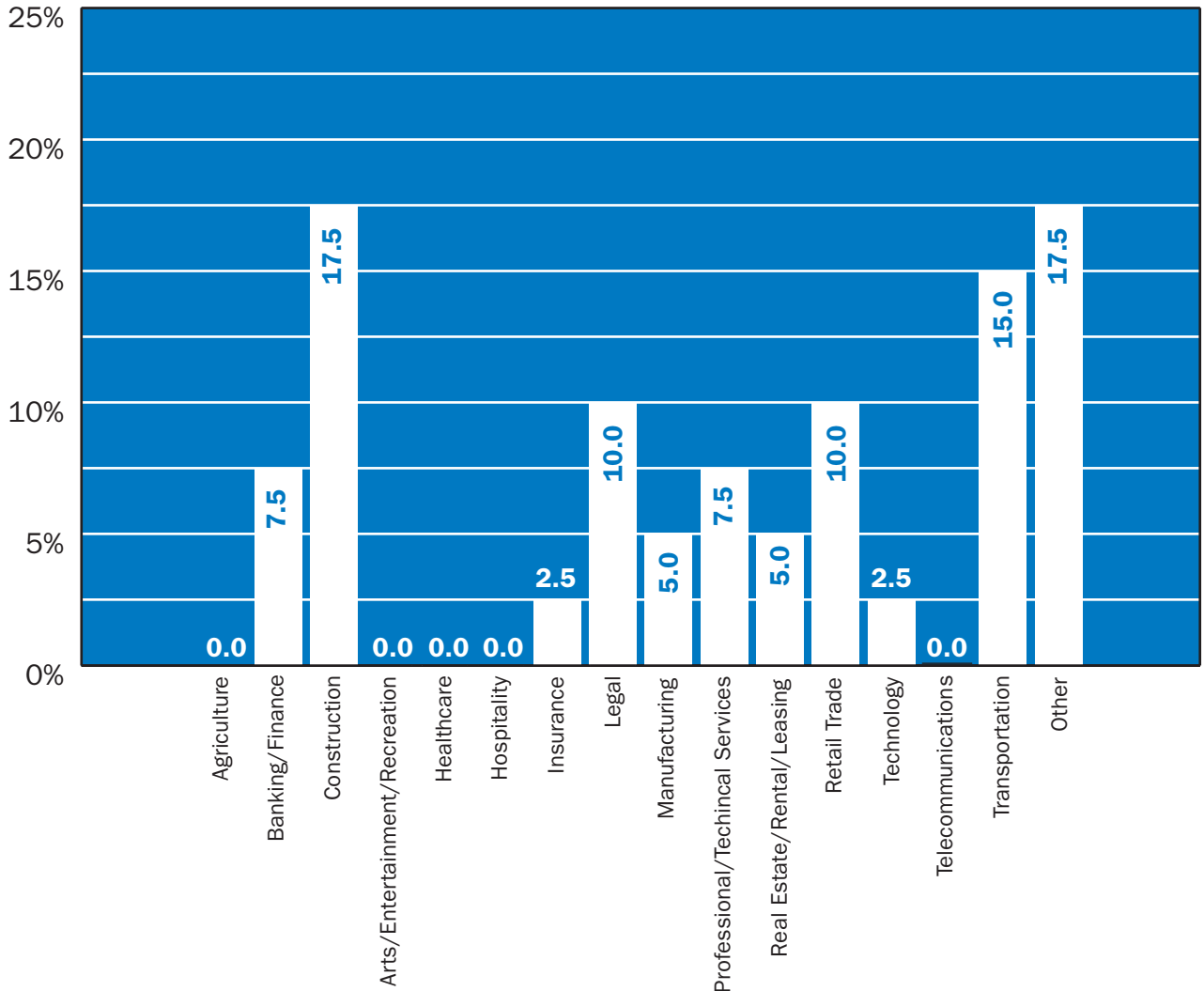
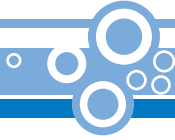


The Small Business T.E.S. Indicator

Trends and Expectations Survey
of Small Business Performance
in North Florida

May 27, 2009



About the Survey

This survey was performed using a small business database of businesses in the Jacksonville area provided by the Small Business Development Center at the University of North Florida. A sample of businesses was created based on the economic importance of the different business sectors in the area. The respondents of this survey provided a wide representation of the small business community for the Jacksonville Metropolitan Area.

