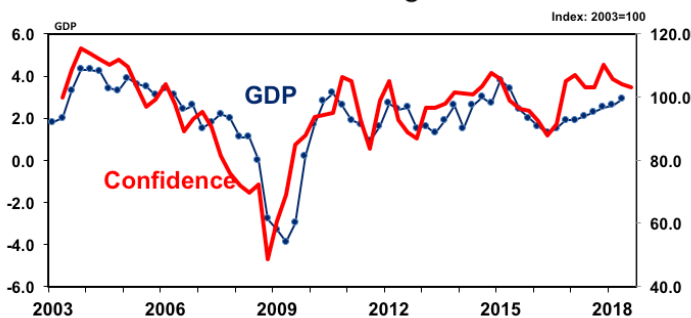


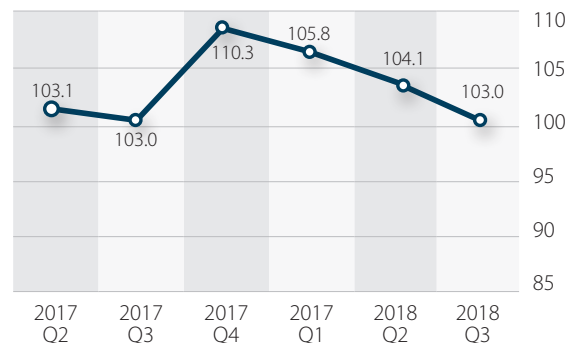
## CEO optimism prevails.

Economic confidence among CEOs continued to slowly decline in the Q3 2018 Vistage CEO Confidence Index survey from the fourteen year peak set in late 2017, which was due to the passage of the tax cut legislation. The Vistage CEO Confidence Index was 103.0 in the Q3 2018, reversing the entire gain recorded in the past 3 quarters. Most of the recent decline was due to an anticipated slowdown in the pace of economic growth as well as a slight decline in revenue and profit expectations. To be sure, CEO's expectations for revenues and profits are still quite robust. The small falloff in revenues came despite the intention by 56% of all firms to increase prices for their goods and services. Dampening of profits was due to higher costs for labor and from delaying firm growth: 47% of firms reported that they boosted wages or benefits, and another 14% reported slowing growth in sales and order fulfillment. Increased production costs due to higher wages, benefits, interest rates, and prices of materials will squeeze profits and put a premium on lowering costs and raising prices charged for their goods and services. Perhaps the prime source of current economic uncertainty is the escalating trade war with China, which could increase inflation. The resulting increases in inflation will stiffen the Fed's resolve to increase interest rates later this year and next year.

Vistage CEO Confidence Index and Year-to-Year Changes In GDP



Vistage CEO Confidence Index



The Q3 2018 Vistage CEO Confidence Index was 103.0, between the prior quarter's 105.8 and on par with last year's 103.1.

Trends in the Vistage CEO Confidence Index show a close correspondence with year-to-year changes in real GDP published by the U. S. Bureau of Economic Analysis from the majority of the period. This correspondence shows an increasing divergence beginning in early 2017; the gap will most likely be closed by an increase in GDP growth and a moderation in confidence.

The data indicate a continued economic expansion with an uptick in the average rate of GDP growth during 2018 and into 2019. Strong GDP growth in the 2nd and 3rd quarters of 2018 will more closely align expectations with actual outcomes.

