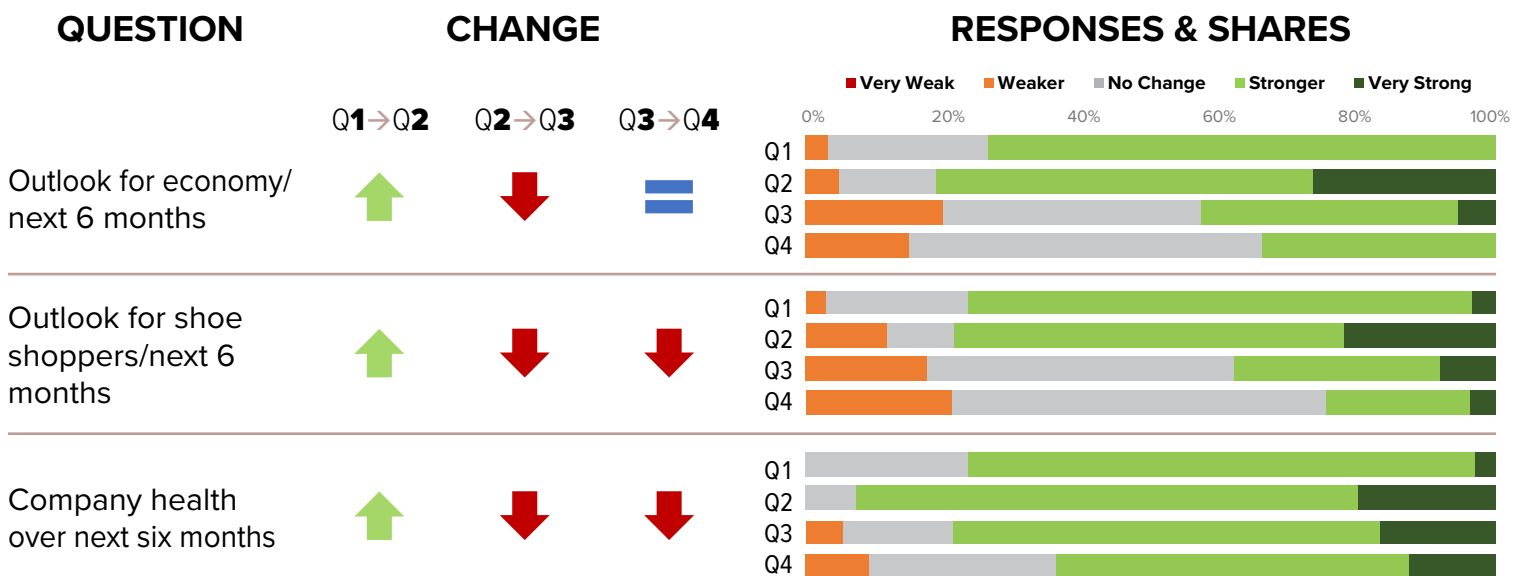


SHOE EXECUTIVE BUSINESS OUTLOOK SURVEY

OBSERVATIONS

- In the fourth quarter respondents pared their outlook for shoe shoppers over the next six months, with the share expecting a stronger or very strong outlook shrinking for the second straight quarter to just 24%;
- Similarly, while still generally upbeat, industry sentiment on the prospects for the footwear industry downshifted in this fourth-quarter survey;
- Most respondents (82%) have seen operating costs rise over the last six months and a similar share expects operating costs to continue rising over the next six months;
- Indeed, most (67%) report production and supply chain costs as their company’s biggest issue over the next six months, a share that has risen for the third straight quarter;
- More than three-quarters of respondents report having difficulty finding workers to hire, little changed from Q3. Indeed, 70% report seeing more wage pressure than normal to attract and retain workers;
- More than 93% of respondents expect landed costs to rise over the next six months, with 82% expecting the same for operating costs.
- Nearly 88% of respondents indicate port backlogs are currently impacting their business;
- The combination of a tight labor market, port backlogs, and expectations of rising landed costs and operating costs is raising prospects for higher retail footwear prices, with 91% anticipating having to raise prices over the next six months, a share that has risen for the third straight quarter. This concurs with [our report](#) showing retail footwear prices on track in 2021 to rise the fastest in years;
- A growing share is enjoying resurgent sales—for now. Nearly 70% of respondents report already meeting or exceeding their pre-COVID sales, versus 62% of respondents last quarter. But only 61% expect their company’s sales to rise over the next six months, a share that has fallen for the third straight quarter.

