

Acadiana CFO Roundtable
Moody College of Business Sentiment Index
for the 1st Quarter of 2011

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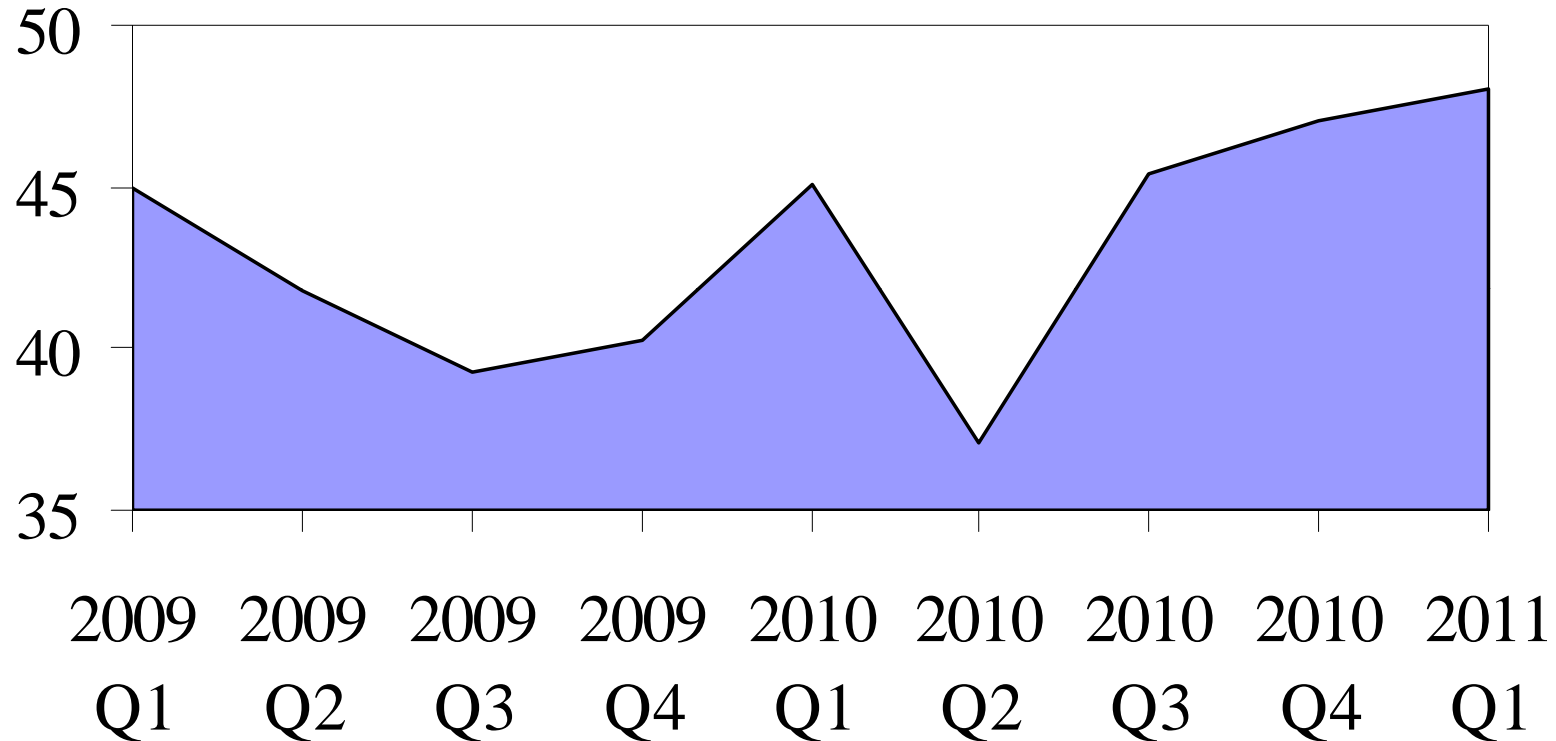
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May 2011

Results

- The index reading is **48 out of 100**. This is worse than “normal.” A reading of 50 is supposed to be about normal.
- This is a 1.03 point gain from Q4 2010. This is also the highest reading of the survey. The previous record high reading was 47.01 in Q4 2010.
- There were 15 Acadiana business leaders surveyed. The survey was conducted online in April and May 2011.

