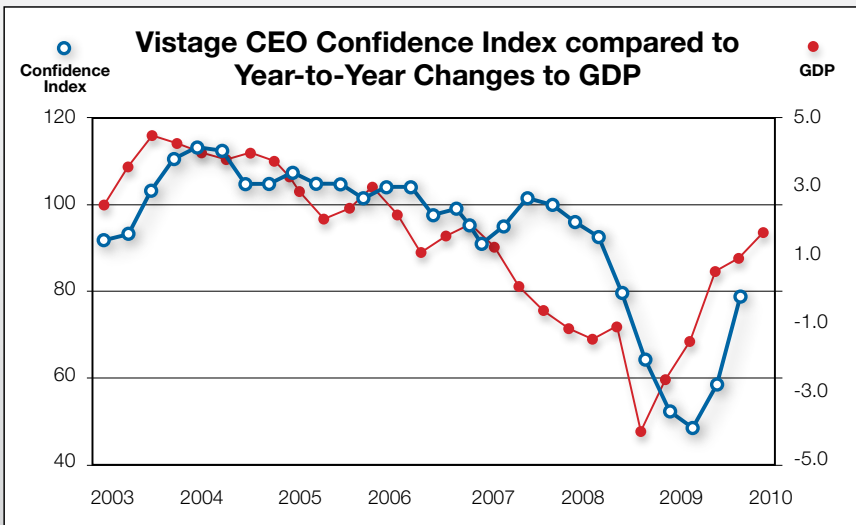


# VISTAGE CEO Confidence Index

Largest Survey of CEOs Since 2003

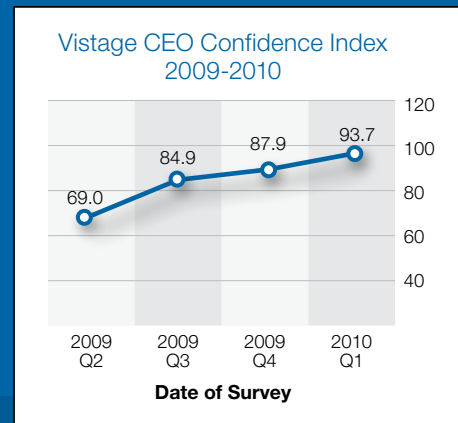
The Vistage CEO Confidence Index provides an inside look at Vistage member confidence in the economy and their businesses. In the first quarter of 2010, our CEO members voiced the highest level of confidence for the future of the national economy in three years. They have sought new customers and created new products while reducing costs and increasing productivity, and have operated amid increased economic uncertainty, reduced credit availability, and strong headwinds from new regulations and taxes. Despite these concerns, our members judge the entrepreneurial environment for new business creation in the United States as slightly more likely to strengthen (38%) than weaken (37%) during the next three to five years.

Dr. Richard Curtin, Director of Surveys of Consumers at the University of Michigan, Ann Arbor, and a Vistage consultant for the Confidence Index, notes, "the relationship between the confidence index and GDP is quite good: it forecasts changes in GDP two quarters in advance. The data clearly weakened prior to the economic downturn and improved prior to the end of the recession, showing every indication that it will be a robust predictor of changes in the economy."



## Vistage Confidence Index Highlights

- **86% of CEOs** say they're having to do "more with less" and list leveraging employee productivity as their primary solution
- **69% of CEOs** see China as the biggest threat to overtaking the United States as an economic superpower
- **41% of CEOs** say they are doing business internationally, with Europe topping the list
- **38% of CEOs** believe entrepreneurship and business opportunities in the United States will be stronger in 3-5 years



The Vistage CEO Confidence Index rose to 93.7 in the 1st quarter 2010 survey, up from 87.9 in the 4th quarter and well above the 60.6 in the 1st quarter of 2009. The Confidence Index has posted five consecutive quarterly gains, rising to its highest level since the 1st quarter of 2007.

### Vistage CEO Confidence Index Q1 2010 | Dates 3/22-4/2 | 1,869 Respondents | National Results

Question	Answer	Respondents	
		#	%
<b>1. Compared with a year ago, have overall economic conditions in the U.S. improved, remained the same, or worsened?</b>	Improved	902	48%
	About the same	669	36%
	Worsened	294	16%
	Don't know/No opinion	4	0%
<b>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?</b>	Better	918	49%
	About the same	722	39%
	Worse	203	11%
	Don't know/No opinion	25	1%

