



1 *Thank you*
CELEBRATING
YEAR OF

WSJ | **VISTAGE®**
SMALL BUSINESS CEO SURVEY

2012

JUNE

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AUGUST

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OCTOBER

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MAY

2013

THANK YOU

One year ago, we established the WSJ/Vistage Small Business CEO Survey. Thanks to your efforts, it has become an incredible success. Thank you for your contribution, and we look forward to another year of tremendous insights!

— Team Vistage

EXPLORE THE
SMALL BUSINESS CEO
SURVEY BY **CLICKING ON**
EACH MONTH.

2012

June 2012

FEW SMALL FIRMS TAKE ADVANTAGE OF HEALTH-LAW BENEFITS

"Small-business owners and CEOs are struggling to understand how one of the key elements of the Obama administration's healthcare legislation affects their companies, according to a June survey of business owners by The Wall Street Journal and Vistage International. When the heads of small companies were asked whether they qualified for a small-business healthcare tax credit that became available in 2010, two-thirds said they weren't certain because they didn't know the details."

The Wall Street Journal
(6/28/12)

[READ MORE](#)



34% OF FIRMS REPORTED THAT THEY HAD JOB OPENINGS THAT THEY WERE UNABLE TO FULFILL.

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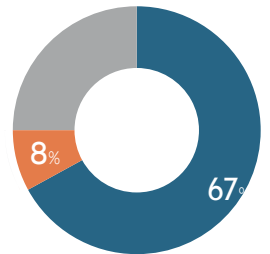
2013

100

The Confidence Index is **100** as CEO are **optimistic** about prospects for their own small businesses than the overall economy.

TWO-THIRDS OF ALL SMALL FIRMS ANTICIPATED HIGHER REVENUES

compared with just 8% who anticipated declining revenues in the year ahead.



51%

7%

51% OF FIRMS PLAN TO **INCREASE THE TOTAL NUMBER ON THEIR PAYROLLS** IN THE YEAR AHEAD, while just 7% anticipate shedding employees.

2012

July 2012

SMALL BUSINESS

OWNERS LOOK FAR AND WIDE FOR TALENT

"With so many people looking for work, it's hard to swallow the assertion by some small employers that they can't find applicants with adequate skills or experience.

Blame it on the so-called skills gap.

These small business owners say they've had to go to great lengths to fill vacancies, including offering on-the-job training to candidates who might not otherwise be a good fit."

The Wall Street Journal
(7/26/12)

READ MORE



39% OF ALL SMALL FIRMS REPORTED THAT A LACK OF QUALIFIED EMPLOYEES HELD BACK THEIR FIRM'S GROWTH.

TAKE A CLOSER LOOK

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2013

91.7

Small businesses expressed **increased concerns** that the recent **economic slowdown** will extend into the year ahead as **the Confidence Index dips to 91.7.**

TAKE A CLOSER LOOK

31%

of small business owners said they had **unfilled job openings** in July because they couldn't identify applicants with the **right skills or experience.**

36%

of small businesses said they **offer training to help prospective employees** develop the required skills for their unfilled jobs.

24%

of respondents said they **tried raising salary offers** to attract applicants for hard-to-fill positions.

TAKE A CLOSER LOOK

“ These guys just don't have the foundation or vocational training. – troubleshooting is a skill set that comes from being on the job or being trained. ”

– **Kevin Madden**, Owner
Group One Safety & Security
The Wall Street Journal (7/26/12)

TAKE A CLOSER LOOK

2012

August 2012

MANY OWNERS ARE CAUGHT IN A HOLDING PATTERN

"Economic and political uncertainties—including the coming elections, the so-called fiscal cliff and the shaky European market—are putting many small businesses into a holding pattern.

Roughly half of 799 heads of small businesses expect economic growth to remain sluggish in the year ahead, according to the August Wall Street Journal/Vistage Small Business CEO Survey."

The Wall Street Journal
(8/29/12)

READ MORE

NEARLY HALF OF SMALL BUSINESS OWNERS EXPECT TO RETIRE AFTER AGE 65,

with 38% saying that their expected retirement date is later than they had expected five years ago.



TAKE A CLOSER LOOK

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2013

93.7

The Confidence Index rose to 93.7, and while small businesses have not changed their minds about the current state of the economy, they have become **slightly more optimistic** about conditions for their business during the year ahead.

TAKE A CLOSER LOOK

56%

of small firms reported that **their retirement nest egg was tied to their business related assets.**

TAKE A CLOSER LOOK

THE ECONOMY STOLE MY RETIREMENT

"**Danny Sullivan** dreams of gardening and spending time with his grandchildren, but that's just a fantasy. Retirement is out of his reach, at least for the foreseeable future.

