

# Orlando MSA Business Conditions Survey

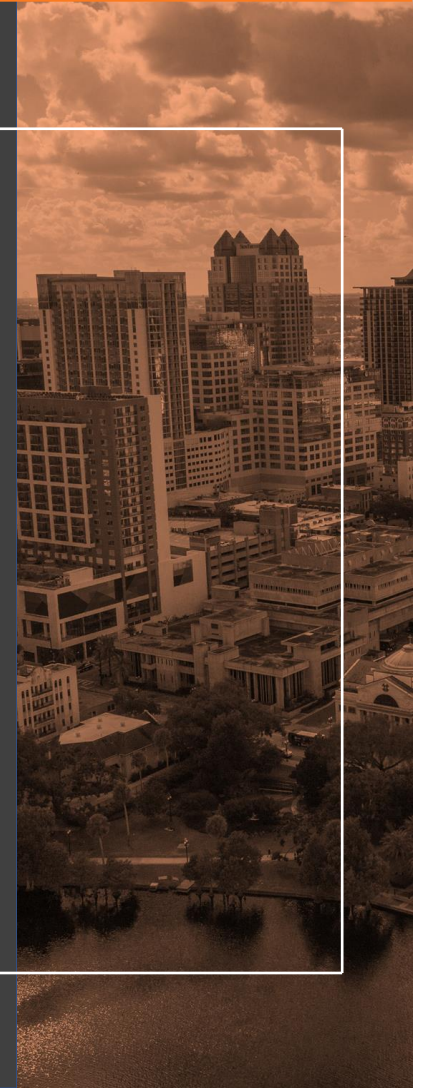
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ORLANDO  
ECONOMIC  
PARTNERSHIP



CALENDAR YEAR Q4 2024

## S U M M A R Y

Confidence in the national economy increases as political uncertainty recedes.

Revenue stagnates, but business confidence remains high and hiring and investment intentions strengthen.

Cost pressures persist, ensuring an ongoing business focus on growing revenue and launching new initiatives.

Regional economy projected to strengthen in 2025, but housing and transportation emerge as major headwinds.



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Orlando Economic Partnership

“‘New year, new opportunities’ seems to be the mantra among businesses in the Orlando region entering 2025. The final quarter of 2024 appears to have been something of a ‘lost quarter’ as companies delayed activity until after the recent election. However, businesses now start 2025 ready to invest in key priorities and launch new initiatives.

Results from our special topic on the regional economic outlook reveal most businesses expect the Orlando region’s economy to strengthen in 2025. However, many believe the region is nearing an inflection point, with housing and transportation looming large as potential constraints on the region achieving its potential.

