

Acadiana CFO Roundtable-Moody College of Business Sentiment Index

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Results

- Index is **45 out of 100**. This is worse than “normal.” A reading of 50 is supposed to be about normal.
- There were 26 Acadiana business leaders surveyed. The survey was conducted online from February 20, 2009 to March 20, 2009.

Major findings:

- Business conditions are below par and are worsening both in Acadiana and at the respondents’ firms.
- Price/cost margins are shrinking; it is becoming somewhat more challenging to find suppliers; and costs are rising.
- On the bright side, inventories are falling, and credit conditions are improving.

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. It’s not failing..☺
- The points are based on the percent of responses to a particular question choice.
- **The first reading of the Acadiana CFO Roundtable-Moody College of Business Sentiment Index is 44.91!**

Question 1: Business conditions in Acadiana are trending downward.

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	3.8%	1	10	0.38
b. staying the same	23.1%	6	5	1.15
c. becoming more challenging	73.1%	19	0	0.00
<i>answered question</i>		26	Total	1.54
<i>skipped question</i>		0	% Max	15.4%

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. excellent or b. better than normal	26.9%	7	12	3.23
c. normal	30.8%	8	6	1.85
d. worse than normal	42.3%	11	0	0.00
<i>answered question</i>		26	Total	5.08
<i>skipped question</i>		0	% Max	42.3%

There were no responses to choice “a. excellent.” It will be dropped from the next survey.

Question 3: Respondents' firms face more difficult business trends.

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	3.8%	1	10	0.38
b. staying the same	23.1%	6	5	1.15
c. becoming more challenging	73.1%	19	0	0.00
<i>answered question</i>		26	Total	1.54
<i>skipped question</i>		0	% Max	15.4%

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. excellent or b. better than normal	19.2%	5	12	2.31
c. normal	30.8%	8	6	1.85
d. worse than normal	50.0%	13	0	0.00
<i>answered question</i>		26	Total	4.15
<i>skipped question</i>		0	% Max	34.6%

There were no responses to choice “a. excellent.” It will be dropped from the next survey.

Question 5: Intermediate goods prices are rising.

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.	34.6%	9	1	0.35
c. increasing by more than 1 percent per year but less than 5 percent per year.	42.3%	11	2	0.85
d. increasing by less than 1 percent per year or are decreasing in price.	23.1%	6	3	0.69
<i>answered question</i>		26	Total	1.88
<i>skipped question</i>		0	% Max	62.8%

Question 6: Suppliers are still available.

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%	4	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%	22	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>		26	Total	0.85
<i>skipped question</i>		0	% Max	42.3%

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	12.0%	3	12	1.44
b. steady	52.0%	13	6	3.12
c. decreasing	36.0%	9	0	0.00
<i>answered question</i>		25	Total	4.56
<i>skipped question</i>		1	% Max	38.0%

Question 8: Inventories are 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.	9.1%	1	0	0.00
b. Inventory levels are steady.	54.5%	6	6	3.27
c. Inventory levels are declining.	36.4%	4	12	4.36
d. This statement is not applicable to my firm.	0.0%	15	0	0.00
<i>answered question</i>		25	Total	7.64
<i>skipped question</i>		0	% Max	63.6%

Not applicable responses do not contribute to the index.

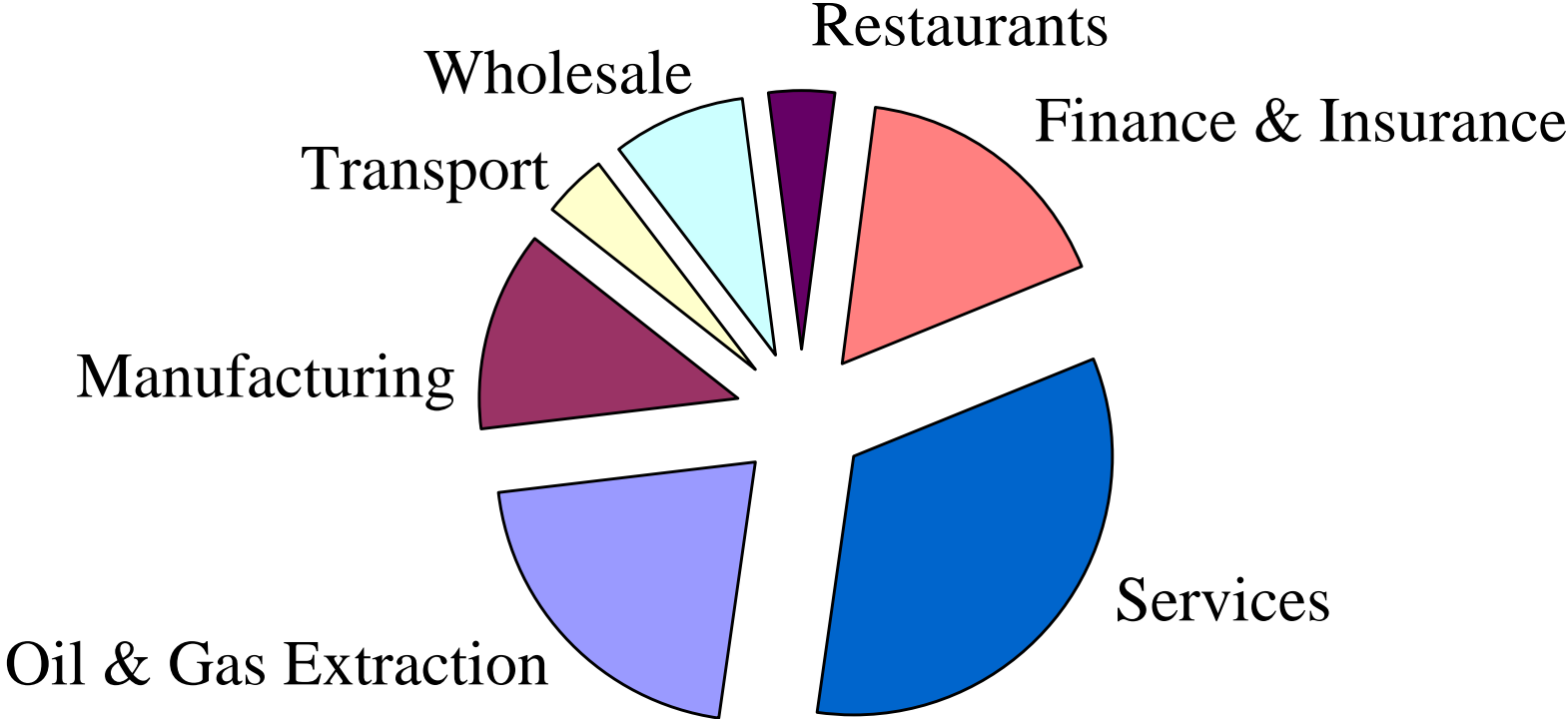
Question 9: Most firms have no trouble borrowing.

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	28.0%	7	0	0.00
b. False	72.0%	18	11	7.92
<i>answered question</i>		25	Total	7.92
<i>skipped question</i>		1	% Max	72.0%

Question 10: Interest rates charged to respondents' firms have been falling.

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	16.0%	4	4	0.64
c. not increased or decreased by more than & 0.5 percent	32.0%	8	8	2.56
d. decreased by & 0.5-to-2 percent	44.0%	11	12	5.28
percent	8.0%	2	16	1.28
<i>answered question</i>		25	Total	9.76
<i>skipped question</i>		1	% Max	61.0%

Question 11: Primary line of business of respondents



Question 12: Secondary line of business of respondents

