

**Acadiana CFO Roundtable**  
**Moody College of Business Sentiment Index**  
**for the 4th Quarter of 2011**

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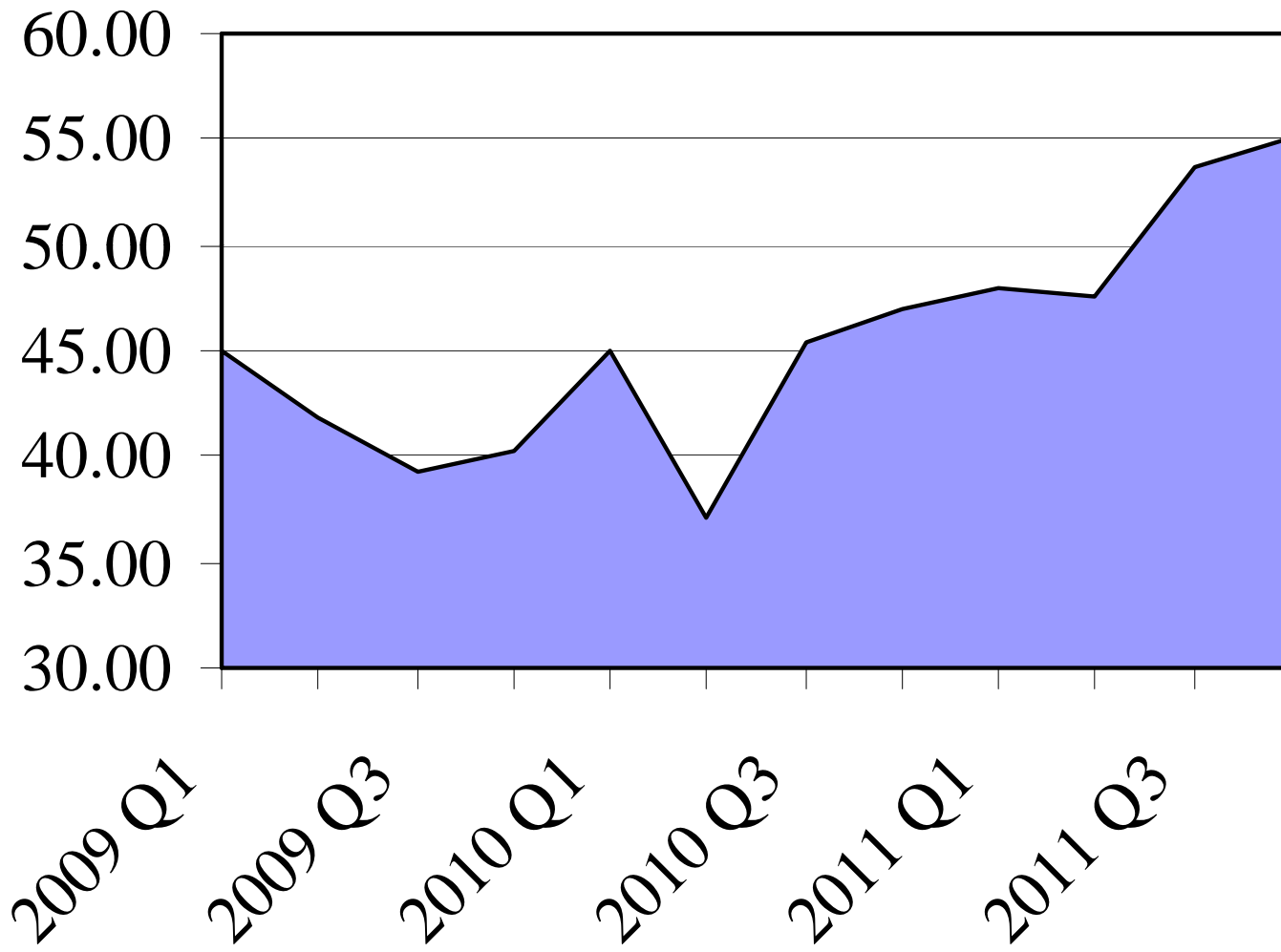
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# Results

- Index is **55.0 out of 100**. This is better than “normal.” A reading of 50 is supposed to be about normal.
- This is a record high for the index! This is just the second time that the sentiment index topped 50.
- There were 13 Acadiana business leaders surveyed. The survey was conducted online in March 2012.

# The CFO Roundtable Business Sentiment Index has hit a new high.



# 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.
- A 50 is normal.
- The points are based on the percent of responses to a particular question choice.
- The index was 54.98 in Q4 2011, which is up from 53.77 in Q3 2011.

