintenance, pressure washing - they can work in their same profession and not spend the equivalent of 2 working days in their car, sitting in traffic.

Start up costs for reopening "as new". Many business owners do not have the capital to put toward reopening after having been without an income for 17+ months.

If the Timbers Hospitality Group moves forward with developing South Seas, we will be competing for the same resources - employees. Traffic will be worse than ever, which compounds attracting employees.

2. Traffic causing increased construction cost, time and overall lack of availability. Water quality event. Challenges in permitting, insurance, financing, etc. causing properties to remain vacant for a very long time.
3. Traffic
4. No condos – Traffic
5. TRAFFIC. The Island needs tourists, so we need more accommodations open; labor and contractor shortages; lack of insurance payouts; lack of capital needed to restore businesses.
6. Getting through the permitting process with the City of Sanibel. Should be streamlined, hire more "processors" if that is what it takes to maneuver the permitting process.

Sanibel/Captiva will suffer in the long run if hotels/accomodations, business' are 2 and 3 years out from re-opening.

Financing

Insurance

Workers

7. City permitting
8. Traffic is the biggest issue
9. Construction activities. Lack of "ready" accommodations. Many associations are not comfortable allowing rentals back until construction is complete, as they feel allowing guest prior subjects them to liability issues.

Please describe the opportunities (lessons learned) in Sanibel/Captiva Islands for businesses to reopen.

1. Have a 3 year financial cushion; have a good relationship with your banker; have an emergency plan; know who your business neighbors and customers are, so you can help each other and share resources; own a Starlink dish and a solar inverter generator; form a group to share info and resources - accommodations, restaurants, retail - like CASI; communication, communication, communication.
2. Too many to list!
3. Take the disaster and make it an opportunity in to how to re-imagine your business for the future.
4. modifications for storm resilience
5. Traffic; staffing/labor; supply chain issues
6. To be proactive vs. reactive. We strongly encourage every condominium on the islands to have a MSA (Master Service Agreement) with a seasoned company in advance, prior to a storm. In most cases it cost nothing. It's an added layer of reassurance that you have a professional, seasoned company offering leverage and bandwidth, advocating for you immediately following a storm.

Please describe any additional details or comments regarding the challenges faced in Sanibel/Captiva for businesses to reopen.

1. Had the hurricane not happened with an election 5 weeks away, we would not have had that causeway reopened.

Water releases from Lake O will continue to plague our community and negatively impact our environment, quality of life and tourism.

We must remain focused on restoring the flow of water through the Everglades and stay the course on voting for representatives that have our interests as a priority, not their political aspirations.

2. If something isn't done with the traffic situation, I believe a couple things may occur. Staff or potential staff may refuse to come or work on the island. Or contractors will take the position the time it takes to get on and off will be billable hours for their workforce. Which will only make things more expensive than they already are
3. Surviving costs associated with operations 18+ months post storm with little to no income.



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