

Overall optimism slips in Q4 2015
Vistage CEO Confidence Index Survey

CEOs expressed somewhat greater concerns about the outlook for the domestic economy but remained upbeat about their own firm’s prospects in the Q4 2015 Vistage CEO Confidence Index Survey. Overall, the data does not indicate that confidence is on a downward slide but is simply moving sideways at high levels. The well-worn pattern of uneven economic growth has produced periods of growing optimism followed by the realization that the economy will not deviate from the more modest growth rates established since the Great Recession.

The Vistage CEO Confidence Index was 95.5 in the Q4 2015 survey, just below last quarter’s 96.3 and well below last year’s 107.5. Importantly, firms were slightly more optimistic about revenue and profit growth over the past few quarters, and more than half of all firms planned to expand their payrolls. These data indicate that firms still anticipate continued growth in their businesses. Indeed, the most significant challenge now faced by firms is finding, hiring, training, and retaining staff, reported by 35% of all firms, mentioned more than twice as frequently as any other issue facing their firms. With a tighter labor market, these concerns will inevitably mean higher wages and benefits to secure key personnel.

Analysis provided by Dr. Richard Curtin, University of Michigan

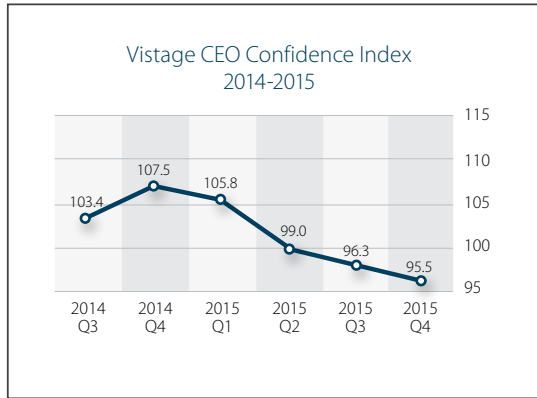
Vistage CEO Confidence Index Highlights

36% of CEOs said the economy has improved compared to a year ago, down from 63% in last year’s 4th quarter and the worst assessment of current economic conditions in three years.

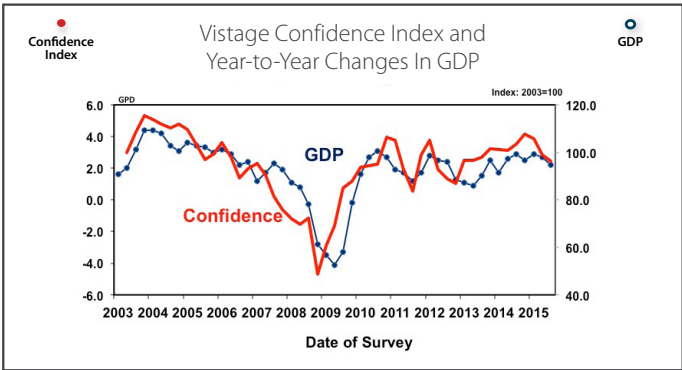
25% of CEOs expected gains in the pace of economic growth during the year ahead, the worst outlook in four years.

55% of CEOs planned to expand their workforce in the year ahead.

71% of CEOs expected increased revenue gains in the year ahead. 58% of CEOs expect increased profits.



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Question

Answer

Respondents

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

	#	%
Improved	491	36%
About the same	667	49%
Worsened	194	14%
Don't know/No opinion	3	0%

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	344	25%
	About the same	799	59%
	Worse	203	15%
	Don't know/No opinion	9	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	597	44%
	About the same	563	42%
	Decrease	186	14%
	Don't know/No opinion	9	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	957	71%
	About the same	308	23%
	Decrease	87	6%
	Don't know/No opinion	3	0%
5. Do you expect your firm's profitability to improve, remain about the same, or worsen during the next 12 months?	Improve	780	58%
	About the same	428	32%
	Worsen	141	10%
	Don't know/No opinion	6	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	514	38%
	About the same	714	53%
	Decrease	117	9%
	Don't know/No opinion	10	1%
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	744	55%
	About the same	502	37%
	Decrease	106	8%
	Don't know/No opinion	3	0%