## C O N T E N T S

BUSINESS  
CONFIDENCE

RECENT  
PERFORMANCE

FUTURE  
EXPECTATIONS

CHALLENGES

OPPORTUNITIES

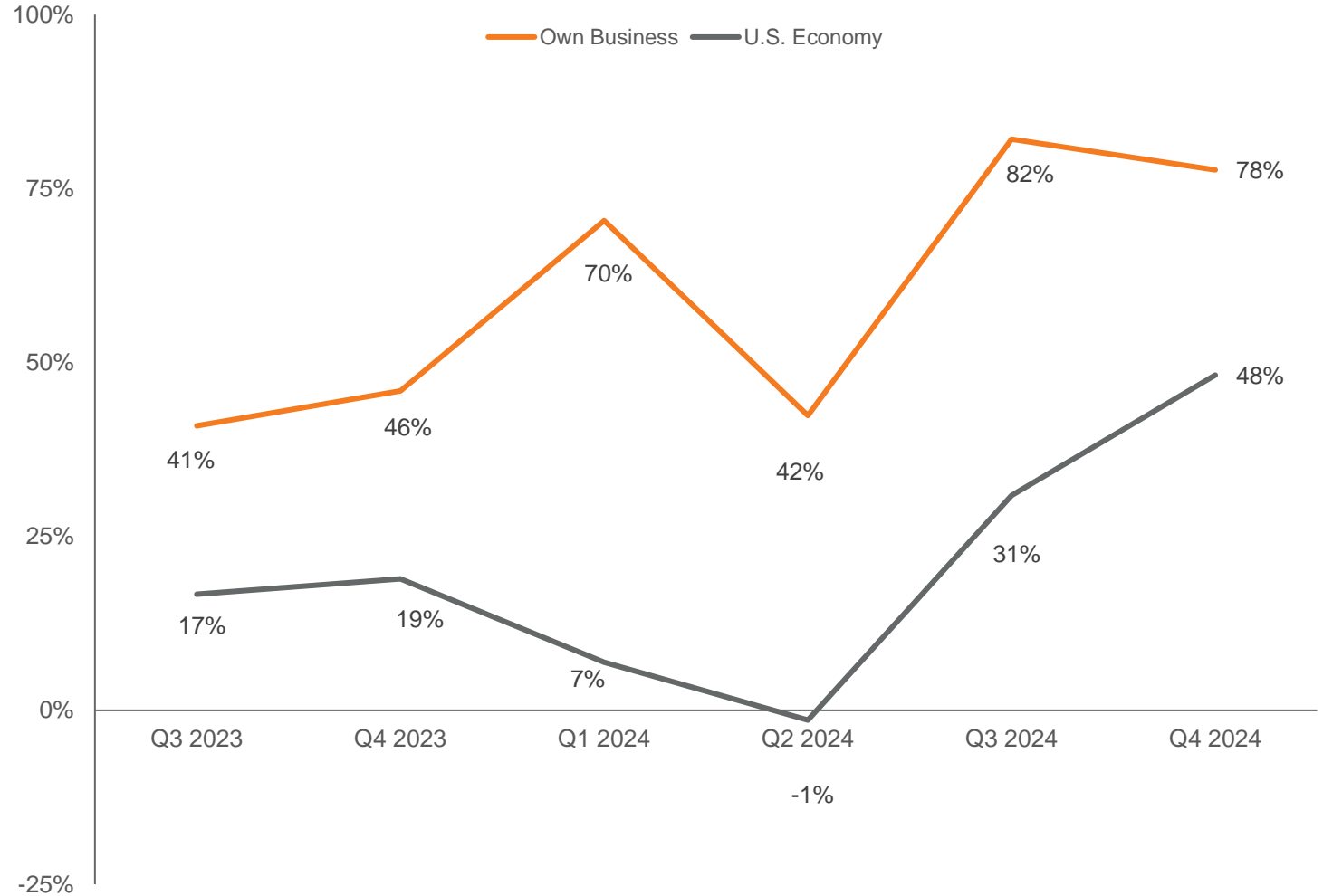
SPECIAL FOCUS  
REGIONAL  
OUTLOOK

METHODOLOGY

## Political clarity drives confidence in national economy to new high.

- 61% of businesses in Q4 2024 indicated they were confident in the outlook for the U.S. economy over the next 3 months, up from 47% in Q3. Respondents were surveyed *after* the U.S. election in November, the culmination of a period of uncertainty surrounding future U.S. government policy.
- A higher share (80%) indicated confidence in their own prospects. Recent business performance and national economic conditions were the biggest reasons highlighted by companies for their upbeat outlook, cited by 30% and 17% of respondents, respectively.
- Measured as net balances, confidence in the national economy soared to a new high while confidence in their own prospects fell modestly.

