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### THANK YOU

One year ago, we established the WSJ/Vistage Small Business CEO Survey. Thanks to your efforts, it has become an incredible success. Thank you for your contribution, and we look forward to another year of tremendous insights!

– Team Vistage



2012

# EXPLORE THE SMALL BUSINESS CEO SURVEY BY CLICKING ON EACH MONTH.

#### **June 2012**

### FEW SMALL FIRMS TAKE

ADVANTAGE OF HEALTH-LAW BENEFITS

"Small-business owners and CEOs are struggling to understand how one of the key elements of the Obama administration's healthcare legislation affects their companies, according to a June survey of business owners by The Wall Street Journal and Vistage International.

When the heads of small companies were asked whether they qualified for a small-business healthcare tax credit that became available in 2010, two-thirds said they weren't certain because they didn't know the details."

The Wall Street Journal (6/28/12)

READ MORE

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34% OF FIRMS REPORTED
THAT THEY HAD JOB
OPENINGS THAT THEY
WERE UNABLE
TO FULFILL.

JUNE

2012

JULY

**AUGUST** 

100

The Confidence Index is 100 as CEO are optimistic about prospects for their own small businesses than the overall economy.

**SEPTEMBER** 

**OCTOBER** 

NOVEMBER

DECEMBER

JANUARY

MARCH

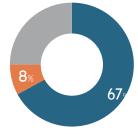
APRIL

MAY

TWO-THIRDS OF ALL SMALL FIRMS ANTICIPATED HIGHER

**REVENUES** 

compared with just 8% who anticipated declining revenues in the year ahead.



FEBRUARY

51%

7%

51% OF FIRMS PLAN TO INCREASE THE TOTAL NUMBER ON THEIR PAYROLLS IN THE YEAR AHEAD.

while just 7% anticipate shedding employees.

### **July 2012**

# SMALL BUSINESS OWNERS LOOK FAR AND WIDE FOR TALENT

"With so many people looking for work, it's hard to swallow the assertion by some small employers that they can't find applicants with adequate skills or experience.

Blame it on the so-called skills gap.

These small business owners say they've had to go to great lengths to fill vacancies, including offering on-the-job training to candidates who might not otherwise be a good fit."

The Wall Street Journal (7/26/12)

**READ MORE** 

39% OF ALL SMALL FIRMS
REPORTED THAT
A LACK OF QUALIFIED

EMPLOYEES HELD BACK
THEIR FIRM'S GROWTH.

TAKE A CLOSER LOOK

2012

**JUNE** 

JULY

**AUGUST** 

91.7

Small businesses expressed increased concerns that the recent economic slowdown will extend into the year ahead as the Confidence Index dips to 91.7.

TAKE A CLOSER LOOK

**SEPTEMBER** 

OCTOBER

NOVEMBER

**DECEMBER** 

**JANUARY** 

**FEBRUARY** 

MARCH

APRIL

MAY

31%

of small business owners said they had **unfilled job openings** in July because they couldn't identify applicants with the **right skills or experience**.

36%

of small businesses said they offer training to help prospective employees develop the required skills for their unfilled jobs.

24%

of respondents said they **tried raising salary offers** to attract applicants for hard-to-fill positions.

TAKE A CLOSER LOOK

These guys just don't have the foundation or vocational training.

– troubleshooting is a skill set that comes from being on the job or being trained.

Kevin Madden, Owner
 Group One Safety & Security
 The Wall Street Journal (7/26/12)

TAKE A CLOSER LOOK

### August 2012

### MANY OWNERS ARE CAUGHT IN A HOLDING PATTERN

"Economic and political uncertainties —including the coming elections, the so-called fiscal cliff and the shaky European market—are putting many small businesses into a holding pattern.

Roughly half of 799 heads of small businesses expect economic growth to remain sluggish in the year ahead, according to the August Wall Street Journal/Vistage Small Business CEO Survey."

The Wall Street Journal (8/29/12)

**READ MORE** 

### NEARLY HALF OF SMALL BUSINESS OWNERS **EXPECT TO RETIRE AFTER AGE 65**,

with 38% saying that their expected retirement date is later than they had expected five years ago.



