The WSJ/Vistage Small Business CEO Confidence Index rises incrementally in August, driving an increase in the year-to-date average.
The components of the WSJ/Vistage Small Business CEO Confidence Index remain relatively stable from last month

<table>
<thead>
<tr>
<th>Recent Economy</th>
<th>Revenue Projections</th>
<th>Investment Plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>20% of CEOs said the economy recently improved (up from 17% in July).</td>
<td>54% of CEOs expect increased revenues in the year ahead (down from 56% in July).</td>
<td>34% of CEOs expect to increase investments in the year ahead (up from 31% in July).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Future Economy</th>
<th>Profitability Projections</th>
<th>Workforce Plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>15% of CEOs expect the economy to improve in the year ahead (down from 16% in July).</td>
<td>42% of CEOs expected increased profits in the year ahead (up from 40% in July).</td>
<td>48% of CEOs plan to expand their workforce in the next year (down from 51% in July).</td>
</tr>
</tbody>
</table>

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The proportion of small businesses that feel the economy has improved increases 4 points from last year.

Compared to a year ago, how have overall economic conditions in the United States changed?

- Improved
- Remained the same
- Worsened

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Pessimism about the future of the U.S. economy among small businesses has declined 12 points compared to last year.

During the next 12 months, how do you expect the overall economic conditions in the U.S. will change?

- Improve
- Remain the same
- Worsen
Over half of small businesses expect increased revenues in the next 12 months despite economic pessimism

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

- Increase
- Remain the same
- Decrease

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## Profitability expectations among small businesses improve from last year

- **August 2022**
  - Increase: 36%
  - Remain the same: 35%
  - Decrease: 27%

- **July 2023**
  - Increase: 40%
  - Remain the same: 40%
  - Decrease: 20%

- **August 2023**
  - Increase: 42%
  - Remain the same: 37%
  - Decrease: 20%

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

- Increase
- Remain the same
- Decrease

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Over one-third of small businesses plan to increase fixed investments over the next 12 months.

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

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Workforce expansion plans among small businesses slows, consistent with recent jobs numbers from the U.S. Bureau of Labor Statistics.

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

- **August 2022**
  - Increase: 52%
  - Remain the same: 40%
  - Decrease: 7%

- **July 2023**
  - Increase: 51%
  - Remain the same: 42%
  - Decrease: 6%

- **August 2023**
  - Increase: 48%
  - Remain the same: 44%
  - Decrease: 8%
Small businesses are divided on state of the economy: One-third believe the U.S. is approaching a recession, the same proportion anticipates a soft landing.
Nearly half of small businesses have already implemented cost-cutting measures

Which best describes your approach to cost management for your business? Select all that apply:

<table>
<thead>
<tr>
<th>Approach</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have already implemented cost-cutting measures</td>
<td>47%</td>
</tr>
<tr>
<td>Planning to reduce costs</td>
<td>32%</td>
</tr>
<tr>
<td>No plans to reduce costs</td>
<td>28%</td>
</tr>
<tr>
<td>Other</td>
<td>5%</td>
</tr>
</tbody>
</table>

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## Sourcing new vendors and suppliers is the top tactic for cost reductions among small businesses

Please share more detail on your implemented or planned cost reductions:

<table>
<thead>
<tr>
<th>Cost Reduction</th>
<th>Have implemented</th>
<th>Planning to implement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source new vendors and suppliers</td>
<td>37%</td>
<td>29%</td>
</tr>
<tr>
<td>Sunset unprofitable products or services</td>
<td>24%</td>
<td>37%</td>
</tr>
<tr>
<td>Delay capital expenses</td>
<td>33%</td>
<td>24%</td>
</tr>
<tr>
<td>Reduce capital expenses</td>
<td>26%</td>
<td>27%</td>
</tr>
<tr>
<td>Delay hiring</td>
<td>32%</td>
<td>9%</td>
</tr>
<tr>
<td>Reduce workforce</td>
<td>17%</td>
<td>8%</td>
</tr>
<tr>
<td>Decrease sales and marketing spending</td>
<td>14%</td>
<td>9%</td>
</tr>
<tr>
<td>Reduce investment in employee training/development</td>
<td>5%</td>
<td>7%</td>
</tr>
<tr>
<td>Reduce workforce benefits</td>
<td>4%</td>
<td>2%</td>
</tr>
</tbody>
</table>

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Four-in-10 small businesses report that their approach to cost-cutting has intensified over the past year.

Has your approach to cost-cutting eased, intensified or stayed the same in the past year?

- Eased: 2%
- Intensified: 40%
- Remained the same: 51%
- Other: 8%

August 2023

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Nearly 6-in-10 small businesses report they do not use temporary workers hired through staffing agencies

Has your use of temporary workers hired through staffing agencies changed compared with last year?

- Increased
- Decreased
- Remained the same
- Does not apply

August 2023

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Small businesses report that filling job openings is easier than last year

Is your company finding it easier or more difficult to fill job openings than it was at the start of the year?

- Easier
- No change
- More difficult

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The proportion of small businesses that report that hiring challenges are impacting business operations eases from last month.

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

<table>
<thead>
<tr>
<th></th>
<th>August 2022</th>
<th>July 2023</th>
<th>August 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>57%</td>
<td>44%</td>
<td>42%</td>
</tr>
<tr>
<td>No</td>
<td>43%</td>
<td>56%</td>
<td>58%</td>
</tr>
</tbody>
</table>

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The proportion of small businesses impacted by rising interest rates grows 11 percentage points from last year.

Are higher interest rates impacting your business?

- **August 2022**
  - Yes: 41%
  - Not yet, but anticipating they will: 30%
  - No: 29%

- **August 2023**
  - Yes: 52%
  - Not yet, but anticipating they will: 19%
  - No: 28%

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