— Analysis provided by Dr. Richard Curtin, University of Michigan



Q3 2018 Vistage CEO Confidence Index Survey  
Wisconsin

Wisconsin Survey Highlights

**29%** of CEOs expect the economy to improve in the year ahead (vs. **25%** nationally)

**48%** of CEOs expect to increase investments in the year ahead (vs. **50%** nationally)

**74%** of CEOs expect to increase revenue in the year ahead (vs. **75%** nationally)

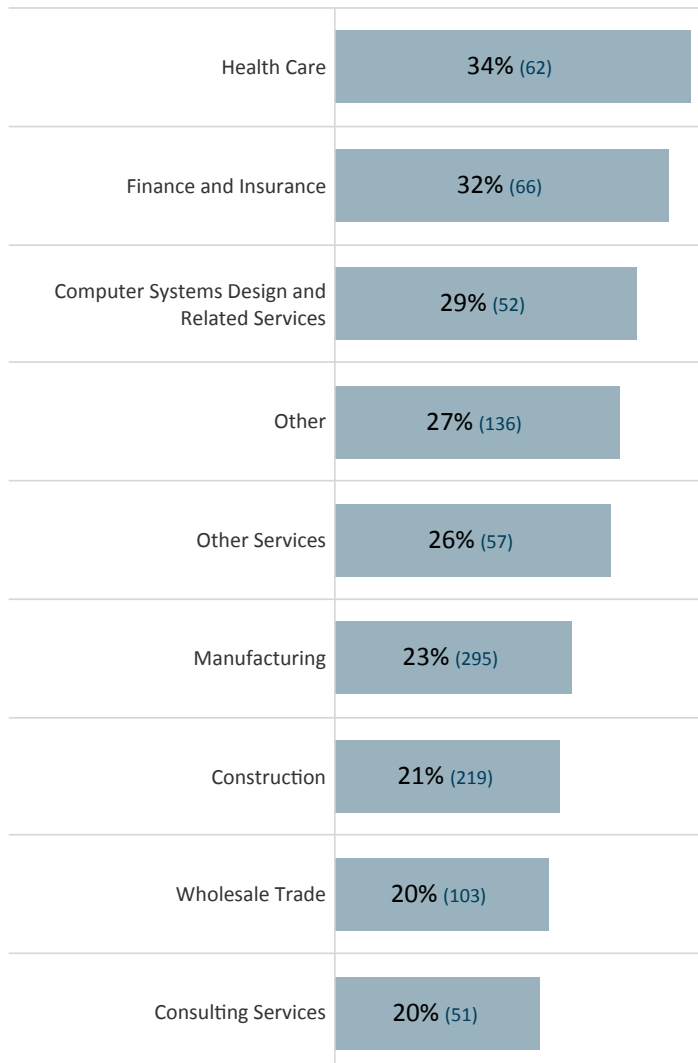
**58%** of CEOs plan to expand their workforce in the next year (vs. **63%** nationally)

