

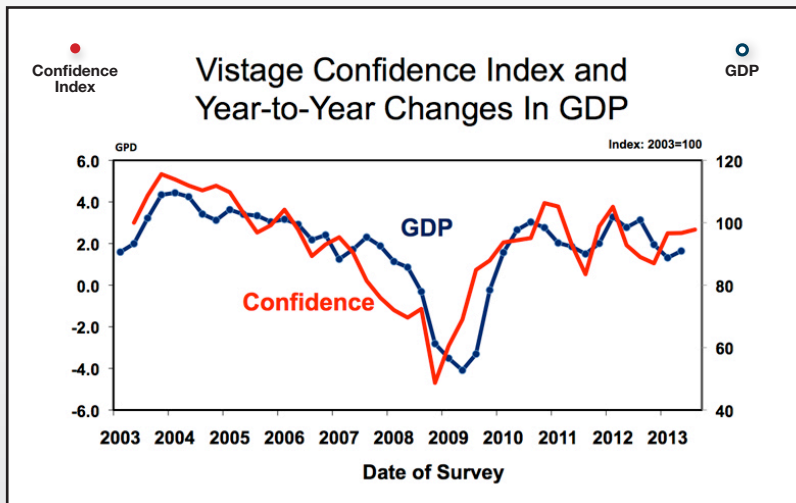
# VISTAGE CEO Confidence Index

Surveying CEOs of  
Small to Mid-sized  
Businesses Since 2003

CEOs held more optimistic expectations for gains by their own firms in the Q3 2013 Vistage CEO Confidence Index, even though they held less favorable views about the overall economic environment. Despite the debates about federal spending and the debt ceiling as well as prospective changes in monetary policies (the survey was conducted prior to the Fed's recent surprise announcement), firms expressed an increasing level of confidence that prospects for their firms would steadily improve during the year ahead. The Vistage CEO Confidence Index was 97.8 in the 3rd quarter 2013 survey, just above the 96.7 in the 2nd quarter survey but substantially above the 89.0 recorded in last year's 3rd quarter.

To be sure, two-thirds of all CEOs believed that their business would ultimately suffer from the burden of increasing federal debt, but nonetheless expressed greater confidence in all aspects of their business. CEOs expected higher revenues and profits, and were more willing to boost fixed investments and hiring. Seven-in-ten CEOs would prefer legislation that balanced increases in the debt ceiling with reductions in federal spending.

*Analysis provided by Dr. Richard Curtin, University of Michigan*



## Vistage CEO Confidence Index Highlights

**54%** of all CEOs expected their firm's profitability to improve. This is the highest figure recorded since the start of 2012.

**71%** of all CEOs anticipated higher sales revenues, up from 68% last quarter and 66% a year ago.

**40%** of CEOs said a proposal to raise the federal minimum wage to \$9 or \$10 an hour would have a negative impact on the growth of their business.

**53%** of all CEOs said the minimum wage hike would not have a significant impact on growth, perhaps due to the higher wages already paid to their employees.

**68%** of CEOs said the U.S. debt burden of \$16.7 trillion has an impact on their business growth.

**73%** of CEOs believe that Congress must enact a dollar of spending cuts for every dollar used to increase the debt ceiling.



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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	688	46%
	About the same	679	46%
	Worsened	116	8%
	Don't know/No opinion	5	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	439	30%
	About the same	820	55%
	Worse	217	15%
	Don't know/No opinion	12	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	636	43%
	About the same	680	46%
	Decrease	157	11%
	Don't know/No opinion	15	1%
4. Do you anticipate that your firm's sales revenues will increase, remain about the same, or decrease for the next 12 months?	Increase	1,054	71%
	About the same	351	24%
	Decrease	75	5%
	Don't know/No opinion	7	0%
5. Do you expect your firm's profitability to improve, remain about the same, or worsen during the next 12 months?	Improve	803	54%
	About the same	524	35%
	Worsen	157	11%
	Don't know/No opinion	4	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	588	40%
	About the same	784	53%
	Decrease	111	7%
	Don't know/No opinion	5	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	801	54%
	About the same	588	40%
	Decrease	95	6%
	Don't know/No opinion	4	0%
8. When do you plan to increase your firm's total number of employees over the next 12 months?	Q4 2013	205	14%
	Q1 2014	170	11%
	Q2 2014	125	8%
	Q3 2014	58	4%
	Steadily throughout the next 12 months	408	27%
	I do not plan to increase my total number of employees in the next 12 months	522	35%

Question	Answer	Respondents	
		#	%
<b>9. What is the most significant business issue that you are facing currently?</b>	Growth (growing too quickly)	74	5%
	Rising healthcare costs	151	10%
	Political uncertainty	112	8%
	Staffing (finding, hiring, retaining, and training)	342	23%
	Growth (growing too slowly)	231	16%
	Economic uncertainty (concern for local and national economy, budget deficit, housing market)	321	22%
	Financial issues (finance, cash flow, profitability)	174	12%
	Other	83	6%
<b>10. What is the biggest challenge your business is specifically facing now?</b>	Paying loans and/or accessing credit	108	6%
	Managing costs	415	23%
	Cash, liquidity, receivables	249	14%
	Customer retention and/or lead generation	490	27%
	Cutting staff	42	2%
	My business is not facing any extraordinary challenges	303	17%
	Other	201	11%
<b>11. The Obama Administration announced that businesses that employ more than 50 full time employees will not be required to comply with health coverage mandate until January 1, 2014. How does this policy change impact your business?</b>	This will help my business grow	73	5%
	I plan to do more with fewer staff because of concern for future mandates	168	11%
	This policy change does not impact my business.	1,148	77%
	Skipped	16	1%
	Other	83	6%
<b>12. The Federal government will reach the debt ceiling later this fall. Do you believe that the U.S. debt burden of \$16.7 trillion has an impact on your business growth?</b>	Yes	1,016	68%
	No	458	31%
	Skipped	14	1%
<b>13. There are some politicians who believe the federal minimum wage should be raised to \$9 or \$10/hour. Do you believe this would positively or negatively impact the growth of your business?</b>	Positively	102	7%
	Negatively	589	40%
	Neither	786	53%
	Skipped	11	1%
<b>14. Do believe that Congress must enact a dollar of spending cuts for every dollar used to increase the debt ceiling?</b>	Yes	1,085	73%
	No	374	25%
	Skipped	29	2%

**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.

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