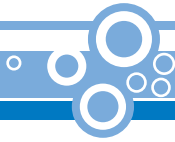


Introduction

The Small Business Trends and Expectations Survey (TES) is an important tool to help understand perceptions of our local economy and to evaluate perspectives for economic growth.

The confidence – or lack thereof – that local business owners indicate in their own businesses, industries, and that of the overall economy, can paint a telling picture of what to expect in the next six months.

TES is a joint effort of CenterBank of Jacksonville and the Coggin College of Business at the University of North Florida.



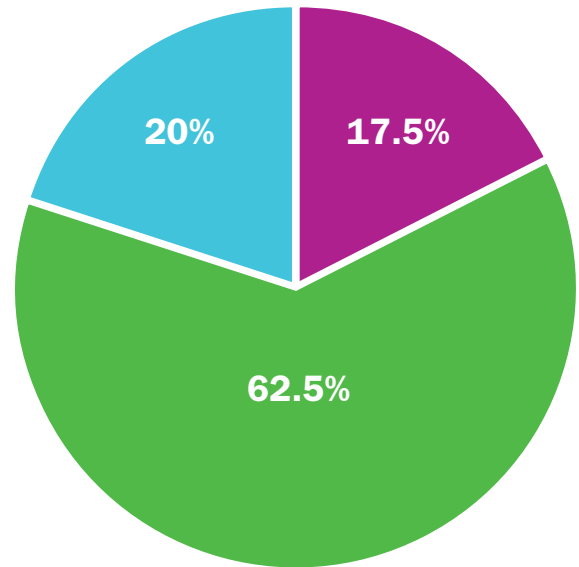
Jacksonville Perceptions at a Glance

- The negative perception of the local economic situation continues to worsen – with 62.5% of respondents answering “below average” in the fourth quarter; compared to 56.3% who gave that response in the second quarter of 2008.
- Perceptions of the national economy continue to deteriorate. Not a single respondent rated the national economy better than “below average” – with 34.1% giving a rating of “poor.”
- Although local businesses perceive the economy has worsened over the previous six months, they also indicate an expectation that the economy will improve over the next six months. More than 46% expect improvement, 36% anticipate the economy will remain the same, and less than 3% expect the local economy to get worse.
- Respondents indicated that “managing cash flow” remains the most challenging aspect of running a business. More than 48% chose this response, which is a significant increase from the 21% who responded the same way in the second quarter of 2008.
- When business owners were asked, “How optimistic are you about your business prospects?” nearly 44% answered “somewhat optimistic.” While 12% answered “pessimistic.” The results of this question can be found on page 10.

Local and National Economies

Which of the following best describes the current situation of the Jacksonville area economy?

