

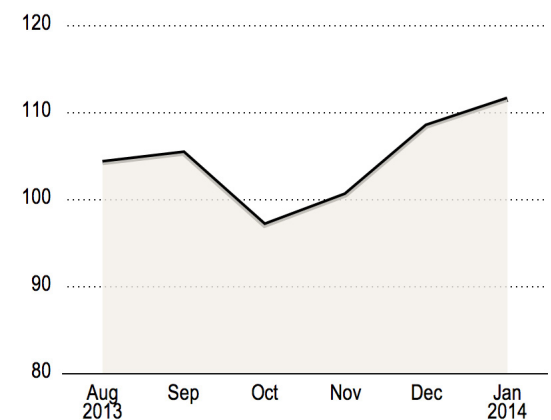
Confidence Growing Among Small Firms.

In January, small firms voiced the highest level of economic optimism since the first survey was conducted in June 2012. The WSJ/Vistage Small Business CEO Confidence Index rose to 111.5 in the January 2014 survey, up from 108.4 in the prior month and 94.2 in last year's January survey. Every component of the Confidence Index reached a new peak in January as well. To be sure, the new peaks did not denote unbridled optimism as small firms remained cautious in their outlook for the economy. Indeed, since the first survey more than a year and a half ago, the Confidence Index has recorded a net gain of just 11.5%. Nonetheless, the majority of small firms are optimistic about the profitability of their own firm and anticipate that they will expand their payrolls to accommodate the increased sales they expect during 2014.

Without the heavy burden of uncertainty due to Congressional indecision, small firms have expressed a renewed sense of economic confidence. Unlike the pattern in the past few years, where the resolution of one D.C. crisis was followed by another, hopefully this time the economy will be able to gain strength over the years ahead without the added burden of uncertainty originating in D.C. Overall, the strength in confidence among small firms will provide just what small businesses do best: job creation. More jobs will be created in 2014, which will act to bolster demand, and thus reinforce trends toward additional job growth. Small firms are set to support slow and steady progress.

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 United States improved, remained the same, or worsened?	Improved	416	53%
	Remained about the same	320	41%
	Worsened	45	6%
	Don't know/No opinion	3	0%
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	322	41%
	About the same	392	50%
	Worse	58	7%
	Don't know/No opinion	12	2%
3. Are your firm's total fixed investment expenditures likely to increase, remain about the same, or decrease during the next 12 months?	Increase	359	46%
	Remain the same	347	44%
	Decrease	73	9%
	Don't know/No opinion	5	1%
4. Do you anticipate that your firm's sales revenues will increase, remain about the same, or decrease during the next 12 months?	Increase	612	78%
	Remain the same	138	18%
	Decrease	32	4%
	Don't know/No opinion	2	0%
5. Do you expect your firm's profitability to improve, remain about the same, or worsen during the next 12 months?	Improve	479	61%
	Remain the same	230	29%
	Worsen	73	9%
	Don't know/No opinion	2	0%

Question	Answer	Respondents	
		#	%
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	485	62%
	Remain the same	260	33%
	Decrease	36	5%
	Don't know/No opinion	3	0%

7. During your company's last fiscal year, what was its total employment?	1-9 employees	64	8%
	10-19 employees	156	20%
	20-49 employees	301	38%
	50-99 employees	160	20%
	100-499 employees	96	12%
	500-999 employees	5	1%
	1000-4999 employees	2	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.