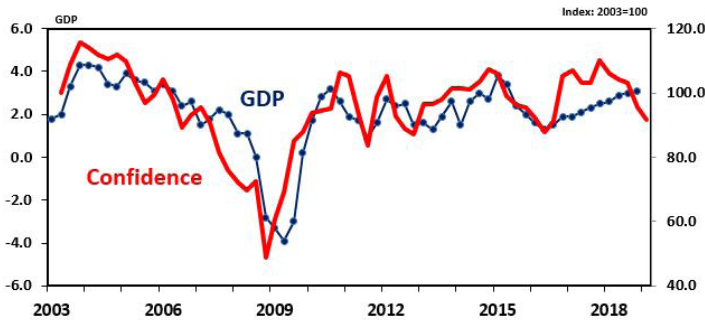


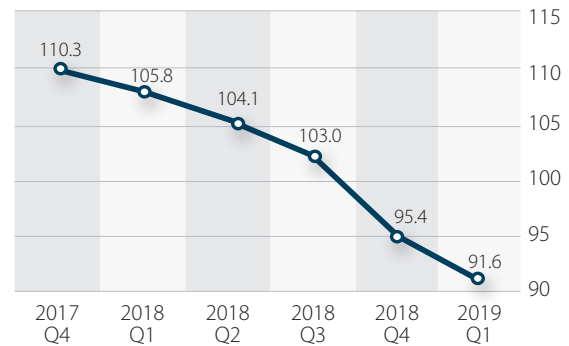
CEO optimism sinks further.

Confidence among CEOs continued to decline according to analysis of the latest Vistage CEO Confidence Index survey, falling to the lowest level since the presidential election. The Vistage CEO Confidence Index was 91.6 in Q1 2019, down from 95.4 the prior quarter and last year's 105.8. Most of the decline was driven by assessments of current conditions of the national economy; future economic prospects remained at the same low level recorded last quarter. Although more CEOs indicated that their firm's prospects had dimmed, the falloff was much less than the recent plunge in how they viewed overall economic conditions. The current level of confidence has neared the lower boundary of the zig-zag pattern it has traveled in the current expansion. This indicates a return to a sluggish pace of economic growth, not a renewed recession. Indeed, the critical challenge voiced by nearly half (47%) of all CEOs is attracting qualified additions to their workforce. Retention neared the bottom of the list of critical challenges in talent management, which was supported by the fact that 40% of CEOs indicated employee turnover rates were under 5%. As the rate of job creation slows and workforce expansion plans hold steady, the increasingly competitive labor market may cause retention rates to rise; over one-fourth (27%) of CEOs reported retention rates that were greater than 10%. More than half (51%) of CEOs plan to increase prices for their products or services to cover rising costs. Although profit growth weakened in the latest survey, 43% of firms anticipated reduced taxes due to the new legislation.

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



Vistage CEO Confidence Index



The Q1 2019 Vistage CEO Confidence Index was 91.6, 14.2 points down from 105.8 in Q1 of last year

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 for the majority of the period. This correspondence shows an increasing divergence beginning in early 2017 which is subsequently reversed starting in 2018. Overall, the data indicate a slowing pace of economic growth during 2019.

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



Q1 2019 CEO Confidence Index Survey
Texas

Texas Survey Highlights

Economy	Prospects	Expansion
31% of CEOs thought the national economy had improved in the past year (vs. 29% nationally)	72% of CEOs expect to increase revenue in the year ahead (vs. 70% nationally)	39% of CEOs expect to increase investments in the year ahead (vs. 41% nationally)
13% of CEOs expect the economy to improve in the year ahead (vs. 14% nationally)	61% of CEOs expect rising profits in the year ahead (vs. 58% nationally)	64% of CEOs plan to expand their workforce in the next year (vs. 59% 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.

Computer Systems Design and Related Services	18% (62)
Health Care	17% (65)
Construction	17% (251)
Other Services	16% (58)
Consulting Services	15% (62)
Other	13% (164)
Manufacturing	12% (320)
Wholesale Trade	11% (114)
Architectural, Engineering, and Related Services	10% (60)
Finance and Insurance	9% (89)

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.

Architectural, Engineering, and Related Services	82% (60)
Computer Systems Design and Related Services	79% (62)
Consulting Services	71% (62)
Other Services	64% (58)
Health Care	60% (65)
Construction	60% (251)
Other	57% (164)
Finance and Insurance	56% (89)
Manufacturing	53% (320)
Wholesale Trade	48% (114)



Q1 2019 CEO Confidence Index Survey
Texas

Number of respondents in (blue)

