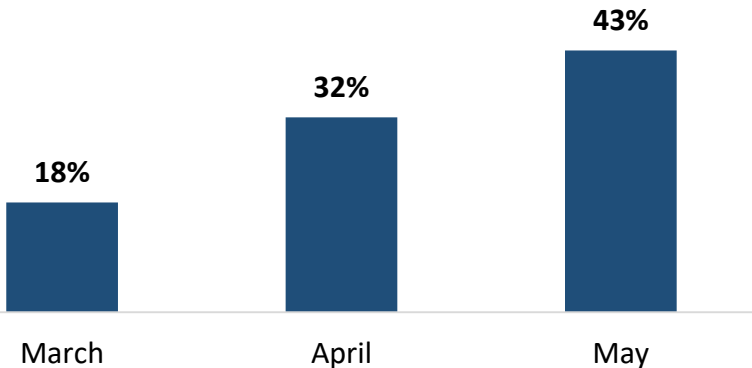


Small and midsize businesses prepare to rebuild

Last month our survey captured the sentiment of small and midsize business (SMB) CEOs as the economy – and their businesses – hit the bottom. There was ambiguity about relief funding programs and when they would become available which, along with the economic shutdown caused by stay-at-home orders, brought the economy to a grinding stop. While CEOs continue to make adjustments for the forecasts of their businesses, over the last three months there has been an optimistic trend about the future of the economy. In terms of when the economy will begin to improve over the next year, the majority of CEOs understand this is a long climb out of the bottom; over half (54%) acknowledge the improvements will begin in 6-12 months.

CEOs who expect economic improvement in the year ahead is on the rise



Source: Vistage CEO Confidence Index survey, March, April, May

The May survey captured CEO sentiment at a time when states are beginning to relax orders and enter into the first phase of reopening, making the financial future more secure. Small and midsize businesses have been able to identify needs and create opportunity during this time; **nearly half (47%) made changes to products and services**, up from 38% last month. Of those that made changes to their offerings, 49% added products or services that will sustain long-term growth, while 29% have pivoted temporarily to provide new capabilities or goods that meet short-term needs during the pandemic.

As we begin to enter the new reality, CEOs are rebuilding their business, creating return-to-work plans, embracing the changes brought about by the pandemic and setting strategic direction for the future of their business.

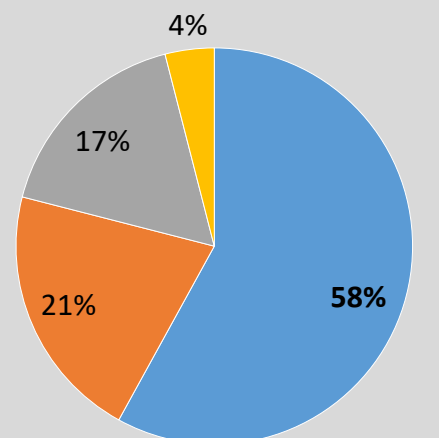
Source: May 2020 Vistage CEO Confidence Index, n=1,489

These findings represent data collected between May 4-11, 2020 from CEOs and other leaders of small and midsize businesses in the U.S.

SMBs rely on Small Business Administration relief options

- **82% of CEOs** plan to leverage the Paycheck Protection Program; of those SMBS 88% have been funded
- **16% of CEOs** report plans to leverage the EIDL Emergency Advance; of those, 46% have received the full grant of \$10,000
- **6% of CEOs** plan to take advantage of other SBA programs including loans or the debt relief program

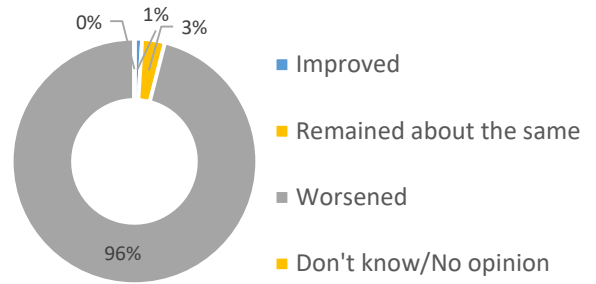
The PPP is fulfilling its purpose as nearly 6-in-10 (58%) CEOs report that their workforce has remained the same or increased.



