

Acadiana CFO Roundtable Moody College of Business Sentiment Index for Q4 2015

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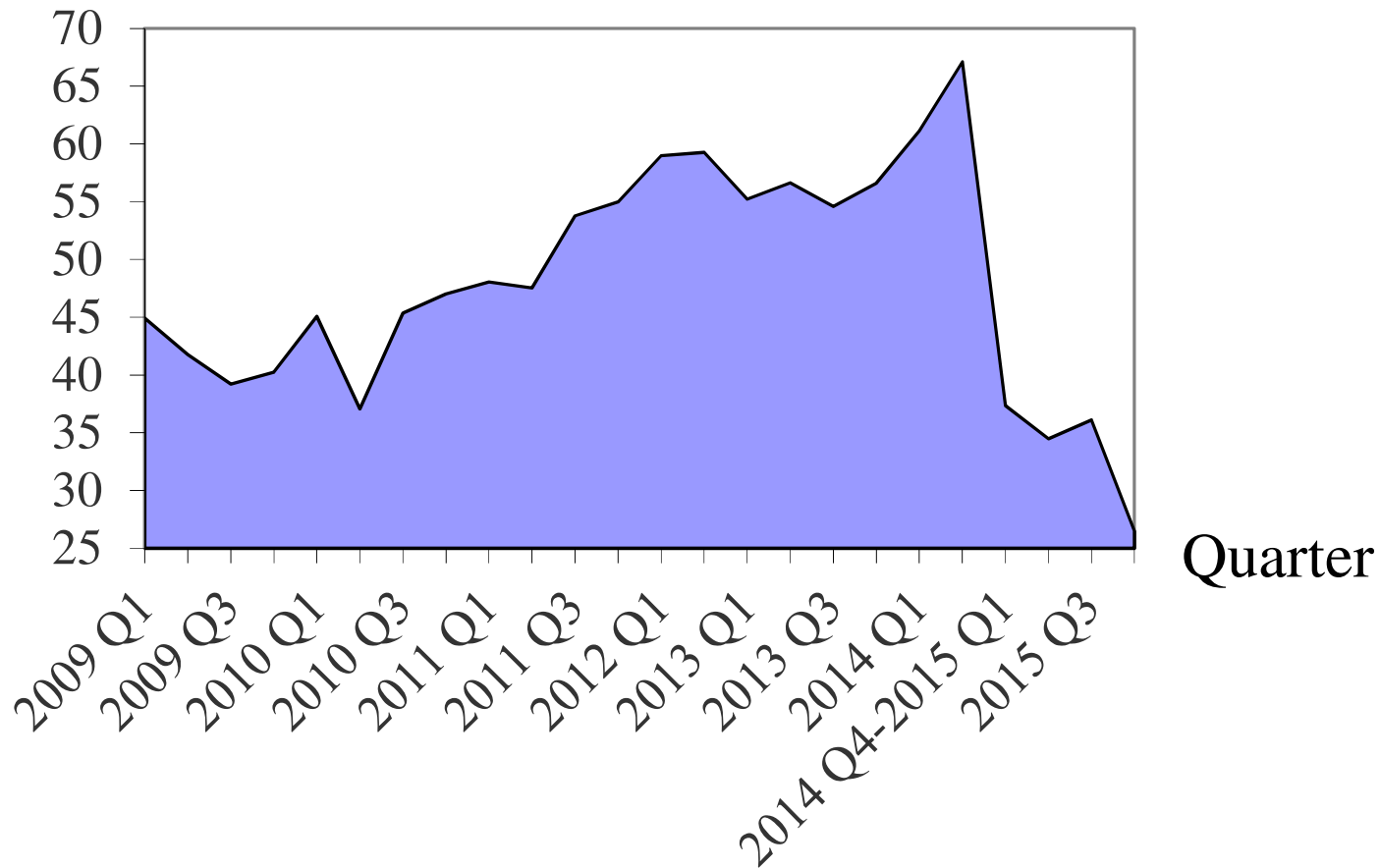
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Results

- The index is **26.48 out of 100**. This is worse than “normal.” A reading of 50 is supposed to be about normal. The median reading since 2009 was 47.
- This reading is down about 10 points from Q3 2015.
- There were 11 Acadiana business leaders surveyed. The survey was conducted online in February 2016.

The sentiment index hit a new low dropping nearly 8 points from the previous record low in Q2 2015.

Index Reading



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.

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...

Question 1: Business conditions in Acadiana are becoming more challenging.

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	0.0%	0	10	0.00
b. staying the same	0.0%	0	5	0.00
c. becoming more challenging	100.0%	11	0	0.00
<i>answered question</i>		11	Total	0.00
<i>skipped question</i>		0	% Max	0.0%

Question 2: Business conditions in Acadiana are worse than normal.

