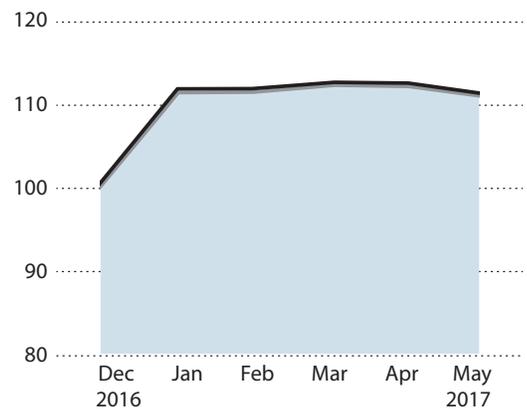


CEO confidence sees 6-month positive trend.

Economic confidence among small businesses has remained largely unchanged at very positive levels for the past six months. The WSJ/Vistage Small Business CEO Confidence Index stood at 110.9 in May, nearly identical with the average of 110.8 for the prior six months. Although small firms have become a bit less optimistic since the start of 2017, the falloff has been very minor. Most of the small May decline was in evaluations of the national economy, which is not surprising given the dismal first quarter GDP data. Perhaps more surprising is the strength that has been maintained in plans for future increases in their workforce, fixed investments, revenues and profits. The tax plan recently outlined has acted to reinforce CEOs' favorable expectations of Trump's economic policies. While the tax plan confirms their prior positive expectations, it did not cause an additional increase in optimism. Overall, the data suggests that small firms have begun their active planning in anticipation of an improved economy, lower tax rates and a reduced regulatory burden. While it is anticipated that the pace of economic growth will bounce back in the second quarter, Trump's tax reforms are unlikely be passed anytime soon. The survival of small firms depends on avoiding excessive risks on new investments and additional employees. An improving economy in the balance of 2017, even if not boosted by tax reform, will extend Trump's honeymoon with small businesses. Performance not promise, however, is the unavoidable yardstick of small firms.

– 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	390	52%
	About the same	290	39%
	Worsened	56	8%
	Don't know/No opinion	8	1%
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	350	47%
	About the same	292	39%
	Worse	82	11%
	Don't know/No opinion	20	3%

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	350	47%
	About the same	320	43%
	Decrease	67	9%
	Don't know/No opinion	7	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	556	75%
	About the same	138	19%
	Decrease	45	6%
	Don't know/No opinion	5	1%
5. Do you expect your firm's profitability to improve, remain about the same, or worsen during the next 12 months?	Improve	464	62%
	About the same	205	28%
	Worsen	72	10%
	Don't know/No opinion	3	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	459	62%
	About the same	243	33%
	Decrease	38	5%
	Don't know/No opinion	4	1%
7. Has the new Trump administration changed prospects for your business?	It has improved prospects for my firm.	308	42%
	It has worsened prospects for my firm.	117	16%
	It has had no impact on prospects for my firm.	315	43%

Question	Answer	Respondents	
		#	%
8. Which part of President Trump's proposed tax plan would be most important to your business?	Reducing the maximum tax rate to 15% for businesses, regardless of how they are structured.	539	75%
	Repealing the estate tax.	22	3%
	Reducing the number of individual tax brackets to 3 from 7 and setting the maximum individual rate at 35%.	85	12%
	Repealing the alternative minimum tax.	39	5%
	Repealing the 3.8% health care surcharge.	38	5%
9. What would a lower business income tax rate change about how you operated your business?	I would increase investment.	343	47%
	I would add more employees.	144	20%
	It would have no impact.	184	25%
	Other.	66	9%
10. What would the elimination of the estate tax mean for your business?	I would increase investment.	104	15%
	I would add more employees.	16	2%
	I would change my long-term plans for the business.	272	39%
	I would change how ownership of the business is structured.	95	14%
	Other.	214	31%
11. During your company's last fiscal year, what was its total employment?	1-9 employees	49	7%
	10-19 employees	143	19%
	20-49 employees	291	39%
	50-99 employees	165	22%
	100-499 employees	82	11%
	500-999 employees	8	1%
	1000-4999 employees	4	1%
	5000-9999 employees	1	0%
	10000+ employees	1	0%

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.