

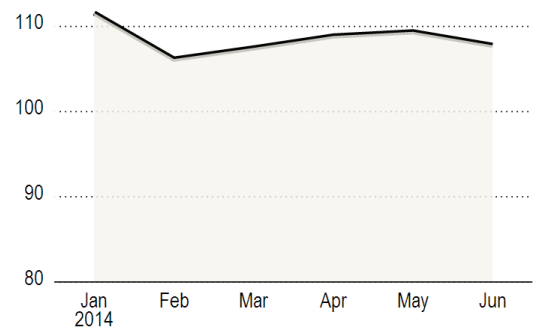
CEO Confidence Slips

Optimism among small firms recorded a minor decline in the June survey from last month, but confidence still remains at a very positive level. Although business confidence is below the two-year peak recorded at the start of 2014, the June figure is nearly identical with its average level since February (107.7 versus 107.8). While small firms now view the harsh winter weather as primarily responsible for the negative growth of GDP in the 1st quarter, they didn't expect the depth of the 1st quarter decline nor the delay in the rebound. Overall, the WSJ/Vistage Small Business CEO Confidence Index slipped to 107.7 in June from 109.3 in May, but still posted a healthy gain above last year's 103.7. Importantly, the June survey recorded the thirteenth consecutive year-to-year gain.

To be sure, small firms still anticipate a rejuvenated economy in the year ahead. Interestingly, the data indicate much less labor market slack than suggested by the high number of long-term unemployed or the increased number of labor force dropouts. The majority of firms reported that they had unfilled jobs mainly because of a tight labor market, even after most had offered higher wages to fill the positions. Three-in-four firms reported that these unfilled positions were holding back the firm's growth. Presumably, additional escalation in wages will eventually attract workers as well as increase inflationary pressures.

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.

Question	Answer	Respondents	
		#	%
1. Compared with a year ago, have overall economic conditions in the U.S. improved, remained the same, or worsened?	Improved	436	51%
	About the same	337	40%
	Worsened	72	8%
	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	319	38%
	About the same	428	50%
	Worse	93	11%
	Don't know/No opinion	8	1%

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	381	45%
	About the same	380	45%
	Decrease	84	10%
	Don't know/No opinion	3	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	609	72%
	About the same	188	22%
	Decrease	50	6%
	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	469	55%
	About the same	289	34%
	Worsen	89	10%
	Don't know/No opinion	1	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	498	59%
	About the same	302	36%
	Decrease	45	5%
	Don't know/No opinion	3	0%

7. If you currently have unfilled jobs, what is the primary reason why the jobs are unfilled?	Unable to identify applicants with relevant experience or skills	277	33%
	Reluctance to hire due to economic uncertainty	75	9%
	Lack of applicants for those positions	109	13%
	Not applicable	350	41%
	Other	22	3%
	Skipped	15	2%

Question	Answer	Respondents	
		#	%
8. If you currently have unfilled jobs, have you tried raising the salary offered in order to attract applicants for hard-to-fill jobs?	Yes	245	29%
	No	158	19%
	Not applicable	416	49%
	Other	6	1%
	Skipped	23	3%

9. If you currently have unfilled jobs, do you believe those openings are holding back your company from growth or expansion?	Yes	361	43%
	No	125	15%
	Not applicable	343	40%
	Skipped	19	2%

10. Has your business been turned down for a bank loan in the past year?	Yes	60	7%
	No	767	90%
	Not sure	9	1%
	Other	6	1%
	Skipped	6	1%

11. During your company's last fiscal year, what was its total employment?	1-9	77	9%
	10-19	165	19%
	20-49	326	38%
	50-99	202	24%
	100-499	78	9%

To view complete results, visit vistageindex.com.

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.