

VISTAGE CEO Confidence Index

Largest Survey of CEOs Since 2003

Two-thirds of all CEOs surveyed believe the economy has improved during the past year and half expect further gains during the year ahead. The Vistage Confidence Index was 105.2 in the 1st quarter of 2011—barely below 106.3 recorded in the prior quarter but well above the 93.7 in last year's 1st quarter survey. Overall CEO confidence has more than doubled since the recession low of 48.7 two years ago. Compared with recent trends, there was very little change in any of the components. The small declines reflect a persistent uncertainty about the impact of federal and state tax policies on the economy, events overseas, and the profitability of their firms. Overall, the majority of CEOs expect economic growth to continue uninterrupted.

Dr. Richard Curtin, Director of Surveys and Consumers at the University of Michigan, Ann Arbor, and Vistage consultant for the Confidence Index notes, "Current economic conditions had improved according to 63% of all CEOs in the 1st quarter, up from 48% one year ago and just 2% two years ago. Only 5% thought that the economy had worsened — the lowest percentage in six years."

Vistage CEO Confidence Index Highlights

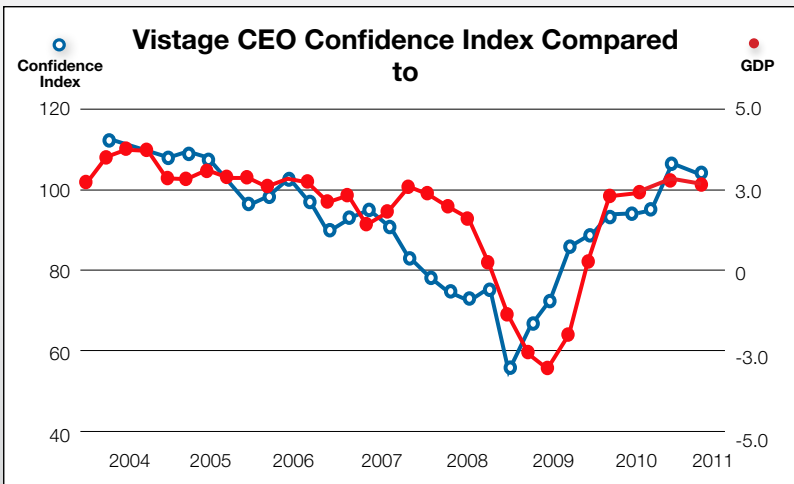
63% of CEOs stated that, compared to a year ago, overall economic conditions in the U.S. have improved.

54% of CEOs expect their firms' total number of employees will increase during the next 12 months.

47% of CEOs said the best way the government can help in creating jobs is to expand access to capital, while 27% responded invest in education.

72% of CEOs said rising gas prices will have an adverse affect on their business.

53% of CEOs said the top priority of Congress should be lowering the deficit, while 22% believe it should be creating jobs.



The Q1 Vistage CEO Confidence Index of 105.2 remains high. The slight drop in confidence compared with Q4 2010 is the result of continued uncertainty both about the overall economy and profitability in their own businesses.

Vistage CEO Confidence Index Q1 2011 | Dates 3/15-3/25 | 1,728 Respondents | National Results

Question	Answer	Respondents	
		#	%
1. Compared with a year ago, have overall economic conditions in the U.S. improved, remained the same, or worsened?	Improved	1,087	63%
	About the same	544	31%
	Worsened	95	5%
	Don't know/No opinion	2	0%
2. During the next 12 months, do you expect the overall economic conditions in the U.S. will be better, about the same, or worse than now?	Better	863	50%
	About the same	721	42%
	Worse	128	7%
	Don't Know/No opinion	16	1%