The CFO Roundtable Business Sentiment Index hit a new record high of 48.



Old surveys can be accessed online at

<http://cobweb.louisiana.edu/joomla/index.php/cfo-roundtable/211-acadiana-cfo-roundtable-survey-results.html>

12-Question CFO Roundtable Survey

Business conditions in Acadiana	(2 questions)
Business conditions for one's firm	(2 questions)
Costs and suppliers	(2 questions)
Price v. cost margins	(1 question)
Inventories	(1 question)
Availability and the cost of borrowing	(2 questions)
Firm description	(2 questions)

The responses to the first 10 questions are used to calculate the Business Sentiment Index...

First 10 questions make up the Business Sentiment Index.

- 0-to-100 scale.
 - 100 = high level of economic activity (boom)
 - 0 = the economy goes bust!
- 50 is a “typical” reading...If all possible responses are evenly distributed among the choices, you will get a reading of 50.
- The points are based on the percent of responses to a particular question choice.
- The index was 48.04 in Q1 2011, which is a rise from the previous record reading of 47.01 in Q4 2010. The index has hit record highs in the last three quarters after hitting its record low of 37.05 in Q2 2010.

Question 1: Business conditions in Acadiana are improving.

Select the choice that best describes your expectations regarding the trend in business conditions facing the Acadiana economy. Economic conditions in Acadiana are _____.

Answer Options	Response Frequency	Response Count	Index Points	Contribution to the Index
a. improving	66.7%	10	10	6.67
b. staying the same	33.3%	5	5	1.67
c. becoming more challenging	0.0%	0	0	0.00
<i>answered question</i>		15	Total	8.33
<i>skipped question</i>		0	% Max	83.3%

This a big rise from last quarter.

Question 2: Business conditions in Acadiana are currently challenging.

Select the choice that best describes the current state of economic conditions facing the Acadiana economy. Economic conditions for Acadiana are _____.				
Answer Options	Response Frequency	Response Count	Index Points	Contribution to the Index
a. better than normal	0.0%	0	12	0.00
b. normal	53.3%	8	6	3.20
c. worse than normal	46.7%	7	0	0.00
<i>answered question</i>		15	Total	3.20
<i>skipped question</i>		0	% Max	26.7%

This is about the same as the previous quarter.

Question 3: Respondents' firms face steady business conditions.

Select the choice that best describes your expectations regarding the trend in business conditions facing your firm. Business conditions for my firm are _____.				
Answer Options	Response Frequency	Response Count	Index Points	Contribution to the Index
a. Improving	46.7%	7	10	4.67
b. staying the same	46.7%	7	5	2.33
c. becoming more challenging	6.7%	1	0	0.00
<i>answered question</i>		15	Total	7.00
<i>skipped question</i>		0	% Max	70.0%

This is a big rise from the previous quarter.

Question 4: Current business conditions are challenging at respondents' firms.

Select the choice that best describes the current state of business conditions facing your firm. Business conditions for my firm are _____.				
Answer Options	Response Frequency	Response Count	Index Points	Contribution to the Index
a. better than normal	13.3%	2	12	1.60
b. normal	40.0%	6	6	2.40
c. worse than normal	46.7%	7	0	0.00
<i>answered question</i>		15	Total	4.00
<i>skipped question</i>		0	% Max	33.3%

This about the same as the previous quarter's reading.

Question 5: Intermediate goods prices are rising quickly.

The prices of the goods and services my firm buys are				
Answer Options	Response Frequency	Response Count	Index Points	Contribution to the Index
a. increasing by more than 10 percent per year.	0.0%	0	0	0.00
b. increasing by 5-to-10 percent per year.	46.7%	7	1	0.47
c. increasing by more than 1 percent per year but less than 5 percent per year.	40.0%	6	2	0.80
d. increasing by less than 1 percent per year or are decreasing in price.	13.3%	2	3	0.40
<i>answered question</i>		15	Total	1.67
<i>skipped question</i>		0	% Max	55.6%

Question 6: Suppliers are less available than before.

