

RSM US MIDDLE MARKET

BUSINESS

INDEX

IN PARTNERSHIP WITH THE
U.S. CHAMBER OF COMMERCE

Q2 2019



U.S. CHAMBER OF COMMERCE



RSM US MIDDLE MARKET BUSINESS INDEX

IN PARTNERSHIP WITH THE
U.S. CHAMBER OF COMMERCE

RSM US LLP and The Harris Poll have collected data on middle market firms from a quarterly survey that began in the first quarter of 2015. The survey is conducted four times a year, in the first month of each quarter: January, April, July and October. The survey panel, the Middle Market Leadership Council, consists of 700 middle market executives, and is designed to accurately reflect conditions in the middle market. The data are weighted to ensure that they correspond to the U.S. Census Bureau data on the basis of industry representation.

A reading above 100 for the MMBI indicates that the middle market is generally expanding; below 100 indicates that it is generally contracting. The distance from 100 is indicative of the strength of the expansion or contraction.



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RSM US LLP and the U.S. Chamber of Commerce have joined forces to present the RSM US Middle Market Business Index (MMBI)—a first-of-its-kind middle market economic index developed by RSM in collaboration with Moody’s Analytics, the financial intelligence provider. We publish the MMBI quarterly to give voice to the middle market and raise awareness of this crucial, yet underrepresented, segment of the economy.

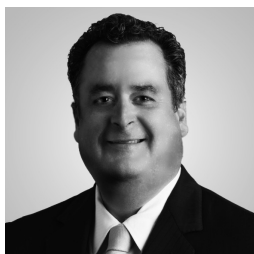


U.S. CHAMBER OF COMMERCE



MIDDLE MARKET SENTIMENT RECOVERS TO 132.3 GAINING MORE THAN 8 POINTS IN Q2

JOSEPH BRUSUELAS, CHIEF ECONOMIST, RSM US LLP



Joseph Brusuelas is the chief economist for RSM US LLP. Brusuelas has 20 years of experience analyzing U.S. monetary policy, labor markets, fiscal policy, economic indicators and the condition of the U.S. consumer. As co-founder of the award-winning *Bloomberg Economics Brief*, Brusuelas was named one of the 26 economists to follow by the *Huffington Post*.

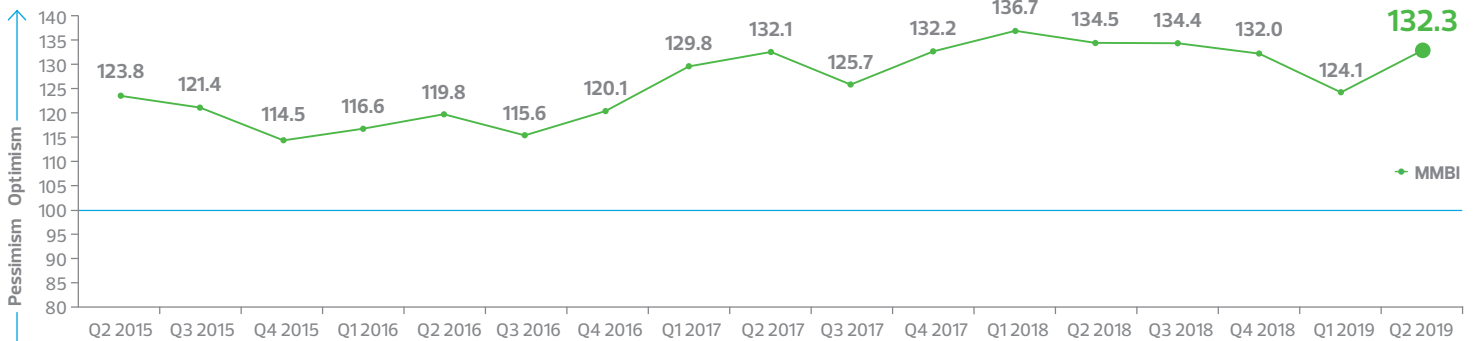
This publication represents the views of the author(s), and does not necessarily represent the views of RSM. This publication does not constitute professional advice.

“Middle market companies play a critical role in driving economic growth, so we are encouraged by this quarter’s sharp rebound in confidence. Now as much as ever, it’s important that Washington leaders take steps to help address the qualified labor shortage, which four in five survey respondents say has become a real problem for their companies. In addition, policymakers must avoid further tariffs or other actions that could halt the middle market’s momentum.”

– Neil Bradley, Executive Vice President and Chief Policy Officer, U.S. Chamber of Commerce

The RSM US Middle Market Business Index increased to 132.3, up significantly from 124.1 in the first quarter.

RSM US Middle Market Business Index (MMBI)



Source: RSM US LLP

MMBI REVERSES Q1 DECLINE AMID ROBUST REVENUE AND EARNINGS EXPECTATIONS

CAPITAL OUTLAYS REMAIN SLUGGISH

by **Joseph Brusuelas**, Chief Economist, RSM US LLP

Middle market business sentiment staged an impressive recovery in the second quarter, as the proprietary RSM US Middle Market Business Index rose to 132.3 from 124.1 in the prior period. The positive outlook was bolstered by robust revenue and earnings results at executives' companies, and expectations that those trends will continue. Fifty-nine percent of businesses noted improvement in gross revenues, while 69 percent expect improvement in the second half. Views on net earnings were similar, with 55 percent of companies noting improvement in the current quarter, and 65 percent expecting it over the next six months.

The economy's modest upturn and the strong rebound in equity prices before the survey likely underscored executives' expectations about the path of future business activity in the second half of 2019. While that set of expectations augurs well for middle market growth this year, it was countered by responses to the remainder of the survey, which showed businesses are in the process of adjusting to a deceleration in growth as the economy comes down from the high that followed 2018's federal tax cut. Middle market firms retain significant reservations about making substantial investment in the software, equipment and intellectual property necessary to keep up with the integration of technology into the production of goods and the provision of services in an increasingly competitive economy. In our estimation, this reticence presents the major risk to the real economy in the near- to medium-term.

