

Steadfast View of Improved Economy

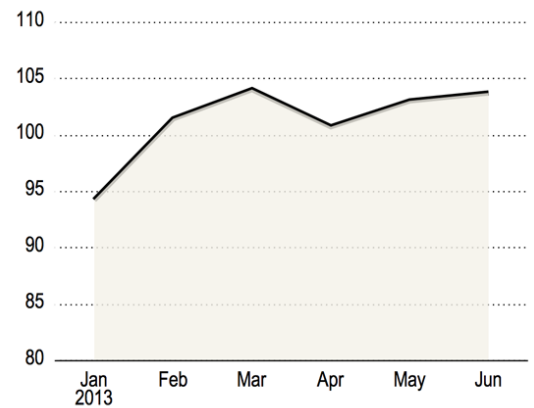
Small business firms did not change their favorable opinion about improved economic conditions in the latest survey. Half of all small firms reported that the economy had improved and twice as many expected continued gains as renewed declines for the second consecutive month. The WSJ/Vistage Small Business **Confidence Index was 103.7 in the June 2013 survey, barely above the 103.0 in May and just below the 104.0 recorded three months ago.** The largest change from the inaugural survey conducted one year ago was that small firms now held much more favorable assessments of the current state of the economy.

While financial markets may be more concerned about the timing of the Fed's stimulus tapering, most small firms are more focused on the continuing strength in the economy. There is no question that rising interest rates will make fixed investments somewhat more expensive for small firms, but those additional costs pale in comparison to their growing conviction of continued modest improvements in the outlook for their businesses. To be sure, small firms recognize that economic growth will remain slow, although strengthening in the year ahead. Small firms believe they have not only learned how to survive in this slow growth environment, but how to grow and prosper. While they still face a good deal of economic and policy uncertainty, small firms have the advantage of being able to quickly adjust to changing conditions.

Analysis provided by Dr. Richard Curtin, University of Michigan

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 - June 2013 (891 Respondents)

Question	Answer	Respondents	
		#	%
1. Compared with a year ago, have overall economic conditions in the U.S. improved, remained the same, or worsened?	Improved	476	53%
	Remained about the same	342	38%
	Worsened	71	8%
	Don't know/No opinion	2	0%

Continued on reverse...

WSJ/Vistage Small Business CEO Survey - June 2013 *continued...* (891 Respondents)

Question	Answer	Respondents	
		#	%
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	304	34%
	About the same	449	50%
	Worse	133	15%
	Don't know/No opinion	5	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	367	41%
	About the same	412	46%
	Decrease	107	12%
	Don't know/No opinion	5	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	614	69%
	About the same	212	24%
	Decrease	64	7%
	Don't know/No opinion	1	0%
5. Do you expect your firm's profitability to improve, remain about the same, or worsen during the next 12 months?	Improve	457	51%
	About the same	320	36%
	Worsen	112	13%
	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	476	53%
	About the same	346	39%
	Decrease	67	8%
	Don't know/No opinion	2	0%
7. Do you allow employees to bring pets to work?	Yes, any kind is fine	61	7%
	Yes, but only dogs or pets that stay in cages such as birds, hamsters or ferrets	71	8%
	No, we used to but some employees complained of allergies, messes or other issues	40	4%
	No, and never have	626	70%
	No, but we may consider this in the future	93	10%

WSJ/Vistage Small Business CEO Survey - June 2013 *continued...* (891 Respondents)

Question	Answer	Respondents	
		#	%
8. Do you plan on hiring summer interns?			
	Yes, and we'll hire more this year	138	15%
	Yes, and we'll hire the same number as last year	163	18%
	Yes, but we won't hire as many this year as last	35	4%
	No	553	62%
	Skipped	2	0%
9. Do you do anything special for employees in the summer?	Yes, we go on a group outing somewhere outdoors, like a canoeing or hiking trip	41	5%
	Yes, we host a company picnic or other kind of party	473	53%
	No, it's business as usual	370	42%
	Skipped	7	1%
10. Do you have summer hours?	Yes, most or all employees can leave early on Fridays	90	10%
	Yes, workdays are shortened for most or all employees	9	1%
	No, it's business as usual throughout the summer	737	83%
	Skipped	4	0%
	Other	51	6%
11. During your company's last fiscal year, what was its total employment?	1-9	88	10%
	10-19	179	20%
	20-49	346	39%
	50-99	192	22%
	100-499	82	9%
	500-999	2	0%
	1000-4999	1	0%
	5000-9999	1	0%
12. During your company's last fiscal year, what were its total revenues?	1-4 million	324	36%
	5-9 million	282	32%
	10-20 million	285	32%

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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.