

**Acadiana CFO Roundtable
Moody College of Business Sentiment Index
for the 3rd Quarter of 2009**

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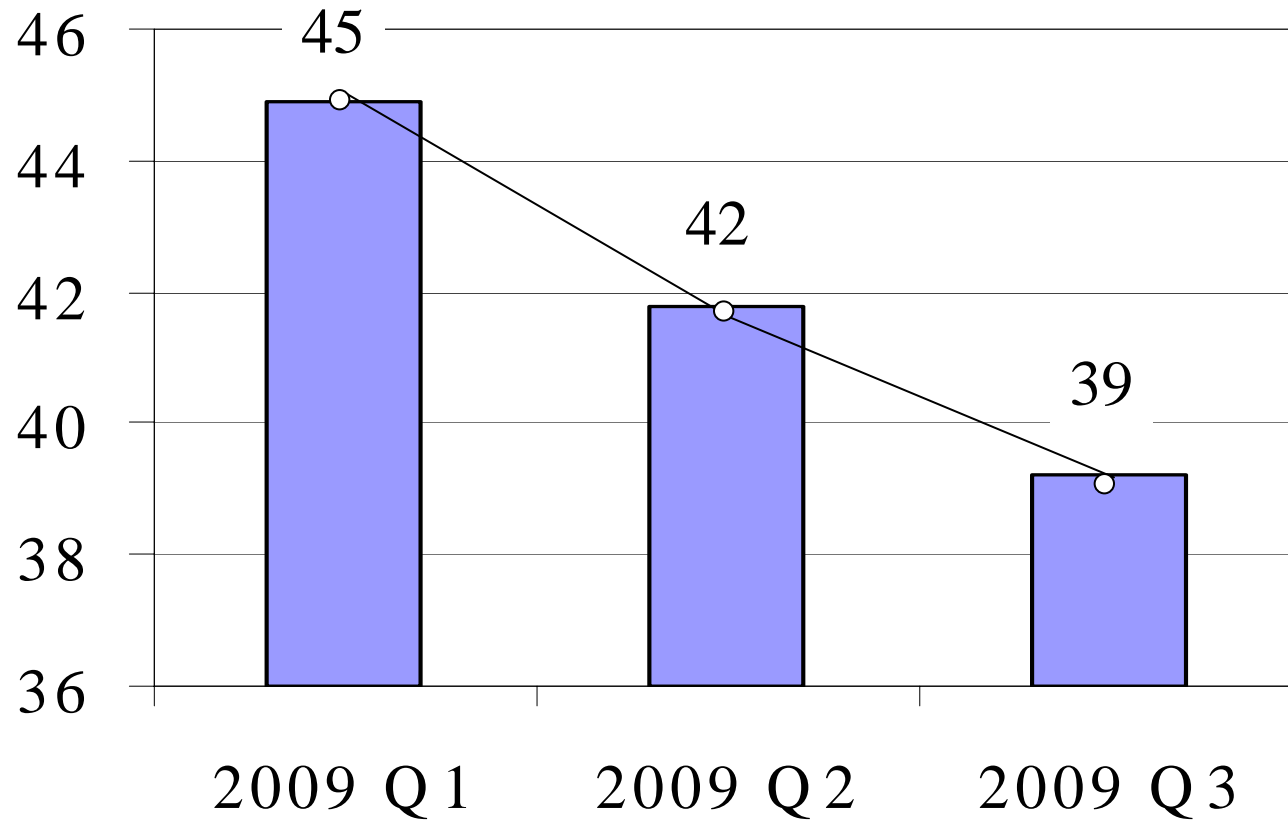
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Results

- Index is **39 out of 100**. This is worse than “normal.” A reading of 50 is supposed to be about normal.
- There were 18 Acadiana business leaders surveyed. The survey was conducted online in September and October of 2009.
- Falling confidence and the a shift from declining to stable inventories in quarter 3 relative to quarter 2 contributed to the three point decline over the previous quarter. The falling index indicates that business sentiment is worsening.
- Surveyed CFOs see falling costs of borrowing and easy access to credit.

The CFO Roundtable Business Sentiment Index is trending downward.



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.

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 Percent	Response Count	Index Points	Contribution to the Index
a. improving	0.0%	0	10	0.00
b. staying the same	44.4%	8	5	2.22
c. becoming more challenging	55.6%	10	0	0.00
<i>answered question</i>		18	Total	2.22
<i>skipped question</i>		0	% Max	22.2%

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 Percent	Response Count	Index Points	Contribution to the Index
a. excellent or b. better than normal	0.0%	0	10	0.00
c. normal	22.2%	4	5	1.11
d. worse than normal	77.8%	14	0	0.00
<i>answered question</i>		18	Total	1.11
<i>skipped question</i>		0	% Max	11.1%

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

<p>Select the choice that best describes your expectations regarding the trend in business conditions facing your firm. Business conditions for my firm are _____.</p>				
Answer Options	Response Percent	Response Count	Index Points	Contribution to the Index
a. Improving	0.0%	0	10	0.00
b. staying the same	16.7%	3	5	0.84
c. becoming more challenging	83.3%	15	0	0.00
<i>answered question</i>		18	Total	0.84
<i>skipped question</i>		0	% Max	8.4%

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 Percent	Response Count	Index Points	Contribution to the Index
a. excellent or b. better than normal	0.0%	0	10	0.50
c. normal	33.3%	6	5	1.75
d. worse than normal	66.7%	12	0	0.00
<i>answered question</i>		18	Total	2.25
<i>skipped question</i>		0	% Max	22.5%

Question 5: Intermediate goods prices are rising slowly.

