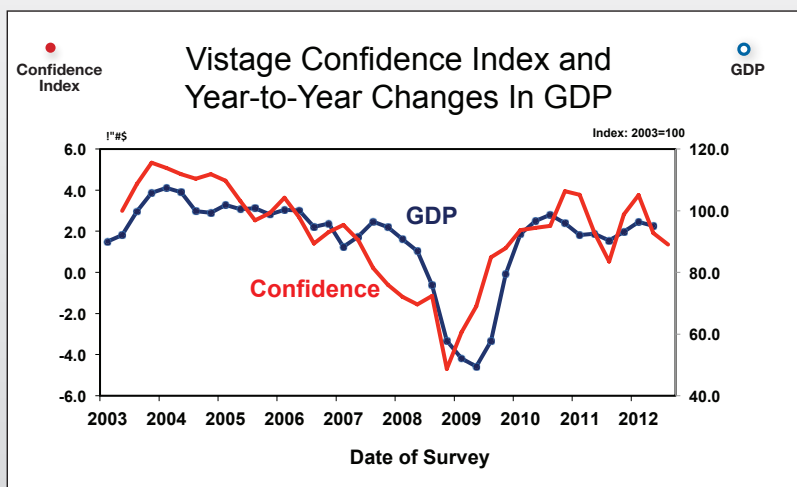


VISTAGE
CEO Confidence Index
 Surveying CEOs of Small to Mid-sized Businesses Since 2003

The Vistage CEO Confidence Index was 87.0 in the 4th quarter 2012 survey, down from 89.0 in the 3rd quarter and 98.8 in last year's 4th quarter. CEOs reported a continued slowdown in the pace of economic growth and anticipated overall economic conditions would remain subdued in the first half of 2013.

Economic and political uncertainty was voiced by nearly half of all CEOs when asked to identify the most significant business issue they are now facing. At least one in four firms reported that concerns about the fiscal cliff had already caused them to reduce their investments and number of new hires. Costs for health insurance was rated by 38% of CEOs as the biggest obstacle in making new hiring decisions, much more than the 6% who cited their share of Social Security, Medicare, or worker compensation insurance.

Despite the avoidance of the fiscal cliff, Vistage CEOs may continue to foresee a slow pace of growth in 2013 because of the ongoing uncertainty about the impact on our economy of raised taxes on higher-income earners and of expected continued regulatory burdens, as well as the still-looming concerns about the federal deficit and debt ratings.



Vistage CEO Confidence Index Highlights

63% of CEOs anticipated revenue growth during the year ahead in the 4th quarter survey, down from 73% last year.

49% of CEOs expected increased profits, down from 52% last quarter and 55% last year.

35% of CEOs at year end reported improving economic conditions, down from 60% at the start of 2012.

Combined 86% of CEOs said higher sales, new orders and an improving economy were the most important influences on increasing the likelihood of hiring new employees.

62% of CEOs said their personal tax rate does not influence their decision to hire new employees.

Planned hiring fell to **45%** in the 4th quarter of 2012, down from 55% in last year's 4th quarter survey.



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Question	Answer	Respondents	
		#	%
1. Compared with a year ago, have overall economic conditions in the U.S. improved, remained the same, or worsened?	Improved	553	35%
	About the same	750	47%
	Worsened	290	18%
	Don't know/No opinion	8	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	410	26%
	About the same	680	42%
	Worse	477	30%
	Don't know/No opinion	34	2%
3. Are your firm's total fixed investment expenditures likely to increase, remain about the same, or decrease during the next 12 months?	Increase	559	35%
	About the same	711	44%
	Decrease	319	20%
	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	1,012	63%
	About the same	430	27%
	Decrease	151	9%
	Don't know/No opinion	8	0%
5. Do you expect your firm's profitability to improve, remain about the same, or worsen during the next 12 months?	Improve	786	49%
	About the same	548	34%
	Worsen	257	16%
	Don't know/No opinion	10	1%
6. Do you expect prices for your product or service to increase, remain about the same, or decrease during the next 12 months?	Increase	622	39%
	About the same	846	53%
	Decrease	124	8%
	Don't know/No opinion	9	1%
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	719	45%
	About the same	706	44%
	Decrease	171	11%
	Don't know/No opinion	5	0%
8. When do you plan to increase your firm's total number of employees over the next 12 months?	Q1 2013	202	13%
	Q2 2013	176	11%
	Q3 2013	98	6%
	Steadily throughout the next 12 months	401	25%
	I do not plan to increase my total number of employees	724	45%

