

Small Firms Express Cautious Optimism.

Small businesses reported that the economy had slightly weakened since last month and expected the pace of economic growth to be moderate during the year ahead. The WSJ/Vistage Small Business Confidence Index was **100.7** in the April 2013 survey, **between the 104.0 in March and 101.4 in February**. Confidence was higher in each of the past three months than any other time since the survey began last June.

Importantly, when CEOs were asked about the expected conditions of their own firms, they didn't anticipate that the overall slowdown in the national economy would have much impact on their revenues, investments, or their hiring plans. The data suggest that small firms anticipated the pace of economic growth to slow temporarily, but saw no reason to significantly scale back their operations in preparation for a more lasting retrenchment in sales. Indeed, small firms may have come to expect an uneven pace of growth, as in each of the past two years there have been two quarters of real GDP growth above 2% and two quarters below 1.5% amid continued uncertainty about economic policies.

WSJ/Vistage

Small Business CEO Confidence Index



Visit vistageindex.com to see the interactive tool and view results from previous months.

WSJ/Vistage Small Business CEO Survey - April 2013

Question	Answer	Respondents	
		#	%
1. Compared with a year ago, have overall economic conditions in the U.S. improved, remained the same, or worsened?	Improved	365	47%
	Remained about the same	305	39%
	Worsened	110	14%
	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	230	29%
	About the same	413	53%
	Worse	130	17%
	Don't know/No opinion	10	1%

Continued on reverse...

WSJ/Vistage Small Business CEO Survey - April 2013 *continued*

Question	Answer	Respondents	
		#	%
3. Are your firm's total fixed investment expenditures likely to increase, remain about the same, or decrease during the next 12 months?	Increase	316	40%
	Remain the same	373	48%
	Decrease	90	11%
	Don't know/No opinion	4	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	534	68%
	Remain the same	190	24%
	Decrease	55	7%
	Don't know/No opinion	4	1%
5. Do you expect your firm's profitability to improve, remain about the same, or worsen during the next 12 months?	Improve	402	51%
	Remain the same	263	34%
	Worsen	116	15%
	Don't know/No opinion	2	0%
6. Do you expect your firm's total number of employees will increase, remain about the same, or decrease during the next 12 months?	Increase	396	51%
	Remain the same	324	41%
	Decrease	61	8%
	Don't know/No opinion	2	0%
7. How clear is your understanding of how the new health-care law pertains to your business?	Very clear understanding	94	12%
	General understanding	401	51%
	Little understanding	246	31%
	No understanding	42	5%
8. What are your biggest causes for concern?	The cost of health care under to the new law	518	31%
	How the health-insurance exchanges will operate	176	10%
	The impact of the health-care law on hiring and retention	232	14%
	The administrative burden of understanding and complying with the law	392	23%
	Finding an insurance plan that satisfies the law and my employees' needs	276	16%
	Skipped	20	1%
	Other	75	4%

WSJ/Vistage Small Business CEO Survey - April 2013 *continued*

Question	Answer	Respondents	
		#	%
9. How do you expect the health-care law to impact insurance premiums?	Raise premiums	631	81%
	Lower premiums	16	2%
	Not much difference	76	10%
	Not sure	60	8%

10. Do you expect the penalty for not providing health insurance (\$2,000 for each full-time employee in excess of 30 full-time employees) will be less than the cost of providing your employees with health care?	I expect health insurance will cost more	538	69%
	I expect the penalty will cost more	48	6%
	I expect the costs will be about the same	45	6%
	Not sure	149	19%
	Skipped	3	0%

11. What types of strategies are you considering implementing in response to the health-care law in 2014? (Under the law, firms with 50 or more full-time equivalent employees will be required to offer insurance or face penalties.)	Limit hiring or downsize headcounts to less than 50 full-time equivalent employees	173	11%
	Change full-time positions to part-time to stay under 50 full-time equivalent employees	75	5%
	Change some of your workforce to temporary workers, independent contractors or freelancers	109	7%
	Cut other employee benefits (such as daycare, wellness programs or vacation)	98	6%
	Cut other overhead expenses, not related to employee benefits	112	7%
	Raise prices	177	11%
	Sell the business	33	2%
	Split the business into smaller units	53	3%
	Engage in employee sharing with other businesses	13	1%
	Move part or all of your business operations overseas	25	2%
	Pay the penalty for not providing health insurance to employees	85	5%
	Ask employees to contribute a larger share to cover health-care premiums	341	21%
	No plans to implement any strategies	252	15%
	Skipped	13	1%
	Other	77	5%



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SMALL BUSINESS CEO SURVEY

A monthly survey measuring the sentiment of U.S.
small business CEOs and owners about the economy.

Visit vistageindex.com to view an interactive tool
with full results from previous months.