

# Coronavirus impacts confidence of small and midsize businesses

With Coronavirus – COVID-19, reaching the U.S. the business impacts have extended beyond those that were experiencing challenges with goods and services from China.

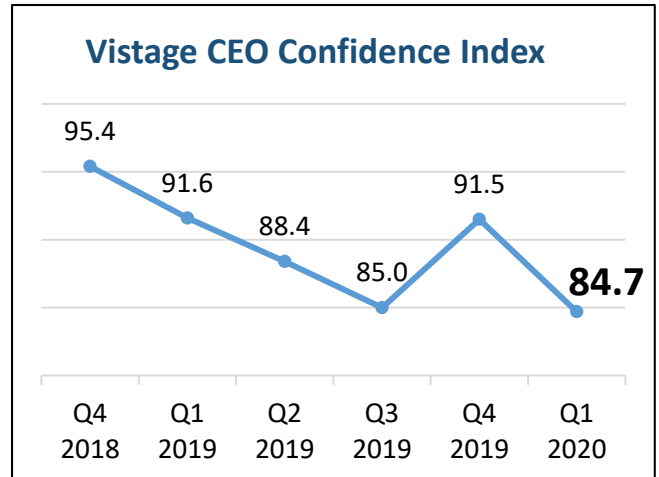
The ripple effect of COVID-19 is being felt by all industries and regions. And concern, and impact, is on the rise with each new case, each new briefing and each news headline.

The result is that overall confidence of CEOs has dropped since the turn upwards last quarter, with the Index dropping below the low recorded in Q3 2019. It's important to note that while CEOs that expect improvements in the factors measured in the Index have remained relatively stable, it is the proportion who expect things to worsen that has increased.

- More than twice as many CEOs expect the economy to worsen (41%) rather than improve (18%) in the year ahead.
- Prospects for business growth are at a standstill ; while 62% of CEOs expect increased revenues in the next 12 months, those that expect declining revenues (13%) is at the highest since Q4 2009.
- While 38% of CEOs plan to increase investments and 55% plan to expand their workforce in the year ahead, there is an increasing number planning to cut back on investments (15%) and reduce the size of their workforce (9%).

*The full report featuring Dr. Curtin's analysis will be released later this month at [www.vistage.com/ceoindex](http://www.vistage.com/ceoindex)*

Source: Q1 2020 Vistage CEO Confidence Index, n=1,695  
These preliminary findings represents data collected between March 2-9, 2020 CEOs and other leaders of small and midsize businesses in the U.S.



## COVID-19 Impact on Small and Midsize Businesses

**15%**

of CEOs are extremely concerned;  
7% are not concerned at all.

**61%** of CEOs report travel, events and conferences have been disrupted.

**46%** of CEOs report that supply chains have been disrupted.

**39%** of CEOs report impacts from market changes.

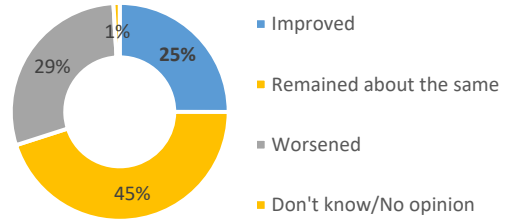
**30%** of CEOs report impacts on customers and sales.

# Q1 2020

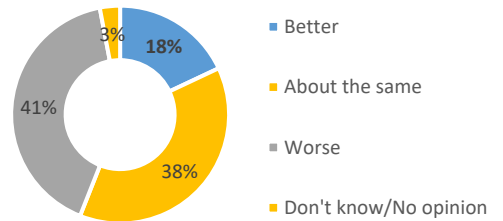
## Vistage CEO Confidence Index Highlights

### Economy

Compared with a year ago, have overall economic conditions in the United States improved, remained the same, or worsened?

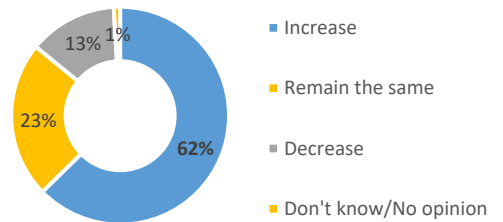


During the next 12 months, do you expect the overall economic conditions in the U.S. will be better, about the same, or worse than now?

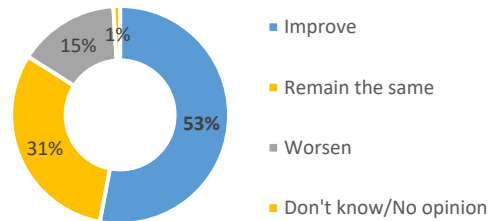


### Prospects

Do you anticipate that your firm's sales revenues will increase, remain about the same, or decrease during the next 12 months?

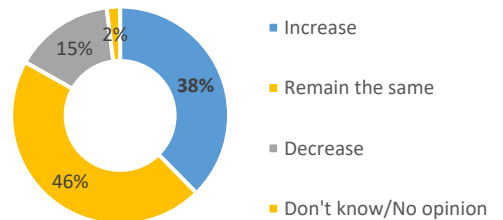


Do you expect your firm's profitability to improve, remain about the same, or worsen during the next 12 months?

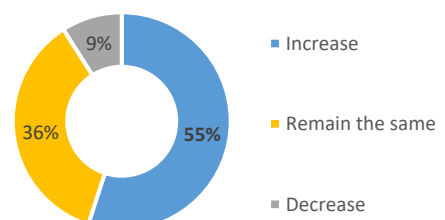


### Expansion

Are your firm's total fixed investment expenditures likely to increase, remain about the same, or decrease during the next 12 months?