The 62-year-old founder of a small catering company spends his days helping stock bars with beer and ice, wooing potential new clients and juggling the 20 to 30 different events his firm handles daily."

The Wall Street Journal
(9/12/12)

READ MORE

2012

September 2012

SMALL BUSINESSES

FEAR FISCAL CLIFF AWAITS AT YEAR-END

"Many small-business executives said they have little confidence that lawmakers and the president will be able to avoid a fiscal cliff by December 31.

A survey of 833 business owners found that 47% of small-business owners and chief executives said they don't expect the country will avoid the tax increases and deep spending cuts that are set to take effect at year-end unless Congress and President Barack Obama agree on a new deficit-reduction plan."

The Wall Street Journal
(10/25/12)

READ MORE

47%

said they **didn't expect** the country will avoid the fiscal cliff.

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2013

95.4

The Confidence Index rose to **95.4**. Small businesses have not overreacted to the slowdown as their planned investment and employment has remained largely unchanged.

TAKE A CLOSER LOOK

WHEN ASKED IF THEY WOULD HIRE MORE WORKERS **IF OFFERED A TAX CREDIT OF \$1,000 PER HIRE**, JUST 13% SAID THEY WOULD.



TAKE A CLOSER LOOK

As long as spending cuts were included in a compromise package, **49% OF SMALL BUSINESS OWNERS SAID THAT THEY WERE WILLING TO PERSONALLY PAY HIGHER TAXES.**

49%

TAKE A CLOSER LOOK

2012

October 2012

FOR SMALL BUSINESSES, PRESIDENTIAL CANDIDATES' PITCHES COME UP SHORT

"You might think taxes are the biggest issue for small-business voters, with all the sparring between President Barack Obama and Republican challenger Mitt Romney over who should get an extension of the Bush-era tax cuts.

But business owners rank the differences in the candidates' positions on health care, the economy and access to capital as more important than their positions on taxes, according to the Wall Street Journal/Vistage Small Business CEO survey."

The Wall Street Journal
(10/25/12)

READ MORE

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95.3

Optimism among small businesses was **unchanged** in October from September with a **Confidence Index of 95.3**, reflecting uncertainty about the future direction of federal tax and spending policies due to the virtual toss-up in the Presidential election.

TAKE A CLOSER LOOK

SMALL FIRM OWNERS WERE ASKED TO RATE THE **IMPORTANCE OF POLICY DIFFERENCES BETWEEN OBAMA AND ROMNEY.**

+

62%

Healthcare policy differences between Romney and Obama were rated as critical by 62% of all small firms.

\$

61%

Differences in how Obama and Romney plan to stimulate the economy were viewed as critical by 61%.

TAKE A CLOSER LOOK

2013

2012

November 2012

FOR SMALL FIRMS, ELECTION RESULTS DAMPEN OPTIMISM

"The results of the presidential election dampened the spirits of many small-business owners who now worry that forthcoming federal policies, including potentially higher taxes and health-care reform, could stunt growth and hiring at their firms. A November survey from Vistage International Inc. and The Wall Street Journal found a significant drop in optimism compared with the months leading up to the election, as respondents anticipated a worsening economy in 2013."

The Wall Street Journal
(11/28/12)

READ MORE

OPTIMISM AMONG SMALL FIRMS DECLINED BY 12% IN THE FIRST POST-ELECTION SURVEY.

12%

TAKE A CLOSER LOOK

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2013

83.9

The WSJ/ Vistage Small Business CEO Confidence Index was **83.9** in November, down from 95.3 in October, and the lowest reading since the first survey in June of 2012.

TAKE A CLOSER LOOK

OCTOBER

23%

NOVEMBER

43%

While a small proportion of small business owners reported an economic slowdown had already started,

43% EXPECTED WORSENING CONDITIONS IN THE OVERALL ECONOMY IN NOVEMBER, NEARLY TWICE AS MANY AS OCTOBER'S 23%.

The overall decline in opinion which includes changes in positive and negative expectations, was a stunning 27% from October.

TAKE A CLOSER LOOK

2012

December 2012

CLIFF FIX

HITS SMALL BUSINESS

"It's likely to be a year of painful decision-making for small business owners like **Tom Secor** of Norwalk, Ohio, one of hundreds of thousands of Americans who could face a higher tax bill after Washington's last-minute deal to avoid the fiscal cliff.

Mr. Secor co-owns Durable Corp., a 90-year-old maker of rubber mats and loading-dock bumpers with 36 employees and just under \$10 million in revenue last year. Because the company is structured as an S-Corp, or partnership, the 55-year-old Mr. Secor and his four partners each pay taxes on their share of the profits at their personal income-tax rate. In Mr. Secor's case, that rate was 35% last year."

