

Q3 2009 Vistage CEO Confidence Index™

Index Shows Continued Upward Climb in CEO Confidence

In the U.S., small and mid-sized businesses create 75 percent of all new jobs and generate 50 percent of all revenue. This quarter, 1,789 Vistage CEO members responded to the Vistage CEO Confidence Index survey, providing a clear snapshot of economic, market and industry trends for the upcoming year.



“Half of the CEOs in our survey believe the economic recovery has begun. More than 80 percent see their company revenues and profits increasing in the next 12 months. While Main Street CEOs do not expect the recovery to be easy, they are adopting new strategies for the new economic landscape.”

-Rafael Pastor
Chairman of the Board and
CEO, Vistage International

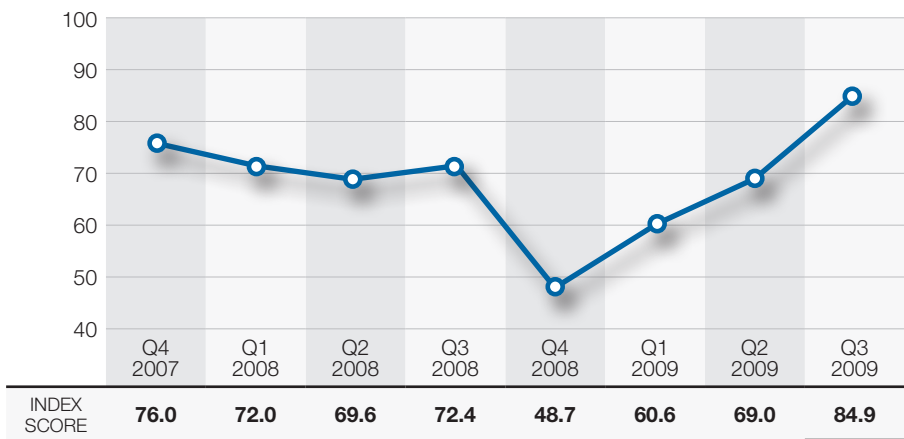
Analysis

According to half of the CEOs surveyed, the economic recovery has begun. The surge in optimism represents a complete turnaround from the pessimism that prevailed just nine months ago. The Vistage CEO Confidence Index rose to 84.9 percent in the Q3 2009 survey, up from 69.0 in Q2 and 48.7 in Q4 2008. This quarter's Confidence Index marked the highest quarterly gain since the survey began in 2003.

Despite the increase, there is widespread recognition among CEOs

that the recovery will be challenging due to ongoing changes in the economic landscape. **CEOs cited targeting new types of customers, developing new product lines and services, as well as using social media and online marketing more, as their top three strategies for adapting to the new business landscape.** The greatest concerns of CEOs are customer retention and/or lead generation, lack of cash, liquidity and receivables, and managing costs.

U.S. Vistage CEO Confidence Index



Employment Plans Constrained

Although one-third of firms plan to expand their workforce, the most common expectation was that firms now plan to keep employment at their current levels during the year ahead. Even among those firms that anticipate hiring, most of the new jobs were expected to be filled after the start of 2010. **The cautious approach is due to both uncertainty about the pace of the recovery as well as firms' desire to maintain tight control over costs.**

Health Care a Hot Topic Among CEOs

Main Street CEOs remain relatively split about whether or not there should be federal legislation to change the health care system, with 49 percent saying change is unnecessary. However, when asked about

the health care legislation currently being proposed, only 10 percent of CEOs thought it would be good for their business, while 66 percent thought it would be bad.

Industry Confidence Varies Slightly

Among the industries surveyed, CEOs in the real-estate and construction industries have the lowest overall confidence in the current economy, with CEOs in the services industry having the most positive outlook. CEOs in the wholesale trade and manufacturing industries expect their firms' profitability to be, on average, seven percent higher than the national average. CEOs in the services industry expect their sales to be seven percent higher than the national average.

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Vistage has nearly 14,500 members in 16 countries, representing the world's leading chief executive organization.

Other findings in the Vistage CEO Confidence Index survey:



85% of CEOs say their revenues will remain the same or increase in the next 12 months



83% of CEOs expect their firm's profitability to remain the same or improve during the next 12 months



84% of CEOs plan to maintain or increase the total number of employees in the coming year



66% of CEOs believe the healthcare legislation currently being proposed is bad for their business

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