3. Are your firm's total fixed investment expenditures likely to increase, remain about the same, or decrease during the next 12 months?	Increase	834	48%
	About the same	738	43%
	Decrease	144	8%
	Don't know/No opinion	12	1%
4. Do you anticipate that your firm's sales revenues will increase, remain about the same, or decrease during the next 12 months?	Increase	1,307	76%
	About the same	329	19%
	Decrease	87	5%
	Don't know/No opinion	5	0%
5. Do you expect your firm's profitability to improve, remain about the same, or worsen during the next 12 months?	Improve	989	57%
	About the same	538	31%
	Worsen	196	11%
	Don't know/No opinion	5	0%
6. Do you expect prices for your product or service to increase, remain about the same, or decrease during the next 12 months?	Increase	846	49%
	About the same	758	44%
	Decrease	118	7%
	Don't know/No opinion	6	0%
7. Do you expect your firm's total number of employees will increase, remain about the same, or decrease during the next 12 months?	Increase	936	54%
	About the same	694	40%
	Decrease	97	6%
	Don't know/No opinion	1	0%
8. When do you plan to increase your firm's total number of employees over the next 12 months?	Q2 2011	314	18%
	Q3 2011	184	11%
	Q4 2011	118	7%
	Steadily throughout the next 12 months	491	28%
	I do not plan to increase my total number of employees	621	36%
9. What is the most significant business issue that you are facing currently?	Rising energy costs	101	6%
	Rising healthcare costs	76	4%
	Staffing (finding, hiring, retaining, and training)	249	14%
	Growth (growing too slowly)	218	13%
	Growth (growing too quickly)	79	5%
	Financial issues (finance, cash flow, profitability)	231	13%
	Economic uncertainty (concern for local and national economy, budget deficit, housing market)	499	29%
	Political uncertainty	97	6%
	Other	178	10%

10. What is the biggest challenge your business is specifically facing now? (check all that apply)	Cash, liquidity, receivables	344	16%
	Paying loans and/or accessing credit	167	8%
	Customer retention and/or lead generation	517	24%
	Cutting Staff	39	2%
	Managing costs	517	24%
	My business is not facing any extraordinary challenges	298	14%
	Skipped	31	1%
	Other	230	11%

11. Do you expect the Healthcare Reform Bill (The Reconciliation Act of 2010) to:	Be good for your business	120	7%
	Be bad for your business	1,069	62%
	Make no difference in your business	389	23%
	No opinion	150	9%

12. Are you finding it easier to obtain credit for your business now than you did six months ago?	Yes	390	23%
	No	591	34%
	Not applicable	743	43%
	Skipped	4	0%

13. Are the Federal Reserve's current monetary policies:	Increasing your confidence in the US economy	176	10%
	Decreasing your confidence in the US economy	629	36%
	Neither increasing nor decreasing your confidence in the US economy	704	41%
	Not sure	216	13%
	Skipped	3	0%

14. What should be the top priority for the Congress?	Lowering the deficit	912	53%
	Turmoil in the Middle East	26	2%
	Job creation	387	22%
	Immigration reform	21	1%
	Tax policy	185	11%
	Free Trade	14	1%
	Reduction of Federal regulations	175	10%
	Skipped	8	0%

15. How difficult is it to find people with the right skills to drive your business growth?	Easy to find qualified talent	444	26%
	Difficult to find qualified talent	1,058	61%
	Most interviewees lack the required skills	205	12%
	Skipped	22	1%

16. The best way the government can help in creating jobs is to:	Invest in education	472	27%
	Expand access to capital	815	47%
	Lower interest rates	128	7%
	Pass the free trade agreements to help businesses expand their exports	243	14%
	Skipped	71	4%
17. Will rising gas prices have an adverse effect on your business?	Yes	1,245	72%
	No	471	27%
	Skipped	12	1%
18. Have you seen evidence that rising gasoline costs are cutting into consumer spending?	Yes	649	38%
	No	754	44%
	Not Applicable	315	18%
	Skipped	10	1%
19. Are the issues of rising oil and gas prices and political uncertainty in the Middle East leading you to put business expansion plans on hold?	Yes	252	15%
	No	1,459	84%
	Skipped	17	1%
20. Do you plan to turn part-time staff into full-time employees?	Yes	316	18%
	No	1,381	80%
	Skipped	31	2%
21. Are state and local budget cuts affecting your business?	Yes	706	41%
	No	1,010	58%
	Skipped	12	1%
22. In 2011, what are your international development plans? (Check all that apply).	Invest in and grow in the markets you've already entered	411	22%
	Invest in and start-up initiatives in new markets	304	16%
	I don't plan to expand internationally in 2011	1,134	61%
	Skipped	13	1%



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Please contact Tim Kinane if you would like to learn more about Vistage.

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