

Recovery continues slow climb for small and midsize businesses amid surge in COVID-19 cases

While confidence in the economy has stalled, the latest Vistage CEO Confidence Index data reveals that CEOs of small and midsize businesses are increasingly optimistic about their the performance of their business over the next 12 months. When comparing sentiment to the bottom, reached in April, the recovery is occurring slowly.

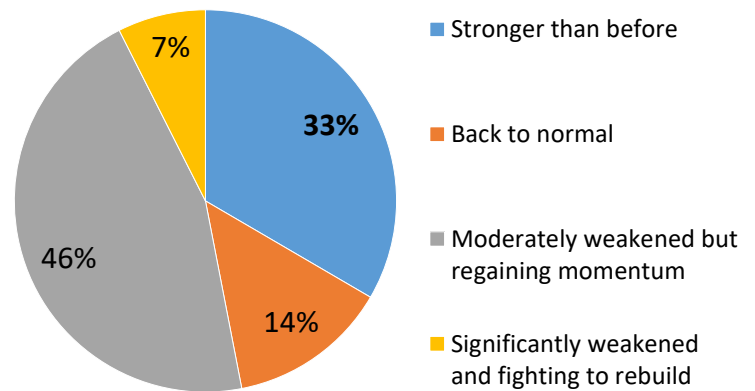
- 51% of CEOs expect revenues to increase, up from 21% in April
- 46% expect profitability to increase, up from 19% in April

In addition, CEOs are investing in the future, although investments in the workforce outpace fixed investments despite the low interest rates.

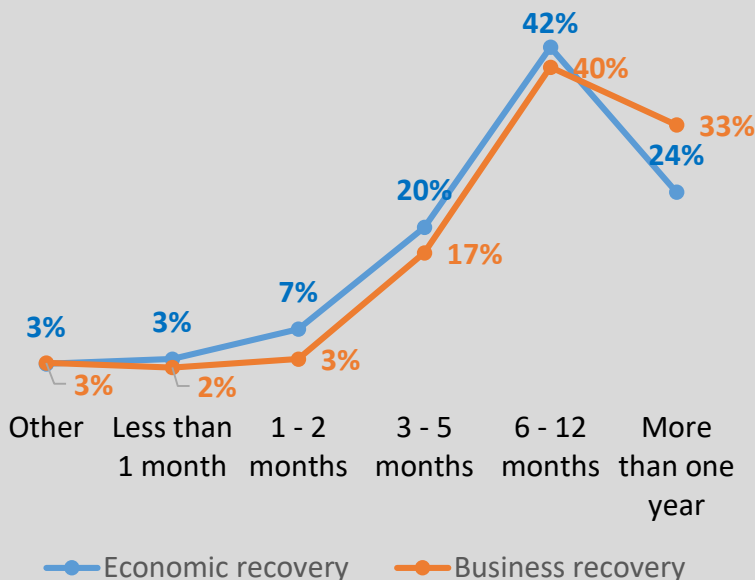
- 28% of CEOs plan to increase investments, up from 13% in April
- 43% plan to expand their workforces, up from 19% in April

CEOs increasingly optimistic about their business

One-third of CEOs feel their businesses will be stronger in 6 months, up from 27% last month.



CEOs believe the timeline of recovery for their business mirrors their expectations for economic recovery

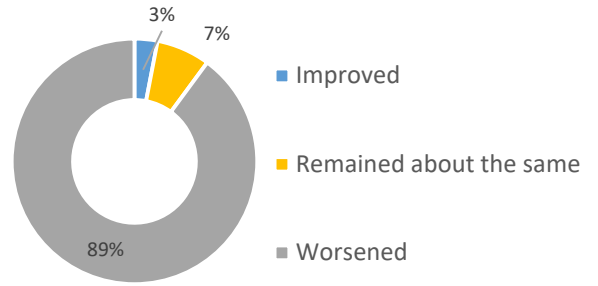


Twenty-two percent of CEOs report that their business has already recovered from (11%) or was never impacted by (11%) the pandemic. Of the 78% of CEOs that are still on the road to recovery, their timeline matches their expectations for when recovery of the U.S. economy will begin. The majority – two thirds – believe that recovery of the economy will begin in 6 months or longer; 73% of CEOs believe the recovery of their businesses will take six months or longer.

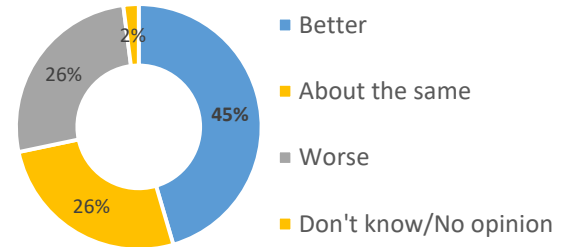
Given that the survey took place July 6 – 13, this data is reminiscent of March when conditions were changing rapidly. With the surge in the percentage of positive COVID-19 cases, hospitalizations and deaths, the state of the economy is subject to change as some areas re-instate closures and evaluate their Phase of re-opening. The climb to recovery will not be a steady incline, but will be one wrought with peaks and valleys.

Economy

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

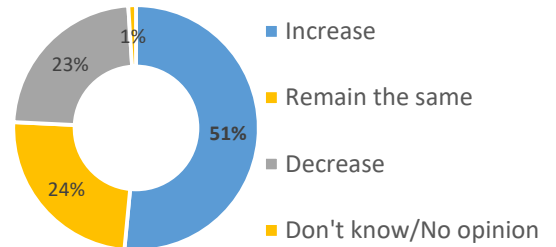


During the next 12 months, do you expect the overall economic conditions in the U.S. will be better, about the same, or worse than now?

