

**Acadiana CFO Roundtable
Moody College of Business Sentiment Index
for the 4th Quarter of 2009**

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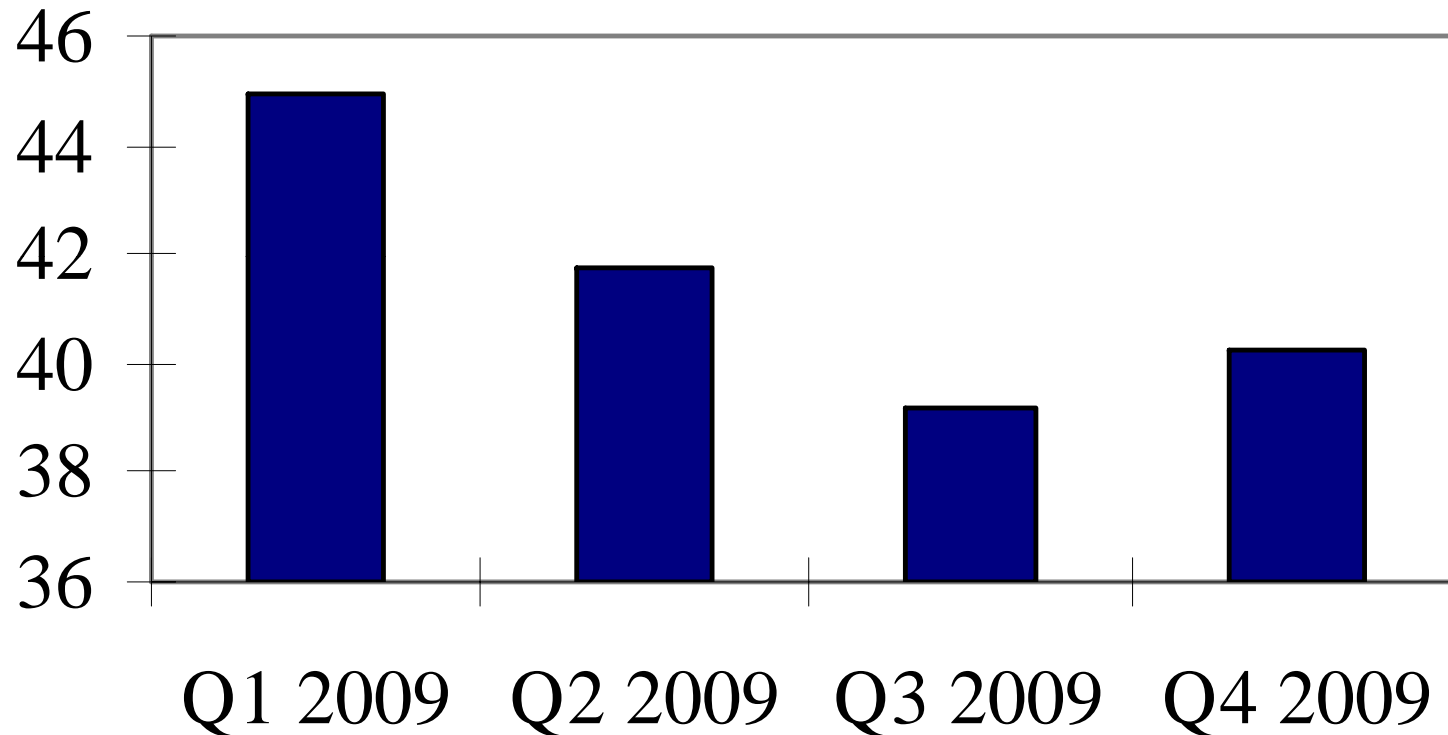
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Results

- Index is **40 out of 100**. This is worse than “normal.” A reading of 50 is supposed to be about normal.
- There were 14 Acadiana business leaders surveyed. The survey was conducted online in December 2009 and January 2010.
- Increasing confidence and steadier markups boosted the index while increased difficulty borrowing and inventory stabilization hurt the index. The rising index from 39 to 40 indicates that business sentiment is improving slightly.
- Q4 2009 responses reflected a slower decline in business conditions, but not necessarily rising sentiment or business activity.

The CFO Roundtable Business Sentiment Index is low, but has reversed its downward trend.



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 40.25 in Q4 2009, which is an increase from 39.22 in Q3 2009.

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	14.3%	2	10	1.43
b. staying the same	21.4%	3	5	1.07
c. becoming more challenging	64.3%	9	0	0.00
<i>answered question</i>		14	Total	2.50
<i>skipped question</i>		0	% Max	25.0%

This almost unchanged 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 Percent	Response Count	Index Points	Contribution to the Index
b. better than normal	7.1%	1	12	0.86
c. normal	21.4%	3	6	1.29
d. worse than normal	71.4%	10	0	0.00
<i>answered question</i>		14	Total	2.14
<i>skipped question</i>		0	% Max	17.9%

This slightly improved from the previous quarter's reading.

