CEO confidence ticks up in Q3 2022 as pessimism about the U.S. economy decreases
More than half of CEOs have grown the size of their workforce since the beginning of the year.

Since the beginning of the year, how has the size of your workforce changed?

- Increased: 53%
- Remained the same: 35%
- Decreased: 12%

Source: Q3 2022 Vistage CEO Confidence Index n=1,522
Future workforce expansion plans hold among small and midsize businesses; few plan decreases

How do you expect your firm’s total number of employees will change during the next 12 months?

Source: Q3 2022 Vistage CEO Confidence Index n=1,522
Economic uncertainty has minimal impact on hiring. Just 11% of CEOs are hiring less than originally planned.

How will your hiring for the remainder of 2022 change compared to your plans at the beginning of the year?

- Hiring less than planned: 11%
- No changes to hiring plans: 60%
- Hiring more than planned: 30%

Source: Q3 2022 Vistage CEO Confidence Index n=1,522
Nearly one-quarter of CEOs report employee retention rates have decreased since the beginning of the year

How have your employee retention rates changed since the beginning of the year?

- **Q3 2022**: 15% Increase, 61% Remain the same, 24% Decrease, 1% Don’t know/No opinion
- **Q2 2022**: 11% Increase, 67% Remain the same, 21% Decrease, 1% Don’t know/No opinion
- **Q1 2022**: 12% Increase, 67% Remain the same, 19% Decrease, 1% Don’t know/No opinion
- **Q4 2021**: 14% Increase, 55% Remain the same, 29% Decrease, 1% Don’t know/No opinion

Source: Q3 2022 Vistage CEO Confidence Index n=1,522

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Increased wages and compensation are the top inflationary pressures for small and midsize businesses

<table>
<thead>
<tr>
<th>Effect of Inflation</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased wages and compensation</td>
<td>91%</td>
</tr>
<tr>
<td>Increased prices from vendors</td>
<td>80%</td>
</tr>
<tr>
<td>Higher costs for raw materials/inputs</td>
<td>63%</td>
</tr>
<tr>
<td>Increased energy prices</td>
<td>56%</td>
</tr>
<tr>
<td>Changes in buyer behavior</td>
<td>43%</td>
</tr>
<tr>
<td>Increased costs for business travel</td>
<td>39%</td>
</tr>
</tbody>
</table>

Source: Q3 2022 Vistage CEO Confidence Index n=1,522
CEOs report a 5-point decline in seeing increased energy prices due to inflation

Is your business experiencing increased energy prices as an effect of inflation?

Source: Q3 2022 Vistage CEO Confidence Index n=1,522

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## Developing workforce and leaders tops the list of talent strategies implemented or planned by CEOs

**If hiring employees has become more difficult, what are you doing in response?**

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Have implemented</th>
<th>Planning to implement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developing existing workforce</td>
<td>73%</td>
<td>20%</td>
</tr>
<tr>
<td>Boosting wages</td>
<td>82%</td>
<td>9%</td>
</tr>
<tr>
<td>Leadership development programs</td>
<td>59%</td>
<td>26%</td>
</tr>
<tr>
<td>Refining recruitment strategies</td>
<td>65%</td>
<td>18%</td>
</tr>
<tr>
<td>Offering flexible hours/schedules</td>
<td>64%</td>
<td>5%</td>
</tr>
<tr>
<td>Investing in automation and labor-saving devices</td>
<td>39%</td>
<td>25%</td>
</tr>
<tr>
<td>Offering remote work options</td>
<td>59%</td>
<td>3%</td>
</tr>
<tr>
<td>Adding employee benefits</td>
<td>45%</td>
<td>15%</td>
</tr>
<tr>
<td>Reorganizing the workforce</td>
<td>39%</td>
<td>20%</td>
</tr>
<tr>
<td>Creating apprenticeship or internship programs</td>
<td>40%</td>
<td>18%</td>
</tr>
<tr>
<td>Offering hiring or retention bonuses</td>
<td>42%</td>
<td>6%</td>
</tr>
<tr>
<td>Leveraging assessments</td>
<td>28%</td>
<td>13%</td>
</tr>
<tr>
<td>Increasing overtime</td>
<td>35%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Source: Q3 2022 Vistage CEO Confidence Index n=1,522
Operational impacts of talent scarcity slowly easing, dropping 10 percentage points since Q1 2022

Are hiring challenges impacting your ability to operate your business at full capacity?

<table>
<thead>
<tr>
<th></th>
<th>Q1 2022</th>
<th>Q2 2022</th>
<th>Q3 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>28%</td>
<td>35%</td>
<td>38%</td>
</tr>
<tr>
<td>No</td>
<td>72%</td>
<td>65%</td>
<td>62%</td>
</tr>
</tbody>
</table>

Source: Q3 2022 Vistage CEO Confidence Index n=1,522
CEOs’ profitability expectations improve after last quarter’s record low

How do you expect your firm's profitability to change during the next 12 months?

<table>
<thead>
<tr>
<th></th>
<th>Decrease</th>
<th>Remain the same</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 2021</td>
<td>16%</td>
<td>32%</td>
<td>51%</td>
</tr>
<tr>
<td>Q1 2022</td>
<td>22%</td>
<td>33%</td>
<td>44%</td>
</tr>
<tr>
<td>Q2 2022</td>
<td>30%</td>
<td>36%</td>
<td>32%</td>
</tr>
<tr>
<td>Q3 2022</td>
<td>24%</td>
<td>37%</td>
<td>38%</td>
</tr>
</tbody>
</table>

Source: Q3 2022 Vistage CEO Confidence Index n=1,522

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Over half of small and midsize business CEOs anticipate sales revenues to increase over the next 12 months

How do you anticipate that your firm’s sales revenues will change during the next 12 months?

- 54% Increase
- 30% Remain the same
- 15% Decrease
- 1% Don't know/No opinion

Source: Q3 2022 Vistage CEO Confidence Index n=1,522
Price increases and customer growth equally contribute to predicted sales revenues for small and midsize businesses.

Which of the following will contribute to your projected sales revenues in the next 12 months?

- Price increases: 61%
- Customer growth: 61%
- New market expansion: 47%
- Increased productivity: 38%
- New products/services: 38%

Source: Q3 2022 Vistage CEO Confidence Index n=1,522
More than two-thirds of CEOs report plans for price increases in the next 12 months, down from 76% last quarter.

How do you expect prices for your product or service to change in the next 12 months?

Q3 2022:
- Increase: 67%
- Remain the same: 5%
- Decrease: 1%
- Don't know/No opinion: 1%

Q2 2022:
- Increase: 76%
- Remain the same: 2%
- Decrease: 1%
- Don't know/No opinion: 1%

Source: Q3 2022 Vistage CEO Confidence Index n=1,522
The proportion of CEOs that report an improving supply chain grew 14 percentage-points from last quarter.

Which best describes your supply chain?

Q3 2022:
- 57% No problem
- 14% Getting worse
- 10% Slowly getting better
- 9% Other

Q2 2022:
- 43% No problem
- 30% Getting worse
- 18% Slowly getting better
- 9% Other

Source: Q3 2022 Vistage CEO Confidence Index n=1,522

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