

Economic recovery interrupted, not ended for small and midsize businesses

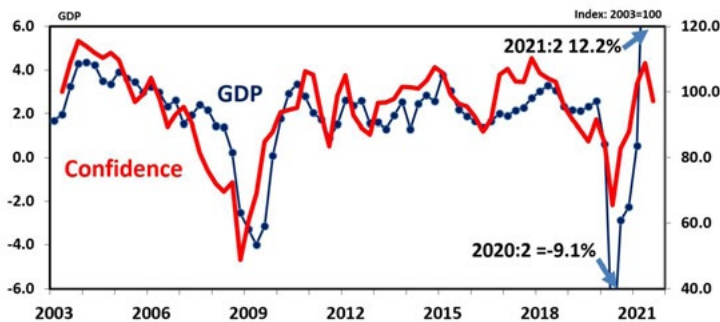
Confidence among CEOs fell in Q3 2021 due to the surge in the Delta variant, erasing all of the gains recorded in the first half of 2021. The setback, however, does not indicate an end to the recovery since the overall level of confidence remains higher than anytime between Q3 2018 and the end of 2020. Although prospects for the national economy suffered the greatest setbacks, metrics for future sales suggest that most CEOs expect the lull in the expansion to be temporary.

Plans for hiring and investment expenditures on plant and equipment remain quite strong, indicating that CEOs anticipate the impact of the Delta variant will be transitory. Increased upward pressures on prices of goods or services were due to higher material costs from their supply lines as well as higher wages to attract and retain employees. Indeed, 74% of CEOs surveyed said they expect to increase their selling prices: 44% reported worsening supply lines and 57% increased wages by 4% or more. While still holding optimistic prospects for future sales, CEOs nonetheless expected a less favorable revenue and profit outlook due to surging cases of the Delta variant.

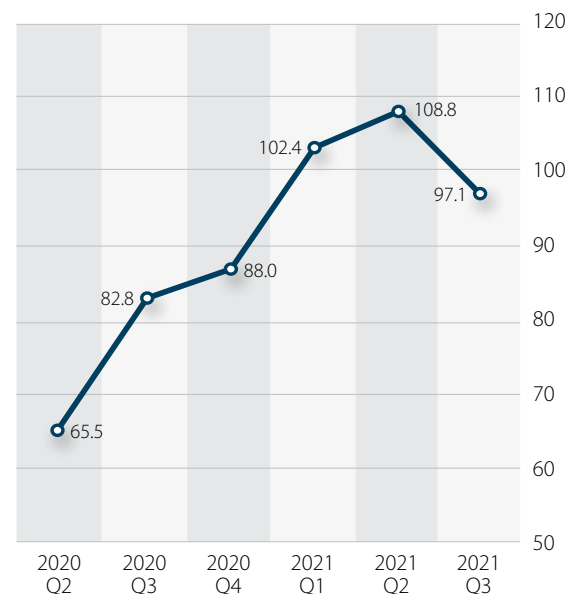
Slowdown in economic growth

CEOs reported a slowdown in the recent pace of economic growth as well as a decline in prospects for growth during the year ahead. Assessments of both recent and expected improvement in the economy fell 20 percentage points from last quarter. The proportion of CEOs that anticipated future improvement fell to just 31%, the lowest figure recorded during the pandemic: the surge in the Delta variant dashed long delayed hopes of a lasting recovery. Among CEOs surveyed, 40% reported that the Delta variant had impacted their businesses, and another 13% expected it may impact their businesses in the future.

Vistage CEO Confidence Index and
Year-to-Year Changes In GDP



Vistage CEO Confidence Index - 6-month Trend



The Vistage CEO Confidence Index fell to 97.1 in Q3 2021 due to the surge in the Delta variant, erasing all of the gains recorded in the first half of 2021.

VISTAGE Manufacturing
CEO Confidence Index

Manufacturing Survey Highlights

Economy	Prospects	Expansion
60% of CEOs thought the national economy had improved in the past year (vs. 56% nationally)	68% of CEOs expect to increase revenue in the year ahead (vs. 68% nationally)	50% of CEOs expect to increase investments in the year ahead (vs. 47% nationally)
30% of CEOs expect the economy to improve in the year ahead (vs. 31% nationally)	47% of CEOs expect rising profits in the year ahead (vs. 50% nationally)	63% of CEOs plan to expand their workforce in the next year (vs. 66% nationally)

National Economic Outlook by Industry

% of CEOs who expect the economy to improve in the year ahead (includes industries with at least 50 responses). Response count in parentheses.