Roughly 47 percent of executives stated that the economy improved in the second quarter, while 48 percent expect it to improve in the second half, down noticeably from a peak in positive sentiment in the first quarter of 2018 following the enactment of the 2017 Tax Cuts and Jobs Act. Current-quarter hiring slowed somewhat, with 47 percent of companies saying they added jobs, and 54 percent indicating they would consider doing so during the remainder of the year.

LABOR MARKET REMAINS CHALLENGING

Our special questions portion of the second-quarter survey, which focused on labor issues, denotes a reluctance to engage in aggressive hiring, in part due to the reduced supply of willing and available workers. Growth in the labor supply entering the market has declined to roughly one-half of 1 percent per year, in contrast with the average of 1 percent per year between 1945 and 2005. Thus, we are not surprised that 79 percent of middle market executives answering a special question about the pool of qualified labor noted the shortage is a real problem. While this paucity is partly due to a notable demographic transition as baby boomers age out of the workforce, the problem also likely reflects a reluctance by midsize companies to hire new workers at higher wages in a competitive market, when those workers may be poached after a short time by competing firms.



Approximately 74 percent of executives stated that poaching of labor by competitors is a real problem. To wit, 51 percent stated they had increased compensation in the current quarter and 54 percent noted they would do so this year. Only 36 percent said that they were willing to pay above-market compensation to attract and retain employees. Moreover, businesses appear to be relying solely on traditional benefits to attract and retain employees; that may create challenges in attracting and retaining a workforce that skews younger and expects modern enticements such as scheduling and workplace flexibility.

CAP-EX SPENDING STILL SLOW

The response of middle market businesses on capital outlays amid the tight labor market was also interesting. Thirty-nine percent noted an increase in capital expenditures and 51 percent said they expected to boost outlays this year. We are somewhat concerned that productivity-enhancing investment is being directed at basic efficiencies rather than around the necessary substitution of technology for labor that will be necessary to meet coming challenges at a time when large companies are making investment in those areas. Less than half of executives surveyed, or 49 percent, indicated they had invested in automation or information technology, and only 11 percent said that they had made capital expenditures that had permitted them to substitute technology for labor. Roughly 43 percent indicated they

intend to increase investment in automation or technology over the next six months. In our estimation, the lack of outlays on capital expenditures represents the major internal risk to the prospects for middle market growth over the next several years.

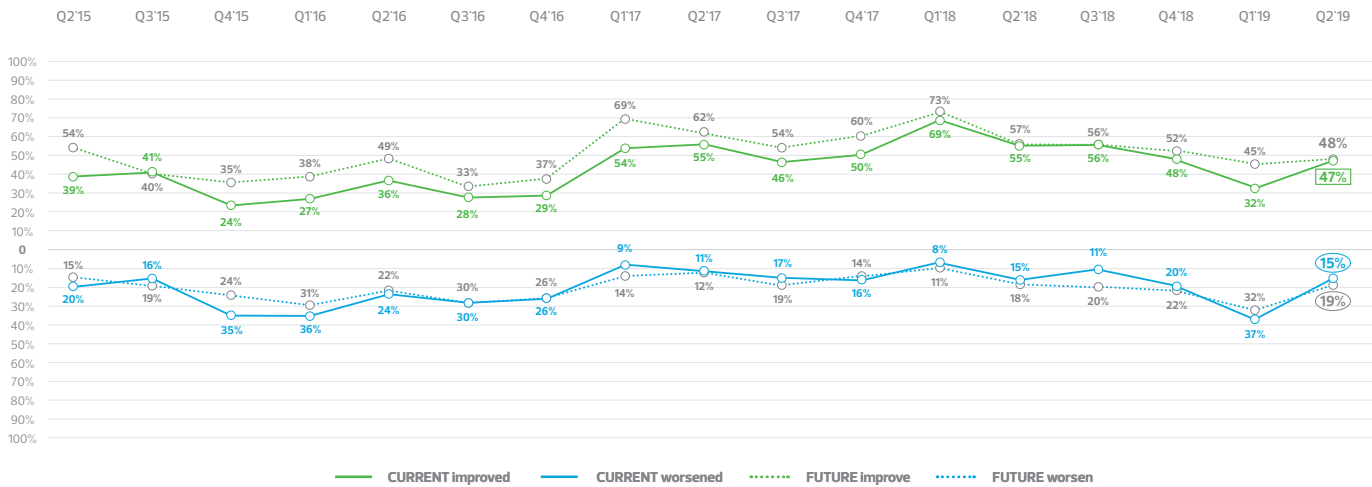
PRICING AND INVENTORY

Fifty-four percent of executives noted that prices paid eased during the current quarter and 59 percent expect prices paid to ease this year. Forty-nine percent stated that prices received remain unchanged, while 44 percent expect prices received to remain unchanged in 2019, and 49 percent said they expect to increase prices. Seventy percent of executives stated that borrowing costs remained unchanged.

Finally, 30 percent stated that they intend to increase inventory accumulation, while 37 percent expected to do so over the next six months. Given that inventory accumulation was responsible for roughly one-third of growth in the first quarter, risk aversion around buying heading into the final six months of the year is understandable. If the trade war escalates in the second half of the year, it would not be surprising to see a shift toward another round of purchasing in advance of any potential escalation in June 2019 and beyond.

GENERAL ECONOMY PERFORMANCE

Forty-seven percent of executives believe the general economy has improved in the current quarter, a significant increase over the last quarter (32 percent). Forty-eight percent expect the economy to improve in the next six months.