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	0.0%	0	6	0.00
c. worse than normal	100.0%	11	0	0.00
<i>answered question</i>		11	Total	0.00
<i>skipped question</i>		0	% Max	0.0%

Question 3: Trends in business conditions for most respondents' are becoming more challenging.

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	0.0%	0	10	0.00
b. staying the same	9.1%	1	5	0.45
c. becoming more challenging	90.9%	10	0	0.00
<i>answered question</i>		11	Total	0.45
<i>skipped question</i>		0	% Max	4.5%

Question 4: Current business conditions are worse than normal for 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	0.0%	0	12	0.00
b. normal	18.2%	2	6	1.09
c. worse than normal	81.8%	9	0	0.00
<i>answered question</i>		11	Total	1.09
<i>skipped question</i>		0	% Max	9.1%

Question 5: For most firms, intermediate goods prices are rising less than 5 percent.

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.	20.0%	2	1	0.20
c. increasing by more than 1 percent per year but less than 5 percent per year.	20.0%	2	2	0.40
d. increasing by less than 1 percent per year or are decreasing in price.	60.0%	6	3	1.80
<i>answered question</i>		10	Total	2.40
<i>skipped question</i>		1	% Max	80.0%

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.	0.0%	0	0	0.00
b. is no more or less difficult to find the suppliers of the goods and services essential to my business.	44.4%	4	1	0.44
c. is easier to find the suppliers of the goods and services essential to my business.	55.6%	5	2	1.11
<i>answered question</i>		9	Total	1.56
<i>skipped question</i>		2	% Max	77.8%

Question 7: Margins are shrinking for most of the respondents' 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 _____.				
Answer Options	Response Frequency	Response Count	Index Points	Contribution to the Index
a. increasing	9.1%	1	12	1.09
b. steady	0.0%	0	6	0.00
c. decreasing	90.9%	10	0	0.00
<i>answered question</i>		11	Total	1.09
<i>skipped question</i>		0	% Max	9.1%

Question 8: Inventories are steady or declining.

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.	0.0%	0	0	0.00
b. Inventory levels are steady.	50.0%	1	6	3.00
c. Inventory levels are declining.	50.0%	1	12	6.00
d. This statement is not applicable to my firm.	0.0%	9	0	0.00
<i>answered question</i>		11	Total	9.00
<i>skipped question</i>		0	% Max	75.0%

Not applicable responses do not contribute to the index.

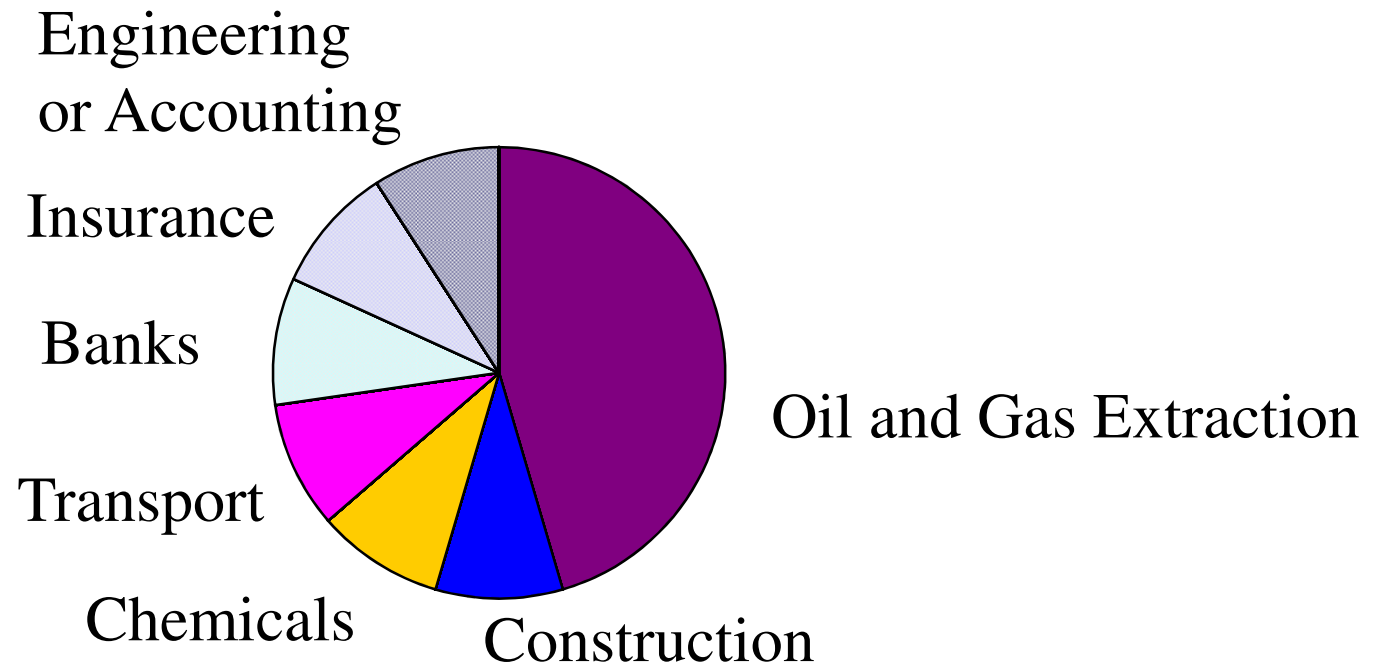
Question 9: Credit is harder to obtain for almost half of the respondents.

