

Acadiana CFO Roundtable
Moody College of Business Sentiment Index
for the 1st Quarter of 2010

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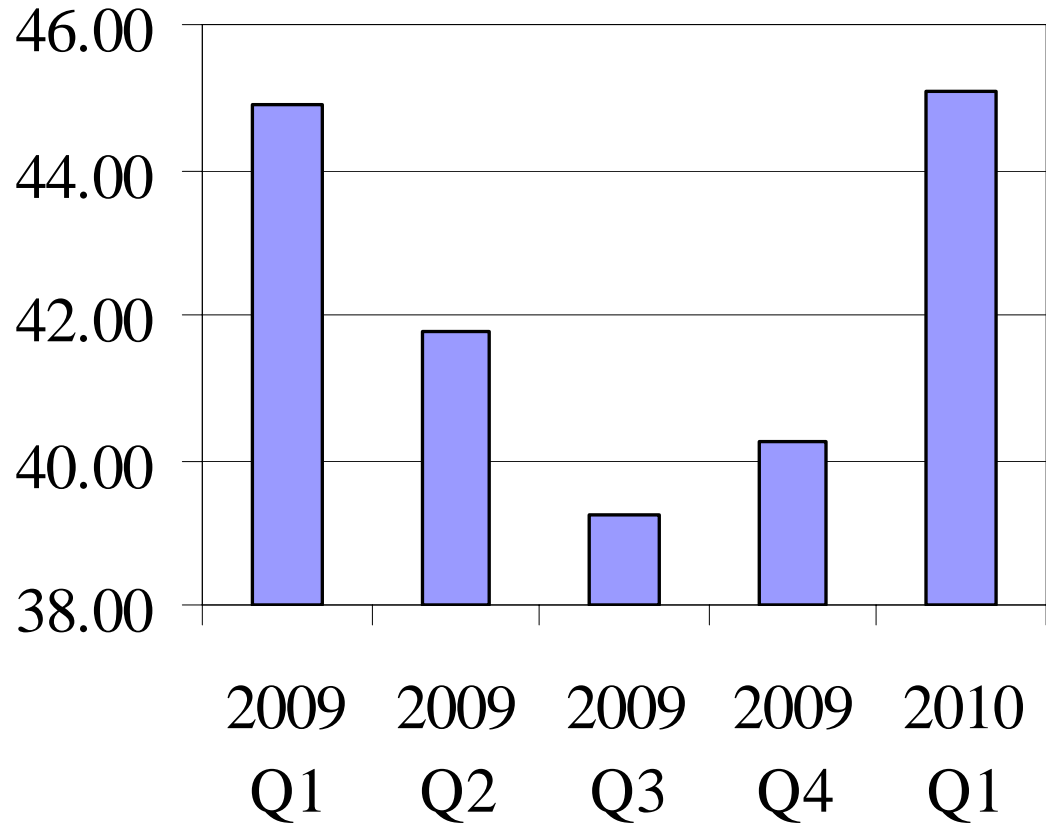
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Results

- Index is **45 out of 100**. This is worse than “normal.” A reading of 50 is supposed to be about normal.
- The reading of 45.07 is the highest reading since the survey began in Q1 2009.
- There were 30 Acadiana business leaders surveyed. The survey was conducted online in March 2010 and April 2010.
- Increasing confidence boosted the index. The rising index from 40 to 45 indicates that business sentiment is improving and the recession may be ending.

The CFO Roundtable Business Sentiment Index jumped five points from last quarter.



Old surveys can be accessed online at

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

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 45.07 in Q1 2010, which is an increase from 40.25 in Q4 2009.

Question 1: Business conditions in Acadiana have stopped their rapid decline.

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	26.7%	8	10	2.67
b. staying the same	36.7%	11	5	1.83
c. becoming more challenging	36.7%	11	0	0.00
<i>answered question</i>		30	Total	4.50
<i>skipped question</i>		0	% Max	45.0%

This a big jump from the previous quarter's reading.

Question 2: Business conditions in Acadiana are currently very 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	6.7%	2	12	0.80
b. normal	26.7%	8	6	1.60
c. worse than normal	66.7%	20	0	0.00
<i>answered question</i>		30	Total	2.40
<i>skipped question</i>		0	% Max	20.0%

This slightly improved from the previous quarter's reading.

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	33.3%	10	10	3.33
b. staying the same	30.0%	9	5	1.50
c. becoming more challenging	36.7%	11	0	0.00
<i>answered question</i>		30	Total	4.83
<i>skipped question</i>		0	% Max	48.3%

This substantially improved from the previous quarter's reading, indicating more optimism about business trends than in Q4 2009.