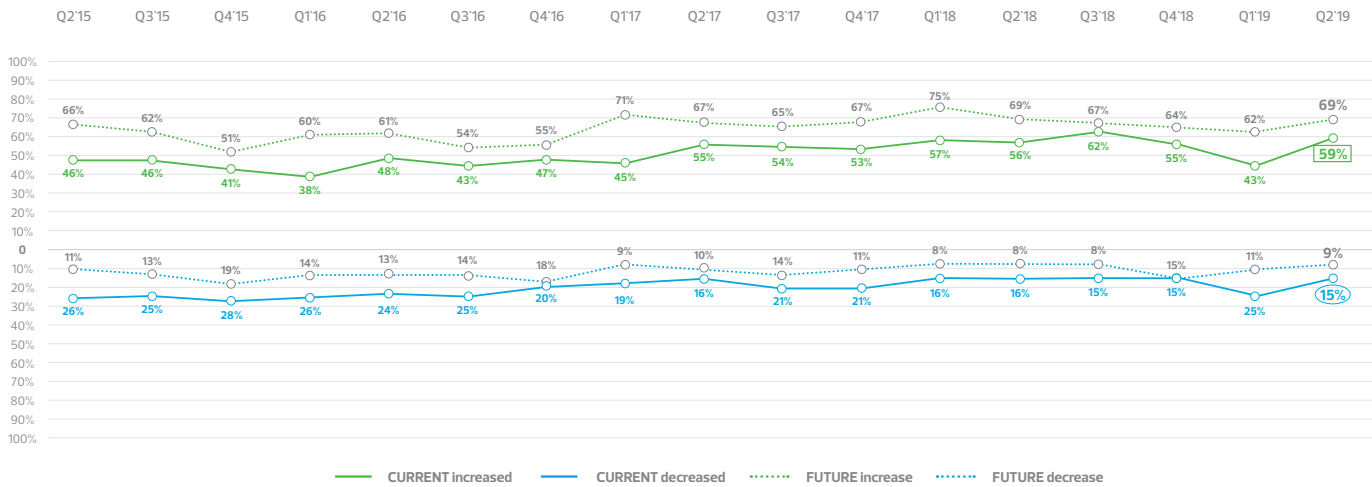
	% REMAIN UNCHANGED																
	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19
CURRENT	41%	43%	41%	37%	41%	42%	45%	37%	34%	37%	34%	23%	31%	34%	32%	31%	38%
FUTURE	31%	41%	41%	31%	29%	37%	36%	17%	26%	27%	26%	16%	25%	24%	25%	24%	33%

- First, thinking about the general economy this quarter versus last quarter, how would you describe the current general economy? Would you say the general economy has ...
- What are your expectations regarding the general economy over the next six months? Do you expect the general economy will ...

SQUARE/CIRCLE = Significantly higher/lower than previous quarter, respectively, at .05 level of significance

GROSS REVENUE PERFORMANCE

Fifty-nine percent of executives reported gross revenues increased in the current quarter, a significant increase over last quarter (43 percent). Sixty-nine percent expect revenues to increase in the next six months.



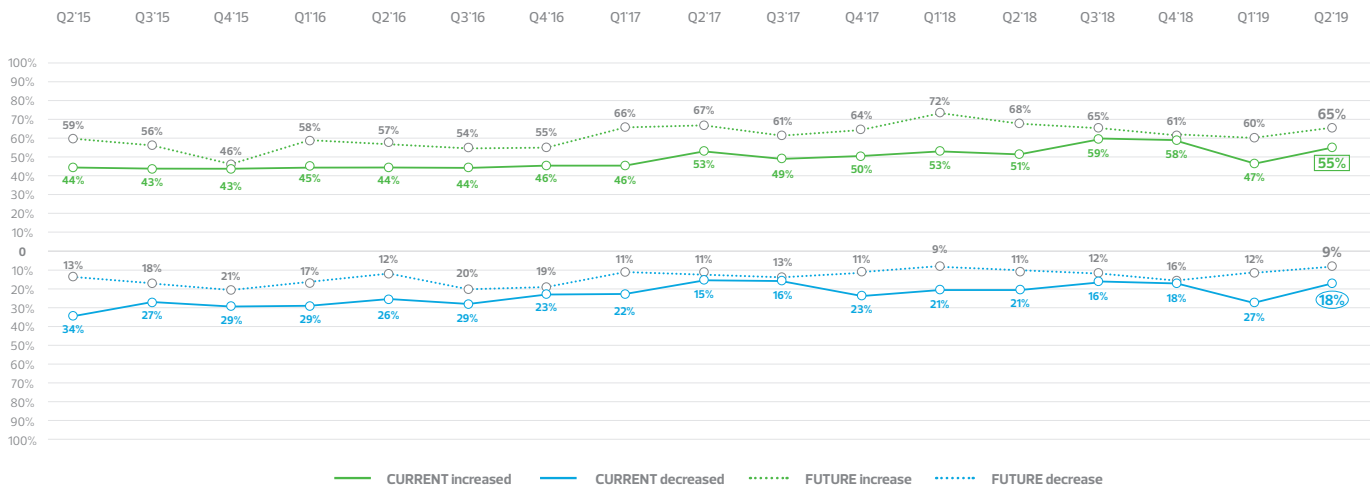
	% REMAIN UNCHANGED																
	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19
CURRENT	28%	29%	31%	35%	28%	32%	33%	36%	29%	25%	26%	27%	28%	24%	30%	33%	26%
FUTURE	23%	25%	30%	25%	26%	31%	27%	20%	23%	22%	23%	17%	23%	25%	21%	27%	22%

- Thinking about your organization's gross revenues/all incoming funds this quarter versus last quarter, how would you describe current gross revenues/all incoming funds? Would you say gross revenues/all incoming funds have ...
- What are your expectations regarding your organization's gross revenues/all incoming funds over the next six months? Do you expect gross revenues/all incoming funds to ...

SQUARE/CIRCLE = Significantly higher/lower than previous quarter, respectively, at .05 level of significance

NET EARNINGS PERFORMANCE

Fifty-five percent of middle market executives reported net earnings increased in the current quarter, a significant increase over last quarter (47 percent).



