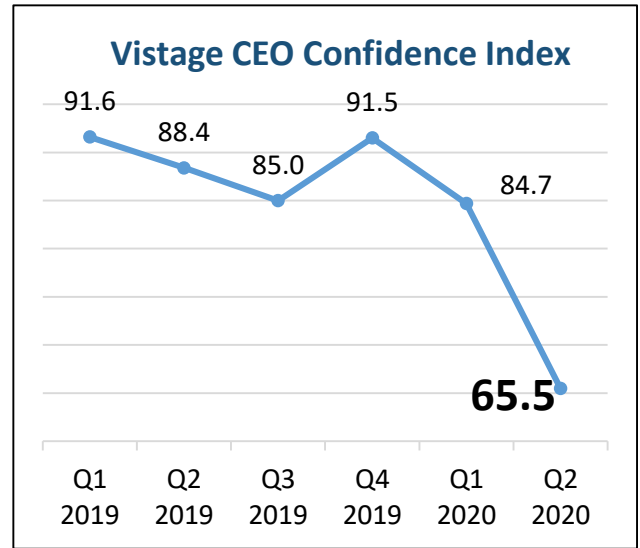


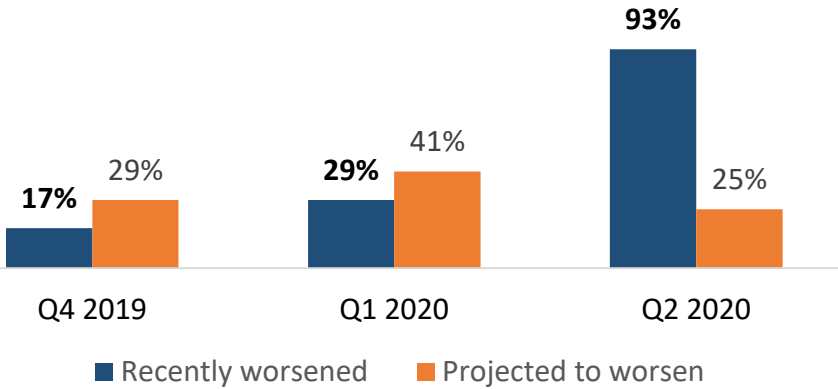
# CEO confidence plummets in pandemic-induced recession

While the full impact of the economic shutdown occurred in April and May, the latest Vistage CEO Confidence Index data still reveals the devastating effects of the pandemic on small and midsize businesses. The Vistage CEO Confidence Index plummeted to 65.5 in Q2 2020; there have only been 2 other times in the history of the survey that the Index was recorded so low.

While every factor that comprises the Index dropped from last quarter, overwhelmingly the biggest decline was CEO sentiment about current economic conditions in the U.S.; 93% of CEOs report that the economy recently worsened. However it appears that we have reached the bottom as only 25% believe that the economy will continue to worsen in the next 12 months.



## CEO sentiment about state the U.S. economy reaches bottom



Source: Vistage CEO Confidence Index survey

As a result of the shutdown, 80% of SMBs reported some level of revenue declines; 17% report declines of 10% or less. Revenue projections are the lowest they have been since the Great Recession; 31% of CEOs expect decreased revenues in the year ahead. However, there is some optimism as 45% expect increased revenues.

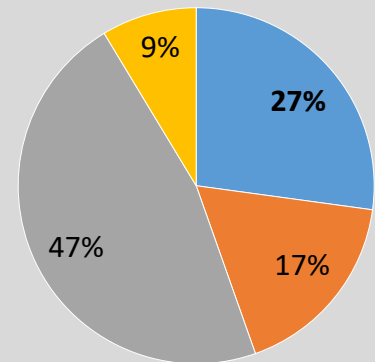
Through the pandemic 58% of CEOs maintained (47%) or grew (11%) their workforce. Looking ahead, 36% plan to increase their workforce in the next 12 months. The Paycheck Protection Program had a part in these plans. 4-in-5 CEOs surveyed were funded by the PPP, and of those 90% expect most (35%) or all (55%) of the loan to be forgiven. With funds still available and applications open through June 30, there is time for the program to have a positive impact on even more small businesses.