The Wall Street Journal
(1/3/13)

[READ MORE](#)

JUNE

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2013

94.7

The WSJ/ Vistage Small Business CEO Confidence Index was

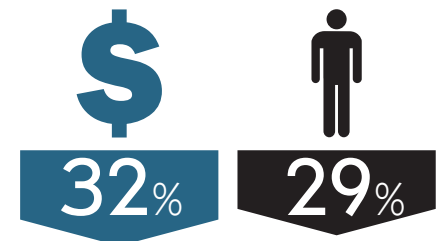
94.7. Firms became increasingly convinced

that ongoing economic gains would result in higher sales revenues and profits in the year ahead.

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Despite the improved economy, the fiscal cliff had a strong impact on a wide range of business plans:

LESS INVESTMENT SPENDING WAS REPORTED BY 32% AND **FEWER HIRES** BY 29%.


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The largest impact on the hiring decision was not taxes or payroll subsidies (cited by just 15%), but

INCREASES IN REVENUES, NEW BUSINESS ORDERS, AND AN IMPROVED ECONOMY (CITED BY 85% OF ALL SMALL FIRMS).

85%

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2012

January 2013

SMALL FIRMS SAY LINKEDIN WORKS, TWITTER DOESN'T

"Six out of 10 small-business owners say they believe social-media tools are valuable to their company's growth—but most aren't impressed by Twitter, Inc.

Just 3% of 835 business owners surveyed earlier this month by The Wall Street Journal and Vistage International said Twitter had the most potential to help their companies.

Professional-networking service LinkedIn Corp. topped the survey, with 41% of respondents singling it out as potentially beneficial to their company. Sixteen percent picked YouTube, the video service owned by Google, Inc. and 14% chose social network Facebook Inc."

The Wall Street Journal
(1/31/13)

[READ MORE](#)

“ We will tweet 10-plus times a day, and we will put roughly the same number of posts on LinkedIn per day, yet we get dramatically different results. ”

– **Ken Lopez**, President & CEO
A2L Consulting

The Wall Street Journal (1/31/13)

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2013

94.2

Small firms did not appreciably change their views on the outlook for the economy or prospects for their own businesses following the settlement on federal tax policy. **The WSJ/ Vistage Small Business CEO Confidence Index was 94.2.**

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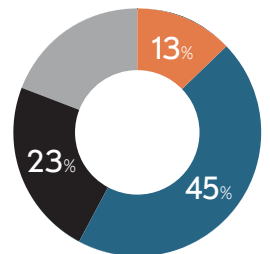
FOUR-IN-TEN FIRMS ASSIGNED AN EMPLOYEE TO HANDLE SOCIAL MEDIA,

although half of all firms only spent a total of 1 to 5 hours on social media.


[TAKE A CLOSER LOOK](#)

OVERALL, WHILE **13% FOUND SOCIAL MEDIA HIGHLY VALUABLE** FOR PROMOTING THEIR FIRM'S GROWTH,

45% thought it was somewhat valuable, and 23% found no value (the balance did not use or had not evaluated social media).


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2012

February 2013

FIRMS PUZZLE OVER TAX RIDDLE

"Business owners can't change the tax code, but many of them say they might change the way their businesses are structured in order to pay less tax.

Chris Pullen of Fort Collins, Colo., is grappling with whether to convert his growing business into a so-called C-Corporation, as a potential tax-savings move.

Mr. Pullen, president of 20-employee RLE Technologies, is among the nearly 30 million business owners who include their business profits on their personal income-tax returns. Changing the company to a C-Corporation would let him pay corporate taxes separately from his personal taxes."

The Wall Street Journal
(2/20/13)

READ MORE

“ The more taxes we pay, the less we have to reinvest. ”

– **Chris Pullen**, Co-Owner
RLE Technologies
The Wall Street Journal (2/20/13)

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2013

101.4

Small businesses reported recent **economic gains and anticipated additional progress** in the pace of economic growth during the year ahead with **the Confidence Index growing to 101.4.**

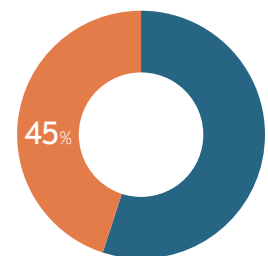
TAKE A CLOSER LOOK

NEARLY NINE-IN-TEN SMALL FIRMS HIRE AN **OUTSIDE ACCOUNTANT** TO PREPARE THEIR **BUSINESS TAXES.**



TAKE A CLOSER LOOK

45% OF SMALL FIRMS REPORT THAT THEY HAD BEEN **AUDITED AT LEAST ONCE.**



TAKE A CLOSER LOOK

2012

March 2013

SMALL BUSINESSES OPT FOR THE HEALTH-CARE PENALTY

"Small-business owners across the U.S. are bracing for the health-care law that kicks in next year, fearing it will increase the cost of providing insurance to employees. But Rick Levi, a business owner in Des Moines, Iowa, is among those considering the government's escape hatch: paying a penalty to avoid the law's "employer mandate."