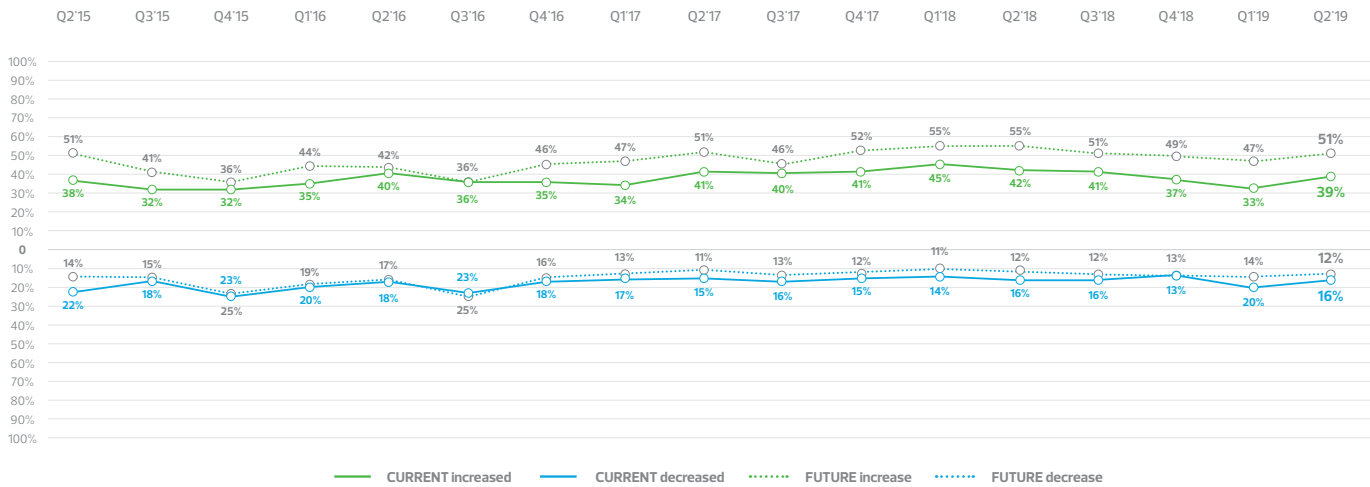
		% REMAIN UNCHANGED																
		Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19
CURRENT	(n=191)	22%	30%	28%	26%	30%	28%	31%	31%	32%	35%	27%	26%	28%	24%	25%	26%	27%
	(n=368)	22%	30%	28%	26%	30%	28%	31%	31%	32%	35%	27%	26%	28%	24%	25%	26%	27%
FUTURE	(n=191)	28%	26%	33%	25%	31%	27%	27%	22%	22%	26%	24%	19%	21%	23%	22%	28%	27%
	(n=386)	28%	26%	33%	25%	31%	27%	27%	22%	22%	26%	24%	19%	21%	23%	22%	28%	27%

- Thinking about your organization's net earnings (after expenses, etc.) for the most recent quarter results versus the prior quarter results, how would you describe the level of your most recent quarter net earnings results? Would you say net earnings results have ... (among those not nonprofits)
- What are your expectations regarding your organization's net earnings results (after expenses, etc.) over the next six months? Do you expect net earnings results to ... (among those not nonprofits)

SQUARE/CIRCLE = Significantly higher/lower than previous quarter, respectively, at .05 level of significance

AGGREGATE CAPITAL EXPENDITURES/INVESTMENTS PERFORMANCE

Similar to the prior quarter, 39 percent of middle market executives indicated capital expenditures increased during the current period.



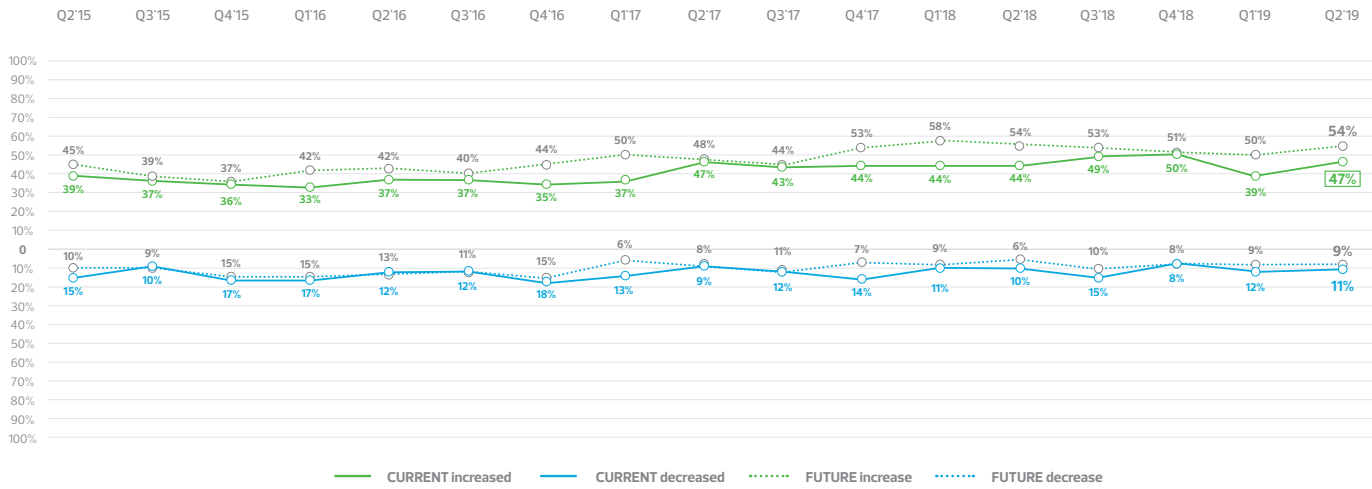
		% REMAIN UNCHANGED																
		Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19
CURRENT	(n=209)	40%	50%	45%	45%	42%	41%	47%	49%	44%	44%	44%	42%	42%	44%	50%	47%	45%
	(n=398)	40%	50%	45%	45%	42%	41%	47%	49%	44%	44%	44%	42%	42%	44%	50%	47%	45%
FUTURE	(n=210)	35%	44%	39%	37%	42%	39%	37%	40%	38%	41%	36%	34%	33%	37%	38%	39%	37%
	(n=403)	35%	44%	39%	37%	42%	39%	37%	40%	38%	41%	36%	34%	33%	37%	38%	39%	37%

- Thinking about your organization's aggregate capital expenditures or investments this quarter versus last quarter, how would you describe your organization's current capital expenditures/investments? Would you say capital expenditures/investments have ...
- What are your expectations regarding your organization's aggregate capital expenditures or investments over the next six months? Would you say capital expenditures/investments will ...