- Average**
- Below Average**
- Poor**

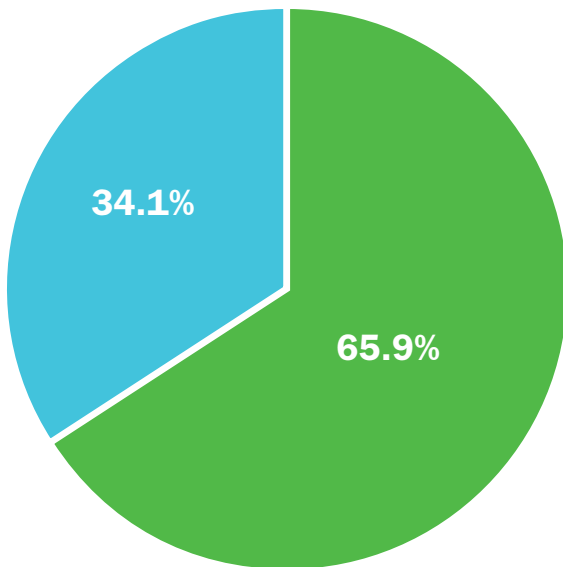


Trend of Jacksonville Economy

	4Q08	2Q08	4Q07	2Q07
Excellent	0%	1.4%	0%	0%
Above Average	0%	4.2%	12.0%	30.5%
Average	17.5%	25.4%	44.0%	45.1%
Below Average	62.5%	56.3%	32.0%	22.0%
Poor	20.0%	12.7%	12.0%	2.4%

Which of the following best describes the current situation of the National economy?

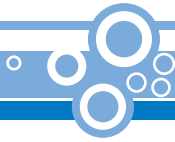
- Below Average**
- Poor**



Trend of National Economy

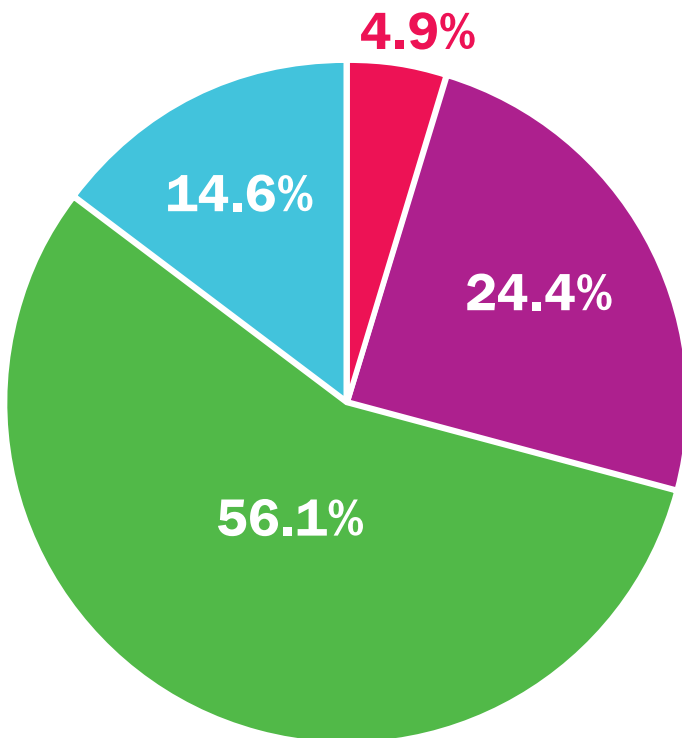
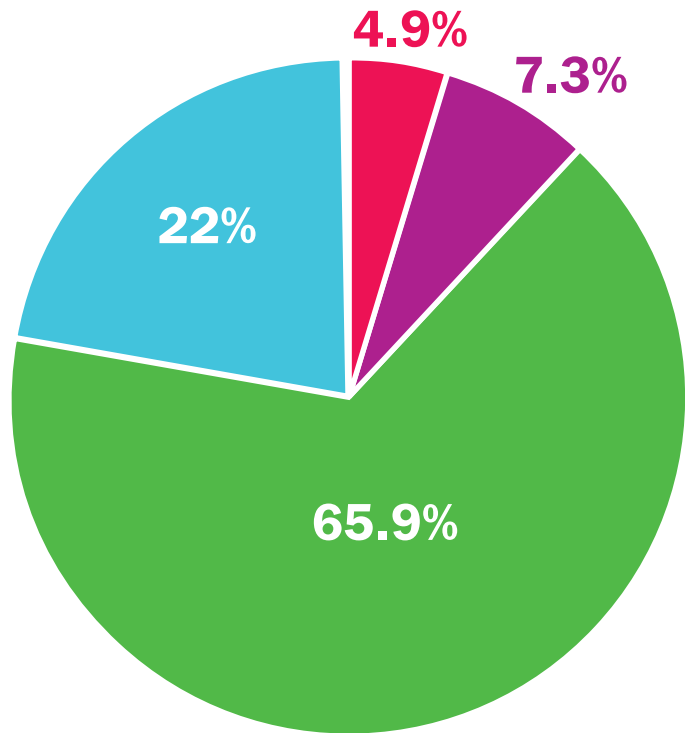
	4Q08	2Q08	4Q07	2Q07
Excellent	0%	0%	0%	0%
Above Average	0%	2.8%	4.0%	22.9%
Average	0%	7.0%	20.0%	32.5%
Below Average	65.9%	46.5%	44.0%	38.6%
Poor	34.1%	43.7%	32.0%	6.0%