Computer Systems Design and Related Services	38% (63)
Architectural, Engineering, and Related Services	35% (57)
Other	33% (93)
Wholesale Trade	33% (99)
Consulting Services	33% (67)
Health Care	32% (65)
Manufacturing	30% (359)
Finance and Insurance	30% (105)
Retail Trade	26% (57)
Construction	22% (241)

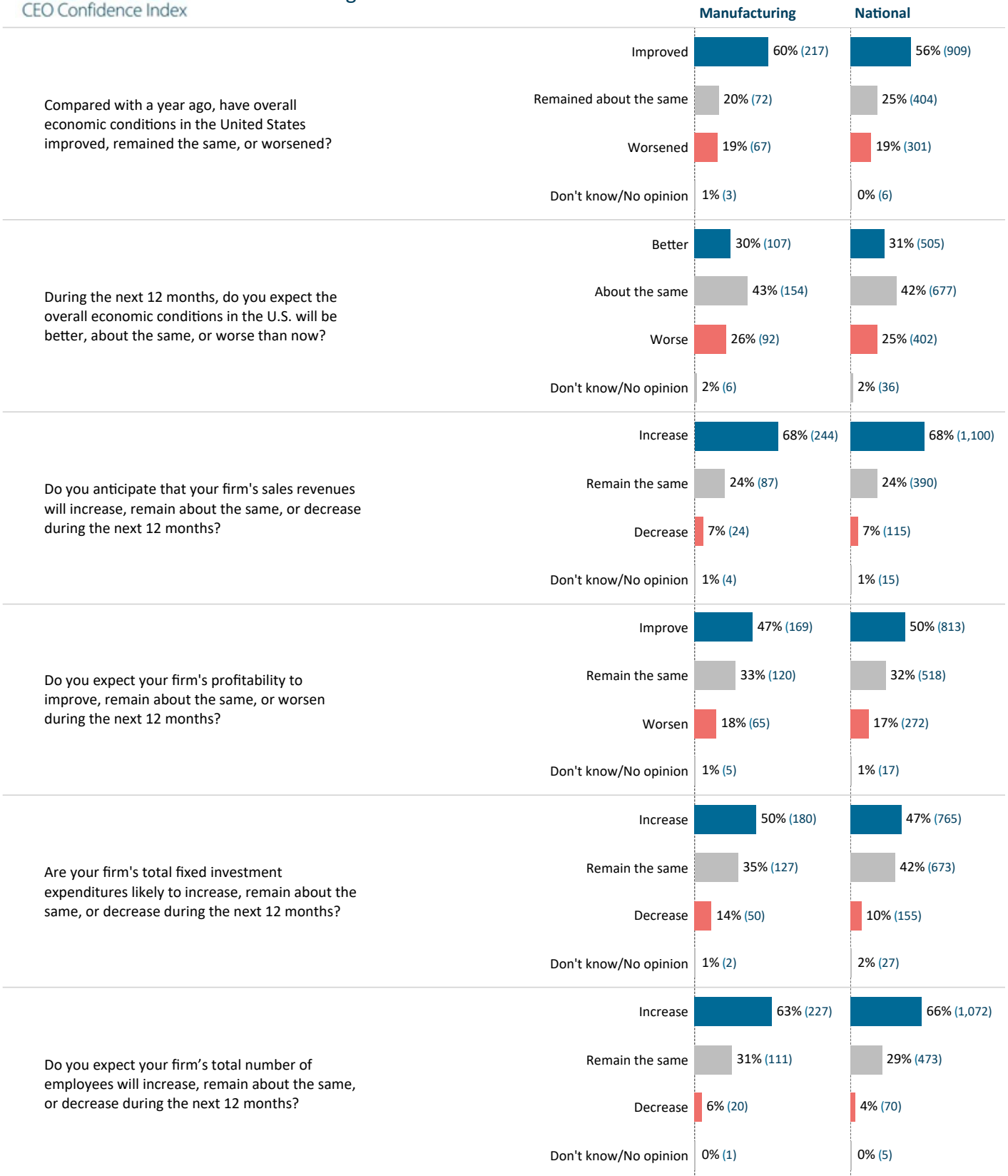
National Employment Outlook by Industry

% of CEOs who plan to expand their workforce in the next year (includes industries with at least 50 responses). Response count in parentheses.