The prices of the goods and services my firm buys are				
Answer Options	Response Percent	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.	5.6%	1	1	0.06
c. increasing by more than 1 percent per year but less than 5 percent per year.	66.7%	12	2	1.33
d. increasing by less than 1 percent per year or are decreasing in price.	27.8%	5	3	0.83
<i>answered question</i>		18	Total	2.22
<i>skipped question</i>		0	% Max	74.1%

Question 6: Suppliers are available.

Complete the following statement. Over the last year it				
Answer Options	Response Percent	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.	11.8%	2	0	0.00
b. is no more or less difficult to find the suppliers of the goods and services essential to my business.	64.7%	11	1	0.65
c. is easier to find the suppliers of the goods and services essential to my business.	23.5%	4	2	0.47
<i>answered question</i>		17	Total	1.12
<i>skipped question</i>		1	% Max	55.9%

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 Percent	Response Count	Index Points	Contribution to the Index
a. increasing	11.8%	2	12	1.42
b. steady	41.2%	7	6	2.47
c. decreasing	47.1%	8	0	0.00
<i>answered question</i>		17	Total	3.89
<i>skipped question</i>		1	% Max	32.4%

Question 8: Inventories are falling.

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 of Contributing Responses	Response Count	Index Points	Contribution to the Index
a. Inventory levels are increasing.	22.2%	2	0	0.00
b. Inventory levels are steady.	44.4%	4	6	2.67
c. Inventory levels are declining.	33.3%	3	12	4.00
d. This statement is not applicable to my firm.	0.0%	9	0	0.00
<i>answered question</i>		18	Total	6.67
<i>skipped question</i>		0	% Max	55.6%

Not applicable responses do not contribute to the index.

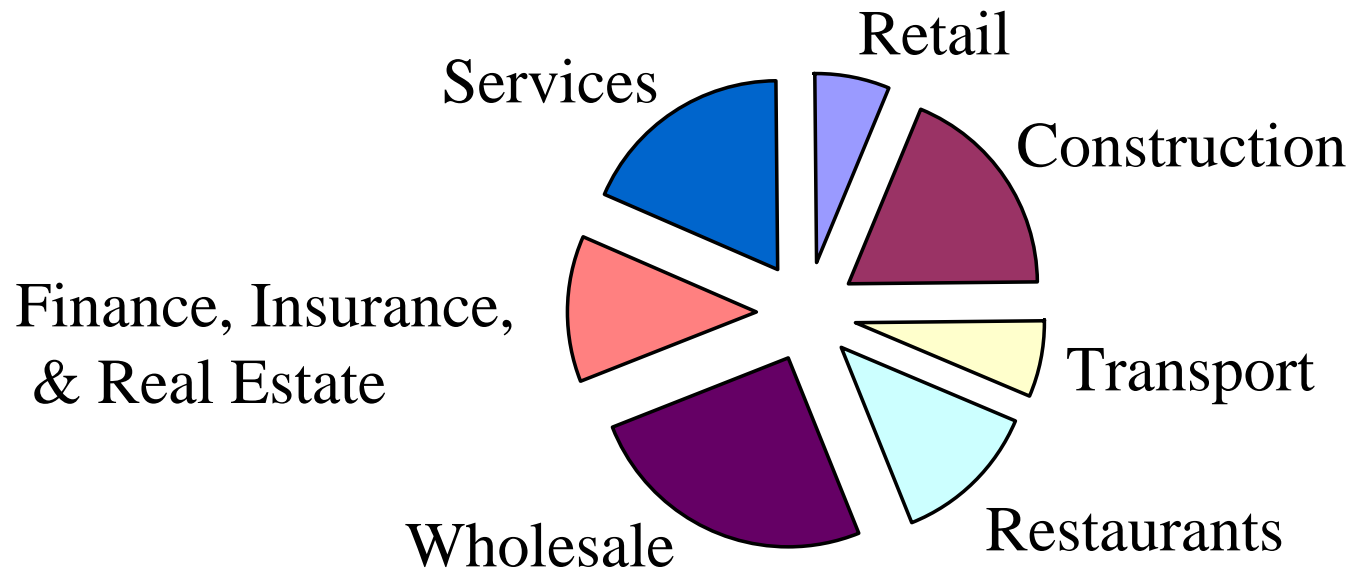
Question 9: It is no harder for most firms to borrow.

It has become harder for my firm to borrow money over the last twelve months.				
Answer Options	Response Percent	Response Count	Index Points	Contribution to the Index
a. True	17.6%	3	0	0.00
b. False	82.4%	14	11	9.06
<i>answered question</i>		17	Total	9.06
<i>skipped question</i>		1	% Max	82.4%

Question 10: Borrowing costs are falling.

The interest rate on new borrowing over the last twelve months for my firm has _____.				
Answer Options	Response Percent	Response Count	Index Points	Contribution to the Index
a. increased by more than 2 percent	5.9%	1	0	0.00
b. increased by ½-to-2 percent	5.9%	1	4	0.24
c. not increased or decreased by more than ½ percent	41.2%	7	8	3.30
d. decreased by ½-to-2 percent	29.4%	5	12	3.53
e. decreased by more than 2 percent	17.6%	3	16	2.82
<i>answered question</i>		17	Total	9.88
<i>skipped question</i>		1	% Max	61.7%

Question 11: Primary line of business of respondents



Question 12: Secondary line of business of respondents