# 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 \_\_\_\_\_.

<b>Answer Options</b>	<b>Response Frequency</b>	<b>Response Count</b>	<b>Index Points</b>	<b>Contribution to the Index</b>
a. improving	53.8%	7	10	5.38
b. staying the same	46.2%	6	5	2.31
c. becoming more challenging	0.0%	0	0	0.00
<i>answered question</i>		<b>13</b>	<b>Total</b>	<b>7.69</b>
<i>skipped question</i>		<b>0</b>	<b>% Max</b>	<b>76.9%</b>

## Question 2: Business conditions in Acadiana are typical.

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	23.1%	3	12	2.77
b. normal	53.8%	7	6	3.23
c. worse than normal	23.1%	3	0	0.00
<i>answered question</i>		<b>13</b>	<b>Total</b>	<b>6.00</b>
<i>skipped question</i>		<b>0</b>	<b>% Max</b>	<b>50.0%</b>

### Question 3: Most persons surveyed see conditions for their firms improving or staying the same.

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	41.7%	5	10	4.17
b. staying the same	33.3%	4	5	1.67
c. becoming more challenging	25.0%	3	0	0.00
<i>answered question</i>		<b>12</b>	<b>Total</b>	<b>5.83</b>
<i>skipped question</i>		<b>1</b>	<b>% Max</b>	<b>58.3%</b>



## Question 4: Current business conditions are normal at most 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	15.4%	2	12	1.85
b. normal	53.8%	7	6	3.23
c. worse than normal	30.8%	4	0	0.00
<i>answered question</i>		<b>13</b>	<b>Total</b>	<b>5.08</b>
<i>skipped question</i>		<b>0</b>	<b>% Max</b>	<b>42.3%</b>

# Question 5: Intermediate goods prices are rising.

<b>The prices of the goods and services my firm buys are</b>				
<b>Answer Options</b>	<b>Response Frequency</b>	<b>Response Count</b>	<b>Index Points</b>	<b>Contribution to the Index</b>
a. increasing by more than 10 percent per year.	0.0%	0	0	0.00
b. increasing by 5-to-10 percent per year.	30.8%	4	1	0.31
c. increasing by more than 1 percent per year but less than 5 percent per year.	53.8%	7	2	1.08
d. increasing by less than 1 percent per year or are decreasing in price.	15.4%	2	3	0.46
<i>answered question</i>		<b>13</b>	<b>Total</b>	<b>1.85</b>
<i>skipped question</i>		<b>0</b>	<b>% Max</b>	<b>61.5%</b>

## Question 6: Suppliers are no tougher to find for most firms.

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.	15.4%	2	0	0.00
b. is no more or less difficult to find the suppliers of the goods and services essential to my business.	84.6%	11	1	0.85
c. is easier to find the suppliers of the goods and services essential to my business.	0.0%	0	2	0.00
<i>answered question</i>		<b>13</b>	<b>Total</b>	<b>0.85</b>
<i>skipped question</i>		<b>0</b>	<b>% Max</b>	<b>42.3%</b>

## Question 7: Margins are shrinking for most firms.

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 \_\_\_\_\_.

<b>Answer Options</b>	<b>Response Frequency</b>	<b>Response Count</b>	<b>Index Points</b>	<b>Contribution to the Index</b>
a. increasing	0.0%	0	12	0.00
b. steady	41.7%	5	6	2.50
c. decreasing	58.3%	7	0	0.00
<i>answered question</i>		<b>12</b>	<b>Total</b>	<b>2.50</b>
<i>skipped question</i>		<b>1</b>	<b>% Max</b>	<b>20.8%</b>

## Question 8: Inventories are steady.

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.	20.0%	1	0	0.00
b. Inventory levels are steady.	60.0%	3	6	3.60
c. Inventory levels are declining.	20.0%	1	12	2.40
d. This statement is not applicable to my firm.	0.0%	7	0	0.00
<i>answered question</i>		<b>12</b>	<b>Total</b>	<b>6.00</b>
<i>skipped question</i>		<b>1</b>	<b>% Max</b>	<b>50.0%</b>

Not applicable responses do not contribute to the index.

