

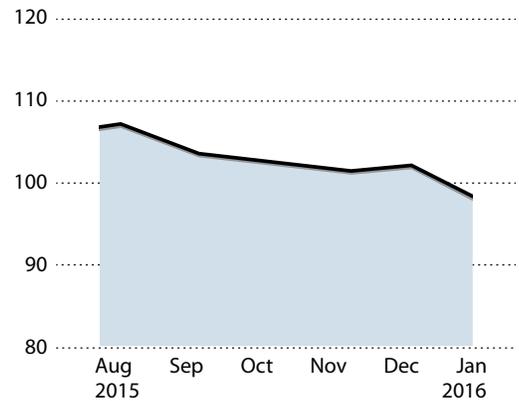
Slow decline in CEO confidence.

Confidence among small firms fell by 14.5% during the past year to its lowest level in more than two years. The WSJ/Vistage Small Business CEO Confidence Index was 98.8 in the January 2016 survey, down from 102.7 in December and the peak of 115.5 in January 2015. All components of the Confidence Index declined in January, with the largest declines in assessments of the overall economy.

Notably, much smaller declines were voiced by CEOs in their prospects for their own firms' revenues or profits. Even expected changes in their firms' employment levels remained relatively unscathed. While CEOs' views of overall economic conditions have grown increasingly negative, their views on prospects for their own firms have remained quite favorable. Nonetheless, these uncertainties have meant that net increases in investments in new plant and equipment have fallen to their lowest level in more than two years. While the latest monthly decline may have been unduly influenced by global economic uncertainty, the cumulative erosion during the past year cannot as easily be dismissed. One-in-five firms expect the economy to worsen in the year ahead—the highest level in more than two years.

Analysis 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	231	31%
	Remained about the same	363	48%
	Worsened	153	20%
	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	159	21%
	About the same	432	58%
	Worse	156	21%
	Don't know/No opinion	3	0%

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	298	40%
	Remain the same	356	47%
	Decrease	88	12%
	Don't know/No opinion	8	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	544	73%
	Remain the same	146	19%
	Decrease	55	7%
	Don't know/No opinion	5	1%
5. Do you expect your firm's profitability to improve, remain about the same, or worsen during the next 12 months?	Improve	408	54%
	Remain the same	267	36%
	Worsen	69	9%
	Don't know/No opinion	6	1%
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	408	54%
	Remain the same	297	40%
	Decrease	43	6%
	Don't know/No opinion	2	0%
7. Has the Federal Reserve's decision to raise rates impacted your business?	Yes, it has had a positive impact.	20	3%
	Yes, it has had a negative impact.	99	13%
	No, it has not had an impact.	607	81%
	Other	21	3%
	Skipped	3	0%

Question	Answer	Respondents	
		#	%
8. If the rate rise has negatively impacted your business, please indicate how:	Slowed sales	20	3%
	Increased borrowing costs	79	11%
	Resulted in customers taking longer to pay	6	1%
	Not applicable.	472	63%
	Other	12	2%
	Skipped	161	21%
	9. During your company's last fiscal year, what was its total employment?	1-9 employees	56
10-19 employees		123	16%
20-49 employees		281	37%
50-99 employees		173	23%
100-499 employees		111	15%
500-999 employees		4	1%
1000-4999 employees		1	0%
10000+ employees		1	0%