

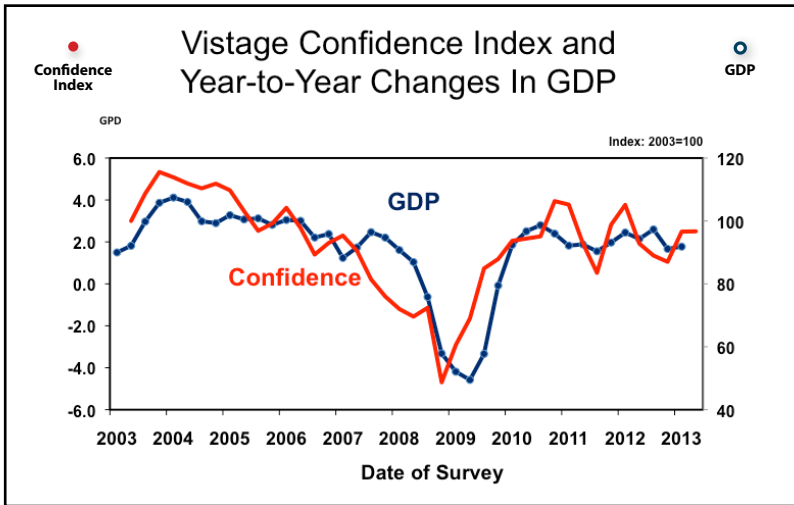
VISTAGE CEO Confidence Index

Surveying CEOs of
Small to Mid-sized
Businesses Since 2003

CEOs held optimistic views about the overall economy as well as for their own firms in the Q2 2013 Vistage CEO Confidence Index. While there was a slight shift in their assessments of the economy, how CEOs viewed prospects for their own firms have been remarkably stable since the start of the year. The Vistage CEO Confidence Index was 96.7 in the 2nd quarter 2013 survey, virtually unchanged from the 96.6 in the 1st quarter, and above the 92.8 in last year's 2nd quarter.

Surprisingly, the economic impact of higher payroll taxes and the spending sequester has been nearly imperceptible. The continued improvement in the economy has largely offset concerns about the feared impact from falling off the fiscal cliff. Indeed, these events have not affected CEOs' rather optimistic prospects for their own firms. To be sure, CEOs were still cautious in their outlook, but believed that they have learned to thrive in a slow growth environment.

Analysis provided by Dr. Richard Curtin, University of Michigan



Vistage CEO Confidence Index Highlights

53% of CEOs believe economic conditions in the U.S. have improved compared with a year ago, while only 33% believe conditions will improve in the next year.

68% of CEOs believe their firm's sales revenues will increase in the next year, and 52% believe their firm's profitability will improve.

52% of CEOs expect to increase the number of their firm's employees in the next year.

62% of CEOs see rising home prices as a positive sign of overall improvement in the economy.

30% of CEOs allow their staff to work from home at least one day a week.

65% of CEOs have a formal orientation program for their employees.



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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	836	53%
	About the same	611	38%
	Worsened	138	9%
	Don't know/No opinion	3	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	523	33%
	About the same	811	51%
	Worse	244	15%
	Don't know/No opinion	10	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	651	41%
	About the same	742	47%
	Decrease	185	12%
	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	1,084	68%
	About the same	381	24%
	Decrease	120	8%
	Don't know/No opinion	3	0%
5. Do you expect your firm's profitability to improve, remain about the same, or worsen during the next 12 months?	Improve	832	52%
	About the same	553	35%
	Worsen	199	13%
	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	37%
	About the same	871	55%
	Decrease	118	7%
	Don't know/No opinion	11	1%
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	826	52%
	About the same	622	39%
	Decrease	135	9%
	Don't know/No opinion	5	0%
8. When do you plan to increase your firm's total number of employees over the next 12 months?	Q2 2013	80	5%
	Q3 2013	211	13%
	Q4 2013	126	8%
	Q1 2014	104	7%
	Steadily throughout the next 12 months	454	29%
	I do not plan to increase my total number of employees in the next 12 months	613	39%

Question	Answer	Respondents	
		#	%
9. What is the most significant business issue that you are facing currently?	Rising energy costs	5	0%
	Growth (growing too quickly)	60	4%
	Rising healthcare costs	171	11%
	Political uncertainty	92	6%
	Staffing (finding, hiring, retaining, and training)	348	22%
	Growth (growing too slowly)	254	16%
	Economic uncertainty (concern for local and national economy, budget deficit, housing market)	344	22%
	Financial issues (finance, cash flow, profitability)	202	13%
	Other	112	7%

10. What is the biggest challenge your business is specifically facing now?	Paying loans and/or accessing credit	102	5%
	Managing costs	456	24%
	Cash, liquidity, receivables	251	13%
	Customer retention and/or lead generation	492	26%
	Cutting staff	37	2%
	My business is not facing any extraordinary challenges	330	17%
	Other	230	12%

11. Do you see rising home prices as a positive sign of overall improvement in the economy?	Yes	988	62%
	No	160	10%
	Too early to tell	431	27%
	Skipped	9	1%

12. Are you finding it easier to obtain credit for your business now than you did six months ago?	Yes	409	26%
	No	419	26%
	Not applicable	755	48%
	Skipped	5	0%

13. I allow my employees to work from home:	All week long	118	7%
	1 day per week	272	17%
	2 days per week	65	4%
	3 days per week	16	1%
	4 days per week	12	1%
	Never, their physical presence at our place of business is essential	1,054	66%
	Skipped	51	3%

Question	Answer	Respondents	
		#	%
14. Do you have a formal orientation program for your employees?	Yes	1,029	65%
	No	547	34%
	Skipped	12	1%

15. Excluding training for new hires, identify the primary approach you use to provide formal training for your employees:	We handle it onsite, using in-house personnel	1,075	68%
	We handle it onsite, using outside experts	127	8%
	We handle it offsite, using in-house personnel	18	1%
	We handle it offsite, using outside experts or programs	88	6%
	We provide training courses online	64	4%
	We send employees to conferences and/or provide tuition reimbursement	135	9%
	Not applicable	69	4%
	Skipped	12	1%

16. Do you believe you receive a good return on your investment in employee training?	Yes	1,293	81%
	No	132	8%
	Not applicable	150	9%
	Skipped	13	1%

17. Does what's happening in Washington influence your business decisions more today than at the start of the calendar year, or less?	More	750	47%
	Less	157	10%
	No influence	669	42%
	Skipped	12	1%