Source: Q2 2020 Vistage CEO Confidence Index, n=1,392

These findings represent data collected between June 1-8, 2020 from CEOs and other leaders of small and midsize businesses in the U.S.

## CEOs optimistic about the future of their business

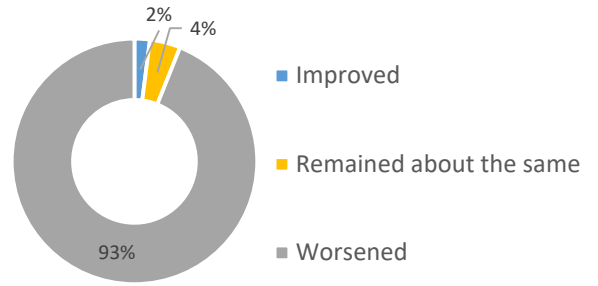
When asked about expectations for their business in 6 months, more than a quarter (27%) of CEOs surveyed feel their business will be stronger than before.



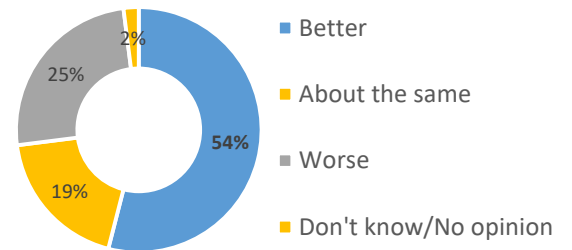
- Stronger than before
- Back to normal
- Moderately weakened but regaining momentum
- Significantly weakened and fighting to rebuild

### Economy

Compared with a year ago, have overall economic conditions in the United States improved, remained the same, or worsened?

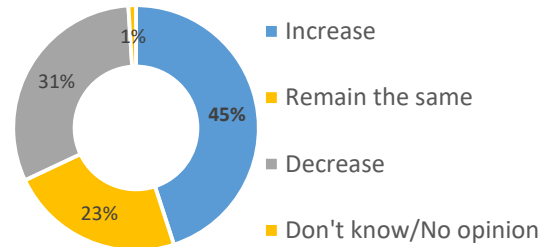


During the next 12 months, do you expect the overall economic conditions in the U.S. will be better, about the same, or worse than now?

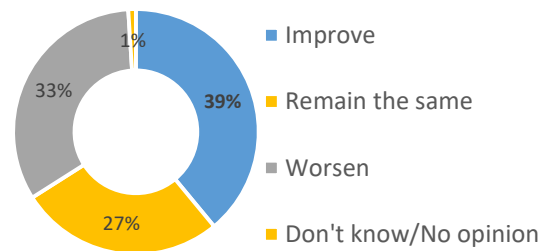


### Prospects

Do you anticipate that your firm's sales revenues will increase, remain about the same, or decrease during the next 12 months?

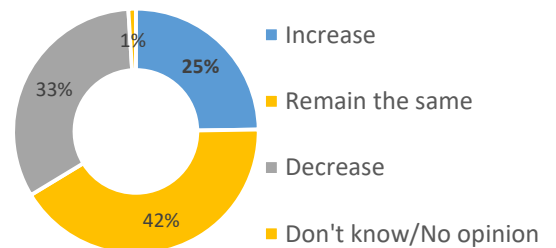


Do you expect your firm's profitability to improve, remain about the same, or worsen during the next 12 months?