The Wall Street Journal
(4/8/13)

[READ MORE](#)

NEARLY HALF OF ALL SMALL
FIRMS IN MARCH REPORTED

49%

THAT THE
**NATIONAL
ECONOMY HAD
IMPROVED**

COMPARED WITH
A YEAR AGO,
twice the number that
reported improved
economic conditions
six months before.

[TAKE A CLOSER LOOK](#)

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2013

104

The WSJ/ Vistage Small
Business CEO
Confidence Index
reaches an all-time high
of 104!

[TAKE A CLOSER LOOK](#)

SMALL FIRMS SAY THEY'RE HUNGRY TO HIRE

"Despite the apparent slowdown in hiring last month, small firms say they are eager to recruit new employees in the coming year.

Employers added fewer jobs in March than in any month in about a year, according to figures released Friday from the Labor Department.

But more than half, or 53%, of small-business owners said they expect to add employees to their payrolls in the next 12 months, according to a survey fielded from March 11 to March 20. By contrast, less than one in ten business owners anticipated reducing the total number of their employees."

The Wall Street Journal
(4/8/13)

[READ MORE](#)

2012

April 2013

SMALL FIRMS STAY ON COURSE AS OUTLOOK DIMS

"Spending and hiring plans by small businesses remained steady in April, even as many owners expect slower growth in the days ahead.

Overall, small-business optimism inched down from gains in the past two months, amid growing uncertainties over federal budget cuts and tax policies."

The Wall Street Journal
(4/25/13)

READ MORE

SMALL FIRMS WERE NEARLY FOUR
TIMES AS LIKELY TO INCREASE
RATHER THAN DECREASE THEIR
**INVESTMENTS IN NEW PLANT
AND EQUIPMENT,**

the most robust investment
plans recorded since the
first survey in June 2012.

4x

TAKE A CLOSER LOOK

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2013

100.7

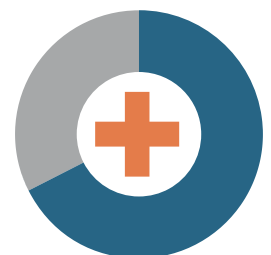
The Confidence Index, at 100.7, was higher in each of the past three months than any other time since the survey began last June.

TAKE A CLOSER LOOK

Although just one-in-three small firms in the sample had more than 50 employees,

NEARLY **TWO-THIRDS** OF ALL SMALL BUSINESS OWNERS SAID THEY AT LEAST HAD A **GENERAL UNDERSTANDING OF HOW THE NEW HEALTH CARE LAW** APPLIED TO THEIR BUSINESS,

leaving one-in-three having little or no understanding of the new law.



TAKE A CLOSER LOOK

TWO-THIRDS OF OWNERS THOUGHT PROVIDING **HEALTHCARE COVERAGE** FOR THEIR EMPLOYEES WOULD **COST MORE THAN THE PENALTY.**



TAKE A CLOSER LOOK

2012

May 2013

SIZING UP HEALTH COSTS

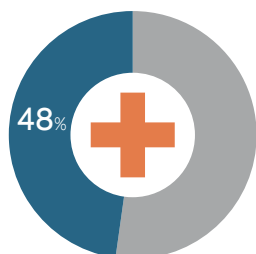
"Small employers across the U.S. are struggling to get a handle on their health-care costs under the Affordable Care Act.

Many of them say they expect their operating expenses to jump in 2014, when the law's employee health-insurance requirements take effect. But they acknowledge that their forecasts are back-of-the-envelope calculations based on only partial information."

The Wall Street Journal
(5/29/13)

READ MORE

48% of small firms
EXPECT THEIR LOW-WAGE
EMPLOYEES TO **OBTAIN
HEALTH INSURANCE
THROUGH THEIR COMPANY'S
HEALTH INSURANCE PLAN**



once the healthcare
law takes effect
next year.

TAKE A CLOSER LOOK

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103

The WSJ/ Vistage Small
Business CEO

Confidence Index was

103 in the May survey,
between 100.7 in April

and the 104 in March but **well above**
the 83.9 recorded last November

TAKE A CLOSER LOOK

50% OF SMALL FIRMS HAVE
**INCREASED THEIR FIRM'S
SPENDING ON
INFORMATION
TECHNOLOGY
SECURITY**

in the past six months to
prevent online data
breaches, theft or fraud.
Another 16% plan to
spend on these measures
in the next year.



TAKE A CLOSER LOOK