SQUARE/CIRCLE = Significantly higher/lower than previous quarter, respectively, at .05 level of significance

OVERALL HIRING LEVELS

Forty-seven percent of middle market executives reported hiring levels increased in the current quarter, a significant increase over last quarter (39 percent).



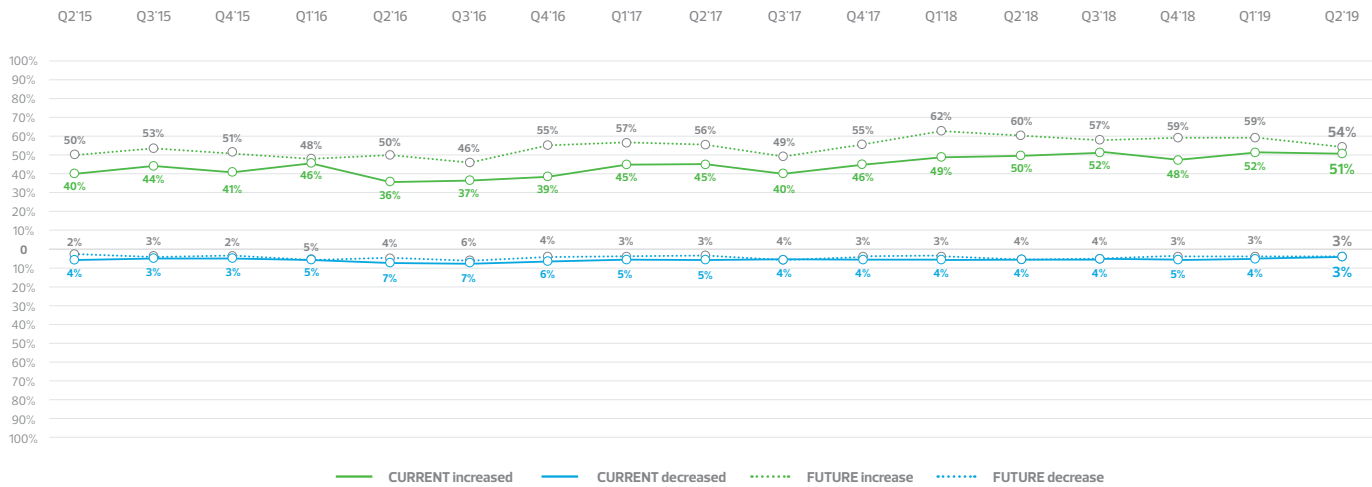
		% REMAIN UNCHANGED																
		Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19
CURRENT	(n=210)	46%	53%	47%	51%	51%	51%	47%	50%	44%	45%	42%	44%	46%	36%	42%	49%	42%
	(n=210)	45%	48%	48%	43%	44%	50%	41%	43%	44%	45%	40%	33%	40%	37%	40%	41%	38%
FUTURE	(n=210)	45%	48%	48%	43%	44%	50%	41%	43%	44%	45%	40%	33%	40%	37%	40%	41%	38%
	(n=210)	45%	48%	48%	43%	44%	50%	41%	43%	44%	45%	40%	33%	40%	37%	40%	41%	38%

- Thinking about your organization's overall hiring levels this quarter versus last quarter, how would you describe your current hiring levels? Would you say hiring levels have ...
- What are your expectations regarding your organization's overall hiring levels over the next six months? Do you expect hiring levels to ...

SQUARE/CIRCLE = Significantly higher/lower than previous quarter, respectively, at .05 level of significance

EMPLOYEE COMPENSATION

About half of middle market executives say compensation for employees has increased—similar to the previous quarter.



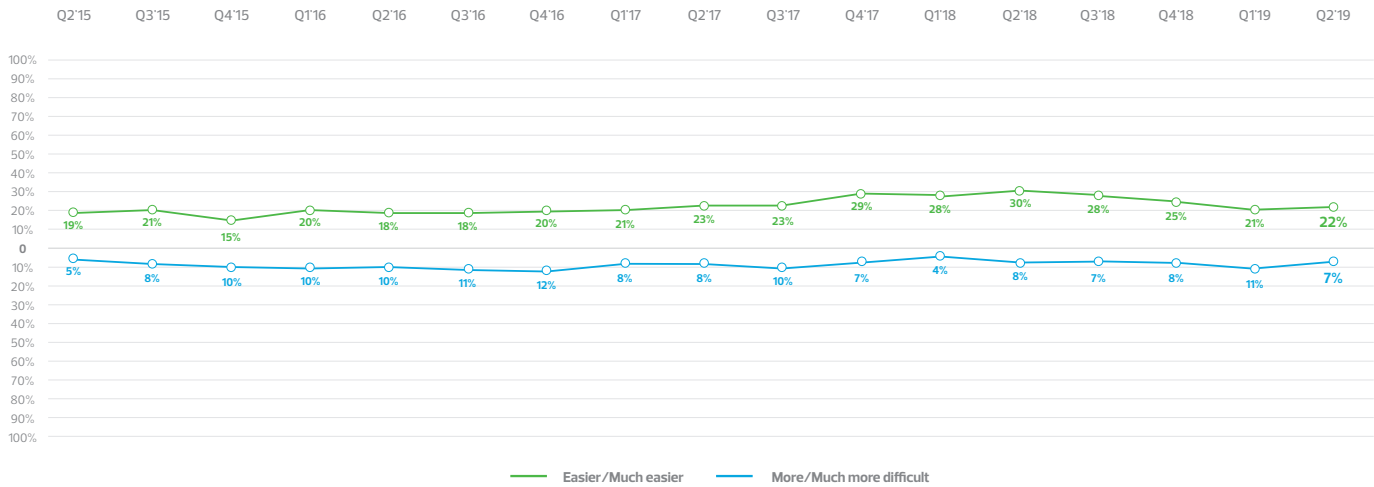
		% REMAIN UNCHANGED																
		Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19
CURRENT	(n=210)	56%	53%	56%	49%	57%	56%	55%	50%	49%	56%	50%	47%	46%	44%	48%	44%	46%
	(n=209)	48%	44%	47%	48%	46%	48%	40%	40%	41%	47%	42%	35%	37%	39%	38%	38%	43%
FUTURE	(n=209)	48%	44%	47%	48%	46%	48%	40%	40%	41%	47%	42%	35%	37%	39%	38%	38%	43%
	(n=209)	48%	44%	47%	48%	46%	48%	40%	40%	41%	47%	42%	35%	37%	39%	38%	38%	43%