Net balance\*, confidence in next 3 months

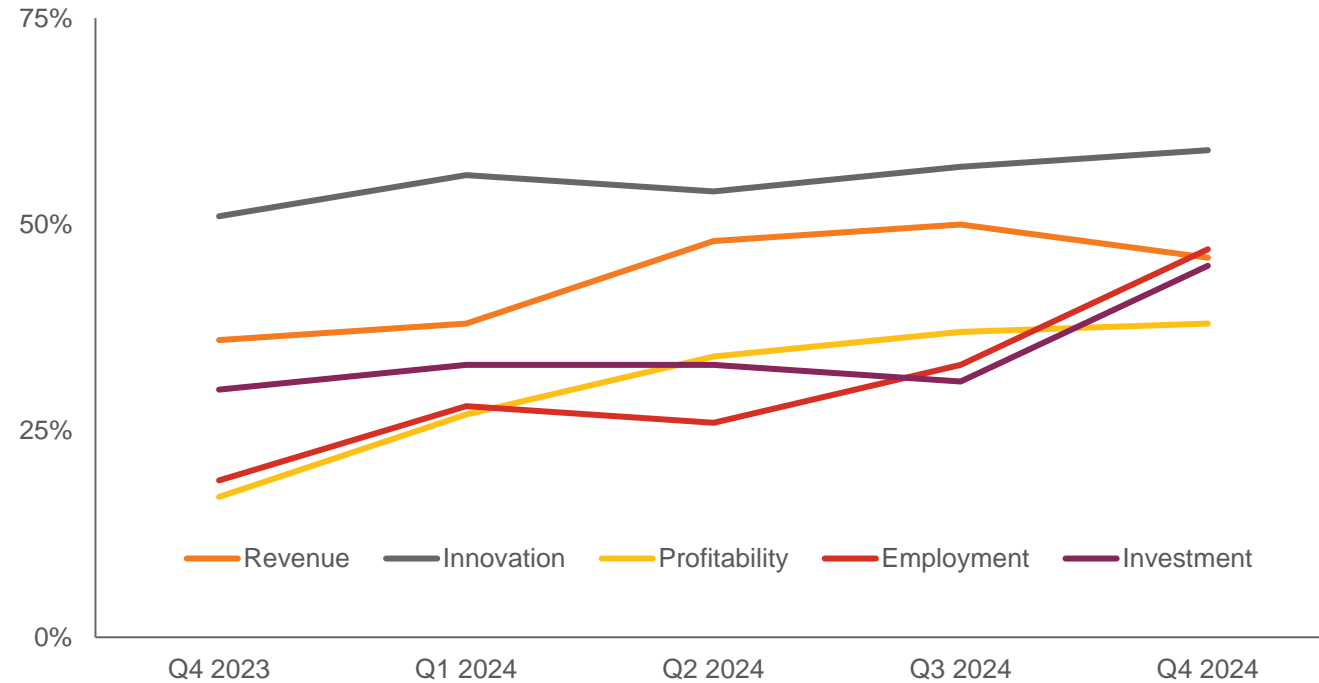


\*percentage of businesses confident in economic outlook less percentage not confident

## Revenue stagnates.

- 58% of respondents in Q4 2024 reported increased revenue in the last 3 months, down nominally from the 61% reported in Q3. Several businesses noted clients pausing spending until after the election.
- Measured as net balances, employment and investment both improved significantly from Q3, suggesting some businesses acted on plans in the immediate aftermath of the election. The share of businesses adding jobs (55%) rose to a series high, consistent with strong job creation nationally during the same period.
- Respondents in Q4 were again most likely to report a decrease in profitability (13%), underscoring the cost pressures businesses continue to face following a lengthy period of above-target inflation.

Net balance\*, performance in last 3 months



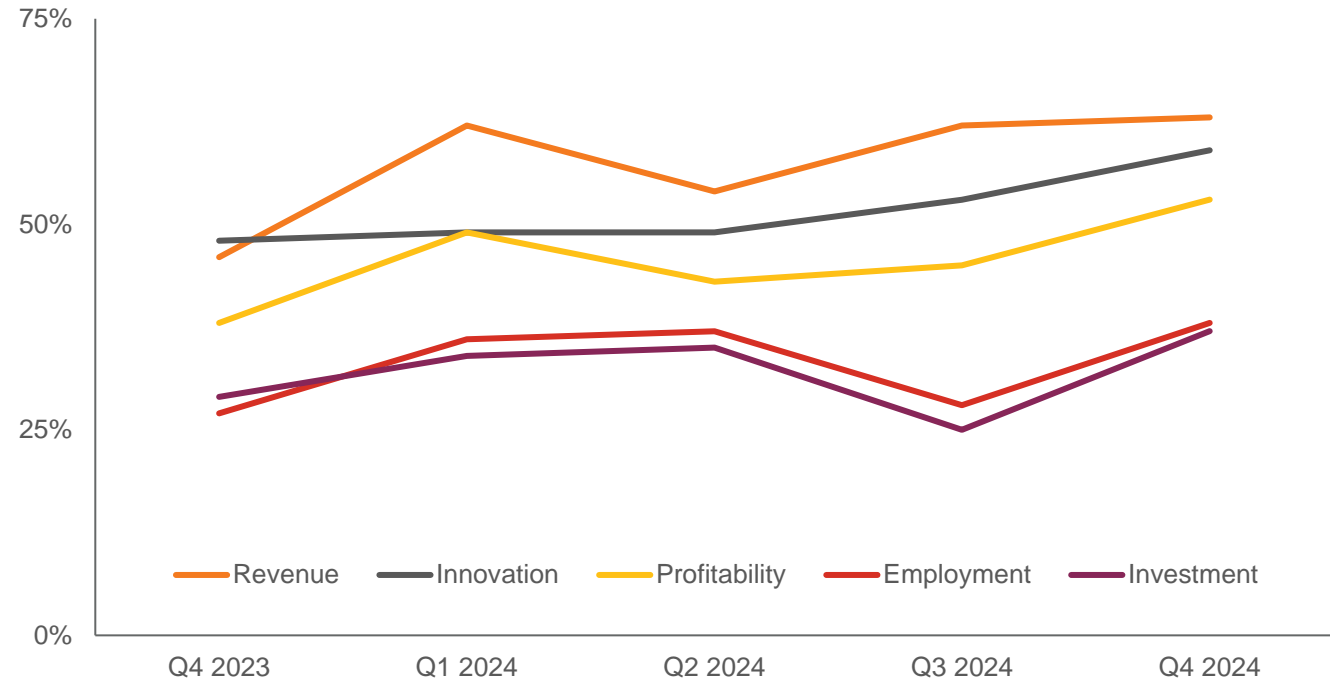
	Net balances				
	Revenue	Innovation	Profitability	Employment	Investment
<b>Q4 2024</b>	<b>46%</b>	<b>59%</b>	<b>38%</b>	<b>47%</b>	<b>45%</b>
Q3 2024	50%	57%	37%	33%	31%
Q2 2024	48%	54%	34%	26%	33%
Q1 2024	38%	56%	27%	28%	33%
Q4 2023	36%	51%	17%	19%	30%
<b>Change</b>	<b>-4%</b>	<b>2%</b>	<b>1%</b>	<b>14%</b>	<b>14%</b>