Question	Answer	Respondents	
		#	%
8. When do you plan to increase your firm's total number of employees over the next 12 months?	Q1 2016	223	16%
	Q2 2016	193	14%
	Q3 2016	70	5%
	Q4 2016	27	2%
	Steadily throughout the next 12 months	393	29%
	I do not plan to increase my total number of employees in the next 12 months	449	33%
9. What is the most significant business issue that you are facing currently?	Energy costs	10	1%
	Growth (growing too quickly)	53	4%
	Rising healthcare costs	115	8%
	Political uncertainty	78	6%
	Staffing (finding, hiring, retaining, and training)	481	35%
	Growth (growing too slowly)	193	14%
	Economic uncertainty (concern for local and national economy, budget deficit, housing market)	185	14%
	Financial issues (finance, cash flow, profitability)	158	12%
	Other	82	6%
10. What is the biggest challenge your business is specifically facing now? (check all that apply)	Paying loans and/or accessing credit	68	4%
	Managing costs	335	21%
	Cash, liquidity, receivables	200	13%
	Customer retention and/or lead generation	396	25%
	Cutting staff	46	3%
	My business is not facing any extraordinary challenges	356	22%
	Other	196	12%
	Skipped	2	0%

Question	Answer	Respondents	
		#	%
11. How many paid days off are you able to take each year?	0 to 5	38	3%
	6 to 10	138	10%
	11 to 15	230	17%
	16 to 20	278	21%
	21 to 25	222	16%
	26 to 30	118	9%
	More than 30	145	11%
	Not applicable	183	14%
	12. In the past 12 months, how much of your paid time off did you end up NOT taking out?	0 to 20%	740
21% to 40%		267	20%
41% to 60%		134	10%
61% to 80%		84	6%
81% to 100%		63	5%
Skipped		67	5%
13. What is the most significant reason why you chose to NOT take out all of your paid time off in the past 12 months?	Don't like to take vacation	22	2%
	Don't trust my colleagues to fill my spot	33	2%
	Restlessness/boredom - I'd rather work than not	96	7%
	Workload too burdening	437	32%
	Accruing time to be used at a later point	41	3%
	Company culture averse to vacation	9	1%
	Concerns about my colleagues' perception of me	56	4%
	Personal reasons	199	15%
	Other	250	18%
	Skipped	212	16%

Question	Answer	Respondents	
		#	%
14. While on vacation, how many hours per day do you tend to work?	Less than 1, such as occasionally checking email.	471	35%
	1 to 2; such as checking email and occasionally making/taking a call.	686	51%
	3 to 5; on my phone and/or computer for part of the day.	141	10%
	5 to 8; tied to my phone/computer for most of the day.	12	1%
	More than 8; a full workday.	9	1%
	Other	19	1%
	Skipped	17	1%
	15. While on vacation, are you usually able to disconnect from work?	Yes, fully. I forget about work as soon as I step out of the office.	39
Yes, mostly. Work is on my mind sometimes but rarely or never interferes with my private life.		630	46%
Sometimes. I tend to struggle with letting it go.		429	32%
Rarely. Work tends to be on my mind most of the time.		193	14%
Never. Even when I leave the office, I'm still there.		41	3%
Other		13	1%
Skipped		10	1%
16. Which of the following factors would be most likely to help you take more of your time off and/or disconnect from work?		Less demanding workload.	318
	More confidence in my colleagues' ability to shoulder my responsibilities.	429	32%
	Receiving additional paid days off.	10	1%
	Less pressure from my company's board of directors.	32	2%
	Company culture that encourages vacation.	41	3%
	Personal reasons.	275	20%
	Other	162	12%
	Skipped	88	6%

VISTAGE | Surveying CEOs of Small
CEO Confidence Index | to Mid-sized Businesses
Since 2003