TAKE A CLOSER LOOK

JUNE
JULY
AUGUST

93.7

The Confidence Index rose to 93.7, and while small businesses have not changed their minds about the current state

of the economy, they have become slightly more optimistic about conditions for their business during the year ahead.

TAKE A CLOSER LOOK

SEPTEMBER 56%

of small firms reported that their retirement nest egg was tied to their business related assets.

TAKE A CLOSER LOOK

NOVEMBER

**OCTOBER** 

**DECEMBER** 

**JANUARY** 

FEBRUARY

MARCH

APRIL

MAY

## THE ECONOMY STOLE MY RETIREMENT

"Danny Sullivan dreams of gardening and spending time with his grandchildren, but that's just a fantasy. Retirement is out of his reach, at least for the foreseeable future.

The 62-year-old founder of a small catering company spends his days helping stock bars with beer and ice, wooing potential new clients and juggling the 20 to 30 different events his firm handles daily."

The Wall Street Journal (9/12/12)

**READ MORE** 

### September 2012

### SMALL BUSINESSES

FEAR FISCAL CLIFF AWAITS AT YEAR-END

"Many small-business executives said they have little confidence that lawmakers and the president will be able to avoid a fiscal cliff by December 31

A survey of 833 business owners found that 47% of small-business owners and chief executives said they don't expect the country will avoid the tax increases and deep spending cuts that are set to take effect at year-end unless Congress and President Barack Obama agree on a new deficit-reduction plan."

The Wall Street Journal (10/25/12)

READ MORE

47%

said they didn't expect the country will avoid the fiscal cliff.

TAKE A CLOSER LOOK

JUNE

2012

JULY

**AUGUST** 

95.4

The Confidence Index rose to 95.4. Small businesses have not

businesses have not overreacted to the slowdown as their

planned investment and employment has remained largely unchanged.

TAKE A CLOSER LOOK

**SEPTEMBER** 

OCTOBER

**NOVEMBER** 

**DECEMBER** 

MORE WORKERS **IF OFFERED A TAX CREDIT OF \$1,000 PER HIRE**, JUST 13% SAID THEY WOULD.

WHEN ASKED IF THEY WOULD HIRE



TAKE A CLOSER LOOK

**JANUARY** 

**FEBRUARY** 

MARCH

APRIL

As long as spending cuts were included in a compromise package,

49% OF SMALL BUSINESS OWNERS SAID THAT

THEY WERE

WILLING TO PERSONALLY PAY HIGHER TAXES.



TAKE A CLOSER LOOK

MAY

#### October 2012

### FOR SMALL BUSINESSES, PRESIDENTIAL CANDIDATES'

PITCHES COME UP SHORT

"You might think taxes are the biggest issue for small-business voters, with all the sparring between President Barack Obama and Republican challenger Mitt Romney over who should get an extension of the Bush-era tax cuts.

But business owners rank the differences in the candidates' positions on health care, the economy and access to capital as more important than their positions on taxes, according to the Wall Street Journal/Vistage Small Business CEO survey."

The Wall Street Journal (10/25/12)

**READ MORE** 



95.3

**Optimism** among small businesses was unchanged in October from September with a Confidence Index of

95.3, reflecting uncertainty about the future direction of federal tax and spending policies due to the virtual toss-up in the Presidential election.

TAKE A CLOSER LOOK

### SMALL FIRM OWNERS WERE ASKED TO RATE THE **IMPORTANCE OF POLICY DIFFERENCES BETWEEN OBAMA AND ROMNEY.**



Healthcare policy differences between Romney and Obama were rated as critical by 62% of all small firms.



Differences in how Obama and Romney plan to stimulate the economy were viewed as critical by 61%.

TAKE A CLOSER LOOK

#### November 2012

# FOR SMALL FIRMS, ELECTION RESULTS DAMPEN OPTIMISM

"The results of the presidential election dampened the spirits of many small-business owners who now worry that forthcoming federal policies, including potentially higher taxes and health-care reform, could stunt growth and hiring at their firms.