\*percentage of businesses reporting an increase in last 3 months (compared to the same period a year ago) less percentage reporting a decrease

## Employment and investment expectations strengthen.

- 71% of respondents in Q4 2024 expected to increase revenue over the next 3 months, up from 67% in Q3. Expectations of improved sentiment among clients due to greater political certainty and easing recession fears were the main drivers.
- Measured as net balances, investment and employment expectations strengthened notably from Q3 (up 12 and 10 percentage points, respectively). The increases are consistent with greater clarity in the outlook as a new administration takes office.
- Expectations around revenue, while strongly positive, were broadly stagnant compared to the previous quarter. This may be in response to demand challenges experienced by some businesses during the quarter.

Net balance\*, expectations in next 3 months



Net balances					
	Revenue	Innovation	Profitability	Employment	Investment
<b>Q4 2024</b>	<b>63%</b>	<b>59%</b>	<b>53%</b>	<b>38%</b>	<b>37%</b>
Q3 2024	62%	53%	45%	28%	25%
Q2 2024	54%	49%	43%	37%	35%
Q1 2024	62%	49%	49%	36%	34%
Q4 2023	46%	48%	38%	27%	29%
<b>Change</b>	<b>1%</b>	<b>6%</b>	<b>8%</b>	<b>10%</b>	<b>12%</b>