Local and National Economies

How do you think the Jacksonville area economic conditions are today versus six months ago?



How are your own industry conditions today versus six months ago?



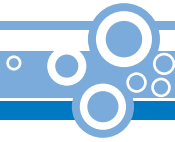
Local and National Economies

Performance Comparison Fourth Quarter 2008 Versus Third Quarter 2008

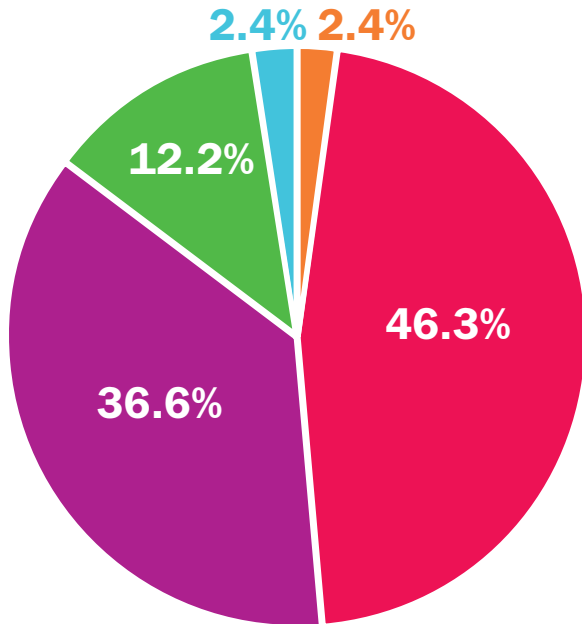
	More	About the Same	Less
Capital Investments	5.1%	38.5%	56.4%
Total Payroll	10.3%	46.2%	43.6%
Number of Jobs	10.3%	46.2%	43.6%
Revenue	17.1%	26.8%	56.1%
Expenses	19.5%	53.7%	26.8%
Profitability	12.2%	24.4%	63.4%

Expected Company Performance Next Six Months

	Increase	About the Same	Less
Capital Investments	17.1%	65.9%	17.1%
Number of Jobs	19.5%	63.4%	17.1%
Revenue	43.9%	31.7%	24.4%



Expectations for Economic Growth



What are your expectations for your own industry six months from now?



Trend of Industry Economy Expectations

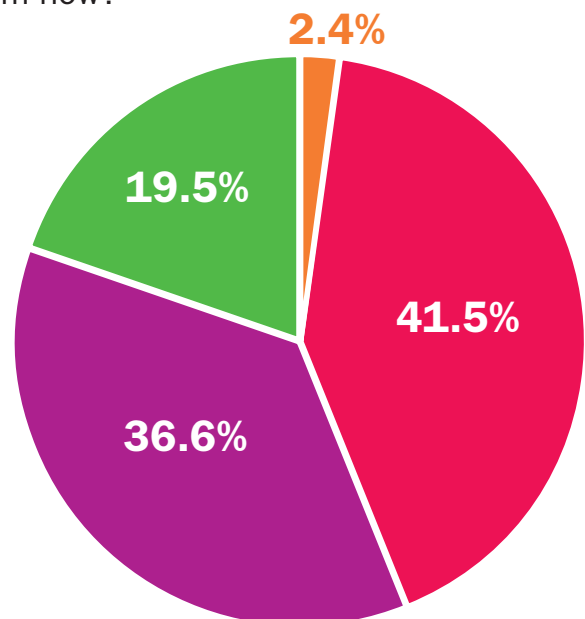
	4Q08	2Q08	4Q07	2Q07
Substantially Better	2.4%	7.0%	0%	6.1%
Moderately Better	46.3%	36.6%	36.0%	46.3%
Same	36.6%	31.0%	40.0%	30.5%
Moderately Worse	12.2%	18.3%	12.0%	14.6%
Substantially Worse	2.4%	7.0%	12.0%	2.4%

What are your expectations for the overall Jacksonville economy six months from now?



