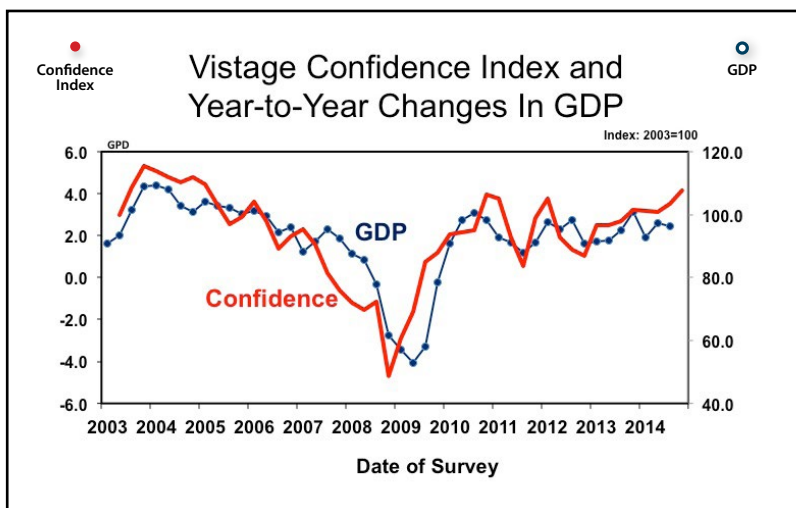


Confidence among CEOs reached its highest level in ten years in the Q4 2014 Vistage CEO Confidence Index survey. The gain in the closing quarter of 2014 was largely due to more favorable assessments of the current state of the economy as well as more favorable prospects for economic growth during the year ahead. The Vistage Confidence Index was 107.5 in the 4th quarter of 2014, up from 103.4 in the 3rd quarter and 101.5 in last year's 4th quarter, and the highest level since 109.8 was recorded in the 1st quarter of 2005. The data indicate that most firms believe the economy has made substantial progress and will continue to grow in 2015. These growth prospects naturally entail changes in the economic environment. Importantly, expansive hiring plans indicate both a tightening labor market as well as significant upward pressure on wages. Firms must also deal with the high likelihood of increasing interest rates around mid-2015. All of these changes reflect the growing strength in the economy. Weakening demand for U.S. exports and partisan differences on economic policies between the President and Congress are the primary risks.

Analysis provided by Dr. Richard Curtin, University of Michigan



## Vistage CEO Confidence Index Highlights

**63%** of CEOs said the economy has improved in the past year—the highest since the Q4 2004 survey.

**49%** of CEOs expect the economy to improve in the next year, up from 38% in last quarter's survey.

**62%** of CEOs anticipated expanding their workforce in the year ahead, the highest level since 64% was recorded in Q1 2006.

**77%** of all CEOs expected their revenues to increase in the year ahead, the highest level since 2006.

**62%** of CEOs expected profits to increase in the year ahead.



The Vistage Confidence Index was 107.5 in the 4th quarter of 2014, up from 103.4 in the 3rd quarter and 101.5 in last year's 4th quarter, and the highest level since 109.8 was recorded in the 1st quarter of 2005.

### Question

### Answer

### Respondents

1. Compared with a year ago, have overall economic conditions in the U.S. improved, remained the same, or worsened?

	#	%
Improved	921	63%
About the same	478	33%
Worsened	57	4%

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	717	49%
	About the same	642	44%
	Worse	85	6%
	Don't know/No opinion	12	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	717	49%
	About the same	606	42%
	Decrease	122	8%
	Don't know/No opinion	11	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	1128	77%
	About the same	248	17%
	Decrease	70	5%
	Don't know/No opinion	10	1%
5. Do you expect your firm's profitability to improve, remain about the same, or worsen during the next 12 months?	Increase	902	62%
	About the same	431	30%
	Decrease	116	8%
	Don't know/No opinion	7	0%
6. Do you expect prices for your product or service to increase, remain about the same, or decrease during the next 12 months?	Increase	627	43%
	About the same	720	49%
	Decrease	104	7%
	Don't know/No opinion	5	0%
7. Do you expect your firm's total number of employees will increase, remain about the same, or decrease during the next 12 months?	Increase	903	62%
	About the same	481	33%
	Decrease	68	5%
	Don't know/No opinion	4	0%

Question	Answer	Respondents	
		#	%
<b>8. When do you plan to increase your firm's total number of employees over the next 12 months?</b>	Q1 2015	221	15%
	Q2 2015	211	14%
	Q3 2015	85	6%
	Q4 2015	23	2%
	Steadily throughout the next 12 months	494	34%
	I do not plan to increase my total number of employees in the next 12 months	422	29%
<b>9. What is the most significant business issue that you are facing currently?</b>	Rising energy costs	2	0%
	Growth (growing too quickly)	81	6%
	Rising healthcare costs	136	9%
	Political uncertainty	88	6%
	Staffing (finding, hiring, retaining, and training)	520	36%
	Growth (growing too slowly)	199	14%
	Economic uncertainty (concern for local and national economy, budget deficit, housing market)	158	11%
	Financial issues (finance, cash flow, profitability)	172	12%
	Other	100	7%
<b>10. What is the biggest challenge your business is specifically facing now?</b>	Paying loans and/or accessing credit	93	5%
	Managing costs	375	22%
	Cash, liquidity, receivables	206	12%
	Customer retention and/or lead generation	410	24%
	Cutting staff	32	2%
	My business is not facing any extraordinary challenges	380	22%
	Other	215	13%

Question	Answer	Respondents	
		#	%
<b>11. What is the biggest issue your business faces in hiring new employees?</b>	Lack of skilled applicants	465	32%
	Locating talent	577	40%
	No HR department to manage recruitment efforts	140	10%
	None of the above	214	15%
	Other	51	4%
<b>12. Which of the following issues will most impact your business in 2015 (either positive or negative)?</b>	Healthcare reform	568	36%
	Immigration reform	87	6%
	Minimum wage increases	150	10%
	None of the above	659	42%
	Skipped	20	1%
	Other	76	5%

**VISTAGE**  
CEO Confidence Index

Surveying CEOs of Small  
to Mid-sized Businesses  
Since 2003