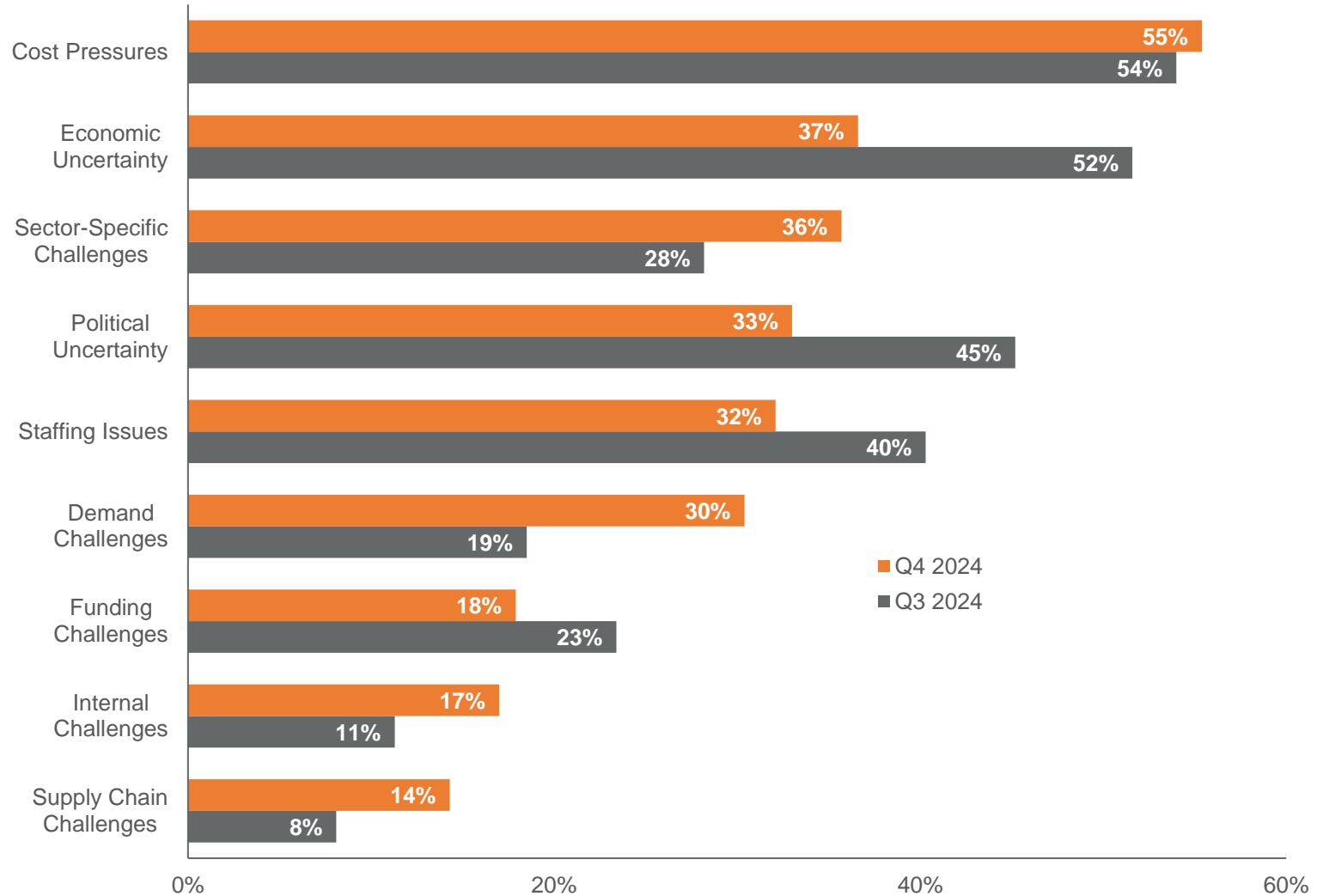
\*percentage of businesses expecting an increase in next 3 months (compared to the same period a year ago) less percentage expecting a decrease

## Cost pressures dominate as uncertainty eases.

- For the fourth consecutive quarter, cost pressures were the most common challenge facing area businesses, referenced by 55% of businesses.
- There was a notable decrease in businesses highlighting economic uncertainty (-15 percentage points) and political uncertainty (-12 percentage points) in Q4. Both decreases appear closely correlated with the end of the election cycle.
- Demand challenges was the other issue to see significant movement in Q4, increasing 11 percentage points from Q3. This is consistent with the finding of stagnant revenue in Q4.
- Although less prevalent than cost pressures, staffing and funding challenges appear more *acute*, with higher percentages of businesses rating them as their single biggest challenge.