Complete the following statement. Over the last year it				
Answer Options	Response Frequency	Response Count	Index Points	Contribution to the Index
a. has become more difficult to find the suppliers of the goods and services essential to my business.	13.3%	2	0	0.00
b. is no more or less difficult to find the suppliers of the goods and services essential to my business.	80.0%	12	1	0.80
c. is easier to find the suppliers of the goods and services essential to my business.	6.7%	1	2	0.13
<i>answered question</i>		15	Total	0.93
<i>skipped question</i>		0	% Max	46.7%

Question 7: Markups of price above cost are shrinking.

The margin between the prices of the goods or services we sell and the costs of producing those goods or services are for the most part _____.				
Answer Options	Response Frequency	Response Count	Index Points	Contribution to the Index
a. increasing	0.0%	0	12	0.00
b. steady	42.9%	6	6	2.57
c. decreasing	36.0%	8	0	0.00
<i>answered question</i>		14	Total	2.57
<i>skipped question</i>		1	% Max	21.4%

Question 8: Inventories are rising.

Due to unexpected changes in demand for my firm's products, the following best describes the change in inventories at my firm.				
Answer Options	Percent Contribution	Response Count	Index Points	Contribution to the Index
a. Inventory levels are increasing.	50.0%	3	0	0.00
b. Inventory levels are steady.	33.3%	2	6	2.00
c. Inventory levels are declining.	16.7%	1	12	2.00
d. This statement is not applicable to my firm.	0.0%	7	0	0.00
<i>answered question</i>		13	Total	4.00
<i>skipped question</i>		2	% Max	33.3%

- This index score is much lower than last quarter's reading.
- Not applicable responses do not contribute to the index.

Question 9: Most firms have no trouble borrowing what they need.

It has become harder for my firm to borrow money over the last twelve months.				
Answer Options	Response Frequency	Response Count	Index Points	Contribution to the Index
a. True	16.7%	2	0	0.00
b. False	83.3%	10	11	9.17
<i>answered question</i>		12	Total	9.17
<i>skipped question</i>		3	% Max	83.3%

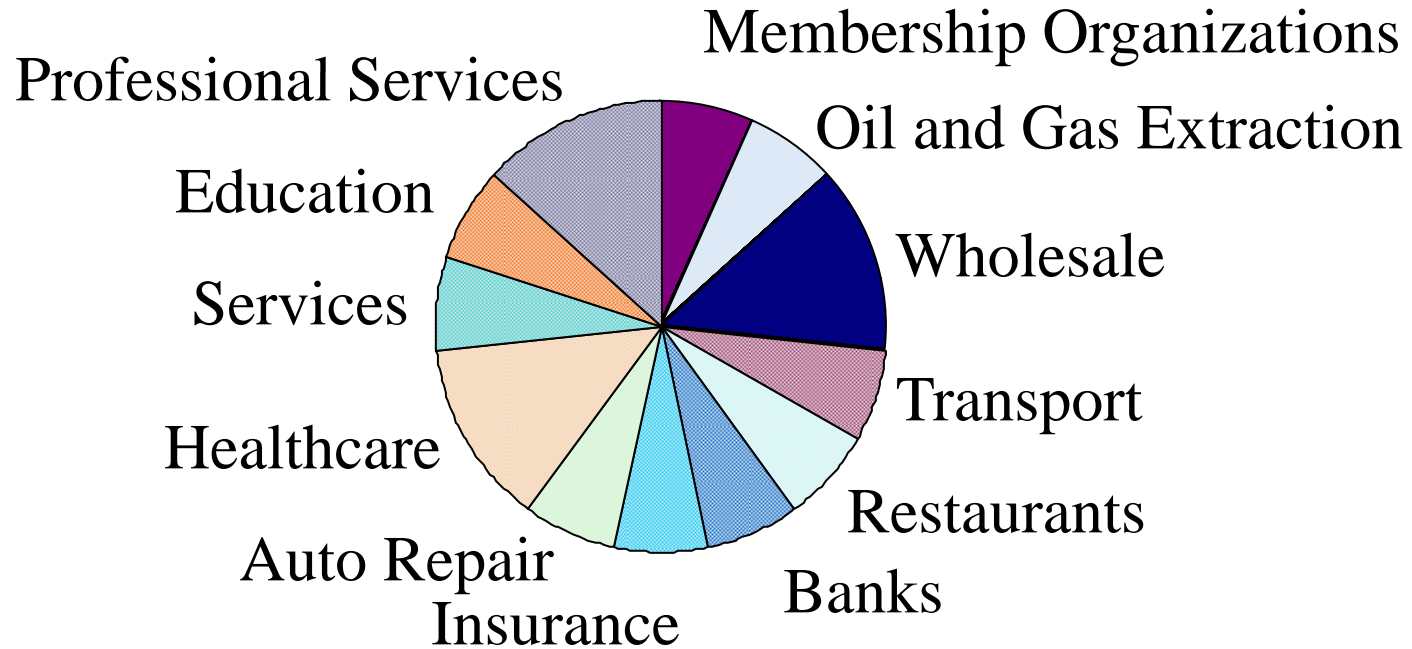
This is a higher score than the Q4 2010 reading, indicating that credit may be easier to access for more firms than last quarter.