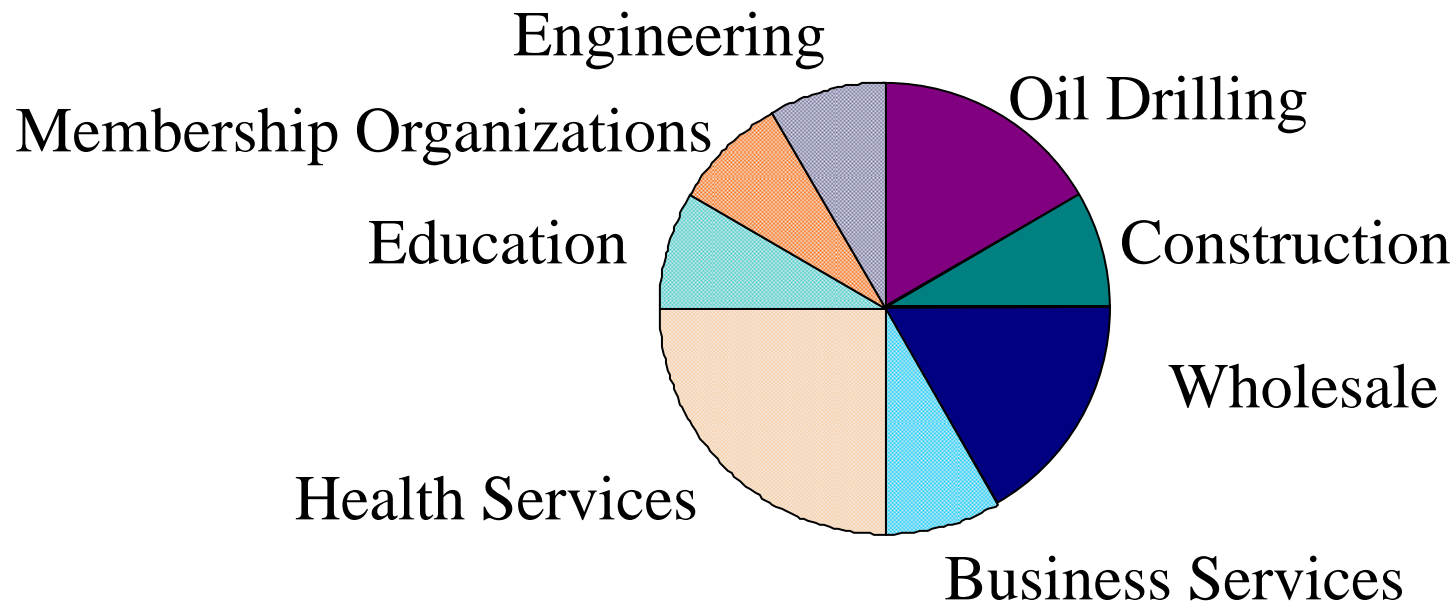
## Question 9: Credit is generally available.

<b>It has become harder for my firm to borrow money over the last twelve months.</b>				
<b>Answer Options</b>	<b>Response Frequency</b>	<b>Response Count</b>	<b>Index Points</b>	<b>Contribution to the Index</b>
a. True	18.2%	2	0	0.00
b. False	81.8%	9	11	9.00
<i>answered question</i>		<b>11</b>	<b>Total</b>	<b>9.00</b>
<i>skipped question</i>		<b>2</b>	<b>% Max</b>	<b>81.8%</b>

# Question 10: Borrowing costs are steady or declining.

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	0.0%	0	4	0.00
c. not increased or decreased by more than & 0.5 percent	45.5%	5	8	3.64
d. decreased by & 0.5-to-2 percent	54.5%	6	12	6.55
e. decreased by more than 2 percent	0.0%	0	16	0.00
<i>answered question</i>		<b>11</b>	<b>Total</b>	<b>10.18</b>
<i>skipped question</i>		<b>2</b>	<b>% Max</b>	<b>63.6%</b>

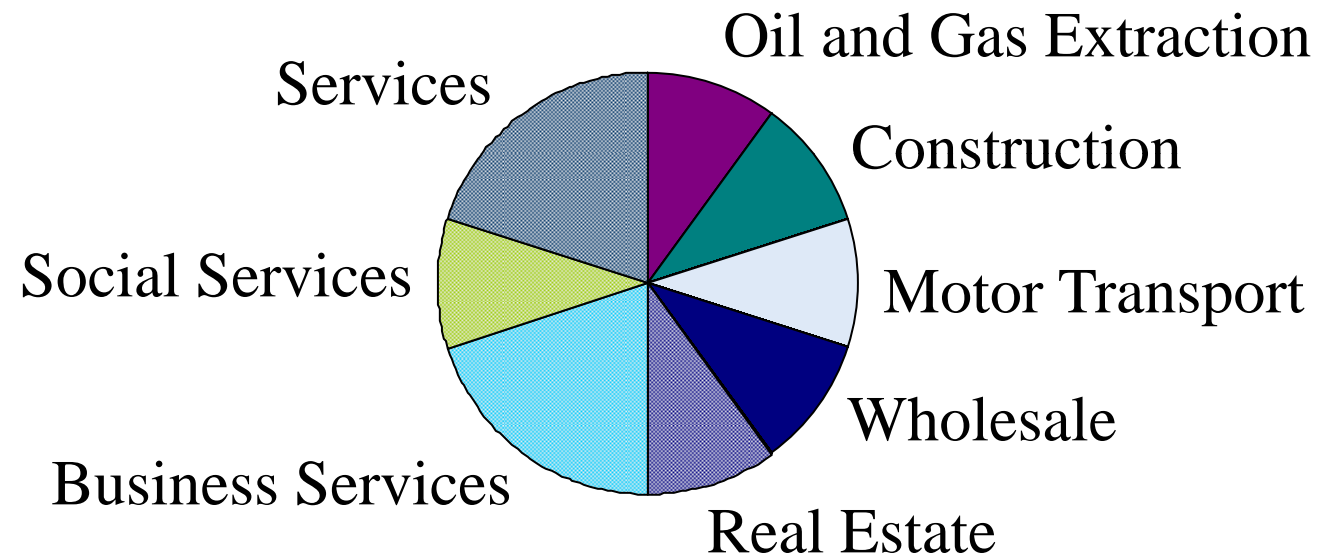
# Question 11: Primary line of business of respondents



*There were 12 responses to this question.*



## Question 12: Secondary line of business of respondents



*There were 10 responses to this question.*