<b>3. Are your firm's total fixed investment expenditures likely to increase, remain about the same, or decrease during the next 12 months?</b>	Increase	639	34%
	About the same	916	49%
	Decrease	302	16%
	Don't know/No opinion	11	1%
<b>4. Do you anticipate that your firm's sales revenues will increase, remain about the same, or decrease for the next 12 months?</b>	Increase	1,190	64%
	About the same	443	24%
	Decrease	220	12%
	Don't know/No opinion	15	1%
<b>5. Do you expect your firm's profitability to improve, remain about the same, or worsen during the next 12 months?</b>	Improve	977	52%
	About the same	570	31%
	Worsen	309	17%
	Don't know/No opinion	12	1%
<b>6. Do you expect prices for your product or service to increase, remain about the same, or decrease during the next 12 months?</b>	Increase	526	28%
	About the same	1,088	58%
	Decrease	239	13%
	Don't know/No opinion	15	1%
<b>7. Do you expect your firm's total number of employees will increase, remain about the same, or decrease during the next 12 months?</b>	Increase	820	44%
	About the same	828	44%
	Decrease	215	12%
	Don't know/No opinion	5	0%
<b>8. When do you plan to increase your firm's total number of employees over the next 12 months?</b>	Q2 2010	251	13%
	Q3 2010	215	12%
	Q4 2010	145	8%
	Steadily throughout the next 12 months	408	22%
	I do not plan to increase my total number of employees	849	45%
<b>9. What is the most significant business issue that you are facing currently?</b>	Rising energy costs	11	1%
	Growth (growing too quickly)	63	3%
	Rising healthcare costs	104	6%
	Political uncertainty	137	7%
	Staffing (finding, hiring, retaining, and training)	164	9%
	Growth (growing too slowly)	258	14%
	Economic uncertainty (concern for local and nation)	646	35%
	Other	153	8%
	Financial issues (finance, cash flow, profitability)	332	18%

<b>10. What is the biggest challenge your business is specifically facing now? (check all that apply)</b>	Paying loans and/or accessing credit	205	8%
	Managing costs	448	18%
	Cash, liquidity, receivables	416	17%
	Customer retention and/or lead generation	656	27%
	Cutting staff	93	4%
	My business is not facing any extraordinary challenges	280	11%
	Skipped	19	1%
	Other	319	13%

<b>11. How are you adapting to the new business landscape, the "new normal"?</b>	Adjusting to my "new" customers and their changing	607	32%
	Diversifying my products and services	697	37%
	Lowering my prices	139	7%
	Doing more business online	61	3%
	Doing more business internationally	112	6%
	Skipped	50	3%
	Other	202	11%

<b>12. In 2010, are you outsourcing to contractors and/or using temp agencies more than you did in 2009?</b>	Yes	517	28%
	No	1,257	67%
	No opinion	92	5%
	Skipped	2	0%

<b>13. Has your business directly benefitted from any government stimulus funds?</b>	Yes	163	9%
	No	1,640	88%
	Yes, and I have created jobs with the funds	29	2%
	Not applicable	32	2%
	Skipped	4	0%

<b>14. Do you believe national healthcare legislation is:</b>	Good for your business	202	11%
	Bad for your business	1,212	65%
	Makes no difference in your business	288	15%
	No opinion	161	9%
	Skipped	5	0%

<b>15. Do you believe Washington is listening to the needs of the small to medium-sized business owners?</b>	Yes	132	7%
	No	1,584	85%
	No opinion	147	8%
	Skipped	5	0%

<b>16. If you responded no to question 15, which areas are of your highest concern? (check all that apply)</b>	Availability of credit	616	15%
	Business tax policy	1,053	25%
	Healthcare legislation	1,034	25%
	Trade Policy	194	5%
	Government regulations that interfere with my busi	926	22%
	Skipped	236	6%
	Other	118	3%

<b>17. Are you finding it easier to obtain credit for your business now than you did six months ago?</b>	Yes	249	13%
	No	938	50%
	Not applicable	669	36%
	Skipped	10	1%

<b>18. Is your company doing business internationally?</b>	Yes	759	41%
	No	992	53%
	No, but I plan to in the next 12 months	49	3%
	Not applicable	57	3%
	Skipped	9	0%

<b>19. If you responded yes to question 18, where are you doing business internationally? (check all that apply)</b>	China	330	11%
	Europe	497	17%
	Latin America	346	12%
	Japan	210	7%
	India	168	6%
	Skipped	1,088	38%
	Other	247	9%

<b>20. Do you believe that 3-5 years from now entrepreneurship and business opportunities in the United States will be stronger than, weaker than or the same as they are today?</b>	Stronger	708	38%
	Weaker	699	37%
	Same	374	20%
	No opinion	72	4%
	Skipped	13	1%

<b>21. Which country do you see as the biggest threat to overtaking the United States as an economic superpower?</b>	Brazil	43	2%
	Russia	4	0%
	India	239	13%
	China	1,290	69%
	None of the above	267	14%
	Skipped	23	1%

<b>22. As CEO of your company, are you having to do more with less?</b>	Yes	1,614	86%
	No	242	13%
	Skipped	10	1%

<b>23. If you answered yes to question 22, in what ways are you having to do more with less? (check all that apply)</b>	Fewer employees	1,033	25%
	Tighter with budgets	1,308	32%
	Less credit	474	11%
	Lower customer spending	977	24%
	Skipped	251	6%
	Other	102	2%

<b>24. If you answered yes to question 22, which are you leveraging more? (check all that apply)</b>	Employee productivity	1,426	41%
	International opportunities	224	6%
	Web-based sales/marketing (including use of social)	572	17%
	Lower customer spending	369	11%
	Emerging technologies	460	13%
	Government funds or programs	122	4%
	Skipped	234	7%
	Other	45	1%



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