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	55.6%	5	0	0.00
b. False	44.4%	4	11	4.89
<i>answered question</i>		9	Total	4.89
<i>skipped question</i>		2	% Max	44.4%

Question 10: Borrowing costs are rising for at least half of respondents.

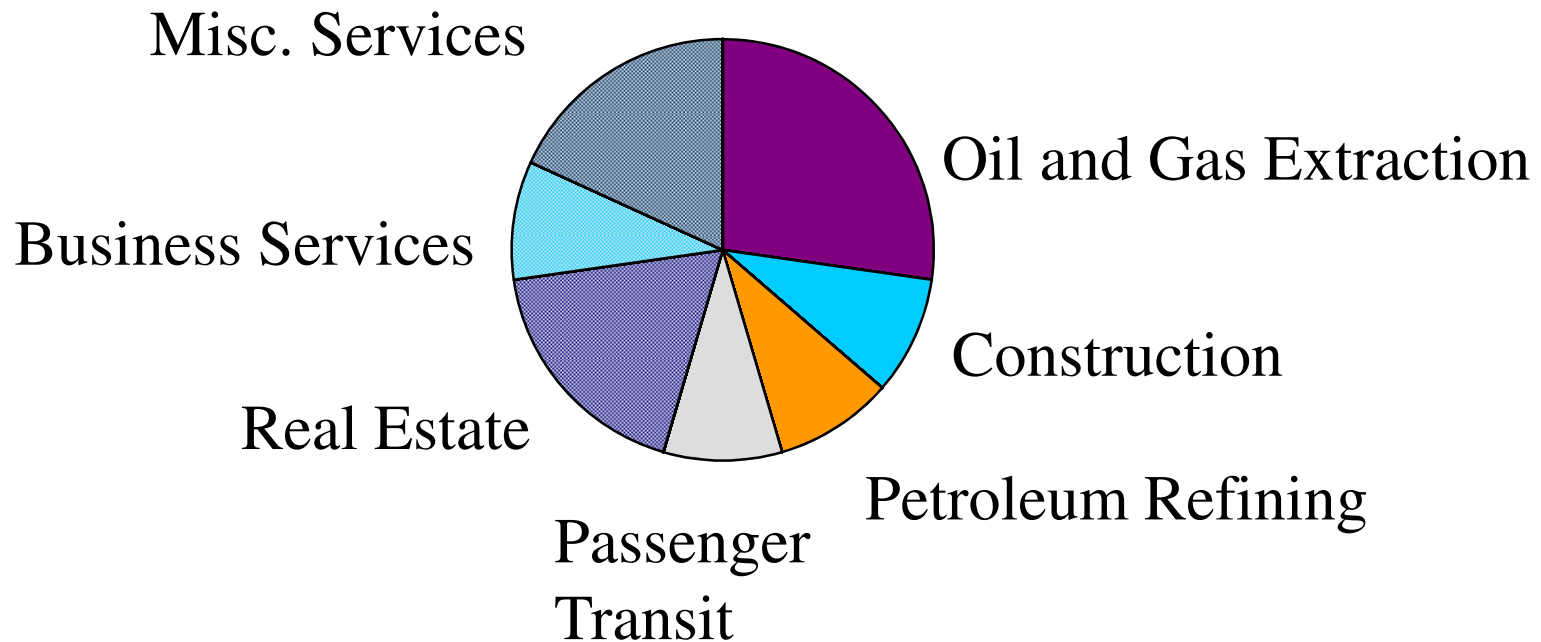
The interest rate on new borrowing over the last twelve months for my firm has _____.				
Answer Options	Response Frequency	Response Count	Index Points	Contribution to the Index
a. increased by more than 2 percent	0.0%	0	0	0.00
b. increased by & 0.5-to-2 percent	50.0%	4	4	2.00
c. not increased or decreased by more than & 0.5 percent	50.0%	4	8	4.00
d. decreased by & 0.5-to-2 percent	0.0%	0	12	0.00
e. decreased by more than 2 percent	0.0%	0	16	0.00
<i>answered question</i>		8	Total	6.00
<i>skipped question</i>		3	% Max	37.5%

Question 11: Primary line of business of respondents



There were 11 responses to this question.

Question 12: Secondary line of business of respondents



There were 11 responses to this question.