**65%** of CEOs thought the national economy had improved in the past year (vs. **64%** nationally)

**52%** of CEOs expect rising profits in the year ahead (vs. **61%** nationally)

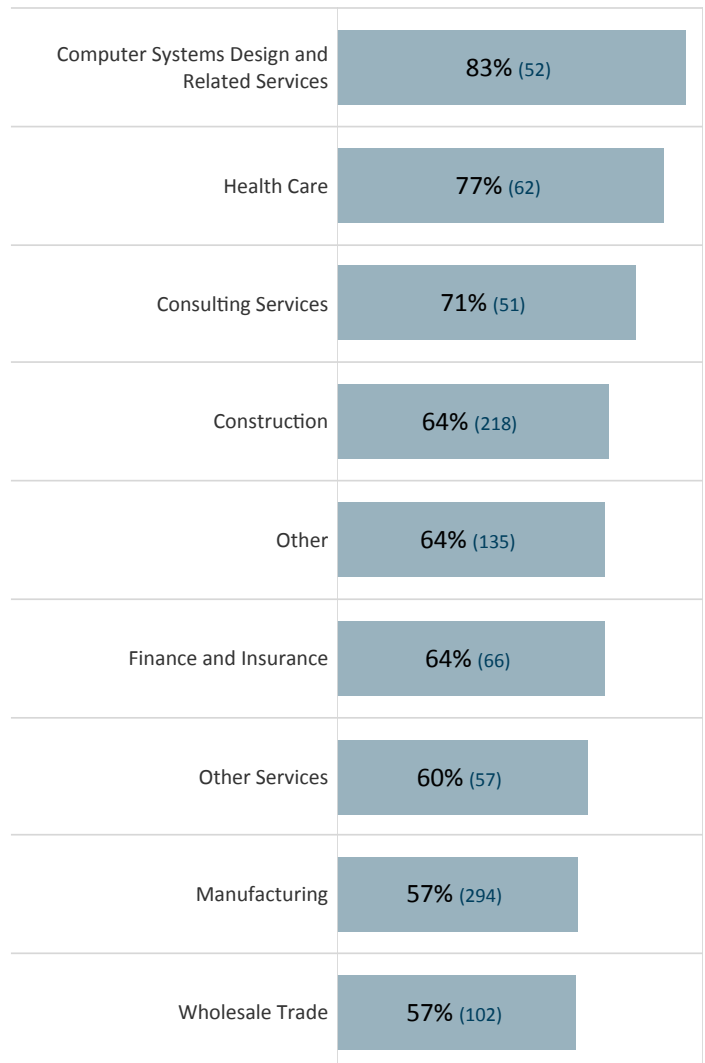
National Economic Outlook by Industry

% of CEOs who expect the economy to improve in the year ahead (includes industries with at least 50 responses). Response count in parentheses.



National Employment Outlook by Industry

% of CEOs who plan to expand their workforce in the next year (includes industries with at least 50 responses). Response count in parentheses.





Q3 2018 Vistage CEO Confidence Index Survey  
Wisconsin

Number of respondents in (blue)

		Wisconsin	National	
1	Compared with a year ago, have overall economic conditions in the United States improved, remained the same, or worsened?	Improved	65% (43)	64% (953)
		Remained about the same	27% (18)	31% (464)
		Worsened	8% (5)	4% (52)
		Don't know/No opinion	0% (0)	1% (15)
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	29% (19)	25% (376)
		About the same	58% (38)	52% (766)
		Worse	14% (9)	21% (318)
		Don't know/No opinion	0% (0)	2% (24)
3	Are your firm's total fixed investment expenditures likely to increase, remain about the same, or decrease during the next 12 months?	Increase	48% (32)	50% (747)
		Remain the same	41% (27)	41% (608)
		Decrease	11% (7)	8% (112)
		Don't know/No opinion	0% (0)	1% (17)
4	Do you anticipate that your firm's sales revenues will increase, remain about the same, or decrease during the next 12 months?	Increase	74% (49)	75% (1,117)
		Remain the same	23% (15)	20% (292)
		Decrease	2% (1)	5% (68)
		Don't know/No opinion	2% (1)	0% (7)
5	Do you expect your firm's profitability to improve, remain about the same, or worsen during the next 12 months?	Improve	52% (34)	61% (912)
		Remain the same	36% (24)	29% (434)
		Worsen	11% (7)	9% (129)
		Don't know/No opinion	2% (1)	1% (9)
6	Do you expect prices for your product or service to increase, remain about the same, or decrease during the next 12 months?	Increase	59% (39)	56% (834)
		About the same	33% (22)	39% (585)
		Decrease	6% (4)	4% (56)
		Don't know/No opinion	2% (1)	1% (9)
7	Do you expect your firm's total number of employees will increase, remain about the same, or decrease during the next 12 months?	Increase	58% (38)	63% (935)
		Remain the same	38% (25)	32% (474)
		Decrease	3% (2)	4% (66)
		Don't know/No opinion	2% (1)	0% (2)
8	When do you plan to increase your firm's total number of employees over the next 12 months?	Q4 2018	15% (10)	18% (265)
		Q1 2019	11% (7)	12% (178)
		Q2 2019	12% (8)	10% (146)
		Q3 2019	9% (6)	8% (117)
		Steadily throughout the next 12 months.	36% (24)	43% (632)
		I do not plan to increase my total number of employees in the next 12 months.	17% (11)	10% (146)



Q3 2018 Vistage CEO Confidence Index Survey  
Wisconsin

Number of respondents in (blue)

