

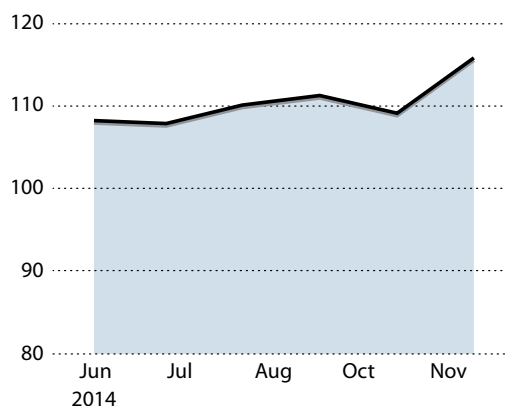
Economic Optimism Reigns

Optimism among small firms reached its highest level in November since the survey began nearly two and a half years ago. The WSJ/Vistage Small Business CEO Confidence Index was 115.6 in the November 2014 survey, up from 109.0 in October, and well above last November's 100.5. Moreover, every component of the overall Confidence Index reached a new peak in the latest survey.

The largest improvements were in evaluations of the performance of the overall economy, although nearly all of the other components recorded double-digit percentage gains from last November's survey. The data indicate that small firms have become convinced that the economy will improve despite the widely expected interest rate hikes, problems in the global economy or rising geopolitical risks. More importantly, few small firms believe that the President and Congress will again hold the economy hostage to partisan differences as they did during the debt ceiling debacle, the fiscal cliff, and the government shutdown.

—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	459	58%
	Remained about the same	295	37%
	Worsened	37	5%
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	374	47%
	About the same	368	47%
	Worse	47	6%
3. Are your firm's total fixed investment expenditures likely to increase, remain about the same, or decrease during the next 12 months?	Increase	396	50%
	Remain the same	337	43%
	Decrease	51	6%

Question	Answer	Respondents	
		#	%
4. Do you anticipate that your firm's sales revenues will increase, remain about the same, or decrease during the next 12 months?	Increase	648	82%
	Remain the same	118	15%
	Decrease	23	3%
5. Do you expect your firm's profitability to improve, remain about the same, or worsen during the next 12 months?	Improve	505	64%
	Remain the same	227	29%
	Worsen	59	7%
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	510	64%
	Remain the same	247	31%
	Decrease	33	4%
7. Do 10% or more of your employees get paid the minimum wage?	Yes, more than 10%, but less than 50%	24	3%
	Yes, more than 50%	101	13%
	No, less than 10%	57	7%
	No, none of my employees are paid the minimum wage	578	73%
	Skipped	5	1%
	Other	26	3%
8. If an employee maintained a good work record, how long would it be before someone who started at the minimum wage was paid \$1.00 more per hour?	Within a year	155	20%
	Within two years	39	5%
	Longer than two years	9	1%
	That person will never move beyond the minimum wage	1	0%
	None of my employees are paid the minimum wage	557	70%
	Other	21	3%

Question	Answer	Respondents	
		#	%
9. What would be your firm's main reaction be to a legal increase of the minimum wage, whether local or federal?	Pass the costs on to customers	77	10%
	Reduce my profits	46	6%
	Reduce the annual gain in the salaries of other workers	13	2%
	Decrease the number or hours of minimum wage earners	13	2%
	None of my employees are paid the minimum wage	598	76%
	Other	36	5%
10. Do you think the current level of the minimum wage is:	Too low	297	38%
	Too high	45	6%
	About the right amount	356	45%
11. Do you intend to discontinue company-sponsored health insurance coverage for your employees in 2015?	Yes, and because I have fewer than 100 full-time-equivalent employees, I am not required to provide them with coverage next year.	31	4%
	Yes. While I do have more than 100 full-time-equivalent employees, I plan to drop employee coverage, and will pay the federal fines.	3	0%
	No. I have more than 100 full-time-equivalent employees and I intend to provide them with health coverage, as required, to avoid the fines.	94	12%
	No. I have fewer than 100 full-time-equivalent employees and I currently offer them coverage. I will continue to offer them coverage next year.	580	73%
	Not applicable. I have fewer than 100 full-time-equivalent employees and I do not currently offer them company-sponsored health insurance.	56	7%
	Other	24	3%

Question	Answer	Respondents	
		#	%
12. Which steps, if any, do you intend to take in 2015 to help your employees obtain health-insurance coverage as individuals from the health-care exchanges or on the open market?	None	170	21%
	Provide them with raises covering part or all of their costs to obtain individual coverage on their own	22	3%
	Provide them with separate bonuses covering part of all of their costs to obtain individual coverage on their own	23	3%
	Provide them only with non-monetary support, such as training or education programs	19	2%
	Not applicable. I will provide, or will continue to provide, company-sponsored health insurance covering my employees. Thus, my employees will not need to obtain coverage on their own as individuals	532	67%
13. Under the health-care law, companies with more than 100 “full-time-equivalent” employees—defined as those working at least 30 hours weekly—must provide health insurance coverage for their employees in 2015 or face fines. If the definition of “full-time-equivalent” were redefined to be at least 40 hours weekly, instead of the current 30 hours, would your company’s exposure to fines change?	Yes	77	10%
	No	667	84%
	Skipped	12	2%
	Other	35	4%

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.