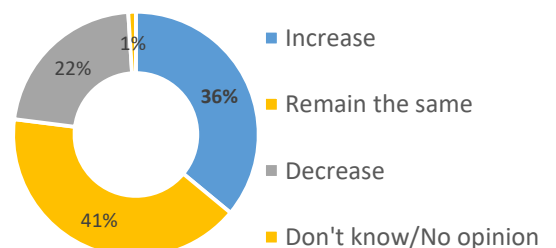


### Expansion

Are your firm's total fixed investment expenditures likely to increase, remain about the same, or decrease 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?



# Q2 2020 Vistage CEO Confidence Index

Total Respondents

1,392

Annual Revenue	Number of Employees	Industry	Area
All	All	All	All
1	Compared with a year ago, have overall economic conditions in the United States improved, remained the same, or worsened?*	Improved	30 2.16%
		Remained about the same	58 4.17%
		Worsened	1,299 93.32%
		Don't know/No opinion	5 0.36%
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	750 53.88%
		About the same	268 19.25%
		Worse	342 24.57%
		Don't know/No opinion	32 2.30%
3	Do you anticipate that your firm's sales revenues will increase, remain about the same, or decrease during the next 12 months?*	Increase	627 45.04%
		Remain the same	322 23.13%
		Decrease	425 30.53%
		Don't know/No opinion	18 1.29%
4	Do you expect your firm's profitability to improve, remain about the same, or worsen during the next 12 months?*	Improve	542 38.94%
		Remain the same	371 26.65%
		Worsen	464 33.33%
		Don't know/No opinion	15 1.08%
5	Are your firm's total fixed investment expenditures likely to increase, remain about the same, or decrease during the next 12 months?*	Increase	342 24.57%
		Remain the same	583 41.88%
		Decrease	453 32.54%
		Don't know/No opinion	14 1.01%
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	499 35.85%
		Remain the same	574 41.24%
		Decrease	307 22.05%
		Don't know/No opinion	12 0.86%

# Q2 2020 Vistage CEO Confidence Index

Total Respondents

1,392

Annual Revenue  
All

Number of Employees  
All

Industry  
All

Area  
All

Question	Response	Count	Percentage
7 To what degree have your revenues been impacted by the coronavirus pandemic?	Increased	145	10.45%
	Decreased less than 10%	230	16.57%
	Decreased 10-24%	422	30.40%
	Decreased 25-49%	283	20.39%
	Decreased 50-74%	110	7.93%
	Decreased 75-89%	35	2.52%
	Decreased more than 90%	25	1.80%
	No change in revenues	138	9.94%

Question	Response	Count	Percentage
8 How long will your cash reserves support your business during the current economic conditions?	Less than 1 month	14	1.01%
	1 - 2 months	133	9.59%
	3 - 5 months	407	29.34%
	6 - 12 months	434	31.29%
	More than one year	382	27.54%
	Other, please specify	17	1.23%

Question	Response	Count	Percentage
9 When do you expect economic conditions in U.S. will begin to improve?	Less than 1 month	81	5.83%
	1 - 2 months	193	13.88%
	3 - 5 months	396	28.49%
	6 - 12 months	473	34.03%
	More than one year	233	16.76%
	Other, please specify	14	1.01%

# Q2 2020 Vistage CEO Confidence Index

Total Respondents

Annual Revenue  
All

Number of Employees  
All

Industry  
All

Area  
All

1,392

10 Which statement describes where you expect your business to be 6 months from now?	Stronger than before	376	27.11%
	Back to normal	242	17.45%
	Moderately weakened but regaining momentum	649	46.79%
	Significantly weakened and fighting to rebuild	120	8.65%
11 What programs have you - or do you plan to - leverage for your business?	Paycheck Protection Program (PPP)	1,106	80.20%
	Economic Injury Disaster Loan (EIDL) Emergency Advance	184	13.34%
	Other SBA funding/programs (traditional loans or Debt Relief program)	71	5.15%
	Other CARES Act provisions	180	13.05%
	Main Street Program from the Federal Reserve	48	3.48%
	Line of credit from banks	575	41.70%
	Federal tax relief measures	205	14.87%
	Do not plan to seek other aid	165	11.97%
	Other, please specify	26	1.89%
12 Do you expect to have your PPP loan forgiven?	Yes, I expect all of it to be forgiven	609	55.31%
	Yes, I expect most of it will be forgiven	391	35.51%
	Yes, I expect some of it will be forgiven	94	8.54%
	No, my loan will not be forgiven	7	0.64%