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	10.3%	3	12	1.24
b. normal	34.5%	10	6	2.07
c. worse than normal	55.2%	16	0	0.00
<i>answered question</i>		29	Total	3.31
<i>skipped question</i>		1	% Max	27.6%

This slightly improved from the previous quarter's reading.

Question 5: Intermediate goods prices are rising slowly.

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.	16.7%	5	1	0.17
c. increasing by more than 1 percent per year but less than 5 percent per year.	56.7%	17	2	1.13
d. increasing by less than 1 percent per year or are decreasing in price.	26.7%	8	3	0.80
<i>answered question</i>		30	Total	2.10
<i>skipped question</i>		0	% Max	70.0%

Question 6: Suppliers are increasingly 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.	3.3%	1	0	0.00
b. is no more or less difficult to find the suppliers of the goods and services essential to my business.	76.7%	23	1	0.77
c. is easier to find the suppliers of the goods and services essential to my business.	20.0%	6	2	0.40
<i>answered question</i>		30	Total	1.17
<i>skipped question</i>		0	% Max	58.3%

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	10.3%	3	12	1.24
b. steady	48.3%	14	6	2.90
c. decreasing	36.0%	12	0	0.00
<i>answered question</i>		29	Total	4.14
<i>skipped question</i>		1	% Max	34.5%

This is a lower score than the Q4 2009 reading, indicating that markups may be tightening for more firms.

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.	16.7%	3	0	0.00
b. Inventory levels are steady.	66.7%	12	6	4.00
c. Inventory levels are declining.	16.7%	3	12	2.00
d. This statement is not applicable to my firm.	0.0%	12	0	0.00
<i>answered question</i>		30	Total	6.00
<i>skipped question</i>		0	% Max	50.0%

- This is a slightly higher than last quarter's reading.
- Not applicable responses do not contribute to the index.

Question 9: It is no harder for most firms to borrow.

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	24.1%	7	0	0.00
b. False	75.9%	22	11	8.34
<i>answered question</i>		29	Total	8.34
<i>skipped question</i>		1	% Max	75.9%

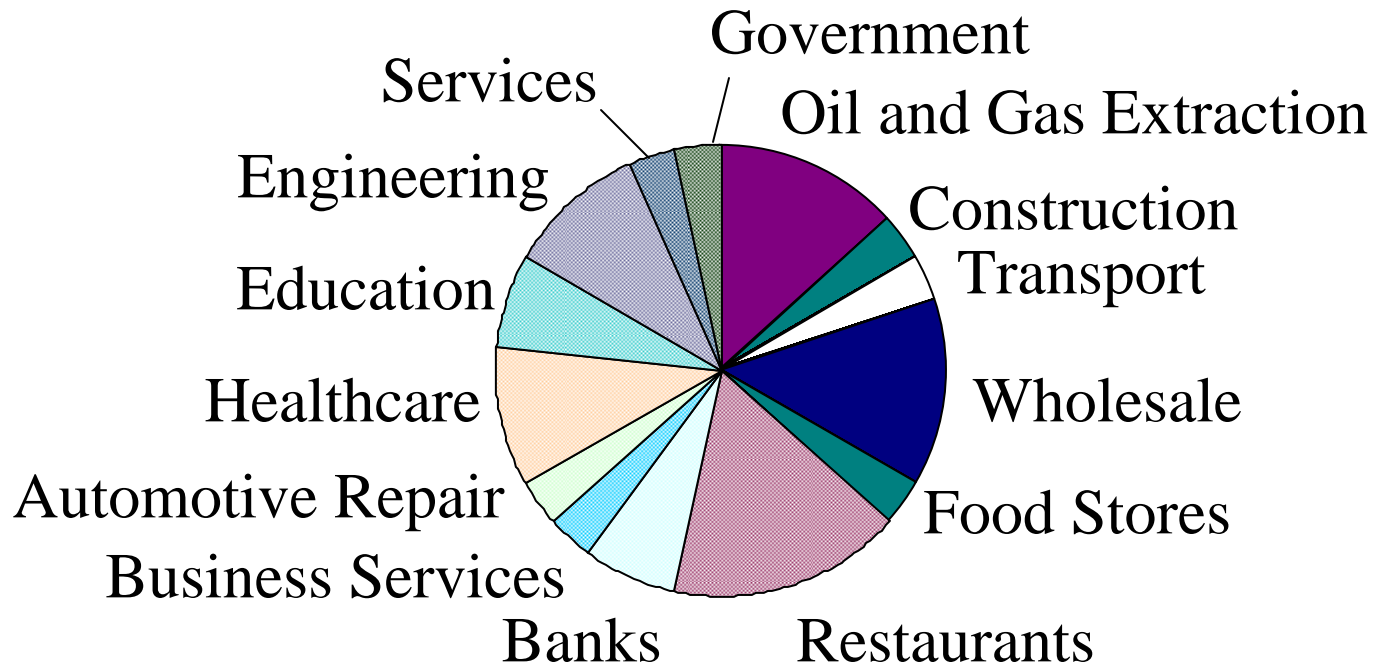
This is a higher score than the Q4 2009 reading, indicating that credit may be easier to access for more firms than last quarter.

