

VISTAGE

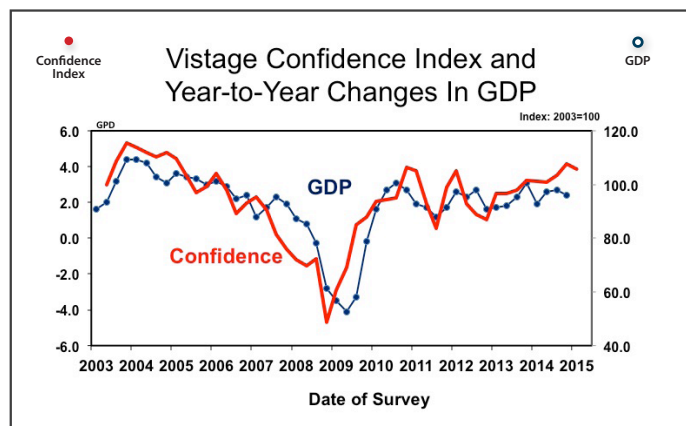
CEO Confidence Index

Surveying CEOs of Small
to Mid-sized Businesses
Since 2003

Confidence among CEOs has remained higher for a longer period than at any other time in the past ten years, according to a survey of 1,541 small- to mid-sized business owners. The survey, which took place from March 9 to March 18, 2015, provides a clear snapshot of current economic, market and industry trends.

The Vistage Confidence Index was 105.8 in the 1st quarter of 2015, between the 107.5 in the 4th quarter and 101.3 in the 1st quarter of 2014. The recent survey represented the eighth consecutive year-to-year increase, a new record for the persistence of optimism. The small 1st quarter loss involved all components, although none registered a significant decline. The stability in CEOs' confidence stands in sharp contrast to the slowdown in the pace of economic growth at year-end, which has persisted into the 1st quarter of 2015. Confidence in the underlying strength of the economy has been maintained undiminished despite a number of factors: a harsh winter, a tightening labor market, rising wage pressures, weakening export demand, and a pending shift in Fed policy. To be sure, some of these trends reflect the growing strength of the U.S. economy. Overall, firms anticipate that the economy will continue to make substantial progress, with a resurgence in growth as the year progresses.

Analysis provided by Dr. Richard Curtin, University of Michigan



Vistage CEO Confidence Index Highlights

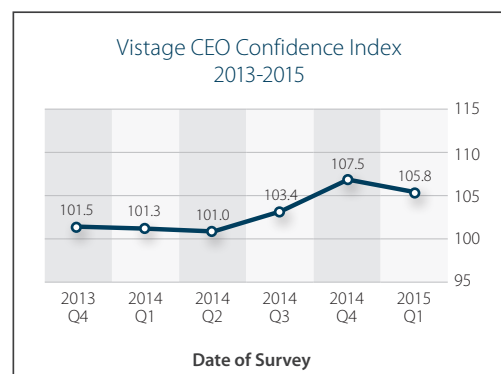
61% of CEOs said the economy has improved in the past year – the third highest level since the start of 2005.

45% of CEOs expect the economy to improve in the next year, well above last year's 37%.

36% of CEOs said that locating, hiring, training, and retaining staff was the most significant business issue they are currently facing.

48% of CEOs plan to increase investments in new plant and equipment, and CEOs expressed the most expansive investment plans during the past four quarters that any other time since 2006.

77% of CEOs expect their revenues to increase in the year ahead, unchanged from last quarter and above last year's 74%.



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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

About the same

Worsened

#

%

938

61%

534

35%

65

4%

Question	Answer	Respondents	
		#	%
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	688	45%
	About the same	744	48%
	Worse	94	6%
	Don't know/No opinion	15	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	747	48%
	About the same	623	40%
	Decrease	161	10%
	Don't know/No opinion	10	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	1,182	77%
	About the same	246	16%
	Decrease	108	7%
	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?	Increase	948	62%
	About the same	446	29%
	Decrease	140	9%
	Don't know/No opinion	7	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	579	38%
	About the same	831	54%
	Decrease	125	8%
	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	919	60%
	About the same	530	34%
	Decrease	91	6%
	Don't know/No opinion	1	0%

Question	Answer	Respondents	
		#	%
8. When do you plan to increase your firm's total number of employees over the next 12 months?	Q2 2015	287	19%
	Q3 2015	171	11%
	Q4 2015	68	4%
	Q1 2016	46	3%
	Steadily throughout the next 12 months	505	33%
	I do not plan to increase my total number of employees in the next 12 months	464	30%
9. What is the most significant business issue that you are facing currently?	Energy costs	17	1%
	Growth (growing too quickly)	87	6%
	Rising healthcare costs	103	7%
	Political uncertainty	76	5%
	Staffing (finding, hiring, retaining, and training)	551	36%
	Growth (growing too slowly)	232	15%
	Economic uncertainty (concern for local and national economy, budget deficit, housing market)	155	10%
	Financial issues (finance, cash flow, profitability)	204	13%
10. What is the biggest challenge your business is specifically facing now?	Other	116	8%
	Paying loans and/or accessing credit	108	6%
	Managing costs	399	22%
	Cash, liquidity, receivables	242	13%
	Customer retention and/or lead generation	449	25%
	Cutting staff	38	2%
	My business is not facing any extraordinary challenges	343	19%
	Skipped	3	0%
	Other	238	13%

Question	Answer	Respondents	
		#	%
11. During your company's last fiscal year, what was its total employment?	0	3	0%
	1-9	119	8%
	10-19	193	13%
	20-49	420	27%
	50-99	286	19%
	100-499	421	27%
	500-999	58	4%
	1000-4999	35	2%
	5000-9999	5	0%
	10000+	1	0%
12. During your company's last fiscal year, what were its total revenues?	Less than 500k	23	1%
	500-999k	37	2%
	1-4 Million	307	20%
	5-9 Million	293	19%
	10-20 Million	295	19%
	21-49 Million	293	19%
	50-99 Million	153	10%
	100-249 Million	93	6%
	250-499 Million	26	2%
	500-999 Million	12	1%
	1+ Billion	9	1%

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How will you keep your company moving forward?



What's the biggest challenge 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.

Tim Kinane

Treasure Coast Vistage Chairman

772-485-1380

Timk@kinane.com



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