

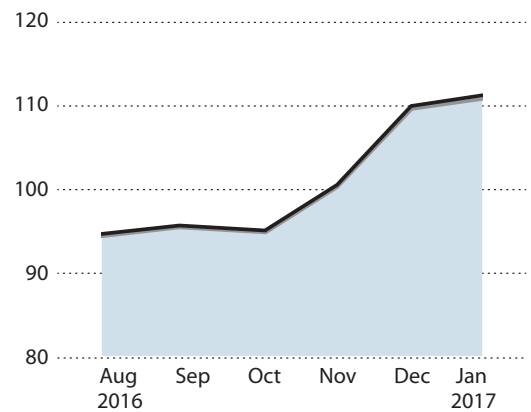
CEO confidence surges after Trump's election

The January survey found that small businesses were even more optimistic about national economic conditions, although prospects for their own firms remained unchanged at the same positive levels reached in December's post-election surge. The WSJ/Vistage Small Business Confidence Index rose to 113.5 in the January 2017 survey, marginally above last month's 112.0 and well above last year's 98.8. The recent gain was due to more favorable prospects for the national economy, largely prompted by Trump's unexpected victory. Three months ago, just 23% expected the economy to improve during the year ahead, which rose to an astounding 60% in January. When directly asked if Trump's election caused them to expect stronger economic growth, 62% of all CEOs reported that Trump's election made them more confident about prospects for the national economy. When asked if Trump's presidency would improve prospects for their own business, nearly half (48%) replied that it would improve their firm's prospects, compared with just 12% who thought it would harm their firm.

Although revenue and profit expectations, as well as investment and hiring intentions, did not post further gains in January, all were more favorable than prior to the national election. Small firms are ready to do their part by increasing hiring and investment spending, and eagerly await reductions in taxes and regulations. These heightened expectations represent higher performance standards that must be met to avoid failed expectation, a much more serious problem than low expectations.

– 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 U.S. improved, remained the same, or worsened?	Improved	363	47%
	About the same	382	49%
	Worsened	21	3%
	Don't know/No opinion	6	1%
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	462	60%
	About the same	218	28%
	Worse	67	9%
	Don't know/No opinion	25	3%

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	362	47%
	About the same	332	43%
	Decrease	63	8%
	Don't know/No opinion	15	2%
4. Do you anticipate that your firm's sales revenues will increase, remain about the same, or decrease for the next 12 months?	Increase	598	77%
	About the same	135	17%
	Decrease	32	4%
	Don't know/No opinion	7	1%
5. Do you expect your firm's profitability to improve, remain about the same, or worsen during the next 12 months?	Improve	484	63%
	About the same	214	28%
	Worsen	67	9%
	Don't know/No opinion	7	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	473	61%
	About the same	253	33%
	Decrease	39	5%
	Don't know/No opinion	7	1%

Question	Answer	Respondents	
		#	%
7. Is your business impacted by increases to the minimum wage?	Yes	180	23%
	No	561	73%
	Not Applicable	26	3%
8. Has a higher minimum wage changed your hiring plans?	Yes	67	37%
	No	112	63%
9. How would the repeal of the Affordable Care Act impact your business?	It would help my business	336	45%
	It would hurt my business	93	12%
	It would have no impact on my business	323	43%
10. Has the amount of time your company spends training new hires changed from a year ago?	My firm is spending significantly more time on training.	195	25%
	My firm is spending a little more time on training.	295	38%
	My firm is spending the same amount of time on training.	265	34%
	My firm is spending a little less time on training.	11	1%
	My firm is spending significantly less time on training.	3	0%

Question	Answer	Respondents	
		#	%
11. How do the experience and qualifications of workers you are hiring today compare with those of workers you hired for the same position a year ago?	The new hires are significantly more experienced and/or qualified than those hired a year ago.	53	7%
	The new hires are a little more experienced and/or qualified than those hired a year ago.	127	17%
	The new hires have the same amount of experience and/or qualifications as those hired a year ago.	424	56%
	The new hires have a little less experience and/or qualifications than those hired a year ago.	133	17%
	The new hires are much less experienced and/or qualified than those hired a year ago.	24	3%
12. Compared with a year ago, has finding a worker with experience for the position being filled become easier, more difficult or stayed the same?	Much easier	4	1%
	A little easier	59	8%
	Same	279	36%
	A little more difficult	243	32%
	Much more difficult	174	23%
	Not Applicable	11	1%
13. Has the incoming presidential administration changed your expectations for the economy?	It improved my outlook for the economy.	477	62%
	It worsened my outlook for the economy.	150	20%
	It had no impact on my outlook for the economy.	141	18%
14. Has the incoming presidential administration changed prospects for your business?	It has improved prospects for my firm.	365	48%
	It has worsened prospects for my firm.	94	12%
	It has had no impact on prospects for my firm.	307	40%

Question	Answer	Respondents	
		#	%
15. Has the incoming presidential administration influenced your firm's hiring plans?	I plan to increase hiring because of the incoming presidential administration.	146	19%
	I plan to decrease hiring because of the incoming presidential administration.	44	6%
	The incoming presidential administration will have no impact on my hiring plans.	574	75%
16. Has the incoming presidential administration influenced your plans for capital investments?	I plan to increase my capital investments because of the incoming presidential administration.	158	21%
	I plan to decrease my capital investments because of the incoming presidential administration.	46	6%
	The incoming presidential administration will have no impact on my planned capital investments.	560	73%
17. Has the incoming presidential administration had any impact on pending deals, such as the purchase or sale of a business unit or the expansion into a new market?	No	666	88%
	Yes, please specify	89	12%
18. During your company's last fiscal year, what was its total employment?*	1-9 employees	43	6%
	10-19 employees	122	16%
	20-49 employees	302	39%
	50-99 employees	182	24%
	100-499 employees	117	15%
	500-999 employees	5	1%
	1000-9999 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.