

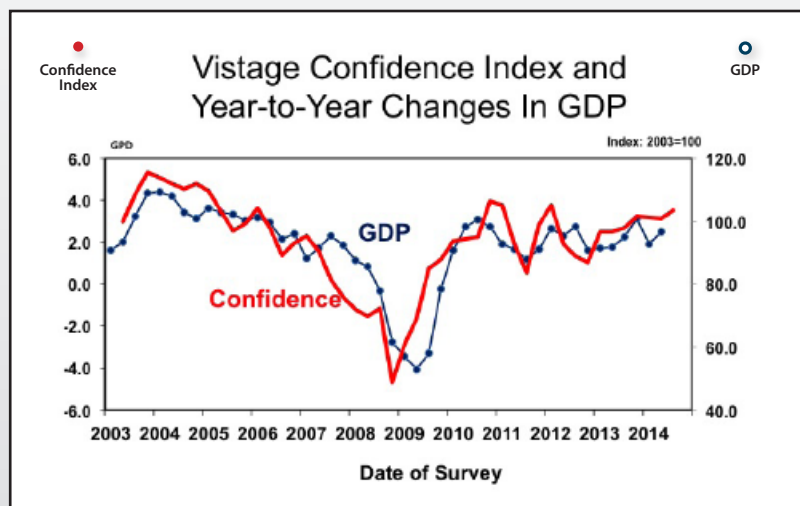
# VISTAGE CEO Confidence Index

Surveying CEOs of  
Small to Mid-sized  
Businesses Since 2003

Confidence among CEOs reached its highest level in two years, finally achieving a lift-off from its favorable holding pattern in the last three quarters. The Vistage CEO Confidence Index was 103.4 in the 3rd quarter 2014 survey, up from 101.0 in the 2nd quarter and 97.8 in last year's 3rd quarter, and the highest level since 105.1 was recorded in the 1st quarter of 2012. There is no greater indication of confidence in future prospects than a firm's willingness to increase their fixed investment spending and to expand their workforce. On both counts, firms reported the most expansive plans since 2006.

While it would be normal to assume that these increases were due to the expectation of a more rapid pace of economic growth, the data suggest the reduction of uncertainty may be the more important factor. Rather than being hamstrung by uncertainties about changes in federal regulations and policies, CEOs are now fully focused on the growth of their own firms. Importantly, while firms believe that economic growth will improve in the year ahead, most firms anticipate that the pace of growth will improve at a modest pace.

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



## Vistage CEO Confidence Index Highlights

**75%** of CEOs anticipated revenue gains over the next 12 months. Only 4% anticipated declines in their revenues, the lowest ever recorded.

**52%** of CEOs reported an improving economy, up from 50% one quarter ago and 46% one year ago.

**59%** of CEOs anticipated increased profits in the next year, just above last quarter's 56% and above last year's 54%.

**58%** of CEOs planned to increase their workforce, while just 4% planned reductions.

**35%** of CEOs said that finding, hiring, training, and retaining talent was the most significant issue that they now faced.

**37%** of CEOs say healthcare reform is impacting their business.

**40%** of CEOs say local government is negatively impacting their business.



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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	703	52%
	About the same	564	42%
	Worsened	83	6%
	Don't know/No opinion	9	1%
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	520	38%
	About the same	712	52%
	Worse	116	9%
	Don't know/No opinion	11	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	652	48%
	About the same	576	42%
	Decrease	119	9%
	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 for the next 12 months?	Increase	1,026	75%
	About the same	274	20%
	Decrease	53	4%
	Don't know/No opinion	6	0%
5. Do you expect your firm's profitability to improve, remain about the same, or worsen during the next 12 months?	Improve	805	59%
	About the same	437	32%
	Worsen	113	8%
	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	623	46%
	About the same	648	48%
	Decrease	85	6%
	Don't know/No opinion	3	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	793	58%
	About the same	507	37%
	Decrease	56	4%
	Don't know/No opinion	3	0%
8. When do you plan to increase your firm's total number of employees over the next 12 months?	Q4 2014	218	16%
	Q1 2015	141	10%
	Q2 2015	107	8%
	Q3 2015	37	3%
	Steadily throughout the next 12 months	422	31%
	I do not plan to increase my total number of employees in the next 12 months	434	32%

Question	Answer	Respondents	
		#	%
9. What is the most significant business issue that you are facing currently?	Rising energy costs	4	0%
	Growth (growing too quickly)	69	5%
	Rising healthcare costs	110	8%
	Political uncertainty	84	6%
	Staffing (finding, hiring, retaining, and training)	480	35%
	Growth (growing too slowly)	173	13%
	Economic uncertainty (concern for local and national economy, budget deficit, housing market)	201	15%
	Financial issues (finance, cash flow, profitability)	155	11%
	Other	83	6%
10. What is the biggest challenge your business is specifically facing now?	Paying loans and/or accessing credit	84	5%
	Managing costs	400	25%
	Cash, liquidity, receivables	202	12%
	Customer retention and/or lead generation	385	24%
	Cutting staff	27	2%
	My business is not facing any extraordinary challenges	320	20%
	Other	207	13%
11. Does your organization have any unique programs?	Corporate social responsibility	233	8%
	Employee engagement	430	15%
	Extended maternity leave and/or paternity leave	64	2%
	Flexible schedules	502	17%
	Remote working	456	16%
	Summer hours	117	4%
	Take your pet to work day	54	2%
	Tuition reimbursement	404	14%
	Volunteer opportunities	283	10%
	Skipped	307	10%
	Other	87	3%
12. Are any of the following issues impacting your business?	Healthcare reform	783	37%
	Government regulation	560	26%
	Tax policy	400	19%
	Medical marijuana	49	2%
	Skipped	287	14%
	Other	40	2%

Question	Answer	Respondents	
		#	%
13. Do you think local government is affecting the business climate?			
	Yes, positively	251	18%
	Yes, negatively	550	40%
	No	508	37%
	Skipped	29	2%
	Other	21	2%



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