# Q2 2020 Vistage CEO Confidence Index

Total Respondents

1,392

Annual Revenue  
All

Number of Employees  
All

Industry  
All

Area  
All

Question	Response	Count	Percentage
14 How do you expect your staffing will change once the designated period for spending the PPP funds ends:	Staffing will remain constant	593	53.67%
	I expect to lay off employees	141	12.76%
	I expect to furlough employees	40	3.62%
	I expect to reduce employee hours or wages	63	5.70%
	I expect to increase staffing or hours	94	8.51%
	Not sure at this time	157	14.21%
	Other, please specify	17	1.54%

Question	Response	Count	Percentage
15 How has the size of your total workforce changed as a result of the pandemic?	Increased	150	10.78%
	Decreased less than 10%	330	23.71%
	Decreased 10-24%	161	11.57%
	Decreased 25-49%	68	4.89%
	Decreased 50-74%	19	1.36%
	Decreased 75-89%	7	0.50%
	Decreased more than 90%	4	0.29%
	No change in workforce	651	46.77%

# Q2 2020 Vistage CEO Confidence Index

Total Respondents

1,392

Annual Revenue  
All

Number of Employees  
All

Industry  
All

Area  
All

Question	Response	Count	Percentage
16 What kind of testing are you currently conducting or considering for your workforce? Select all that apply	Daily temperature testing	631	45.33%
	Daily symptom checking	659	47.34%
	Diagnostic testing for coronavirus	83	5.96%
	Antibody testing to detect exposure to the coronavirus	54	3.88%
	Not planning any testing	493	35.42%
	Other, please specify	92	6.61%

Question	Response	Count	Percentage
18 Select the statement that best pertains to any product/service changes your company has made during the pandemic:	Did not make changes to products/services	743	54.04%
	Added new products or services that will sustain long-term growth	310	22.55%
	Pivoted temporarily to produce products and services to meeting customer's/community's short term needs (i.e. face masks, PPE)	162	11.78%
	Temporarily reduced products or services offered due to decreased demands	86	6.25%
	Permanently reduced products and services offered due to diminished ROI	19	1.38%
	Other, please specify	55	4.00%

# Q2 2020 Vistage CEO Confidence Index

Total Respondents

Annual Revenue  
All

Number of Employees  
All

Industry  
All

Area  
All

1,392

Please select your level of agreement to the statements

21	Customer activity has started to increase	Strongly Disagree	67	4.82%
		Disagree	233	16.76%
		Neutral	336	24.17%
		Agree	590	42.45%
		Strongly Agree	159	11.44%
21.1	My company has a robust return to work plan	Strongly Disagree	19	1.37%
		Disagree	88	6.33%
		Neutral	442	31.80%
		Agree	592	42.59%
		Strongly Agree	244	17.55%
21.2	I am confident that my employees will feel safe returning to the workplace	Strongly Disagree	15	1.08%
		Disagree	101	7.27%
		Neutral	334	24.03%
		Agree	690	49.64%
		Strongly Agree	235	16.91%
21.3	Remote working is a long-term solution for my business	Strongly Disagree	168	12.09%
		Disagree	305	21.94%
		Neutral	325	23.38%
		Agree	411	29.57%
		Strongly Agree	176	12.66%
21.4	My company is leveraging the expanded labor pool to upgrade our talent	Strongly Disagree	76	5.47%
		Disagree	250	17.99%
		Neutral	438	31.51%
		Agree	498	35.83%
		Strongly Agree	122	8.78%
21.5	Financial relief programs are critical to my business' survival	Strongly Disagree	188	13.53%
		Disagree	284	20.43%
		Neutral	355	25.54%
		Agree	361	25.97%
		Strongly Agree	197	14.17%