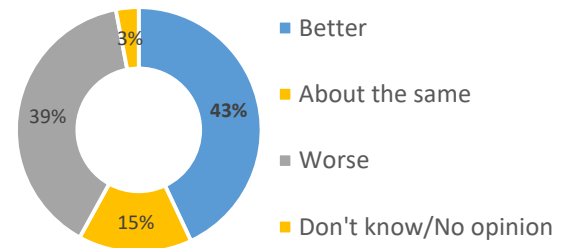
- Increased/Remained the same
- Decreased <10%
- Decreased 10-49%
- Decreased >50%

Economy

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

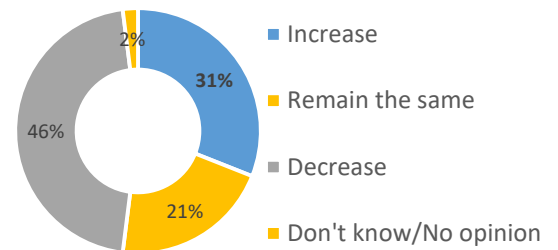


During the next 12 months, do you expect the overall economic conditions in the U.S. will be better, about the same, or worse than now?

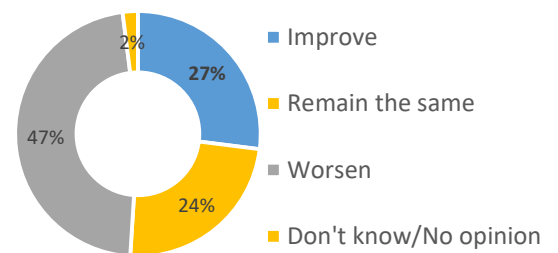


Prospects

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

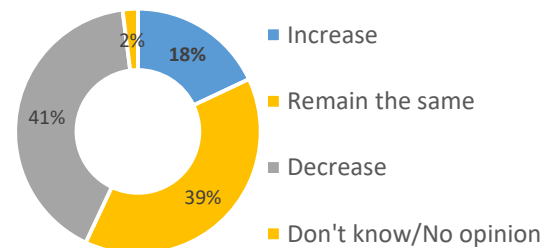


Do you expect your firm's profitability to improve, remain about the same, or worsen during the next 12 months?

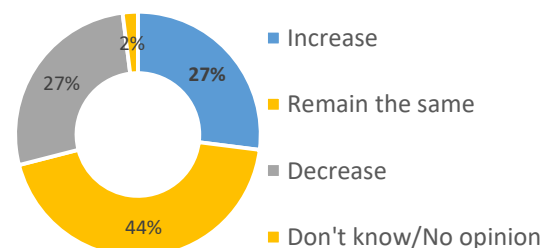


Expansion

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?



May 2020 Vistage CEO Confidence Index

Total Respondents

1,489

Revenue	Number of Employees	Industry	Group Market	
All	All	All	All	
1	Compared with a year ago, have overall economic conditions in the United States improved, remained the same, or worsened?*	Improved	21	1.41%
		Remained about the same	40	2.69%
		Worsened	1,423	95.57%
		Don't know/No opinion	5	0.34%
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	637	42.78%
		About the same	229	15.38%
		Worse	577	38.75%
		Don't know/No opinion	46	3.09%
3	Do you anticipate that your firm's sales revenues will increase, remain about the same, or decrease during the next 12 months?*	Increase	458	30.76%
		Remain the same	311	20.89%
		Decrease	690	46.34%
		Don't know/No opinion	30	2.01%
4	Do you expect your firm's profitability to improve, remain about the same, or worsen during the next 12 months?*	Improve	401	26.93%
		Remain the same	360	24.18%
		Worsen	701	47.08%
		Don't know/No opinion	27	1.81%
5	Are your firm's total fixed investment expenditures likely to increase, remain about the same, or decrease during the next 12 months?*	Increase	269	18.07%
		Remain the same	588	39.49%
		Decrease	607	40.77%
		Don't know/No opinion	25	1.68%
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	401	26.93%
		Remain the same	656	44.06%
		Decrease	409	27.47%
		Don't know/No opinion	23	1.54%