- Thinking about employee compensation at your organization this quarter versus last quarter, how would you describe the current employee compensation level on average? Would you say employee compensation, on average, has ...
- What are your expectations regarding your organization's employee compensation over the next six months? Would you say employee compensation, on average, will ...

SQUARE/CIRCLE = Significantly higher/lower than previous quarter, respectively, at .05 level of significance

ACCESS TO CREDIT

Current perceptions regarding access to credit are comparable to the levels observed in the first quarter.



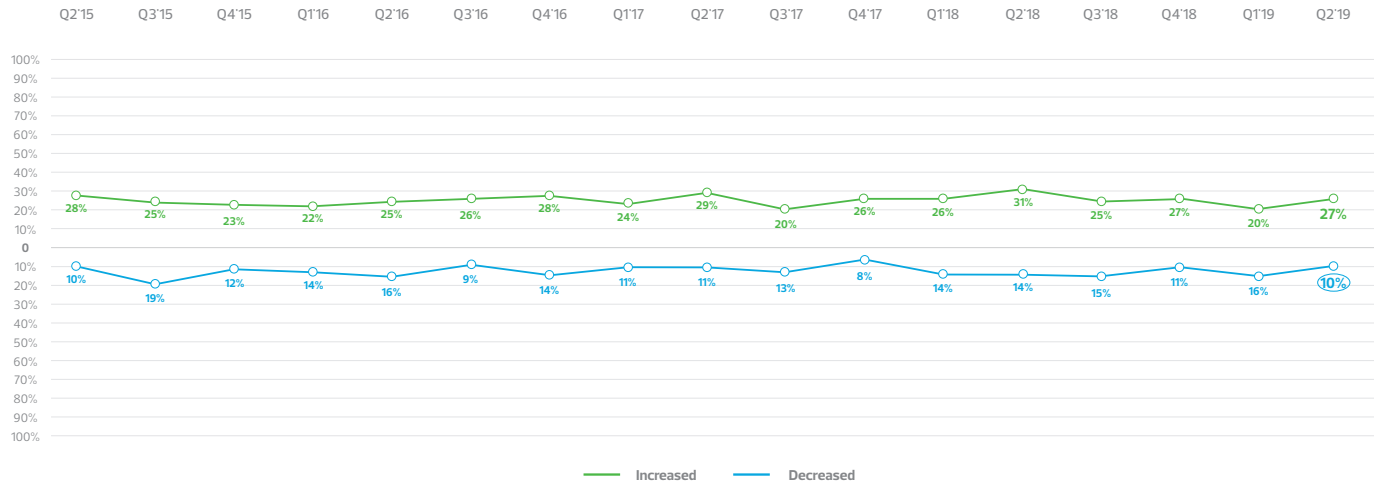
CURRENT	% REMAIN UNCHANGED																
	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19
	(n=210)	(n=247)	(n=202)	(n=420)	(n=398)	(n=394)	(n=397)	(n=405)	(n=394)	(n=400)	(n=397)	(n=410)	(n=394)	(n=393)	(n=392)	(n=402)	(n=396)
	76%	71%	75%	70%	72%	71%	69%	71%	69%	68%	64%	68%	62%	65%	67%	68%	70%

Thinking about the availability or ease with which your organization can borrow money this quarter versus last quarter, how would you describe current access to credit? Would you say that accessing credit is...

SQUARE/CIRCLE = Significantly higher/lower than previous quarter, respectively, at .05 level of significance

PLANNED BORROWING

Ten percent of middle market executives expect planned borrowing over the next six months will decrease, significantly fewer than last quarter (16 percent).



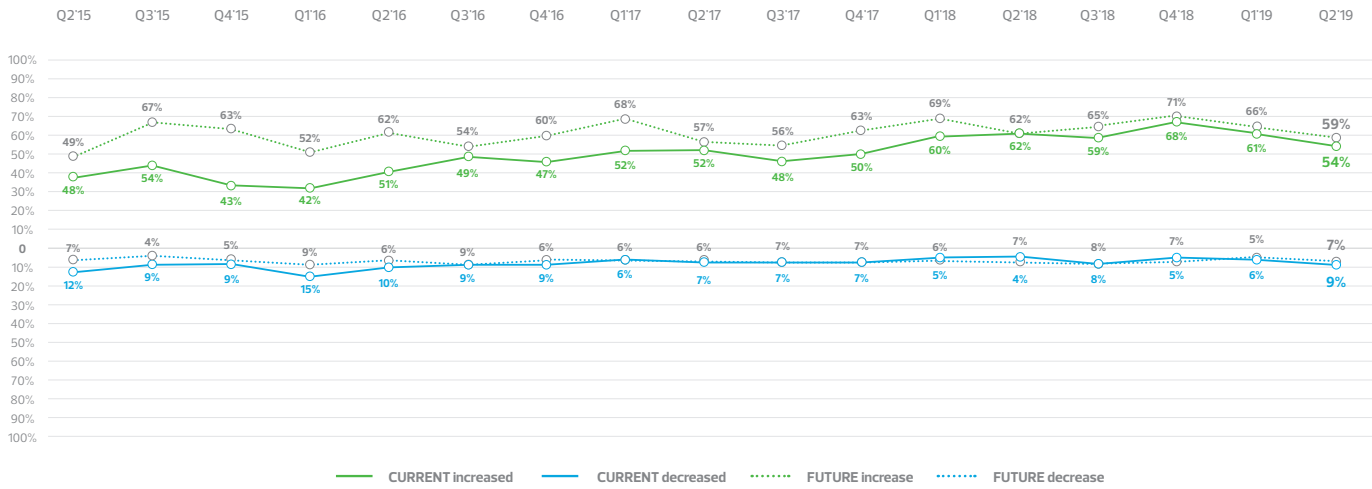
FUTURE	% REMAIN UNCHANGED																
	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19
	(n=209)	(n=251)	(n=203)	(n=419)	(n=401)	(n=399)	(n=400)	(n=406)	(n=396)	(n=400)	(n=398)	(n=411)	(n=396)	(n=398)	(n=394)	(n=401)	(n=401)
	61%	56%	64%	64%	59%	65%	58%	65%	60%	68%	66%	61%	55%	60%	62%	64%	63%