### What would you say are your company's biggest challenges in the next 3 months?

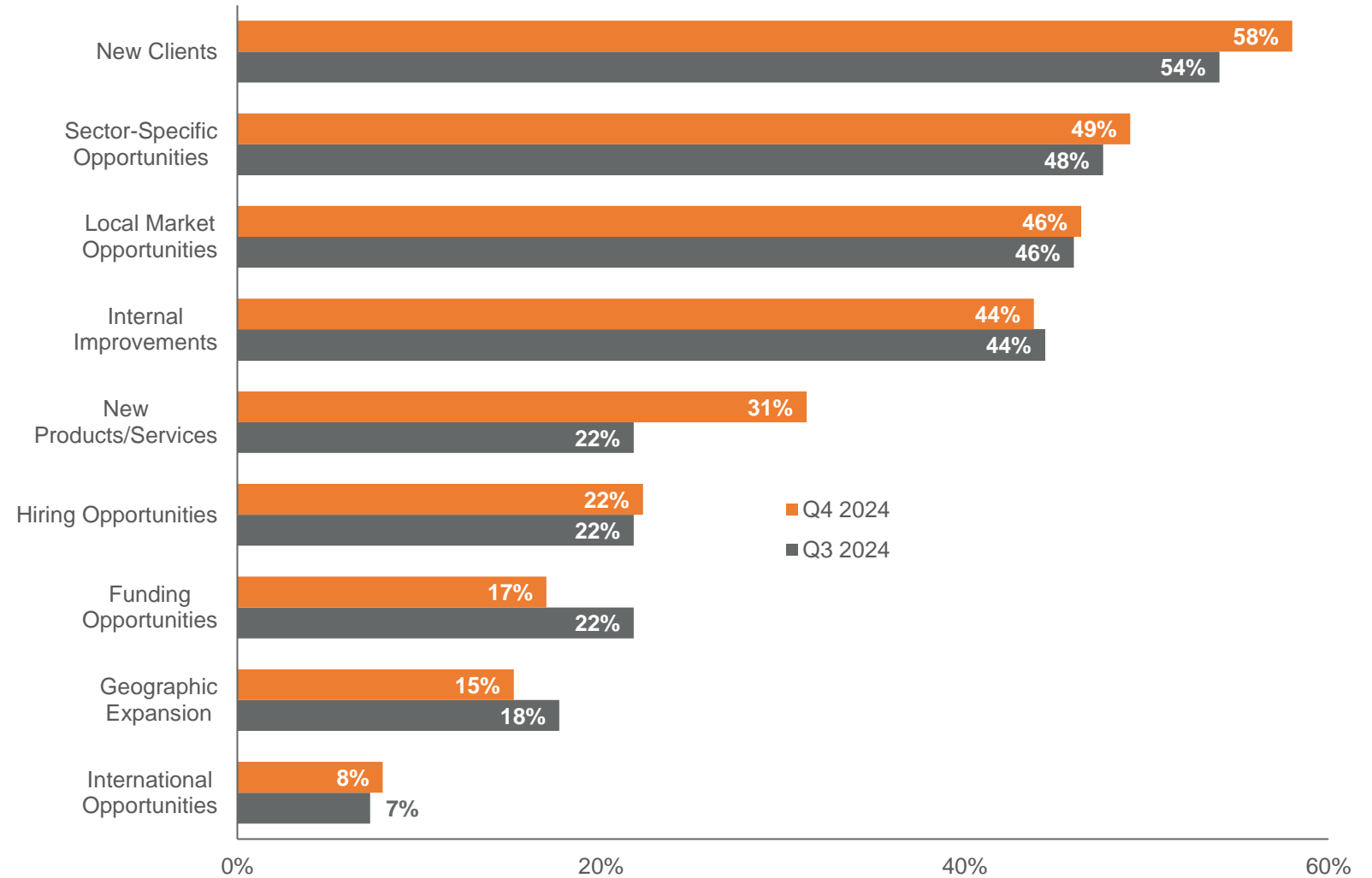
% of businesses referencing challenge



## Businesses plan new offerings as revenue growth still key.

- Securing new clients remained the most common opportunity identified in Q4 2024, referenced by 58% of businesses. Businesses continued to acknowledge the need to grow revenue to offset higher costs.
- The share of businesses citing sector-specific opportunities grew nominally in Q4. Respondents noted the potential positive impact of regulatory and/or tax reform in the coming months.
- The share of businesses referencing the opportunity to launch new products and services rose 9 percentage points from Q3, probably a function of both the time of year and greater certainty regarding the outlook.

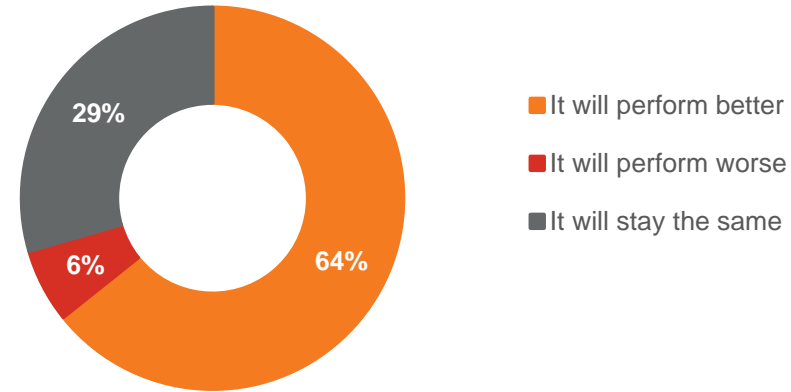
**What would you say are your company's biggest opportunities in the next 3 months?**  
% of businesses referencing opportunity