	Texas	National
Compared with a year ago, have overall economic conditions in the United States improved, remained the same, or worsened?	Improved 31% (47)	29% (497)
	Remained about the same 55% (83)	54% (937)
	Worsened 14% (21)	16% (279)
	Don't know/No opinion 1% (1)	1% (16)
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 13% (19)	14% (234)
	About the same 55% (83)	54% (931)
	Worse 32% (49)	31% (542)
	Don't know/No opinion 1% (1)	1% (22)
Do you anticipate that your firm's sales revenues will increase, remain about the same, or decrease during the next 12 months?	Increase 72% (110)	70% (1,212)
	Remain the same 20% (30)	22% (386)
	Decrease 8% (12)	7% (125)
	Don't know/No opinion 0% (0)	0% (6)
Do you expect your firm's profitability to improve, remain about the same, or worsen during the next 12 months?	Improve 61% (92)	58% (1,002)
	Remain the same 30% (45)	31% (530)
	Worsen 9% (13)	11% (187)
	Don't know/No opinion 1% (2)	1% (10)
Are your firm's total fixed investment expenditures likely to increase, remain about the same, or decrease during the next 12 months?	Increase 39% (60)	41% (715)
	Remain the same 45% (68)	46% (795)
	Decrease 14% (21)	12% (200)
	Don't know/No opinion 2% (3)	1% (19)
Do you expect your firm's total number of employees will increase, remain about the same, or decrease during the next 12 months?	Increase 64% (97)	59% (1,021)
	Remain the same 30% (46)	35% (602)
	Decrease 5% (8)	5% (95)
	Don't know/No opinion 1% (1)	1% (11)
When do you plan to increase your firm's total number of employees over the next 12 months?	Q2 2019 35% (34)	31% (318)
	Q3 2019 18% (17)	17% (177)
	Q4 2019 6% (6)	5% (55)
	Q1 2020 0% (0)	2% (21)
	Steadily throughout the next 12 months. 41% (40)	44% (450)



Q1 2019 CEO Confidence Index Survey
Texas

Number of respondents in (blue)

	Texas	National
Which of the following is the most critical challenge your business is currently facing when it comes to managing talent?	Attracting qualified talent 47% (72)	47% (809)
	Retaining existing talent 8% (12)	6% (110)
	Training and development of employees 16% (25)	19% (323)
	Creating growth opportunities for employees 11% (17)	10% (168)
	Creating a strong culture that drives employee engagement 16% (25)	16% (281)
	Other 1% (1)	2% (31)
Over the past 12 months, how has your employee turnover rate changed?	Increased 13% (20)	19% (336)
	Remained the same 65% (99)	63% (1,080)
	Decreased 21% (32)	17% (293)
	Don't know/no opinion 1% (1)	1% (19)
What was your employee turnover rate for the past 12 months?	Less than 5% 38% (58)	40% (697)
	6-10% 26% (39)	29% (504)
	11-25% 22% (33)	19% (329)
	26-50% 7% (11)	6% (105)
	More than 50% 4% (6)	2% (38)
	I don't know 3% (5)	3% (52)
Do you expect prices for your product or service to increase, remain about the same, or decrease during the next 12 months?	Increase 45% (68)	51% (873)
	About the same 51% (78)	44% (762)
	Decrease 3% (5)	5% (80)
	Don't know/No opinion 1% (1)	1% (10)
Have you changed the way your business is structured or operates as a result of the tax law? For instance, h..	Yes 5% (8)	5% (80)
	No 95% (144)	95% (1,641)
Based on the new tax law passed last year, how has your tax bill changed?	Decreased >20% 2% (3)	4% (70)
	Decreased 10-20% 18% (26)	16% (255)
	Decreased <10% 21% (30)	23% (374)
	Remained the same 55% (78)	49% (794)
	Increased <10% 2% (3)	6% (97)
	Increased 10-20% 1% (1)	2% (28)
	Increased >20% 1% (1)	0% (8)
Which of the following best describes who is responsible for your financial management, including taxes and other financial reporting:	Myself 9% (14)	12% (215)
	An external consultant, CPA or financial advisor 37% (56)	29% (503)
	Our Chief Financial Officer or equivalent 42% (64)	46% (802)
	Accounting personnel that report to me 9% (13)	10% (166)
	Other 3% (5)	2% (41)
How are tariffs impacting your business?	Positively impact my business 3% (4)	4% (66)
	No impact on my business 68% (102)	59% (1,010)
	Negatively impact my business 30% (45)	38% (647)



Q1 2019 CEO Confidence Index Survey
Texas

Number of respondents in (blue)

During your company's last fiscal year, what was its total employment?

	Texas	National
1-9 employees	5% (7)	9% (149)
10-19 employees	13% (20)	11% (195)
20-49 employees	28% (43)	22% (383)
50-99 employees	24% (37)	21% (358)
100-499 employees	22% (34)	29% (503)
500-999 employees	1% (2)	4% (76)
1000-4999 employees	5% (8)	3% (50)
5000-9999 employees	1% (1)	0% (7)
10000+ employees	0% (0)	0% (7)
None	0% (0)	0% (1)

During your company's last fiscal year, what were its total revenues?

Less than 500k	1% (1)	2% (31)
500-999k	2% (3)	3% (49)
1-4 Million	18% (27)	16% (272)
5-9 Million	19% (29)	17% (288)
10-20 Million	22% (34)	19% (327)
21-49 Million	18% (27)	20% (348)
50-99 Million	8% (12)	11% (192)
100-249 Million	7% (11)	8% (141)
250-499 Million	4% (6)	3% (47)
500-999 Million	1% (1)	1% (17)
1+ Billion	1% (1)	1% (17)



Surveying CEOs of small to mid-sized businesses since 2003