May 2020 Vistage CEO Confidence Index

Total Respondents

1,489

Revenue
All

Number of Employees
All

Industry
All

Group Market
All

Question	Program	Count	Percentage
7 What programs have you - or do you plan to - leverage for your business?	Paycheck Protection Program (PPP)	1,216	82.00%
	Economic Injury Disaster Loan (EIDL) Emergency Advance	234	15.78%
	Other SBA funding/programs (traditional loans or Debt Relief program)	84	5.66%
	Other CARES Act provisions	213	14.36%
	Main Street Program from the Federal Reserve	67	4.52%
	Line of credit from banks	656	44.23%
	Federal tax relief measures	242	16.32%
	Do not plan to seek other aid	151	10.18%
	Other, please specify	40	2.70%

Question	Status	Count	Percentage
7.1 Please share the status of your PPP loan:	Received funds	1,064	87.57%
	Approved and waiting for funds	116	9.55%
	Approved but the program ran out of money before I received funds	3	0.25%
	Application submitted by bank, waiting on approval	24	1.98%
	Ineligible or not approved	1	0.08%
	Waiting for confirmation from bank that application was submitted	5	0.41%
	Not able to apply	2	0.16%

Question	Status	Count	Percentage
7.3 Please share the status of your EIDL application:	Applied and received \$10K grant	108	46.35%
	Application accepted, but did not yet receive grant funds	68	29.18%
	Have not been able to apply due to lapse in appropriations	9	3.86%
	Other, please specify	48	20.60%

May 2020 Vistage CEO Confidence Index

Total Respondents

1,489

Results Sales
All

Results Employees
All

Industry
All

Area
All

Question	Response	Count	Percentage
8 To what degree have your revenues been impacted by the coronavirus pandemic?	Increased	102	6.85%
	Decreased less than 10%	251	16.86%
	Decreased 10-24%	450	30.22%
	Decreased 25-49%	318	21.36%
	Decreased 50-74%	129	8.66%
	Decreased 75-89%	40	2.69%
	Decreased more than 90%	39	2.62%
	No change in revenues	122	8.19%
	Other, please specify	36	2.42%
9 How long will your cash reserves support your business during the current economic conditions?	Less than 1 month	22	1.48%
	1 - 2 months	180	12.09%
	3 - 5 months	491	32.98%
	6 - 12 months	434	29.15%
	More than one year	309	20.75%
	Other, please specify	44	2.96%
10 When do you expect economic conditions in U.S. will begin to improve?	Less than 1 month	23	1.54%
	1 - 2 months	170	11.42%
	3 - 5 months	455	30.56%
	6 - 12 months	523	35.12%
	More than one year	286	19.21%
	Other, please specify	29	1.95%

May 2020 Vistage CEO Confidence Index

Total Respondents

1,489

Results Sales
All

Results Employees
All

Industry
All

Area
All

12 Which statement describes where you expect your business to be 6 months from now?	Stronger than before	339	22.78%
	Back to normal	204	13.71%
	Moderately weakened but regaining momentum	786	52.82%
	Significantly weakened and fighting to rebuild	156	10.48%
13 Have you made any changes in the products or services you offer as a result of the pandemic?	Yes	689	46.30%
	No	790	53.09%
14 Select the statement that best pertains to your product changes:	Added new products or services that will sustain long term growth	334	22.45%
	Pivoted temporarily to produce products and services to meeting customer's/community's short term needs..	195	13.10%
	Temporarily reduced products or services offered due to decreased demands	72	4.84%
	Permanently reduced products and services offered due to diminished ROI	11	0.74%
	Other, please specify	72	4.84%

May 2020 Vistage CEO Confidence Index

Total Respondents

1,489

Results Sales
All

Results Employees
All

Industry
All

Area
All

Which options have you implemented or will you implement for your workforce during the pandemic?

16 Remote working	Have implemented	1,196	80.32%
	Plan to Implement	3	0.20%
	Implemented and plan to extend/expand	195	13.10%
16.1 Reduced hours	Have implemented	418	28.07%
	Plan to Implement	115	7.72%
	Implemented and plan to extend/expand	39	2.62%
16.2 Reduced salaries	Have implemented	252	16.92%
	Plan to Implement	147	9.87%
	Implemented and plan to extend/expand	36	2.42%
16.3 Layoffs/Reduction in force	Have implemented	309	20.75%
	Plan to Implement	167	11.22%
	Implemented and plan to extend/expand	31	2.08%
16.4 Furloughed employees	Have implemented	268	18.00%
	Plan to Implement	114	7.66%
	Implemented and plan to extend/expand	27	1.81%