Computer Systems Design and Related Services	84% (63)
Consulting Services	76% (67)
Architectural, Engineering, and Related Services	74% (57)
Wholesale Trade	72% (99)
Construction	66% (241)
Manufacturing	63% (359)
Finance and Insurance	62% (105)
Health Care	62% (65)
Other	61% (93)
Retail Trade	53% (57)

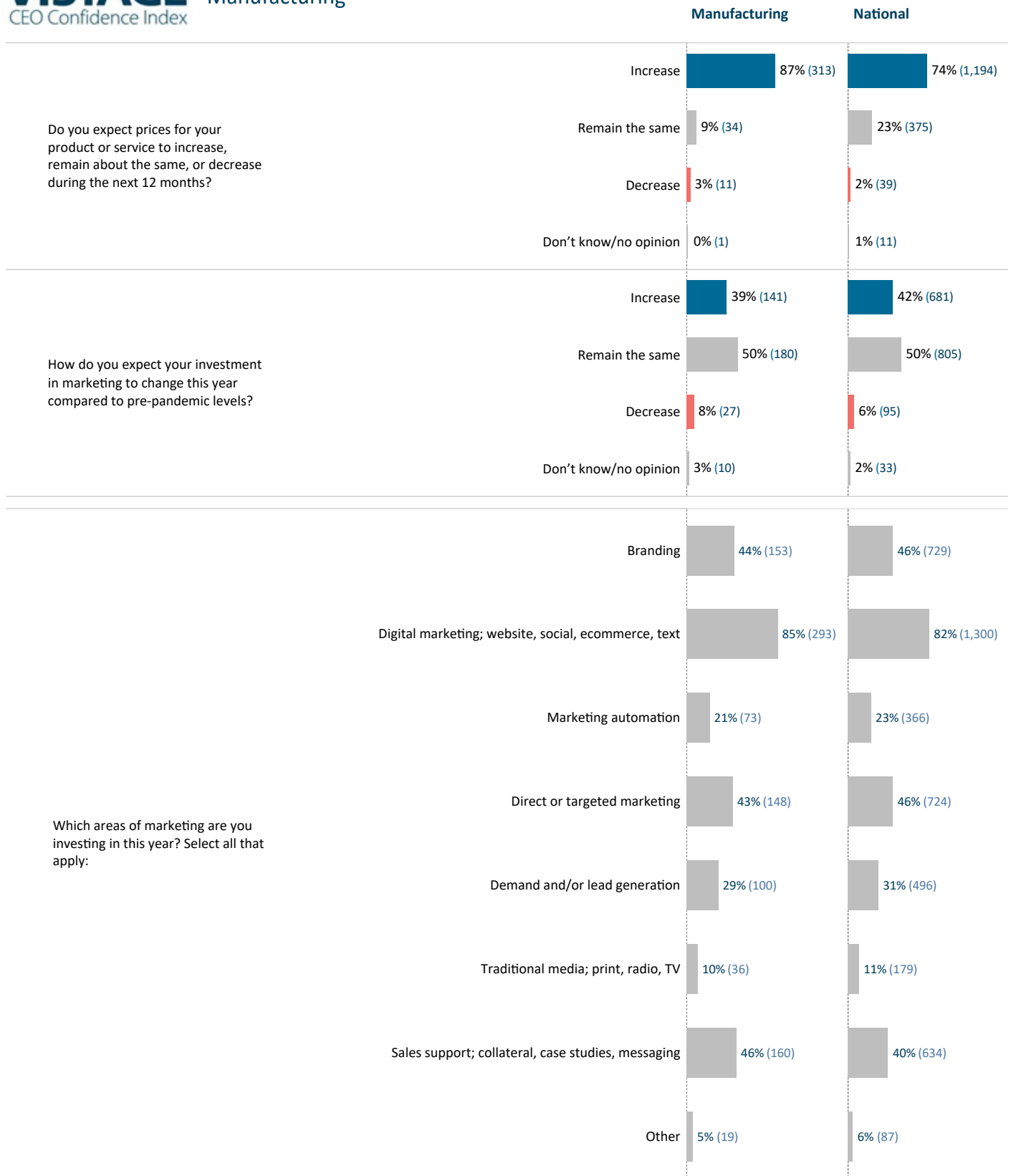


Number of respondents in (blue)