Wisconsin National

9	Does your company hire temporary or seasonal workers?	Yes	42% (27)	37% (548)
		No	58% (37)	63% (927)
14	Which of the following best describes your company's strategy?	We have a well-defined strategy that guides business decisions	44% (29)	46% (670)
		We have a generally understood strategy that guides business decisions, but it is not well defined	42% (28)	40% (592)
		We have a generally understood strategy that is not always referenced for business decisions	8% (5)	10% (153)
		We don't have an overarching strategy that guides business decisions	6% (4)	3% (50)
15	Who participates in strategic planning at your company? Please select all that apply.	Owners / investors / board of directors	62% (41)	55% (810)
		CEO/self	83% (55)	76% (1,121)
		All department/functional leaders (Marketing, Sales, Finance, HR, etc)	61% (40)	59% (874)
		Select department/functional leaders	36% (24)	24% (353)
		Business unit leaders	20% (13)	19% (283)
		Managers	9% (6)	15% (221)
		Cross-functional work-groups	9% (6)	5% (80)
		Outside advisors/facilitators	17% (11)	14% (200)
17	Which of the following do you use to evaluate the effectiveness of company strategy? Please select all that apply.	ROI	52% (34)	45% (655)
		Company KPIs	61% (40)	56% (824)
		Specific Strategy targets	59% (39)	49% (713)
		Market share	18% (12)	17% (255)
		Customer satisfaction	58% (38)	42% (618)
		Other	12% (8)	4% (64)
		We do not really measure strategy effectiveness	2% (1)	10% (141)
19	How often do you measure these KPIs?	Monthly	73% (29)	77% (623)
		Quarterly	8% (3)	11% (92)
		Annually	0% (0)	1% (8)
		Other	20% (8)	10% (84)



Q3 2018 Vistage CEO Confidence Index Survey  
Wisconsin

Number of respondents in (blue)

	Wisconsin	National
20 During your company's last fiscal year, what were its total revenues?	Less than 500k 3% (2)	2% (29)
	500-999k 0% (0)	2% (23)
	1-4 Million 11% (7)	17% (254)
	5-9 Million 12% (8)	17% (254)
	10-20 Million 14% (9)	18% (273)
	21-49 Million 18% (12)	20% (291)
	50-99 Million 17% (11)	12% (175)
	100-249 Million 11% (7)	7% (108)
	250-499 Million 9% (6)	3% (49)
	500-999 Million 2% (1)	1% (17)
	1+ Billion 5% (3)	1% (11)
21 During your company's last fiscal year, what was its total employment?	1-9 employees 9% (6)	8% (113)
	10-19 employees 9% (6)	12% (174)
	20-49 employees 11% (7)	24% (350)
	50-99 employees 15% (10)	20% (291)
	100-499 employees 38% (25)	29% (433)
	500-999 employees 11% (7)	4% (66)
	1000-4999 employees 5% (3)	3% (48)
	5000-9999 employees 2% (1)	0% (6)
	10000+ employees 2% (1)	0% (2)
		None 0% (0)
22 What was your actual revenue growth rate in your past fiscal year?	Declined more than 10% 5% (3)	3% (51)
	Declined 6-10% 2% (1)	3% (49)
	Declined 1-5% 2% (1)	6% (86)
	Flat 21% (14)	11% (158)
	Increased 1-5% 20% (13)	22% (318)
	Increased 6-10% 24% (16)	21% (305)
	Increased 10%+ 27% (18)	34% (509)
23 What is your projected revenue growth rate for your current year?	Decline more than 10% 2% (1)	2% (35)
	Decline 6-10% 0% (0)	2% (35)
	Decline 1-5% 2% (1)	4% (52)
	Flat 14% (9)	10% (147)
	Increase 1-5% 31% (20)	22% (318)
	Increase 6-10% 22% (14)	24% (345)
	Increase 10%+ 31% (20)	36% (534)



Surveying CEOs of small to mid-sized businesses since 2003