What are your expectations regarding your organization's planned borrowing over the next six months? Would you say your organization's borrowing will...

SQUARE/CIRCLE = Significantly higher/lower than previous quarter, respectively, at .05 level of significance

AMOUNT PAID FOR GOODS AND SERVICES

Fifty-four percent of middle market executives reported the amount paid for goods and services increased in the current quarter.



		% REMAIN UNCHANGED																
		Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19
CURRENT	(n=209)	40%	37%	48%	43%	39%	42%	44%	43%	41%	45%	42%	35%	34%	33%	28%	33%	37%
	(n=210)	44%	29%	32%	38%	33%	37%	34%	26%	36%	37%	29%	25%	31%	27%	22%	28%	33%
FUTURE	(n=209)	40%	37%	48%	43%	39%	42%	44%	43%	41%	45%	42%	35%	34%	33%	28%	33%	37%
	(n=210)	44%	29%	32%	38%	33%	37%	34%	26%	36%	37%	29%	25%	31%	27%	22%	28%	33%

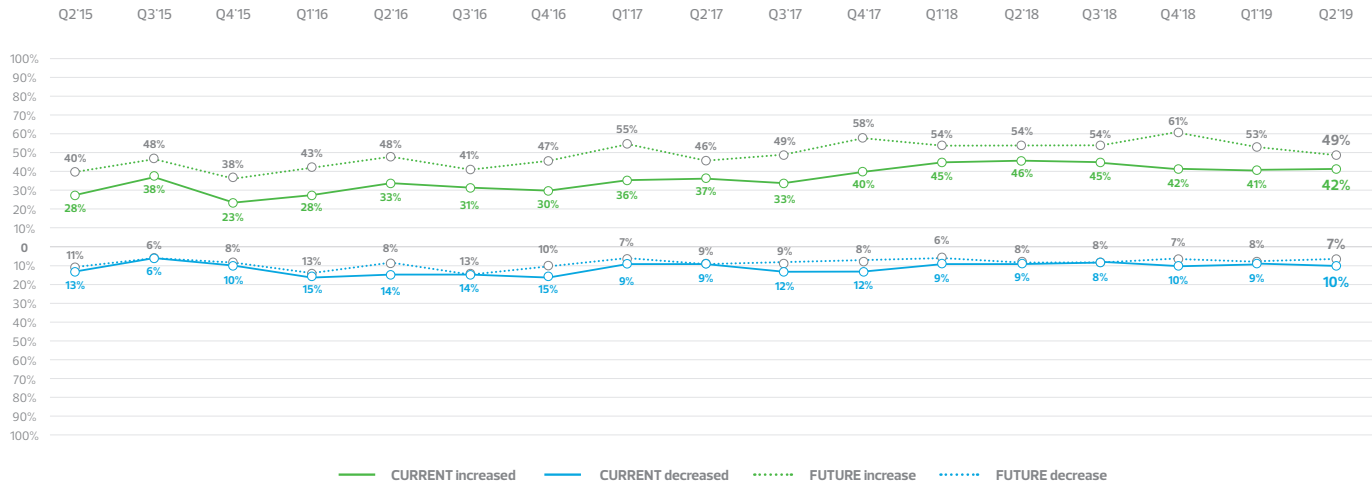
Thinking about the prices that your organization pays for all goods and services, except labor, this quarter versus last quarter, how would you describe the current general level of prices paid? Would you say prices paid, on average, have ...

What are your expectations regarding the general level of prices that your organization will pay for all goods and services, except labor, over the next six months? Would you say prices paid, on average, will ...

SQUARE/CIRCLE = Significantly higher/lower than previous quarter, respectively, at .05 level of significance

AMOUNT RECEIVED FOR GOOD AND SERVICES

Forty-two percent of middle market executives reported the amount received for goods and services increased in the current quarter.



		% REMAIN UNCHANGED																
		Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19
CURRENT	(n=189)	59%	56%	67%	57%	54%	56%	56%	55%	54%	55%	48%	47%	44%	47%	48%	49%	49%
	(n=189)	45%	46%	53%	44%	45%	46%	44%	38%	45%	43%	34%	41%	38%	38%	31%	39%	44%
FUTURE	(n=189)	59%	56%	67%	57%	54%	56%	56%	55%	54%	55%	48%	47%	44%	47%	48%	49%	49%
	(n=189)	45%	46%	53%	44%	45%	46%	44%	38%	45%	43%	34%	41%	38%	38%	31%	39%	44%