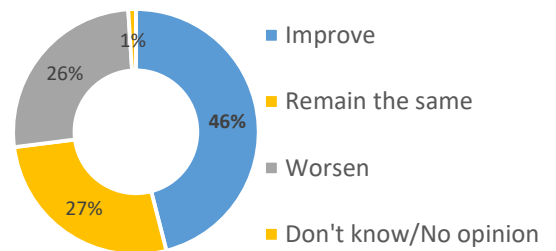


Prospects

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

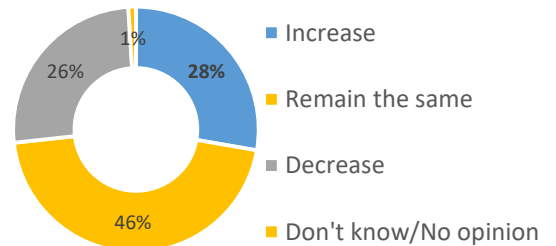


Do you expect your firm's profitability to improve, remain about the same, or worsen during the next 12 months?

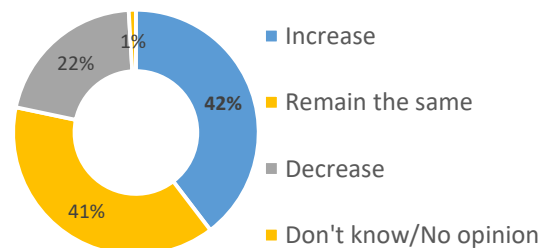


Expansion

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?



July 2020 Vistage CEO Confidence Index

Total Respondents

1,334

Annual Revenue
All

Number of Employees
All

Industry
All

Area
All

Question	Response	Count	Percentage
1 Compared with a year ago, have overall economic conditions in the United States improved, remained the same, or worsened?	Improved	40	3.00%
	Remained about the same	100	7.50%
	Worsened	1,189	89.13%
	Don't know/No opinion	5	0.37%
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	604	45.28%
	About the same	345	25.86%
	Worse	348	26.09%
	Don't know/No opinion	37	2.77%
3 Do you anticipate that your firm's sales revenues will increase, remain about the same, or decrease during the next 12 months?	Increase	683	51.20%
	Remain the same	318	23.84%
	Decrease	310	23.24%
	Don't know/No opinion	23	1.72%
4 Do you expect your firm's profitability to improve, remain about the same, or worsen during the next 12 months?	Improve	609	45.65%
	Remain the same	354	26.54%
	Worsen	353	26.46%
	Don't know/No opinion	18	1.35%
5 Are your firm's total fixed investment expenditures likely to increase, remain about the same, or decrease during the next 12 months?	Increase	371	27.81%
	Remain the same	611	45.80%
	Decrease	342	25.64%
	Don't know/No opinion	10	0.75%
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	566	42.43%
	Remain the same	545	40.85%
	Decrease	212	15.89%
	Don't know/No opinion	11	0.82%

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9	To what degree have your revenues been impacted by the coronavirus pandemic?	Increased	206	15.47%
		Decreased less than 10%	232	17.42%
		Decreased 10-24%	385	28.90%
		Decreased 25-49%	269	20.20%
		Decreased 50-74%	84	6.31%
		Decreased 75-89%	16	1.20%
		Decreased more than 90%	15	1.13%
		No change in revenues	102	7.66%
		Other	23	1.73%
10	How long will your cash reserves support your business during the current economic conditions?	Less than 1 month	19	1.43%
		1 - 2 months	95	7.16%
		3 - 5 months	325	24.49%
		6 - 12 months	423	31.88%
		More than one year	445	33.53%
		Other	20	1.51%
11	When do you expect that economic conditions in the U.S. will begin to improve?	Less than 1 month	45	3.38%
		1 - 2 months	95	7.13%
		3 - 5 months	265	19.89%
		6 - 12 months	566	42.49%
		More than one year	324	24.32%
		Other	37	2.78%

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12 Which statement describes where you expect your business to be 6 months from now?	Stronger than before	444	33.41%
	Back to normal	180	13.54%
	Moderately weakened but regaining momentum	606	45.60%
	Significantly weakened and fighting to rebuild	99	7.45%
13 How long do you expect it will take your business to recover from the economic impact of the pandemic?	Have not been impacted by the pandemic	145	10.90%
	Already recovered from impacts	150	11.28%
	Less than 1 month	24	1.80%
	1 - 2 months	55	4.14%
	3 - 5 months	173	13.01%
	6 - 12 months	414	31.13%
	More than one year	339	25.49%
	Other	30	2.26%

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Question	Response Category	Count	Percentage
23 During your company's last fiscal year, what was its total employment?*	1-9 employees	97	7.27%
	10-19 employees	159	11.92%
	20-49 employees	334	25.04%
	50-99 employees	265	19.87%
	100-499 employees	388	29.09%
	500-999 employees	57	4.27%
	1000-4999 employees	29	2.17%
	5000-9999 employees	2	0.15%
	10000+ employees	3	0.22%
24 During your company's last fiscal year, what were its total revenues? *	Less than 500k	21	1.57%
	500-999k	23	1.72%
	1-4 Million	218	16.34%
	5-9 Million	241	18.07%
	10-20 Million	254	19.04%
	21-49 Million	260	19.49%
	50-99 Million	157	11.77%
	100-249 Million	98	7.35%
	250-499 Million	39	2.92%
	500-999 Million	13	0.97%
	1+ Billion	10	0.75%

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