May 2020 Vistage CEO Confidence Index

Total Respondents

1,489

Results Sales
All

Results Employees
All

Industry
All

Area
All

18	How has the size of your total workforce changed as a result of the pandemic?	Increased	105	7.06%
		Decreased less than 10%	316	21.24%
		Decreased 10-24%	182	12.23%
		Decreased 25-49%	71	4.77%
		Decreased 50-74%	37	2.49%
		Decreased 75-89%	15	1.01%
		Decreased more than 90%	8	0.54%
		No change in workforce	751	50.47%
19	Our culture has been critical to our company's performance and success through the crisis.	Strongly Disagree	67	4.50%
		Disagree	8	0.54%
		Neither Agree or Disagree	66	4.44%
		Agree	451	30.31%
		Strongly Agree	884	59.41%
19.1	Our organizational values have been clearly demonstrated in employees' behaviors during the crisis.	Strongly Disagree	58	3.90%
		Disagree	9	0.60%
		Neither Agree or Disagree	88	5.91%
		Agree	537	36.09%
		Strongly Agree	780	52.42%
19.2	The nurturing of our organizational culture is a priority through the crisis.	Strongly Disagree	57	3.83%
		Disagree	12	0.81%
		Neither Agree or Disagree	91	6.12%
		Agree	494	33.20%
		Strongly Agree	820	55.11%
19.3	I'm satisfied with the strength and performance of our organizational culture through the crisis.	Strongly Disagree	57	3.83%
		Disagree	34	2.28%
		Neither Agree or Disagree	103	6.92%
		Agree	636	42.74%
		Strongly Agree	638	42.88%
20	If you are closed or are working remotely, have you developed plans for bringing back workers?	Yes	830	69.75%
		No	184	15.46%
		Other, please specify	176	14.79%

May 2020 Vistage CEO Confidence Index

Total Respondents

1,489

Results Sales
All

Results Employees
All

Industry
All

Area
All

Question	Response	Count	Percentage
21 Which of the following are part of your return to work plans? Select all that apply	Multiple phases for return	795	58.63%
	Employee policies for personal hygiene, reporting symptoms, social distancing	1,090	80.38%
	Reconfiguring office to accommodate social distancing	595	43.88%
	Staggered work days, shifts and/or break times	621	45.80%
	Providing or requiring personal protective equipment (PPE)	863	63.64%
	Temperature checks and testing requirements	569	41.96%
	Increased cleaning of facilities	1,050	77.43%
	Accommodations for infected personnel, at-risk personnel or families	523	38.57%
	Closing common areas	284	20.94%
	Emergency response plan in case of infection	531	39.16%
	Have not developed return to work plans	99	7.30%
	Other, please specify	68	5.01%

May 2020 Vistage CEO Confidence Index

Total Respondents

1,489

Results Sales
All

Results Employees
All

Industry
All

Area
All

24 During your company's last fiscal year, what was its total employment?*	1-9 employees	105	7.05%
	10-19 employees	182	12.22%
	20-49 employees	406	27.27%
	50-99 employees	272	18.27%
	100-499 employees	422	28.34%
	500-999 employees	62	4.16%
	1000-4999 employees	37	2.48%
	5000-9999 employees	2	0.13%
	10000+ employees	1	0.07%
	25 During your company's last fiscal year, what were its total revenues? *	Less than 500k	19
500-999k		25	1.68%
1-4 Million		245	16.45%
5-9 Million		273	18.33%
10-20 Million		298	20.01%
21-49 Million		287	19.27%
50-99 Million		164	11.01%
100-249 Million		117	7.86%
250-499 Million		36	2.42%
500-999 Million		17	1.14%
1+ Billion		8	0.54%

About the Vistage CEO Confidence Index

Each quarter the Vistage CEO Confidence Index gathers data from top-performing CEOs and other key executives of small and midsize businesses 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 midsize companies in the U.S.

***Note that this report is a special edition in which we surveyed Vistage members outside the quarterly cadence to understand their sentiment about the coronavirus crisis. The data from this month is intended as a snapshot in time, and will not be included in any future Index trends.

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 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 vistage.com/confidenceindex and vistageindex.com