

## Q2 2009 Vistage CEO Confidence Index™

# Index Shows Continued Upward Climb in CEO Confidence

In the U.S., the small to mid-sized business sector creates 75 percent of all new jobs and generates 50 percent of all revenue. This quarter, 2,098 Vistage CEO members responded to the Vistage CEO Confidence Index survey, providing a clear snapshot of economic, market and industry trends for the upcoming year.



"The Confidence Index has now regained nearly all of the losses recorded during the past year, bouncing back to nearly the pre-recession score of 69.6 we saw one year ago. Every component of the index posted gains this quarter with prospects for renewed economic growth at the most favorable level in four years."

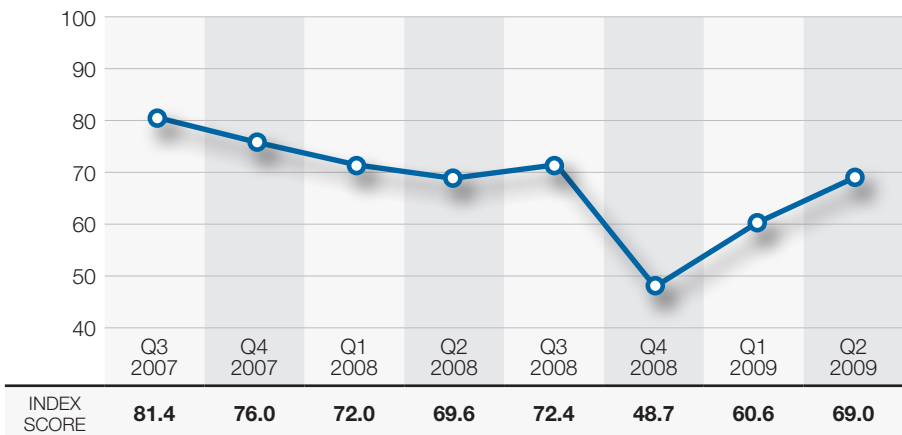
-Rafael Pastor  
Chairman of the Board and  
CEO, Vistage International

### Analysis

The latest survey indicates that chief executives recognize their businesses need to adapt to a changing economic landscape to survive and prosper in the future. The Vistage CEO Confidence Index rose to 69.0 percent in the Q2 2009 survey, posting its second quarterly gain from the Q4 2008 low of 48.7. The Confidence Index has now regained nearly all of the losses recorded during the past year.

CEOs expect the pace of recovery to be slow, and most expect the new economic era will require them to adapt to new regulations and higher taxes in a more price-competitive market. **Cutting costs and maintaining and expanding the customer base are now the Vistage members' top priorities.** Businesses are reshaping to become leaner, more productive and more focused on clients' needs.

U.S. Vistage CEO Confidence Index



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### Economy Expected to Improve

Just 19 percent of CEOs surveyed expect the economy to worsen in the year ahead (down from 61 percent at the close of 2008), with 37 percent anticipating a recovery to start before the end of 2009. **While uncertainty remains about the expected pace of recovery, CEOs are more optimistic that conditions will improve.**

### Diminished Employment Plans

While businesses are slightly more likely to increase rather than reduce the total number of employees, the most common expectation is to keep employment at its current lower level.

### Revenue Prospects Slowly Improve

Half of the CEOs in the survey anticipate positive revenue growth by mid-2010. While this represents a substantial improvement from the one-in-three who expected revenue growth at the close of 2008, it is still 25 percentage points below the 2003-2007 level. CEOs believe that trimming costs and becoming more productive will require substantial efforts at reorganization, since they believe they have little power to raise the prices of their products or services.

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Vistage has nearly 15,000 members in 15 countries, representing the world's leading chief executive organization.

## Other findings in the Vistage CEO Confidence Index survey:



77% of CEOs say their revenues will remain the same or increase in the next 12 months



74% of CEOs expect their firm's profitability to remain the same or improve during the next 12 months



78% of CEOs plan to maintain or increase the total number of employees in the coming year



71% of firms plan to maintain or increase their total planned fixed investments during the next 12 months



55% of CEOs are using or plan to use social media to market and/or publicize their business, product or service

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