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	6.9%	2	0	0.00
b. increased by & 0.5-to-2 percent	17.2%	5	4	0.69
c. not increased or decreased by more than & 0.5 percent	41.4%	12	8	3.31
d. decreased by & 0.5-to-2 percent	31.0%	9	12	3.72
e. decreased by more than 2 percent	3.4%	1	16	0.55
<i>answered question</i>		29	Total	8.28
<i>skipped question</i>		1	% Max	51.7%

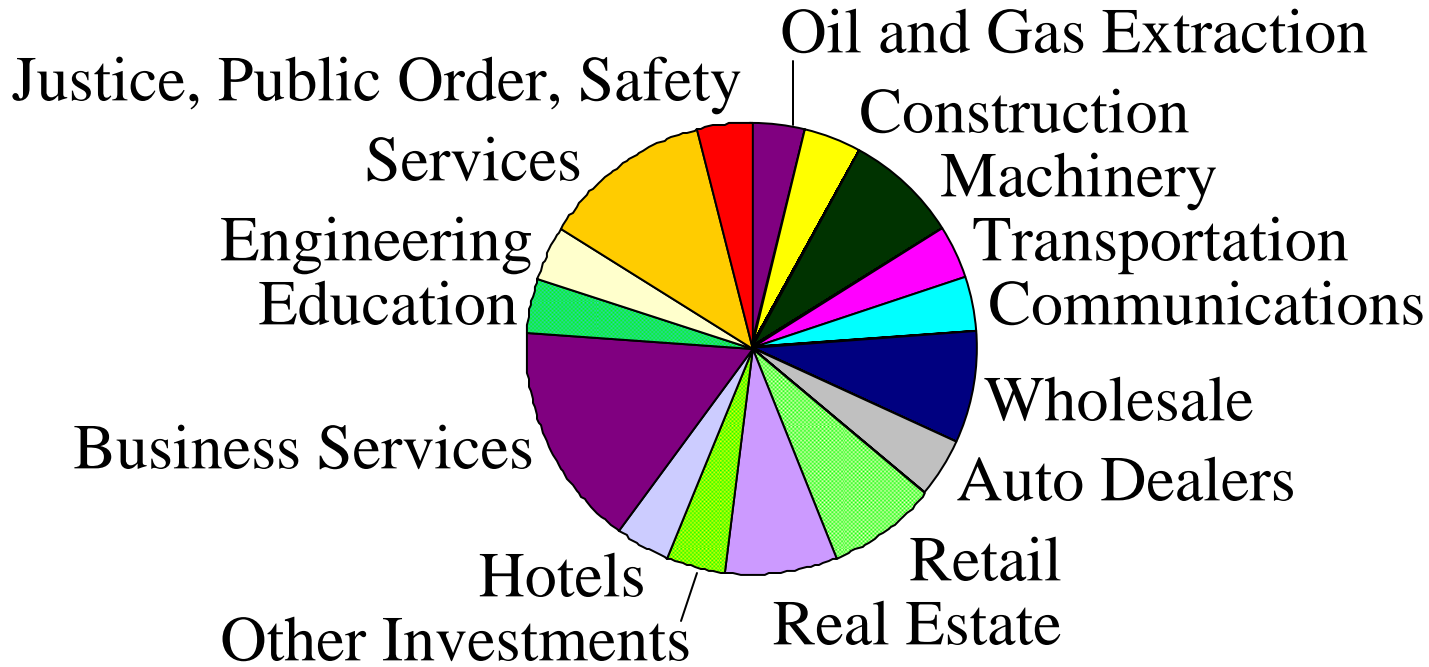
This is a slightly lower score than the Q4 2009 reading, indicating that borrowing costs are not falling as much as before.

Question 11: Primary line of business of respondents



There were 30 responses to this question.

Question 12: Secondary line of business of respondents



There were 25 responses to this question.