A November survey from Vistage International Inc. and The Wall Street Journal found a significant drop in optimism compared with the months leading up to the election, as respondents anticipated a worsening economy in 2013."

The Wall Street Journal (11/28/12)

READ MORE

OPTIMISM AMONG SMALL FIRMS DECLINED BY 12% IN THE FIRST POST-ELECTION SURVEY.

TAKE A CLOSER LOOK

2012 **JUNE** JULY **AUGUST SEPTEMBER OCTOBER NOVEMBER DECEMBER JANUARY FEBRUARY** MARCH APRIL

83.9

The WSJ/ Vistage Small Business CEO Confidence Index was 83.9 in November, down from 95.3 in October,

and the lowest reading since the first survey in June of 2012.

TAKE A CLOSER LOOK

OCTOBER

23%

NOVEMBER

43%

While a small proportion of small business owners reported an economic slowdown had already started,

43% EXPECTED WORSENING CONDITIONS IN THE OVERALL ECONOMY IN NOVEMBER, NEARLY TWICE AS MANY AS OCTOBER'S 23%.

The overall decline in opinion which includes changes in positive and negative expectations, was a stunning 27% from October.

TAKE A CLOSER LOOK

2013

MAY

#### December 2012

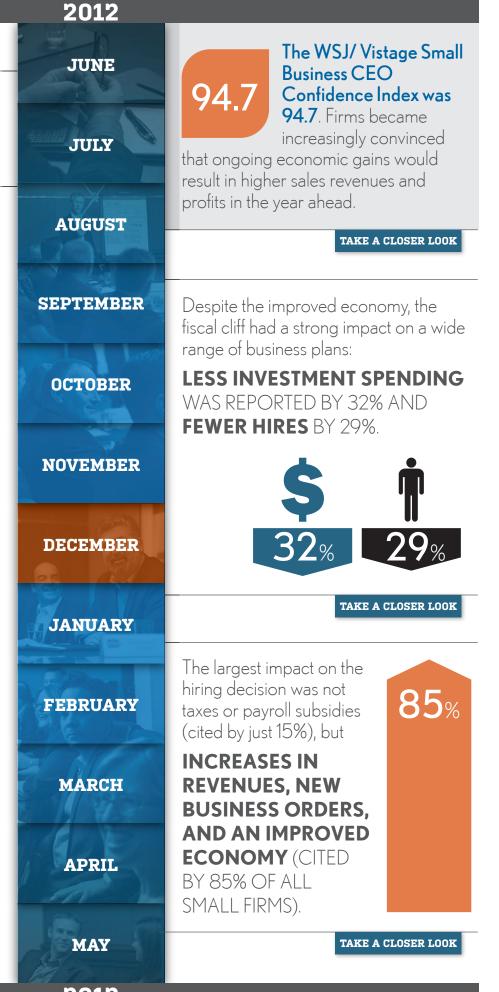
### CLIFF FIX HITS SMALL BUSINESS

"It's likely to be a year of painful decision-making for small business owners like **Tom Secor** of Norwalk, Ohio, one of hundreds of thousands of Americans who could face a higher tax bill after Washington's last-minute deal to avoid the fiscal cliff.

Mr. Secor co-owns Durable Corp., a 90-year-old maker of rubber mats and loading-dock bumpers with 36 employees and just under \$10 million in revenue last year. Because the company is structured as an S-Corp, or partnership, the 55-year-old Mr. Secor and his four partners each pay taxes on their share of the profits at their personal income-tax rate. In Mr. Secor's case, that rate was 35% last year."

The Wall Street Journal (1/3/13)

**READ MORE** 



### January 2013

## SMALL FIRMS SAY LINKEDIN WORKS, TWITTER DOESN'T

"Six out of 10 small-business owners say they believe social-media tools are valuable to their company's growth—but most aren't impressed by Twitter, Inc.

Just 3% of 835 business owners surveyed earlier this month by The Wall Street Journal and Vistage International said Twitter had the most potential to help their companies.