## Regional economy projected to strengthen.

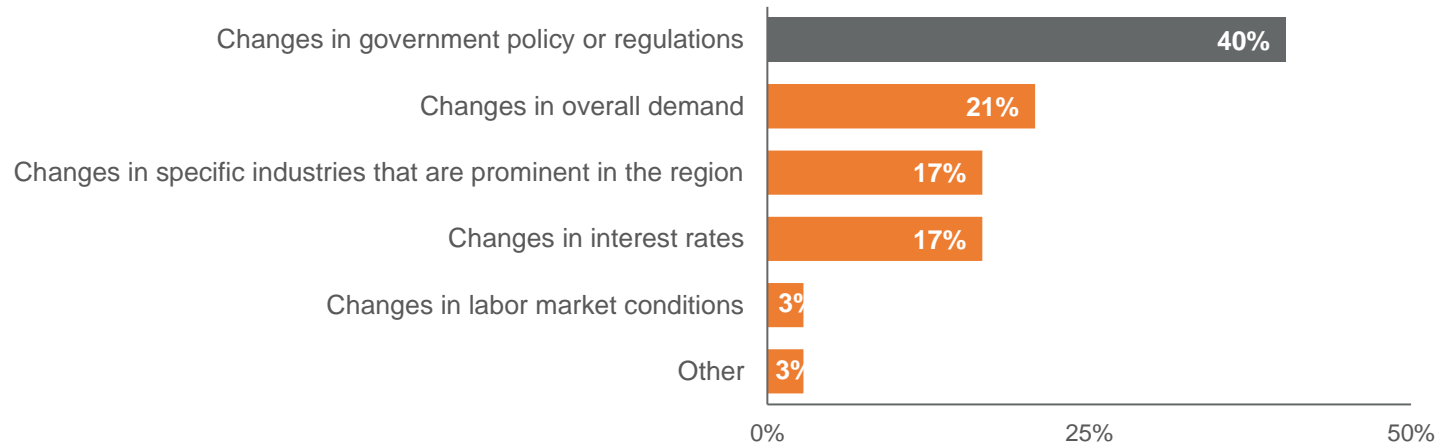
- Almost two-thirds (64%) of businesses indicated they believe the regional economy will perform better in 2025 than in 2024. Changes in government policy and/or regulatory reform was the most common reason for the optimism, cited by 40% of businesses sharing a positive forecast.
- More generally, businesses anticipate demand conditions to improve in 2025. Many of the underlying reasons appear macroeconomic in nature - inflation continuing to ease, a strong labor market continuing to support spending, and/or expectations of further interest rate cuts. Several respondents also shared expectations of clients moving forward with projects because of greater political clarity.
- Almost 1 in 5 businesses (17%) cited local reasons for their positive outlook. Several noted the planned opening of Universal Orlando’s Epic Universe in May as a major boost for the region’s tourism economy.

How do you believe the regional economy will perform in 2025 compared to 2024?



What is the main reason why you think the regional economy will go in the direction you chose in 2025?

