

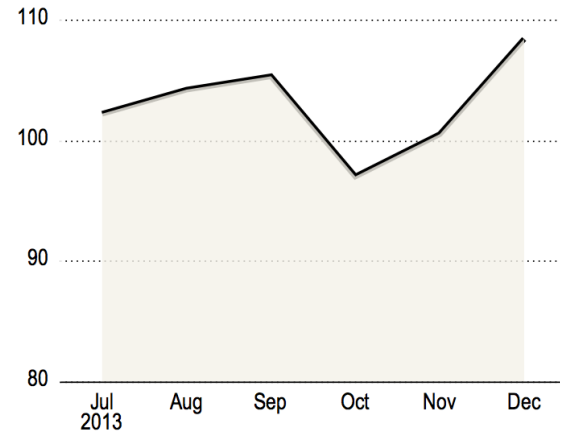
Optimism Expands Among Small Firms.

Confidence rose to its highest level in eighteen months due to more positive assessments of overall economic conditions in the December WSJ/Vistage Small Business CEO Survey. The Confidence Index rose to 108.4 in the December 2013 survey, up from 100.5 in the prior month and 94.7 in last year's December survey. The gain completely erased the decline caused by the federal government shutdown, topping the prior peak of 105.3 recorded three months ago. The self-inflicted uncertainty due to the Congressional budget follies has now hopefully ended, helping to lift the dark clouds over future economic prospects. The reduction in economic uncertainty had the largest immediate impact on assessments of the overall economy, although all components of the Confidence Index improved. As the economy begins to quicken its pace of gains over the next several months, small firms can be expected to become even more expansive in their hiring and investment spending.

While it is hard to estimate the impact of uncertainty while it is ongoing, once uncertainty lifts, its negative impact is often more clearly estimated by the subsequent change in economic behavior. To be sure, small firms had already sensed the emerging strength in sales six months ago, only to be stunted by the latest Congressional shutdown. Since small business firms had already expressed plans to increase their hiring and fixed investment to capture anticipated sales gains, the reduction in uncertainty will accelerate that process in the months ahead. This is the best holiday gift that small firms could expect.

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 (937 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	484	52%
	About the same	382	41%
	Worsened	71	8%

Continued on reverse...

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	355	38%
	About the same	458	49%
	Worse	119	13%
	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	404	43%
	About the same	426	45%
	Decrease	103	11%
	Don't know/No opinion	4	0%
4. Do you anticipate that your firm's sales revenues will increase, remain about the same, or decrease for the next 12 months?	Increase	721	77%
	About the same	172	18%
	Decrease	43	5%
	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	568	61%
	About the same	278	30%
	Worsen	91	10%
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	525	56%
	About the same	372	40%
	Decrease	40	4%
7. Do you support the president's proposal to raise the federal minimum wage to \$10.10 an hour, from the current \$7.25 an hour?	Yes	261	28%
	No	622	66%
	Skipped	5	1%
	Other	49	5%

Question	Answer	Respondents	
		#	%
8. Do you support raising the minimum wage in your state?			
	Yes, it's too low	293	31%
	No, it's too high	144	15%
	No, it's just right	408	44%
	Skipped	8	1%
	Other	84	9%
9. In the past year have you changed your business strategy, or developed new strategies, based on customer or market data compiled by technology tools such as payment or mobile applications, or third parties you do business with?	Yes	463	49%
	No, and do not plan to	322	34%
	No, but plan to in the coming year	134	14%
	Skipped	9	1%
	Other	9	1%
10. During your company's last fiscal year, what was its total employment?	1-9	78	8%
	10-19	184	20%
	20-49	387	41%
	50-99	197	21%
	100-499	88	9%
	500-999	2	0%
	1000-4999	1	0%
11. During your company's last fiscal year, what were its total revenues?	1-4 Million	335	36%
	5-9 Million	302	32%
	10-20 Million	300	32%

WSJ | VISTAGE

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.