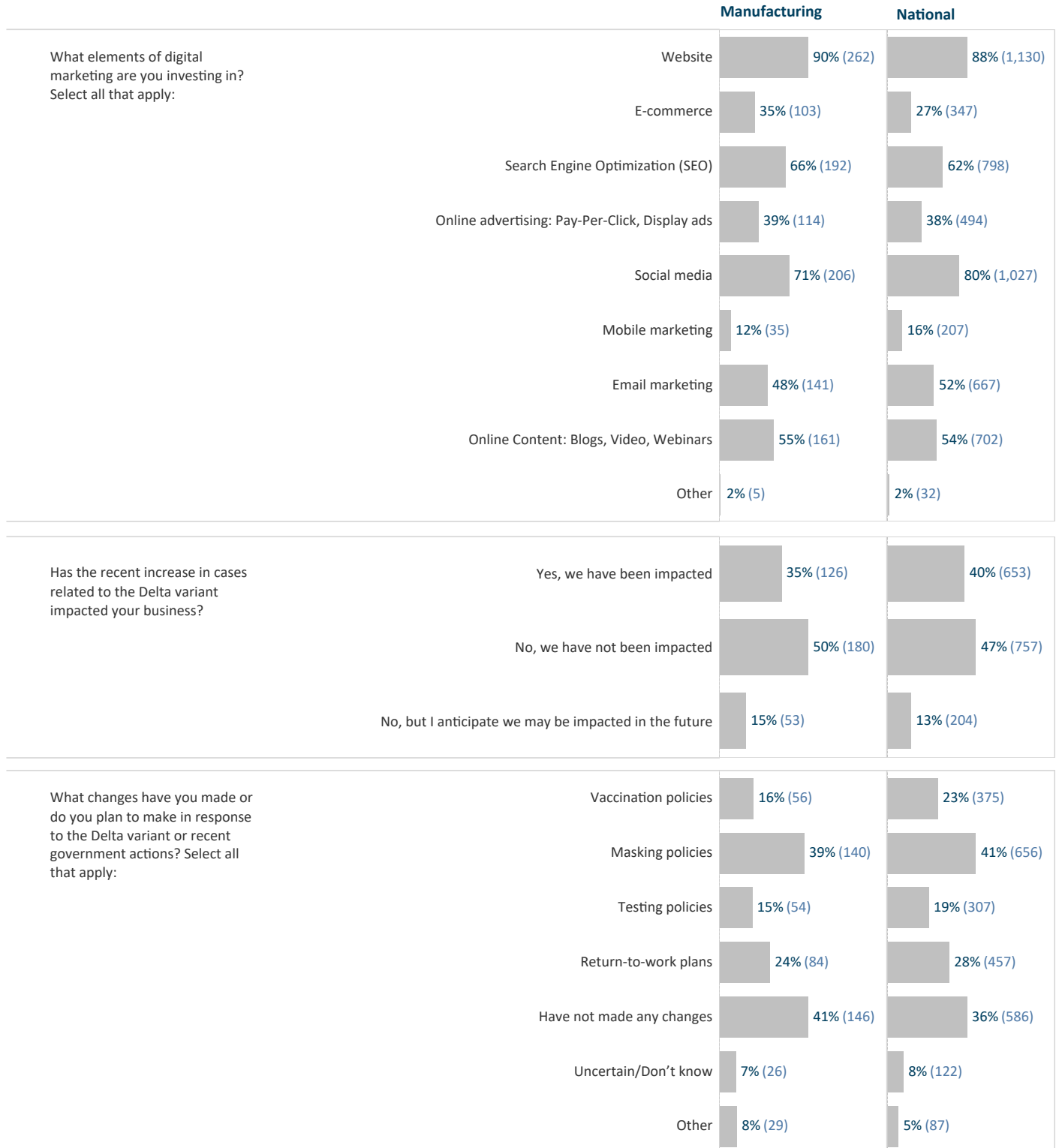


Number of respondents in (blue)



