

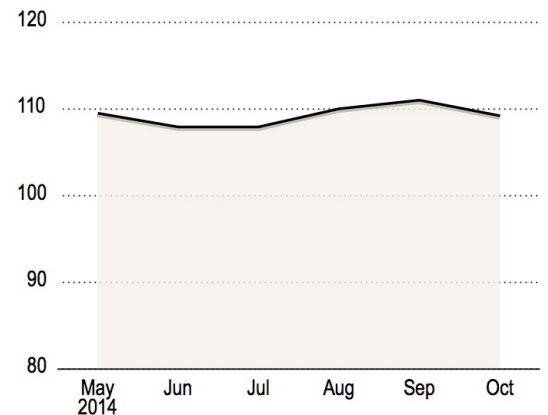
Economic Outlook Holds Steady

Optimism among small firms edged downward in October due to renewed concerns about the strength of the economic expansion. The WSJ/Vistage Small Business Confidence Index was 109.0 in the October 2014 survey, just below the 110.8 recorded in September, while remaining well above last October's 97.0. Importantly, since the start of 2014, the Confidence Index has shown mostly small and insignificant variations about its mean of 108.8. Moreover, most of those small changes were due to shifting perceptions of the overall economy. Financial market volatility and weaker growth prospects for Europe and Asia have slightly dimmed the domestic economic outlook, but most small firms did not believe those issues would have much influence on their own businesses.

When firms were asked about prospects for their own business, they were generally as positive, or a bit more optimistic, as they were six months ago. Rather than worrying about weaker sales growth, CEOs were more concerned about making new investments to expand their productive capacity and their firm's ability to retain and attract more employees. Indeed, three-in-four small businesses reported that they would raise the base wages for their lowest paid workers over the next six to twelve months.

—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	394	48%
	Remained about the same	353	43%
	Worsened	66	8%
	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	275	34%
	About the same	437	54%
	Worse	97	12%
	Don't know/No opinion	7	1%

Question	Answer	Respondents	
		#	%
3. Are your firm's total fixed investment expenditures likely to increase, remain about the same, or decrease during the next 12 months?			
	Increase	391	48%
	Remain the same	347	43%
	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	608	75%
	Remain the same	174	21%
	Decrease	30	4%
	Don't know/No opinion	4	0%
5. Do you expect your firm's profitability to improve, remain about the same, or worsen during the next 12 months?	Improve	499	61%
	Remain the same	246	30%
	Worsen	68	8%
	Don't know/No opinion	3	0%
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	490	60%
	Remain the same	291	36%
	Decrease	35	4%
7. Will your business be open on Thanksgiving?	Yes	42	5%
	No	772	95%
	Skipped	2	0%
8. In the wake of recent data breaches, have you done anything to boost your cyber security?	Yes, we installed new security software or a new security solution	127	16%
	Yes, we hired a consultant to help us identify and remedy our biggest risks	68	8%
	Yes, we changed our passwords	105	13%
	No, we haven't changed anything	463	57%
	Skipped	11	1%
	Other	42	5%

Question	Answer	Respondents	
		#	%
9. How did you locate your most recent hires? Please select all that apply.			
	Social media	203	13%
	Networking	346	23%
	Referrals	412	27%
	Posting via career website	378	25%
	Skipped	11	1%
	Other	166	11%
10. Do you anticipate raising the base pay for your lowest-paid workers over the next 6 to 12 months?	Yes, by less than 5%	416	51%
	Yes, by 5% to 9%	166	20%
	Yes, by at least 10%	29	4%
	No	168	21%
	Not applicable	18	2%
	Skipped	4	0%
	Other	15	2%
11. During your company's last fiscal year, what was its total employment?	1-9 employees	76	9%
	10-19 employees	143	18%
	20-49 employees	305	37%
	50-99 employees	179	22%
	100-499 employees	107	13%
	500-999 employees	3	0%
	1000-4999 employees	2	0%
	10000+ employees	1	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.