% of businesses who believe economy will perform better

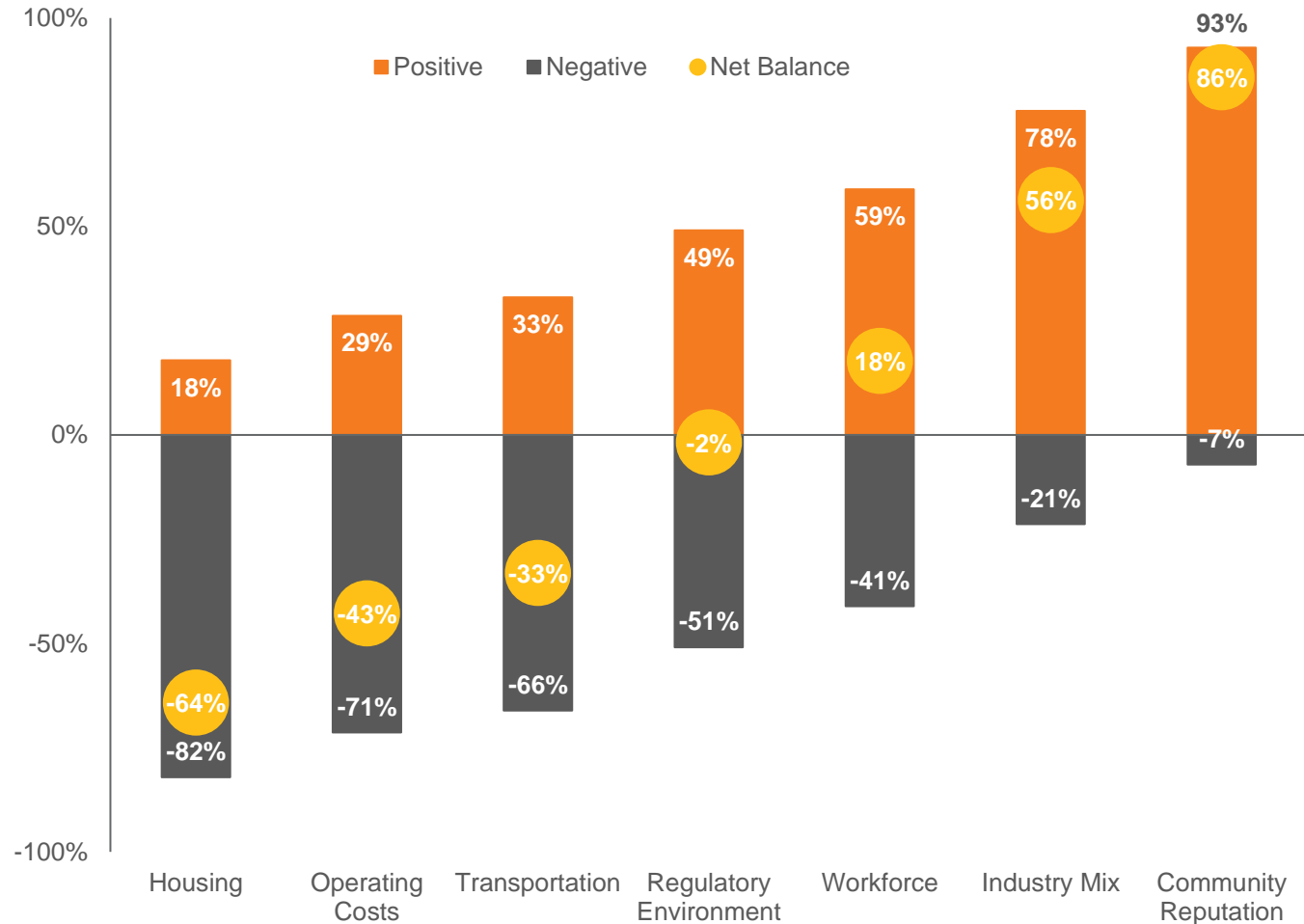




## Housing, transportation identified as key headwinds.

- 82% of businesses indicated they believe housing will have a negative impact on the Orlando region's economy in 2025. Several respondents shared concern higher home prices may hinder recruitment and slow in-migration.
- Measured as net balances (the percentage of businesses projecting a positive impact minus the percentage reporting a negative impact) operating costs and transportation were also seen as major headwinds facing the regional economy in 2025. Many respondents highlighted the need to improve the region's public transit system, to both reduce road congestion and facilitate access to jobs.
- The Orlando region's external reputation was regarded as a major tailwind, with 93% of businesses projecting a positive impact. Businesses generally view the Orlando region as a vibrant, growing market that will largely continue to attract new residents and businesses.

Do you believe the following location-specific factors will have a positive or negative impact on the regional economy in 2025?  
% of businesses referencing factor



## ABOUT THE Q4 2024 ORLANDO MSA BUSINESS CONDITIONS SURVEY

- 112 business responses collected between October 1, 2024, and December 31, 2024
- Responding businesses employ more than 175,000 people in the Orlando region
- Orange, Osceola, Seminole and Lake counties all represented
- 14 different industries represented

## METHODOLOGY

The Orlando MSA Business Conditions Survey asks businesses in Orange, Osceola, Seminole and Lake counties a series of questions relating to their confidence, recent and expected business performance, challenges, and opportunities. The survey is administered by Stetson University's Center for Public Opinion Research (CPOR), with responses collected throughout the quarter. Each quarter, businesses are also asked a series of questions on a topical issue of regional significance.

Survey results are often presented as a **net balance** - the percentage of businesses who report an increase in any given measure minus the percentage who report a decrease. For example, if 50% of businesses indicate their revenue increased and 18% said their revenue decreased, the net balance for the quarter would be +32% (an overall expansion). If 32% indicate revenue increased and 33% said revenue decreased, the net balance would be -1% (an overall contraction).

## ADD YOUR VOICE



Improve your understanding of the Orlando economy while helping to shape the region's economic future.

[www.orlando.org/survey](http://www.orlando.org/survey)



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