Professional-networking service LinkedIn Corp. topped the survey, with 41% of respondents singling it out as potentially beneficial to their company. Sixteen percent picked YouTube, the video service owned by Google, Inc. and 14% chose social network Facebook Inc."

The Wall Street Journal (1/31/13)

**READ MORE** 

We will tweet 10-plus times a day, and we will put roughly the same number of posts on LinkedIn per day, yet we get dramatically different results.

Ken Lopez, President & CEOA2L Consulting

The Wall Street Journal (1/31/13)

TAKE A CLOSER LOOK



Small firms did not appreciably change their views on the outlook for the economy or prospects for their own businesses following the settlement on federal tax policy. The WSJ/ Vistage Small Business CEO Confidence Index was 94.2.

TAKE A CLOSER LOOK

DECEMBER

FOUR-IN-TEN FIRMS ASSIGNED

AN EMPLOYEE TO HANDLE

AN EMPLOYEE TO HANDLE SOCIAL MEDIA,

although half of all firms only spent a total of 1 to 5 hours on social media.



TAKE A CLOSER LOOK

**JANUARY** 

**FEBRUARY** 

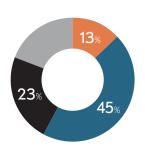
MARCH

APRIL

MAY

OVERALL, WHILE 13% FOUND SOCIAL MEDIA HIGHLY VALUABLE FOR PROMOTING THEIR FIRM'S GROWTH,

45% thought it was somewhat valuable, and 23% found no value (the balance did not use or had not evaluated social media).



TAKE A CLOSER LOOK

### February 2013

### FIRMS PUZZLE OVER TAX RIDDLE

"Business owners can't change the tax code, but many of them say they might change the way their businesses are structured in order to pay less tax.

Chris Pullen of Fort Collins, Colo., is grappling with whether to convert his growing business into a so-called C-Corporation, as a potential tax-savings move.

Mr. Pullen, president of 20employee RLE Technologies, is among the nearly 30 million business owners who include their business profits on their personal income-tax returns. Changing the company to a C-Corporation would let him pay corporate taxes separately from his personal taxes."

The Wall Street Journal (2/20/13)

READ MORE

The more taxes we pay, the less we have to reinvest.

Chris Pullen, Co-Owner
 RLE Technologies
 The Wall Street Journal (2/20/13)

TAKE A CLOSER LOOK



101.4

Small businesses reported recent economic gains and anticipated additional progress in the pace of

economic growth during the year ahead with the Confidence Index growing to 101.4.

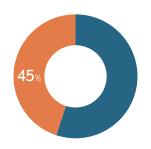
TAKE A CLOSER LOOK

NEARLY NINE-IN-TEN SMALL FIRMS HIRE AN **OUTSIDE ACCOUNTANT** TO PREPARE THEIR **BUSINESS TAXES**.



TAKE A CLOSER LOOK

45% OF SMALL
FIRMS REPORT
THAT THEY HAD
BEEN AUDITED
AT LEAST
ONCE.



TAKE A CLOSER LOOK

#### March 2013

SMALL BUSINESSES
OPT FOR THE
HEALTH-CARE
PENALTY

"Small-business owners across the U.S. are bracing for the health-care law that kicks in next year, fearing it will increase the cost of providing insurance to employees. But Rick Levi, a business owner in Des Moines, lowa, is among those considering the government's escape hatch: paying a penalty to avoid the law's "employer mandate."

The Wall Street Journal (4/8/13)

**READ MORE** 

NEARLY HALF OF ALL SMALL FIRMS IN MARCH REPORTED

THAT THE

49% ECO

NATIONAL ECONOMY HAD IMPROVED

COMPARED WITH A YEAR AGO,

twice the number that reported improved economic conditions six months before.

TAKE A CLOSER LOOK

2012

**JUNE** 

JULY

AUGUST

104

The WSJ/ Vistage Small Business CEO Confidence Index reaches an all-time high of 1041

TAKE A CLOSER LOOK

SEPTEMBER

**OCTOBER** 

**NOVEMBER** 

**DECEMBER** 

**JANUARY** 

**FEBRUARY** 

MARCH

APRIL

MAY

SMALL FIRMS SAY THEY'RE HUNGRY TO HIRE

"Despite the apparent slowdown in hiring last month, small firms say they are eager to recruit new employees in the coming year.