# Q2 2020 Vistage CEO Confidence Index

Total Respondents

1,392

Annual Revenue: All  
 Number of Employees: All  
 Industry: All  
 Area: All

Please select your level of agreement to the statements

21.6 Our cash flow will sustain us until the economy improves	Strongly Disagree	24	1.72%
	Disagree	115	8.26%
	Neutral	334	23.99%
	Agree	685	49.21%
	Strongly Agree	224	16.09%
21.7 Our strategy has been adjusted to ensure we thrive during the recovery	Strongly Disagree	8	0.57%
	Disagree	80	5.75%
	Neutral	339	24.35%
	Agree	737	52.95%
	Strongly Agree	218	15.66%
21.8 Innovation will play a more important role in my operation going forward	Strongly Disagree	9	0.65%
	Disagree	69	4.96%
	Neutral	326	23.42%
	Agree	713	51.22%
	Strongly Agree	261	18.75%
21.9 I am concerned about the impact a second wave would have on my business	Strongly Disagree	36	2.59%
	Disagree	118	8.48%
	Neutral	258	18.53%
	Agree	639	45.91%
	Strongly Agree	335	24.07%

# Q2 2020 Vistage CEO Confidence Index

Total Respondents

1,392

Annual Revenue All Number of Employees All Industry All Area All

Question	Number of Employees	Percentage
32 During your company's last fiscal year, what was its total employment?*	1-9 employees	6.75%
	10-19 employees	10.20%
	20-49 employees	25.79%
	50-99 employees	19.61%
	100-499 employees	31.18%
	500-999 employees	3.45%
	1000-4999 employees	2.51%
	5000-9999 employees	0.22%
	10000+ employees	0.22%
	None	0.07%

Question	Revenue	Percentage
33 During your company's last fiscal year, what were its total revenues? *	Less than 500k	1.08%
	500-999k	1.65%
	1-4 Million	15.66%
	5-9 Million	17.10%
	10-20 Million	19.54%
	21-49 Million	20.47%
	50-99 Million	12.00%
	100-249 Million	8.33%
	250-499 Million	2.59%
	500-999 Million	0.86%
	1+ Billion	0.72%

# About the Vistage CEO Confidence Index

Each quarter the Vistage CEO Confidence Index gathers data from top-performing CEOs and other key executives of small and midsize businesses on their sentiment regarding the economy, prospects for their business and expansion plans. Started in Q1 2003, the Index has grown to be the largest and most comprehensive report of opinions and projections from CEOs of small and midsize companies in the U.S.

## **About Vistage Worldwide**

Vistage Worldwide is an organization designed exclusively for high-integrity CEOs and executive leaders who are looking to drive better decisions and better results for their companies. Our members — 23,000 strong in more than 20 countries — gather in trusted, confidential peer advisory groups where they tackle their toughest challenges and biggest opportunities. CEOs who joined Vistage in the past five years grew their companies 2.2 times faster than average small and midsize U.S. companies, according to a 2017 analysis of Dun & Bradstreet data.

**Learn more at [vistage.com](http://vistage.com)**

## **About our research**

Vistage conducts original research and curates subject matter expertise from thought leaders to create actionable, thought-provoking insights for leaders of small and midsize businesses. Our analysis of surveys we conduct, including the WSJ/Vistage Small Business CEO survey and Vistage CEO Confidence Index survey, informs various reports. Since 2003, Vistage has published the CEO Confidence Index, which has been a proven predictor of GDP two quarters in advance. Vistage provides the data and expert perspectives to help SMB CEOs make better decisions.

**Learn more at [vistage.com/confidenceindex](http://vistage.com/confidenceindex) and [vistageindex.com](http://vistageindex.com)**