Question 10: Borrowing costs are steady.

The interest rate on new borrowing over the last twelve months for my firm has _____.				
Answer Options	Response Frequency	Response Count	Index Points	Contribution to the Index
a. increased by more than 2 percent	0.0%	0	0	0.00
b. increased by & 0.5-to-2 percent	16.7%	2	4	0.67
c. not increased or decreased by more than & 0.5 percent	66.7%	8	8	5.33
d. decreased by & 0.5-to-2 percent	16.7%	2	12	2.00
e. decreased by more than 2 percent	0.0%	0	16	0.00
<i>answered question</i>		12	Total	8.00
<i>skipped question</i>		3	% Max	50.0%

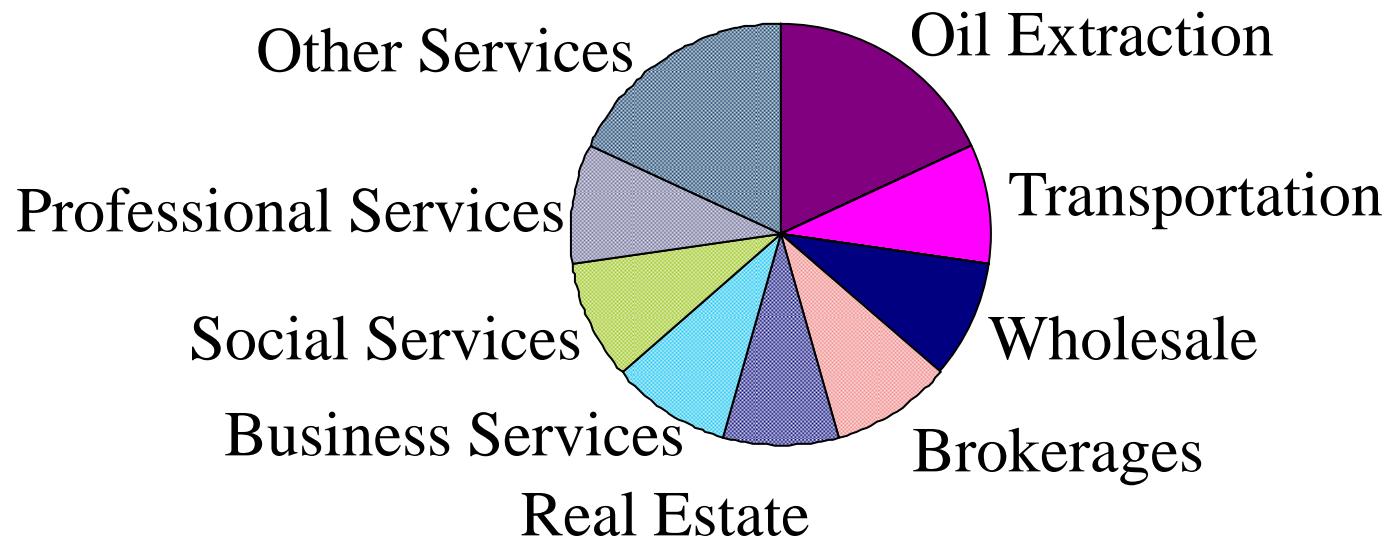
This is virtually unchanged from the previous quarter's reading.

Question 11: Primary line of business of respondents



There were 15 responses to this question.

Question 12: Secondary line of business of respondents



There were 11 responses to this question.