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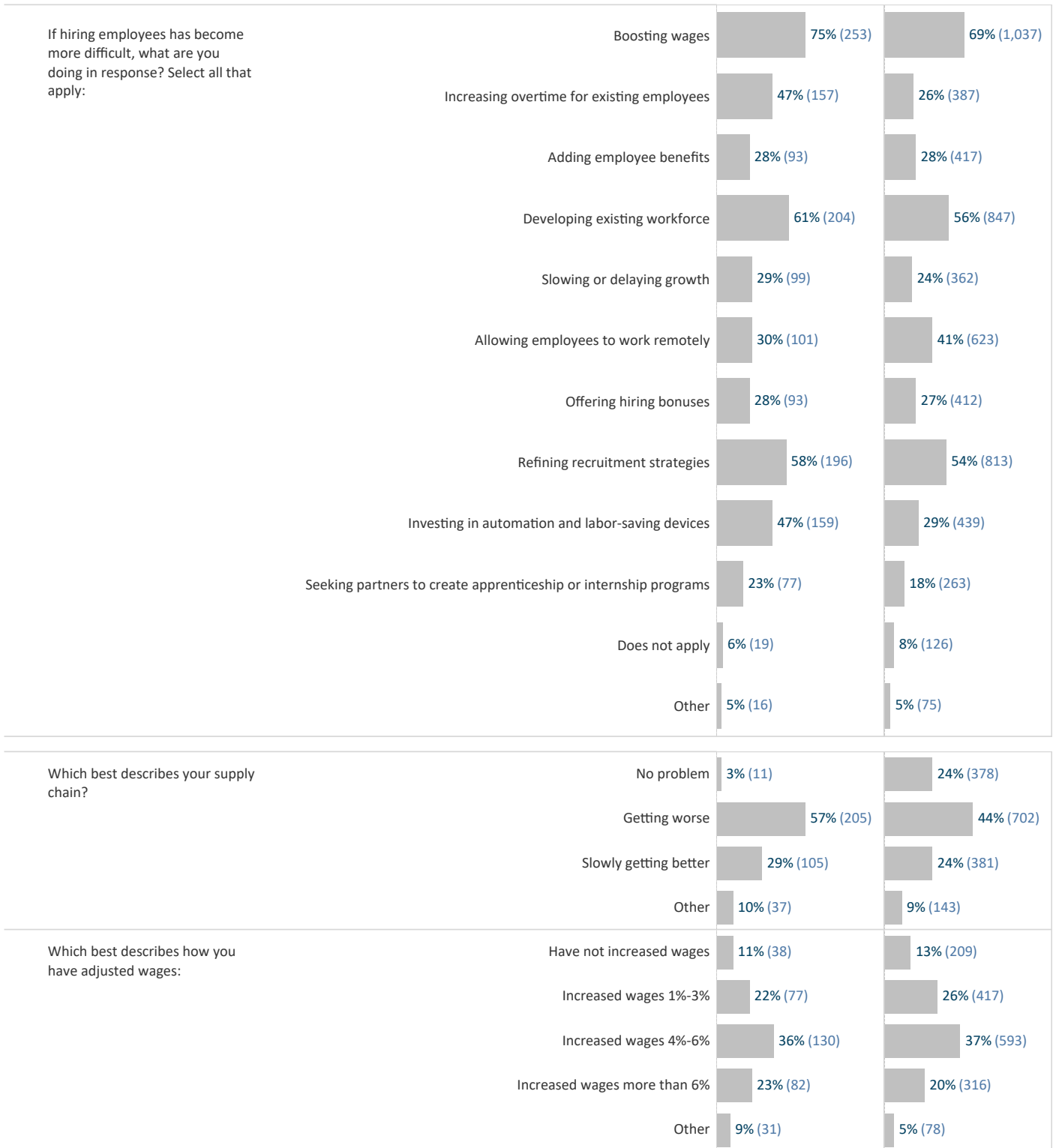
VISTAGE Manufacturing
CEO Confidence Index







Manufacturing **National**





Number of respondents in (blue)

	Manufacturing	National	
During your company's last fiscal year, what were its total revenues?	Less than 500k	0% (1)	1% (18)
	500-999k	1% (4)	2% (33)
	1-4 Million	9% (32)	17% (272)
	5-9 Million	16% (56)	17% (273)
	10-20 Million	21% (76)	19% (304)
	21-49 Million	28% (101)	21% (334)
	50-99 Million	13% (46)	12% (189)
	100-249 Million	8% (27)	7% (115)
	250-499 Million	3% (11)	3% (49)
	500-999 Million	1% (2)	1% (17)
	1+ Billion	1% (3)	1% (16)
	During your company's last fiscal year, what was its total employment?	1-9 employees	2% (8)
10-19 employees		9% (32)	12% (196)
20-49 employees		23% (83)	25% (412)
50-99 employees		21% (75)	19% (304)
100-499 employees		38% (137)	29% (464)
500-999 employees		3% (12)	4% (66)
1000-4999 employees		3% (11)	2% (38)
5000-9999 employees		0% (0)	0% (2)
10000+ employees		0% (1)	0% (6)