

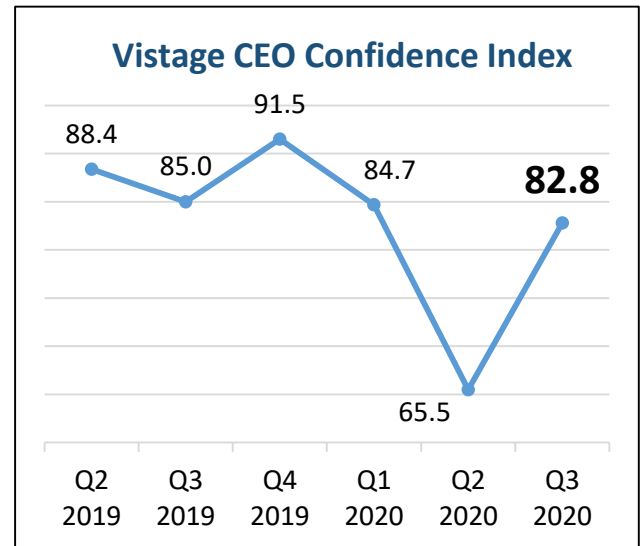
CEO confidence rebounds, fueled by decreasing pessimism, improving prospects for revenues

Signs of life in the economy and an increase of business activity has led to an increase in confidence of small and midsize business CEOs. The Vistage CEO Confidence Index rebounded to 82.8 Q3 2020; while not at peak recovery, this is just 2.6% below Q3 2019.

While all factors that comprise the Index improved from last quarter, the biggest driver of the rebound is decreasing pessimism about the future U.S. economy. September's survey found that 83% of CEOs expect the economy to worsen in the year ahead, a 10 point improvement from 93% last quarter.

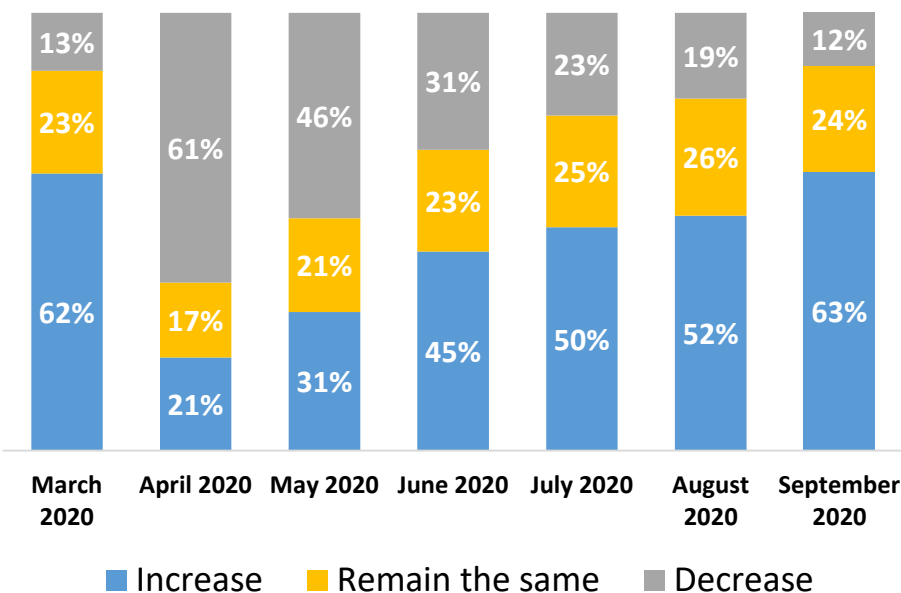
The other factors that contributed to the rebound from last quarter include:

- 32.5% improvements in revenue expectations
- 29.2% improvement in profitability expectations
- 28.3% increase in investment plans, largely driven by a significant decline in contraction
- 25.4% improvement in workforce plans
- 10.1% improvement in expectations for the U.S. economy



Source: Q3 2020 Vistage CEO Confidence Index, n=1,304
These findings represent data collected between September 8-15, 2020 from CEOs and other leaders of small and midsize businesses in the U.S.

SMB revenue expectations for next 12 months improve



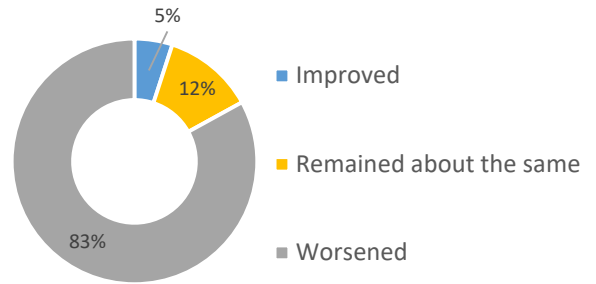
While the Index is calculated quarterly, an analysis of survey data collected monthly since the pandemic began illustrates the improvements in revenue expectations over time. A major factor in rebound in CEO confidence in Q3 is positive revenue expectations with 63% of CEOs expecting improved revenues in the next 12 months, on par with the data recorded in March.