Do you expect your firm's total number of employees will increase, remain about the same, or decrease during the next 12 months?



# Vistage CEO Confidence Index - Q1 2020

Total Respondents

1,695

Revenue: All  
 Number of Employees: All  
 Industry: All

1	Compared with a year ago, have overall economic conditions in the United States improved, remained the same, or worsened?	Improved	422	24.90%
		Remained about the same	760	44.84%
		Worsened	499	29.44%
		Don't know/No opinion	14	0.83%
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	309	18.23%
		About the same	648	38.23%
		Worse	689	40.65%
		Don't know/No opinion	49	2.89%
3	Do you anticipate that your firm's sales revenues will increase, remain about the same, or decrease during the next 12 months?	Increase	1,059	62.48%
		Remain the same	398	23.48%
		Decrease	226	13.33%
		Don't know/No opinion	12	0.71%
4	Do you expect your firm's profitability to improve, remain about the same, or worsen during the next 12 months?	Improve	906	53.45%
		Remain the same	518	30.56%
		Worsen	259	15.28%
		Don't know/No opinion	12	0.71%
5	Are your firm's total fixed investment expenditures likely to increase, remain about the same, or decrease during the next 12 months?	Increase	638	37.64%
		Remain the same	784	46.25%
		Decrease	246	14.51%
		Don't know/No opinion	27	1.59%
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	933	55.04%
		Remain the same	602	35.52%
		Decrease	154	9.09%
		Don't know/No opinion	6	0.35%
7	What segment do you primarily sell to:	Consumers	297	17.52%
		Businesses (B2B)	1,221	72.04%
		Channel sales/resellers	77	4.54%
		Other, please specify	98	5.78%

# Vistage CEO Confidence Index - Q1 2020

Total Respondents

1,695

Revenue: All  
 Number of Employees: All  
 Industry: All

Question	Response	Count	Percentage
16 On a scale of 1 to 5, with 5 being very concerned, what is your level of concern about the impact of the Coronavirus?	1 - Not concerned at all	112	6.81%
	2	355	21.58%
	3	520	31.61%
	4	418	25.41%
	5 - Very concerned	240	14.59%

Question	Area Impacted	Count	Percentage
17 In which areas have you or your business been directly or indirectly impacted by the Coronavirus? Select all that apply.	Supply chain/vendors	636	45.72%
	Customers/sales	414	29.76%
	Travel and events/conferences	842	60.53%
	Delivery and distribution	184	13.23%
	Factories or office locations in affected areas	171	12.29%
	Employees in affected areas	204	14.67%
	Family in affected areas	94	6.76%
	Market impact	539	38.75%
	Other, please specify	130	9.35%

# Vistage CEO Confidence Index - Q1 2020

Total Respondents

1,695

Revenue: All  
 Number of Employees: All  
 Industry: All

Question	Response Category	Count	Percentage
20 During your company's last fiscal year, what was its total employment?	1-9 employees	136	8.02%
	10-19 employees	206	12.15%
	20-49 employees	395	23.30%
	50-99 employees	338	19.94%
	100-499 employees	510	30.09%
	500-999 employees	64	3.78%
	1000-4999 employees	41	2.42%
	5000-9999 employees	2	0.12%
	10000+ employees	3	0.18%
21 During your company's last fiscal year, what were its total revenues?	Less than 500k	24	1.42%
	500-999k	32	1.89%
	1-4 Million	312	18.41%
	5-9 Million	268	15.81%
	10-20 Million	336	19.82%
	21-49 Million	316	18.64%
	50-99 Million	198	11.68%
	100-249 Million	140	8.26%
	250-499 Million	34	2.01%
	500-999 Million	23	1.36%
	1+ Billion	13	0.77%

# About the Vistage CEO Confidence Index

Each quarter the Vistage CEO Confidence Index gathers data from top-performing CEOs on their sentiment regarding the economy, prospects for their business and expansion plans. Started in Q1 2003, the Index has grown to be the largest and most comprehensive report of opinions and projections from CEOs of small and mid-size companies in the U.S.

## About Vistage Worldwide

Vistage Worldwide is an organization designed exclusively for high-integrity CEOs and executive leaders who are looking to drive better decisions and better results for their companies. Our members — 23,000 strong in more than 20 countries — gather in trusted, confidential peer advisory groups where they tackle their toughest challenges and biggest opportunities. CEOs who joined Vistage in the past five years grew their companies 2.2 times faster than average small and midsize U.S. companies, according to a 2017 analysis of Dun & Bradstreet data.

Learn more at [www.vistage.com](http://www.vistage.com)

## About our research

Vistage conducts original research and curates subject matter expertise from thought leaders to create actionable, thought-provoking insights for leaders of small and midsize businesses. Our analysis of surveys we conduct, including the WSJ/Vistage Small Business CEO survey and Vistage CEO Confidence Index survey, informs various reports. Since 2003, Vistage has published the CEO Confidence Index, which has been a proven predictor of GDP two quarters in advance. Vistage provides the data and expert perspectives to help SMB CEOs make better decisions.

Learn more at [www.vistage.com/ceoindex](http://www.vistage.com/ceoindex) and <http://vistageindex.com>

The logo for Vistage, featuring the word "VISTAGE" in a bold, blue, sans-serif font.