

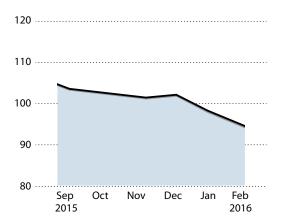
Confidence falls to lowest level in three years

The WSJ/Vistage Small Business CEO Confidence Index fell to 94.3 in the February 2016 survey, down 18% during the past year to its lowest level since January 2013. The growing weakness has been driven by quite negative assessments of the overall economy, with more modest declines in expected revenues and profits.

In contrast, evaluations of expected revenue growth declined by 7% and profits fell by 8%. Uncertainty about the global economy, weak commodity prices, and the strong dollar have made firms more cautious about domestic economic growth, with hiring plans down 6% and planned investments down 15% from last year's levels.

Analysis by Dr. Richard Curtin, University of Michigan

WSJ/Vistage Small Business CEO Confidence Index



Visit <u>vistageindex.com</u> 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 United States improved, remained the same, or worsened? | Improved | 172 | 23% | |
| Que | | Remained about the same | 339 | 46% | |
| | improved, remained the same, or worsened? | Worsened | 229 | 31% | |
| | | Don't know/No opinion | 1 | 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 | 138 | 19% |
|-----------------------|-----|-----|
| About the same | 406 | 55% |
| Worse | 187 | 25% |
| Don't know/No opinion | 10 | 1% |