Employers added fewer jobs in March than in any month in about a year, according to figures released Friday from the Labor Department.

But more than half, or 53%, of small-business owners said they expect to add employees to their payrolls in the next 12 months, according to a survey fielded from March 11 to March 20. By contrast, less than one in ten business owners anticipated reducing the total number of their employees."

The Wall Street Journal (4/8/13)

**READ MORE** 

### **April 2013**

### SMALL FIRMS STAY ON COURSE AS OUTLOOK DIMS

"Spending and hiring plans by small businesses remained steady in April, even as many owners expect slower growth in the days ahead.

Overall, small-business optimism inched down from gains in the past two months, amid growing uncertainties over federal budget cuts and tax policies."

The Wall Street Journal (4/25/13)

**READ MORE** 

SMALL FIRMS WERE NEARLY FOUR
TIMES AS LIKELY TO INCREASE
RATHER THAN DECREASE THEIR

### AND EQUIPMENT,



the most robust investment plans recorded since the first survey in June 2012.

TAKE A CLOSER LOOK

2012

**JUNE** 

JULY

**AUGUST** 

100.7

The Confidence Index, at 100.7, was higher in each of the past three months than any other time since the survey began last June.

TAKE A CLOSER LOOK

SEPTEMBER

**OCTOBER** 

NOVEMBER

DECEMBER

**JANUARY** 

Although just one-in-three small firms in the sample had more than 50 employees,

NEARLY **TWO-THIRDS** OF ALL SMALL BUSINESS OWNERS SAID THEY AT LEAST HAD A **GENERAL** 

### UNDERSTANDING OF HOW THE NEW HEALTH CARE LAW

APPLIED TO THEIR BUSINESS,

leaving one-in-three having little or no understanding of the new law.



TAKE A CLOSER LOOK

**FEBRUARY** 

MARCH

APRIL

MAY

TWO-THIRDS OF OWNERS
THOUGHT PROVIDING

HEALTHCARE COVERAGE FOR THEIR

EMPLOYEES
WOULD COST
MORE THAN
THE PENALTY.



TAKE A CLOSER LOOK

### **May 2013**

### SIZING UP HEALTH COSTS

"Small employers across the U.S. are struggling to get a handle on their health-care costs under the Affordable Care Act.

Many of them say they expect their operating expenses to jump in 2014, when the law's employee health-insurance requirements take effect. But they acknowledge that their forecasts are back-of-the-envelope calculations based on only partial information."

The Wall Street Journal (5/29/13)

READ MORE

48% of small firms

EXPECT THEIR LOW-WAGE
EMPLOYEES TO OBTAIN
HEALTH INSURANCE
THROUGH THEIR COMPANY'S
HEALTH INSURANCE PLAN

48%

once the healthcare law takes effect next year.

TAKE A CLOSER LOOK

JUNE

JULY

2012

**AUGUST** 

**SEPTEMBER** 

**OCTOBER** 

**NOVEMBER** 

**DECEMBER** 

**JANUARY** 

**FEBRUARY** 

MARCH

**APRIL** 

MAY

103

The WSJ/ Vistage Small Business CEO Confidence Index was 103 in the May survey, between 100.7 in April

and the 104 in March but **well above** the 83.9 recorded last November

TAKE A CLOSER LOOK

50% OF SMALL FIRMS HAVE

## INCREASED THEIR FIRM'S SPENDING ON INFORMATION TECHNOLOGY SECURITY

in the past six months to prevent online data breaches, theft or fraud. Another 16% plan to spend on these measures in the next year.



TAKE A CLOSER LOOK

## The best companies don't look out their side windows, focusing on the competition.

## They look out the front window, focused on where they are going.

Which window do you look out for your company? Who keeps you looking forward and challenges your answers? 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.

### Tim Kinane

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