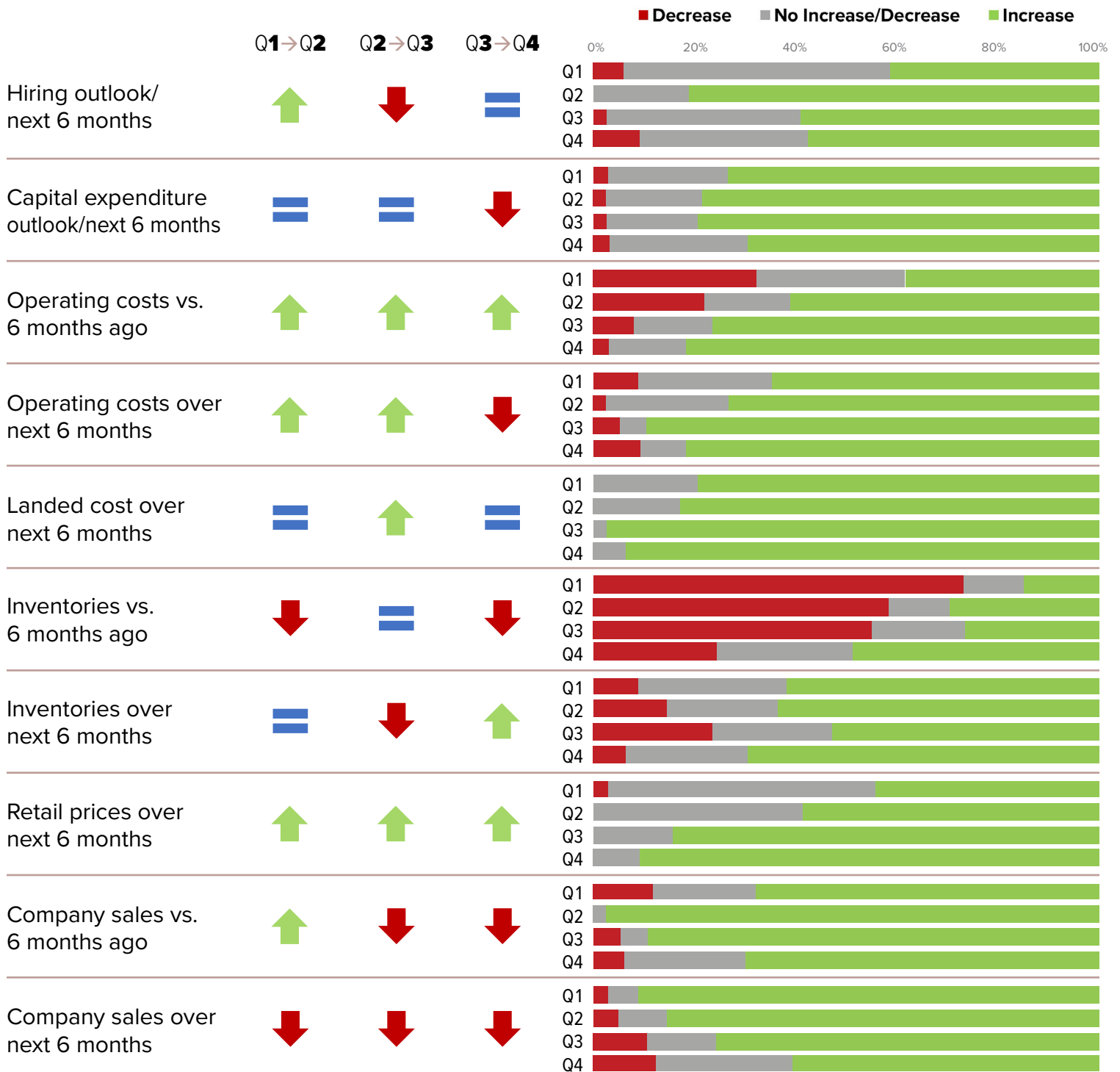


SHOE EXECUTIVE BUSINESS OUTLOOK SURVEY

QUESTION

CHANGE

RESPONSES & SHARES



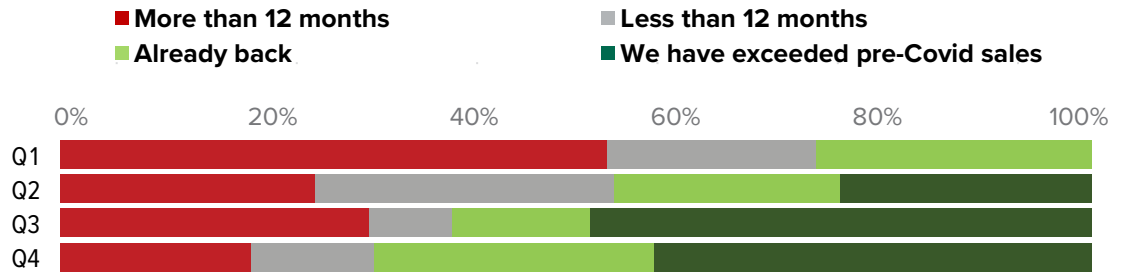
FDRA SHOE EXECUTIVE BUSINESS OUTLOOK SURVEY

Q4 2021

QUESTION

RESPONSES & SHARES

How long before your company sales are back to pre-COVID levels?



YOUR COMPANY'S BIGGEST ISSUE OVER THE NEXT 6 MONTHS