| # Increase | Que | estion | Answer | Respo | ndent |
|--|-----|---|-----------------------|-------|-------|
| expenditures likely to increase, remain about the same, or decrease during the next 12 months? Remain the same 326 Decrease 122 Don't know/No opinion 5 100 you anticipate that your firm's sales revenues will increase, remain about the same, or decrease during the next 12 months? Increase 517 Remain the same 157 Decrease 66 Don't know/No opinion 1 Improve 405 Remain the same 238 Worsen 96 Don't know/No opinion 2 Improve 405 Remain the same 238 Worsen 96 Don't know/No opinion 2 Improve 405 Remain the same 238 Worsen 96 Don't know/No opinion 2 Increase 424 Remain the same 264 Remain the same 500 the same, or worsen during the next 12 months? | | | | # | % |
| next 12 months? Decrease Don't know/No opinion Increase Don't know/No opinion Increase Remain the same Increase Increase Increase Improve Remain the same Increase Remain the same Increase Increase Remain the same Increase Remain the same Increase Remain the same Increase Remain the same Increase Increase Remain the same Increase Incr | 3. | expenditures likely to increase, remain about the same, or decrease during the | Increase | 288 | 39% |
| Decrease Don't know/No opinion 5 Do you anticipate that your firm's sales revenues will increase, remain about the same, or decrease during the next 12 months? Do you expect your firm's profitability to improve, remain about the same, or worsen during the next 12 months? Improve 405 Remain the same 238 Worsen 96 Don't know/No opinion 2 Improve 405 Remain the same 238 Worsen 96 Don't know/No opinion 2 Increase 424 Remain the same 264 Do you expect your firm's total number of employees will increase, remain about the same, or decrease during the next 12 months? | | | Remain the same | 326 | 44% |
| Do you anticipate that your firm's sales revenues will increase, remain about the same, or decrease during the next 12 months? Do you expect your firm's profitability to improve, remain about the same, or worsen during the next 12 months? Improve Remain the same Do you expect your firm's profitability to improve, remain about the same, or worsen during the next 12 months? Improve Remain the same 238 Worsen 96 Don't know/No opinion 2 Increase Remain the same 238 Remain the same 244 Remain the same 264 Decrease 517 | | | Decrease | 122 | 169 |
| Remain the same 157 Do you expect your firm's profitability to improve, remain about the same, or worsen during the next 12 months? Do you expect your firm's profitability to improve, remain about the same, or worsen during the next 12 months? Improve Remain the same 238 Worsen 96 Don't know/No opinion 2 Improve 405 Remain the same 238 Worsen 96 Don't know/No opinion 2 Increase 424 Remain the same 264 Decrease 51 | | | Don't know/No opinion | 5 | 1% |
| Remain the same 157 Do you expect your firm's profitability to improve, remain about the same, or worsen during the next 12 months? Do you expect your firm's profitability to improve, remain about the same, or worsen during the next 12 months? Improve Remain the same 238 Worsen 96 Don't know/No opinion 2 Improve 405 Remain the same 238 Worsen 96 Don't know/No opinion 2 Increase 424 Remain the same 264 Decrease 51 | | | | | |
| revenues will increase, remain about the same, or decrease during the next 12 months? Decrease Don't know/No opinion Improve Remain the same Don't know/No opinion Improve Remain the same 157 Decrease 66 Don't know/No opinion Improve Remain the same 238 Worsen 96 Don't know/No opinion 2 Don't know/No opinion 2 Increase Remain the same 238 Worsen 96 Don't know/No opinion 2 Decrease 51 | | revenues will increase, remain about the same, or decrease during the next 12 | Increase | 517 | 709 |
| Decrease 66 Don't know/No opinion 1 Do you expect your firm's profitability to improve, remain about the same, or worsen during the next 12 months? Do you expect your firm's total number of employees will increase, remain about the same, or decrease during the next 12 months? Decrease 66 Don't know/No opinion 1 Improve Remain the same 238 Worsen 96 Don't know/No opinion 2 Increase 424 Remain the same 264 Decrease 51 | • | | Remain the same | 157 | 219 |
| Do you expect your firm's profitability to improve, remain about the same, or worsen during the next 12 months? Do you expect your firm's total number of employees will increase, remain about the same, or decrease during the next 12 months? Improve | | | Decrease | 66 | 9% |
| Do you expect your firm's profitability to improve, remain about the same, or worsen during the next 12 months? Remain the same 238 Worsen 96 Don't know/No opinion 2 Increase 424 Remain the same 238 Worsen 96 Don't know/No opinion 2 Do you expect your firm's total number of employees will increase, remain about the same, or decrease during the next 12 months? Decrease 51 | | | Don't know/No opinion | 1 | 09 |
| Do you expect your firm's profitability to improve, remain about the same, or worsen during the next 12 months? Remain the same 238 Worsen 96 Don't know/No opinion 2 Increase 424 Remain the same 238 Worsen 96 Don't know/No opinion 2 Increase 424 Remain the same 51 | | | | | |
| improve, remain about the same, or worsen during the next 12 months? Remain the same Worsen Don't know/No opinion 2 Increase Remain the same 424 Remain the same Do you expect your firm's total number of employees will increase, remain about the same, or decrease during the next 12 months? Decrease Decrease 51 | | improve, remain about the same, or worsen | Improve | 405 | 559 |
| Worsen 96 Don't know/No opinion 2 Do you expect your firm's total number of employees will increase, remain about the same, or decrease during the next 12 months? Increase 424 Remain the same 264 Decrease 51 | • | | Remain the same | 238 | 329 |
| Do you expect your firm's total number of employees will increase, remain about the same, or decrease during the next 12 months? Increase Remain the same 264 Decrease 51 | | | Worsen | 96 | 139 |
| Do you expect your firm's total number of employees will increase, remain about the same, or decrease during the next 12 months? Remain the same 264 Decrease 51 | | | Don't know/No opinion | 2 | 09 |
| Do you expect your firm's total number of employees will increase, remain about the same, or decrease during the next 12 months? Remain the same 264 Decrease 51 | | | | | |
| of employees will increase, remain about the same, or decrease during the next 12 months? Remain the same 264 Decrease 51 | | Do you expect your firm's total number | Increase | 424 | 579 |
| months? Decrease 51 | • | of employees will increase, remain about the same, or decrease during the next 12 | Remain the same | 264 | 369 |
| Don't know/No opinion 2 | | | Decrease | 51 | 7% |
| | | | Don't know/No opinion | 2 | 0% |

| Question | | Answer | | Respondents | |
|----------|---|---|-----|-------------|--|
| | | | # | % | |
| 7. | Has the current economic climate led you to adjust your plans for hiring and/or capital investment in 2016? | Have increased planned hiring and/or capital investment | 169 | 23% | |
| | | Have reduced planned hiring and/or capital investment | 86 | 12% | |
| | | Have delayed planned hiring and/or capital investment | 141 | 19% | |
| | | No, it has had no impact | 333 | 45% | |
| | | Other | 8 | 1% | |
| | | Skipped | 4 | 1% | |
| | | | | | |
| 8. | During your company's last fiscal year, what was its total employment? | 1-9 employees | 60 | 8% | |
| ο. | | 10-19 employees | 133 | 18% | |
| | | 20-49 employees | 264 | 36% | |
| | | 50-99 employees | 182 | 25% | |
| | | 100-499 employees | 94 | 13% | |
| | | 500-999 employees | 8 | 1% | |



A monthly survey measuring the sentiment of U.S. small business CEOs and owners about the economy.

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