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 Percent	Response Count	Index Points	n to the Index
a. Improving	21.4%	3	10	2.14
b. staying the same	21.4%	3	5	1.07
c. becoming more challenging	57.1%	8	0	0.00
<i>answered question</i>		14	Total	3.21
<i>skipped question</i>		0	% Max	32.1%

This improved from the previous quarter's reading, indicating more optimism about business trends than in Q3 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 Percent	Response Count	Index Points	Contribution to the Index
a. better than normal	7.1%	1	12	0.86
b. normal	35.7%	5	6	2.14
c. worse than normal	57.1%	8	0	0.00
<i>answered question</i>		14	Total	3.00
<i>skipped question</i>		0	% Max	25.0%

This almost unchanged 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 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.	7.1%	1	1	0.07
c. increasing by more than 1 percent per year but less than 5 percent per year.	57.1%	8	2	1.14
d. increasing by less than 1 percent per year or are decreasing in price.	35.7%	5	3	1.07
<i>answered question</i>		14	Total	2.29
<i>skipped question</i>		0	% Max	76.2%

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.	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.	78.6%	11	1	0.79
c. is easier to find the suppliers of the goods and services essential to my business.	21.4%	3	2	0.43
<i>answered question</i>		14	Total	1.21
<i>skipped question</i>		0	% Max	60.7%

This is a higher score than the Q3 2009 reading, indicating that the businesses surveyed may have better access to suppliers.

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	14.3%	2	12	1.71
b. steady	50.0%	7	6	3.00
c. decreasing	35.7%	5	0	0.00
<i>answered question</i>		14	Total	4.71
<i>skipped question</i>		0	% Max	39.3%

This is a higher score than the Q3 2009 reading, indicating that markups may be falling for fewer 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	% of Contributing Responses	Response Count	Index Points	Contribution to the Index	
a. Inventory levels are increasing.	25.0%	2	0	0.00	
b. Inventory levels are steady.	62.5%	5	6	3.75	
c. Inventory levels are declining.	12.5%	1	12	1.50	
d. This statement is not applicable to my firm.	0.0%	6	0	0.00	
		<i>answered question</i>	14	Total	5.25
		<i>skipped question</i>	0	% Max	43.8%

- Not applicable responses do not contribute to the index.
- This is a lower score than the Q3 2009 reading, indicating that inventories have stopped falling for many firms.

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	35.7%	5	0	0.00
b. False	64.3%	9	11	7.07
<i>answered question</i>		14	Total	7.07
<i>skipped question</i>		0	% Max	64.3%

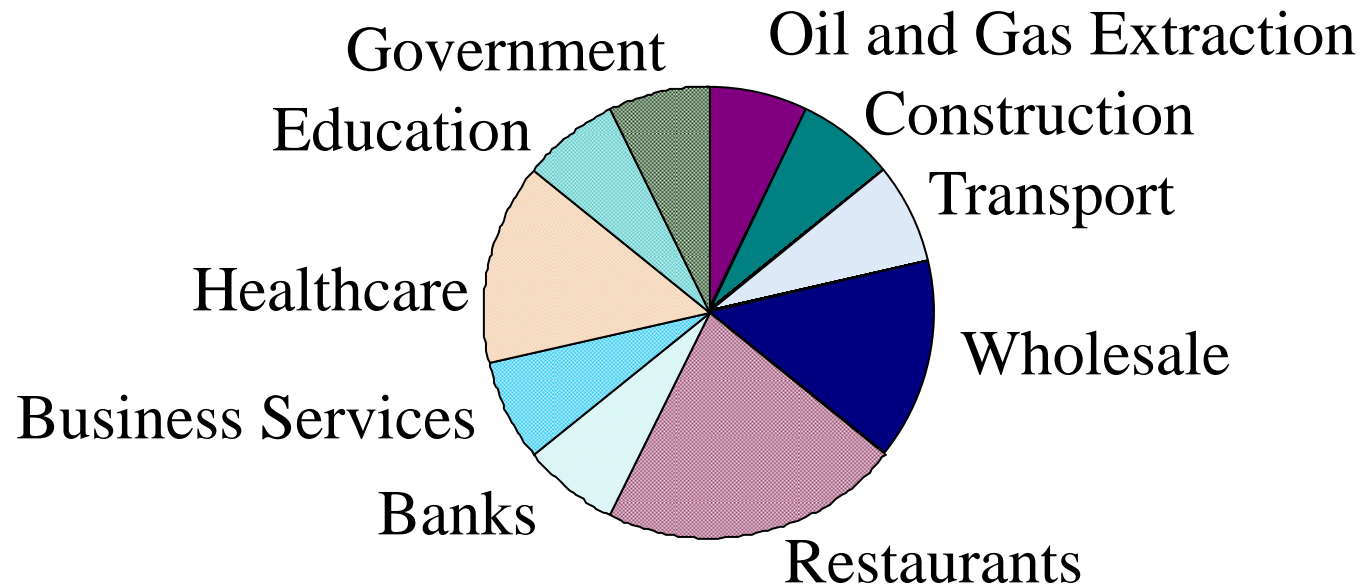
This is a lower score than the Q3 2009 reading, indicating that credit may be harder to access for more firms than last quarter.

Question 10: Borrowing costs are falling more than they are rising.

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	7.1%	1	0	0.00	
b. increased by ½-to-2 percent	14.3%	2	4	0.57	
c. not increased or decreased by more than ½	35.7%	5	8	2.86	
d. decreased by ½-to-2 percent	35.7%	5	12	4.29	
e. decreased by more than 2 percent	7.1%	1	16	1.14	
		answered question	14	Total	8.86
		skipped question	0	% Max	55.4%

This is a slightly lower score than the Q3 2009 reading, indicating that borrowing costs are not falling as much as before.

Question 11: Primary line of business of respondents



Question 12: Secondary line of business of respondents