Trend of Jacksonville Economy Expectations

	4Q08	2Q08	4Q07	2Q07
Substantially Better	2.4%	1.4%	4.0%	3.7%
Moderately Better	41.5%	32.4%	28.0%	39.5%
Same	36.6%	36.6%	36.0%	40.7%
Moderately Worse	19.5%	21.1%	16.0%	14.8%
Substantially Worse	0%	8.5%	16.0%	1.2%



Expectations for Economic Growth

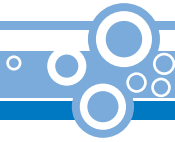
Did your Fourth Quarter 2008 meet your expectations in terms of:

	Yes	No
Capital Investments	43.9%	56.1%
Number of Jobs	47.5%	52.5%
Profitability	31.7%	68.3%
Revenue	43.9%	56.1%

Challenges and Opportunities

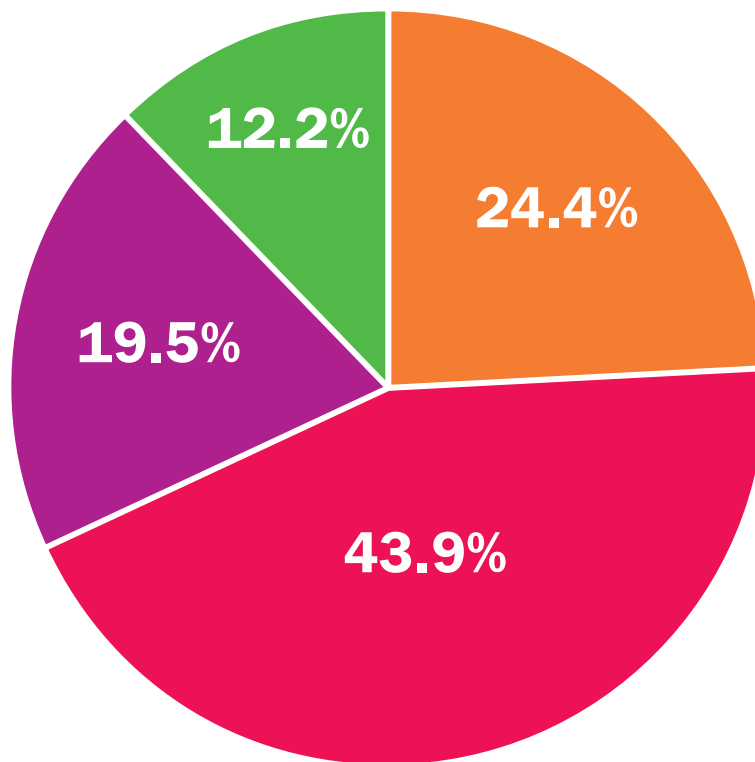
What is the most challenging aspect of running your business?

	4Q08	2Q08	4Q07	2Q07
Managing Cash Flow	48.8%	44.3%	37.5%	21.7%
Staying Ahead of Competitors	26.8%	17.1%	4.2%	14.5%
Managing Long-Term Growth	9.8%	5.7%	16.7%	22.9%
Financing New Business Opportunities	4.9%	14.3%	12.5%	10.8%
Managing Health Care for Employees	4.9%	7.1%	0%	6.0%
Determining Where to Invest Company Resources	4.9%	4.3%	8.3%	9.6%
Managing Accounting and Bookkeeping Practices	0%	4.3%	4.2%	7.2%
Cost Management	0%	2.9%	16.7%	7.2%



Special Question

How optimistic are you about your business prospects?





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