This sign that business activity is increasing is also reflected in sentiment about the future of the U.S. economy; 58% of CEOs report expectations that the economy will also improve in the next 12 months. However, the recovery is not projected to be a sharp V, but rather stair steps of progress that will be impacted by a great deal of uncertainty in relief measures, a volatile election and potential of a second surge that will further impact the economy.

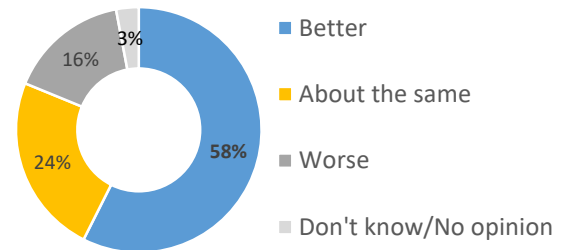
Source: Vistage CEO Confidence Index survey

Economy

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

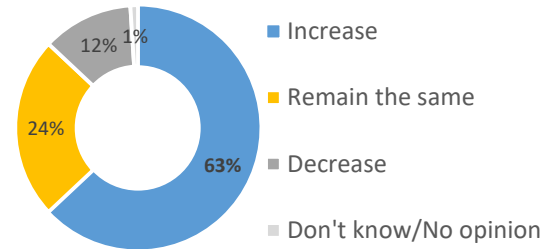


During the next 12 months, do you expect the overall economic conditions in the U.S. will be better, about the same, or worse than now?

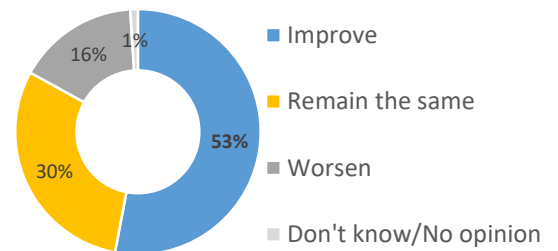


Prospects

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

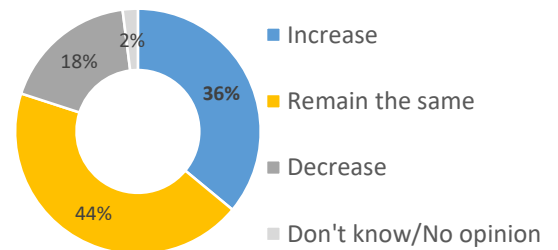


Do you expect your firm's profitability to improve, remain about the same, or worsen during the next 12 months?

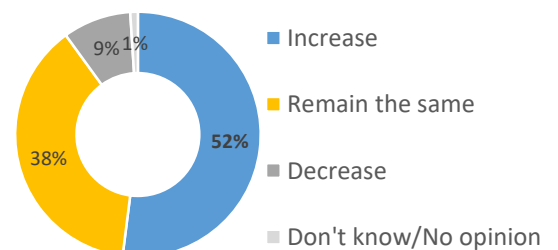


Expansion

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?



Q3 2020 Vistage CEO Confidence Index

Total Re-
spondents

1,304

Annual Revenue	Number of Employees	Industry	Area
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	61 4.68%
		Remained about the same	154 11.81%
		Worsened	1,085 83.21%
		Don't know/No opinion	4 0.31%
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	750 57.52%
		About the same	309 23.70%
		Worse	207 15.87%
		Don't know/No opinion	38 2.91%
3	Do you anticipate that your firm's sales revenues will increase, remain about the same, or decrease during the next 12 months?*	Increase	814 62.42%
		Remain the same	318 24.39%
		Decrease	162 12.42%
		Don't know/No opinion	10 0.77%
4	Do you expect your firm's profitability to improve, remain about the same, or worsen during the next 12 months?*	Improve	691 52.99%
		Remain the same	391 29.98%
		Worsen	210 16.10%
		Don't know/No opinion	12 0.92%
5	Are your firm's total fixed investment expenditures likely to increase, remain about the same, or decrease during the next 12 months?*	Increase	470 36.04%
		Remain the same	573 43.94%
		Decrease	240 18.40%
		Don't know/No opinion	21 1.61%
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	676 51.84%
		Remain the same	496 38.04%
		Decrease	122 9.36%
		Don't know/No opinion	10 0.77%

