



92 Percent of Small-Medium Business CEOs Say Washington Is Not Listening To Their Needs

Vistage CEOs Say While Economic Conditions Are Improving, Government Regulations Threaten Their Businesses

SAN DIEGO (December 2, 2009) – Main Street CEOs are regaining economic confidence in their businesses, but 92 percent of them say Washington is not listening to the needs of small-to-medium-sized businesses, according to the Vistage CEO Confidence Index Survey for the 4th quarter. The CEOs are mainly concerned about the costs of healthcare legislation, increased taxes, regulatory burdens, and continued tightening of credit.

While the economic barometer in the Q4 2009 Vistage CEO Confidence Index Survey rose to 87.9, up from 84.9 in the 3rd quarter of this year, CEOs are worried that new federal rules will affect the cost of doing business, their ability to expand, and the strength of demand for their products and services.

“CEOs have confidence in their own businesses but not in the government’s support for their businesses. Small-medium businesses account for 75 percent of new jobs, 50 percent of our GDP, and most of our entrepreneurship and innovation, it’s troubling that 92 percent of their CEOs don’t believe Washington is listening to their needs,” says Rafael Pastor, Chairman of the Board and CEO of Vistage International, a non-partisan, non-advocacy membership organization of nearly 10,000 CEOs and senior executives in the United States. “Our CEO members are confident their businesses will come out of this economic downturn, but they are worried government interference could cripple the recovery process.”

“With all of the new government regulations and requirements for health care benefits, personnel costs will skyrocket,” says Vistage member Elenore Gay, Executive Vice President and Owner of CCM Construction in Albuquerque, NM. “The additional expenses of mandated benefits will impose distress on many small businesses everywhere.”

While concerned about government regulations, nearly all firms expect the recovery to continue. The Vistage CEO Confidence Index has posted four consecutive quarterly gains, nearly doubling from last year’s 4th quarter level. Most firms expect economic conditions to slowly improve during the next 12 months, with just 12 percent expecting further worsening in overall economic conditions. CEOs cited customer retention and/or lead generation as their biggest business challenge, followed by managing costs and maintaining cash and liquidity.

Firms Look to Outsource and Are Cautious About Rehiring

About 30 percent of CEOs now plan to outsource to subcontractors or to use temp-agencies more frequently than they did in 2009. And four-in-ten firms plan to increase their number of employees during the year ahead. Uncertainties about the pace of the expansion, concerns about the restoration of financing for business expansion, and the strong desire to keep their firms financially solvent has meant that most CEOs intend to increase hiring with great caution.

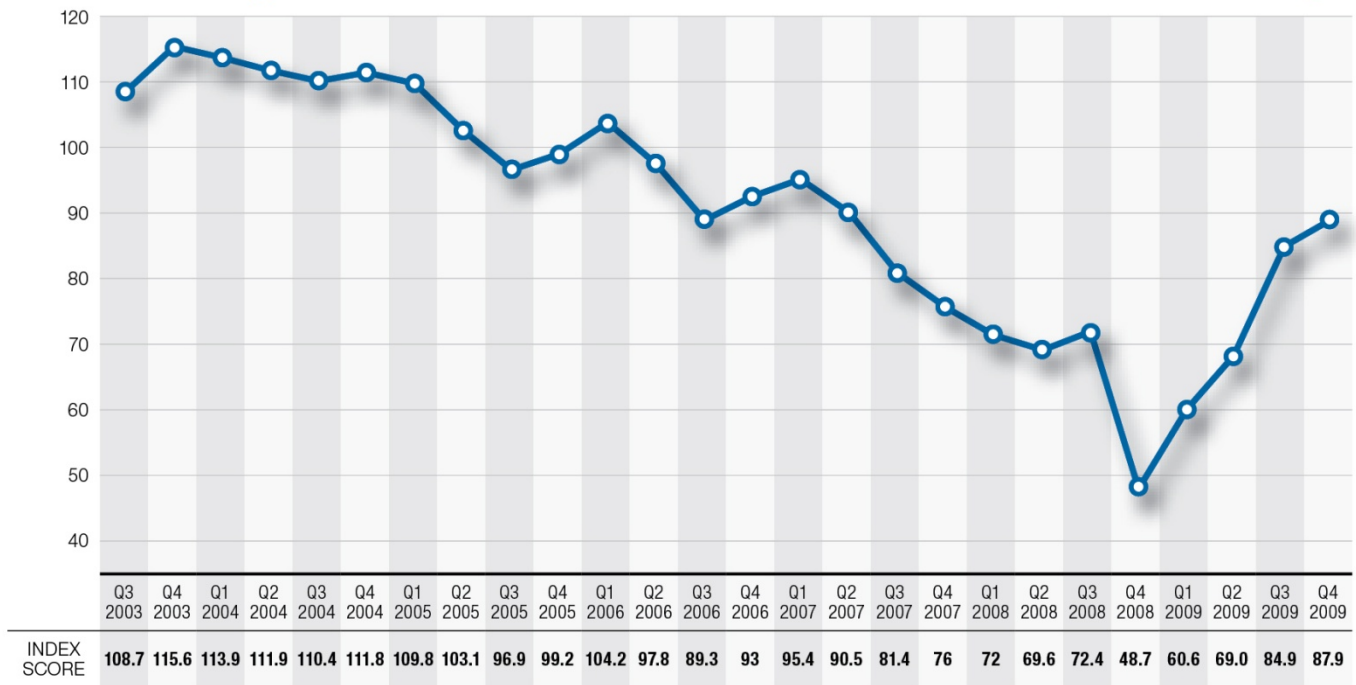
Slow Gains in Revenues and Profits

Growth in revenues was expected by 59 percent of all CEOs while 53 percent anticipated increases in profits during the year ahead. The improved but cautious outlook reflects more competitive markets for their products and services, a financial system still in transition, and the recognition that taxes and regulations are likely to increase.

The Q4 2009 Vistage CEO Confidence Index is a compilation of responses from 1,733 CEOs of small- to mid-sized companies in the United States, surveyed between November 12-23, 2009, with a margin of error of 1.9 percentage points. The quarterly Vistage CEO Confidence Index, established in 2003, is the nation’s largest and only comprehensive report of their opinions and projections.

Confidence Index Statistics:

U.S. Vistage CEO Confidence Index



86% of CEOs say their revenues will remain the same or increase in the next 12 months



84% of CEOs expect their firm's profitability to remain the same or improve during the next 12 months



87% of CEOs plan to maintain or increase the total number of employees in the coming year



92% of CEOs do not believe that Washington is listening to the needs of the small and medium-sized business owner

about Vistage International

Vistage is a [CEO peer organization](#) in 16 countries with nearly 14,500 members. Collectively, Vistage members run companies with an estimated \$300 billion in revenues and employ over two million people. In addition to their peer groups, Vistage CEO members have access to expert resources speakers and receive monthly one-to-one coaching from a mentor called a Vistage Chair. The sharing of information in a Vistage group is completely confidential, allowing for the open exchange of issues, ideas and solutions. For more information, please visit www.vistage.com.

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