Question	Answer	Respondents	
		#	%
9. What is the most significant business issue that you are facing currently?	Rising energy costs	9	1%
	Growth (growing too quickly)	49	3%
	Rising healthcare costs	127	8%
	Political uncertainty	170	11%
	Staffing (finding, hiring, retaining, and training)	245	15%
	Growth (growing too slowly)	183	11%
	Economic uncertainty (concern for local and national economy budget deficit, housing market)	560	35%
	Financial issues (finance, cash flow, profitability)	168	10%
	Other	90	6%
10. What is the biggest challenge your business is specifically facing now?	Paying loans and/or accessing credit	116	6%
	Managing costs	432	22%
	Cash, liquidity, receivables	281	14%
	Customer retention and/or lead generation	493	25%
	Cutting staff	50	3%
	My business is not facing any extraordinary challenges	320	16%
	Other	271	14%
	11. Have you invested less because of concerns about the fiscal cliff?	Yes	508
No		989	62%
Not applicable		99	6%
Skipped		5	0%
12. Have you hired fewer people because of concerns about the fiscal cliff?	Yes	468	29%
	No	1037	65%
	Not applicable	89	6%
	Skipped	7	0%
13. Do you plan to cancel investments if there is no agreement on the fiscal cliff by Feb. 28?	Yes	356	22%
	No	1045	65%
	Not applicable	188	12%
	Skipped	12	1%
14. Does your Corporate / Company Tax Rate influence your decisions to hire new employees?	Yes	599	37%
	No	992	62%
	Skipped	11	1%
15. Does your Personal Tax Rate influence your decisions to hire new employees?	Yes	606	38%
	No	991	62%
	Skipped	4	0%

Question	Answer	Respondents	
		#	%
16. Which one of the following taxes or employer paid benefits presents the biggest obstacle in your decision to hire new employees?	Employer portion of Social Security tax	21	1%
	Employer portion of Medicare tax	11	1%
	Worker compensation insurance	71	4%
	Employer portion of insurance (health, dental, vision, life, disability)	616	38%
	Employer paid holidays, vacations, and sick days	21	1%
	Employer contributions toward 401(k), savings plans, & profit-sharing plans	12	1%
	Employer contributions to pension plans	5	0%
	Corporate Tax Rate	112	7%
	Personal Income Tax Rate	226	14%
	None of the above	499	31%

17. Which of the following would be MOST important to you for increasing your likelihood of hiring new employees?	Subsidized training programs	11	1%
	Improving economic outlook	373	23%
	Increased sales revenue	771	48%
	Reduced total corporate tax rate	66	4%
	Reduced total personal income tax rate	121	8%
	Offset / reduction for Employer portion of Social Security and Medicare Taxes	15	1%
	New business orders	236	15%

18. Are you aware that the House of Representatives recently passed a bill that would grant work visas to students pursuing higher education degrees in Science, Technology, Engineering, and Mathematics (STEM) so they can stay in the U.S. to work after they graduate to work?	Yes	611	38%
	No	841	52%
	Not applicable	143	9%
	Skipped	8	0%

19. If this bill were signed into law, would this help you find the skilled employees your business needs to grow?	Yes	437	27%
	No	709	44%
	Not applicable	449	28%
	Skipped	7	0%



THE WORLD'S LEADING PEER ADVISORY MEMBERSHIP ORGANIZATION

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WHAT BUSINESS ISSUE IS WEIGHING YOU DOWN?



Too often we see only the things that stand in our way. Instead we should look for all the ways to go over or around.

What's the biggest obstacle your company faces? With your Vistage "board of advisors," you can find the solution. Vistage Members get unbiased decision-making support from a team of trusted peers along with professional coaching/mentoring face-to-face every month.

Membership in Vistage is by invitation. We are currently seeking high-caliber local CEOs and presidents for a few openings in our Treasure Coast group.

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

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