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1,304

Annual Revenue: All
Number of Employees: All
Industry: All
Area: All

7	To what degree have your revenues been impacted by the coronavirus pandemic?	Increased	281	21.58%
		Decreased less than 10%	279	21.43%
		Decreased 10-24%	367	28.19%
		Decreased 25-49%	188	14.44%
		Decreased 50-74%	49	3.76%
		Decreased more than 75%	14	1.08%
		No change in revenues	124	9.52%
8	How long will your cash reserves support your business during the current economic conditions?	Less than 1 month	16	1.23%
		1 - 2 months	103	7.91%
		3 - 5 months	288	22.12%
		6 - 12 months	394	30.26%
		More than one year	471	36.18%
		Other, please specify	26	2.00%
9	When do you expect economic conditions in U.S. will begin to improve?	Less than 1 month	57	4.38%
		1 - 2 months	79	6.07%
		3 - 5 months	330	25.35%
		6 - 12 months	519	39.86%
		More than one year	245	18.82%
		Other, please specify	68	5.22%
10	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	159	12.21%
		Already recovered from impacts	232	17.82%
		Less than 1 month	13	1.00%
		1 - 2 months	57	4.38%
		3 - 5 months	185	14.21%
		6 - 12 months	360	27.65%
		More than one year	258	19.82%
		Other, please specify	34	2.61%
12	Which statement describes where you expect your business to be 6 months from now?	Stronger than before	574	44.09%
		Back to normal	221	16.97%
		Moderately weakened but regaining momentum	441	33.87%
		Significantly weakened and fighting to rebuild	65	4.99%

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Statement	1 - Strongly disagree	2 - Disagree	3 - Neither agree or disagree	4 - Agree	5 - Strongly agree
15 I am satisfied with the performance of my sales team	27 (2.10%)	198 (15.42%)	332 (25.86%)	565 (44.00%)	161 (12.54%)
15.1 Our sales personnel are adept at understanding customers changing needs	10 (0.78%)	111 (8.64%)	318 (24.77%)	648 (50.47%)	190 (14.80%)
15.2 Our sales team uses a defined sales process	48 (3.74%)	235 (18.30%)	327 (25.47%)	518 (40.34%)	147 (11.45%)
15.3 Our customer messaging has been adapted to reflect their current needs	9 (0.70%)	102 (7.94%)	302 (23.52%)	669 (52.10%)	181 (14.10%)
15.4 We have changed our approach to sales and customer service as a result of the pandemic	25 (1.95%)	150 (11.68%)	246 (19.16%)	585 (45.56%)	270 (21.03%)
15.5 We leveraged the shutdown to focus on sales training	151 (11.76%)	394 (30.69%)	376 (29.28%)	279 (21.73%)	76 (5.92%)

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16	Sales personnel (sales, support, managers)	Decreased	134	10.42%
		No change	903	70.22%
		Increased	246	19.13%
16.1	Sales training (process, skills and knowledge)	Decreased	34	2.64%
		No change	755	58.71%
		Increased	495	38.49%
16.2	Sales technology	Decreased	16	1.24%
		No change	715	55.60%
		Increased	547	42.53%
16.3	Lead generation/Marketing	Decreased	45	3.50%
		No change	666	51.79%
		Increased	563	43.78%

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19 How do you expect the size your workforce to change the next 3 months?	Increase	572	44.00%
	Remain the same	596	45.85%
	Decrease	125	9.62%
	Don't know/no opinion	7	0.54%

21 If you implemented remote working during the pandemic, what portion of your employees have returned to the office either full or part time?	All have returned	300	23.11%
	Some have returned	568	43.76%
	None, we have gone fully remote	73	5.62%
	None, but we plan to return in the future	138	10.63%
	Did not implement remote working	113	8.71%
	Other, please specify	106	8.17%

22 When do you expect employees working remotely to return to the office:	In the next 30 days	3	2.19%
	Before the end of the year	26	18.98%
	Not until 2021	84	61.31%
	Uncertain	19	13.87%
	Other, please specify	5	3.65%

24 Has your company changed vendors/suppliers as a result of the pandemic?	Yes, we've changed all of our vendors/suppliers	3	0.23%
	Yes, we've changed some of our vendors/suppliers	268	20.63%
	No, we haven't changed any of our vendors/suppliers	994	76.52%
	No, we but we are planning to make changes before the end of the year	34	2.62%

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Question	Employee Range	Count	Percentage
27 During your company's last fiscal year, what was its total employment?*	1-9 employees	103	7.90%
	10-19 employees	146	11.20%
	20-49 employees	316	24.23%
	50-99 employees	260	19.94%
	100-499 employees	385	29.52%
	500-999 employees	54	4.14%
	1000-4999 employees	32	2.45%
	5000-9999 employees	3	0.23%
	10000+ employees	5	0.38%

Question	Revenue Range	Count	Percentage
28 During your company's last fiscal year, what were its total revenues? *	Less than 500k	21	1.61%
	500-999k	23	1.76%
	1-4 Million	212	16.26%
	5-9 Million	222	17.02%
	10-20 Million	245	18.79%
	21-49 Million	256	19.63%
	50-99 Million	152	11.66%
	100-249 Million	118	9.05%
	250-499 Million	34	2.61%
	500-999 Million	10	0.77%
	1+ Billion	11	0.84%

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 is the world's largest CEO coaching and peer advisory organization for small and midsize businesses. For more than 60 years, we've been helping CEOs, business owners and key executives solve their greatest challenges through confidential peer groups and one-to-one executive coaching sessions. Today, more than 23,000 members in 20 countries rely on Vistage to help make better decisions for their companies, families and communities. The results prove it: Vistage member companies grow 2.2 times faster than average small and midsize U.S. businesses, 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