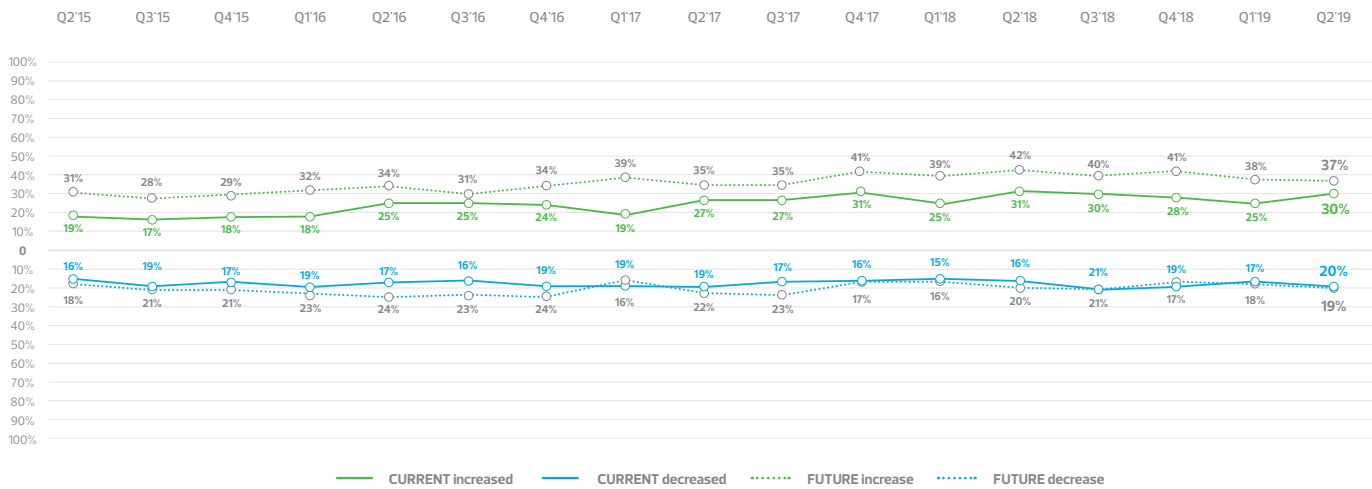
Thinking about the prices that your organization received for all of its goods and services this quarter versus last quarter, how would you describe the current general level of prices received? Would you say prices received by your organization, on average, have ... (among those not nonprofits)

What are your expectations regarding the general level of prices that your organization will receive for all goods and services over the next six months? Would you say the prices received by your organization, on average, will ... (among those not nonprofits)

SQUARE/CIRCLE = Significantly higher/lower than previous quarter, respectively, at .05 level of significance

INVENTORY LEVELS

Current perceptions and future expectations regarding inventory levels are comparable to the levels observed in the first quarter.



	% REMAIN UNCHANGED																
	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19
FUTURE CURRENT	(n=210) 38%	(n=252) 33%	(n=209) 33%	(n=426) 35%	(n=402) 29%	(n=399) 39%	(n=400) 39%	(n=408) 40%	(n=399) 36%	(n=405) 35%	(n=400) 37%	(n=412) 37%	(n=402) 34%	(n=402) 33%	(n=400) 35%	(n=403) 39%	(n=405) 36%
FUTURE FUTURE	(n=155) 52%	(n=174) 51%	(n=141) 50%	(n=310) 45%	(n=286) 42%	(n=320) 46%	(n=330) 43%	(n=317) 45%	(n=324) 42%	(n=320) 42%	(n=336) 42%	(n=315) 44%	(n=327) 38%	(n=337) 39%	(n=328) 42%	(n=328) 45%	(n=349) 45%
CURRENT CURRENT	% DO NOT HAVE INVENTORY																
	(n=210) 26%	(n=252) 31%	(n=209) 32%	(n=426) 27%	(n=402) 29%	(n=399) 20%	(n=400) 18%	(n=408) 22%	(n=399) 19%	(n=405) 21%	(n=400) 16%	(n=412) 23%	(n=402) 19%	(n=402) 16%	(n=400) 18%	(n=403) 19%	(n=405) 14%

· Thinking about your organization's inventory levels this quarter versus last quarter, how would you describe current inventory levels? Would you say inventory levels have ...
 · What are your expectations regarding your organization's planned inventory levels over the next six months? Would you say your inventory levels will ... (among those that have inventory)

SQUARE/CIRCLE = Significantly higher/lower than previous quarter, respectively, at .05 level of significance

HOW THE MMBI IS CONSTRUCTED

The MMBI is borne out of the subset of questions in the survey that ask middle market executives to report the change in a variety of indicators. Middle market executives are asked a total of 20 questions patterned after those in other qualitative business surveys, such as those from the Institute of Supply Management and the National Federation of Independent Businesses.

The 20 questions relate to changes in various measures of their business; such as revenues, profits, capital expenditures, hiring, employee compensation, prices paid, prices received and inventories. Middle market executives are asked to report the change from the previous quarter and to state the likely direction of these same indicators six months ahead. See a sample of the questions in Table 1.

The MMBI is a composite index computed as an equal weighted sum of the diffusion indexes for 10 survey questions plus 100 to keep the MMBI from becoming negative. The index is designed to capture both current and future conditions, with five questions on middle market executives' recent experience and five on their expectations for future activity.

TABLE 1: RSM US Middle Market Business Index questions

1. What are your expectations regarding the general economy?
2. What are your expectations regarding your organization's gross revenues?
3. How would you describe the level of your organization's most recent quarter net earnings results?
4. What are your expectations regarding your organization's aggregate capital expenditures or investments?
5. What are your expectations regarding your organization's overall hiring levels?
6. How would you describe your organization's current employee compensation level on average?
7. How would you describe current access to credit?
8. What are your expectations regarding your organization's planned borrowing?
9. How would you describe the current general level of prices received?
10. What are your expectations regarding your organization's planned inventory levels?

MIDDLE MARKET LEADERSHIP COUNCIL SURVEY: CURRENT PERCEPTIONS AND FUTURE EXPECTATIONS

METHODOLOGY

WHO

- A total of 700 senior executives were recruited by The Harris Poll via telephone using a Dun & Bradstreet (D&B) sample.
- These 700 panel members were invited by The Harris Poll to participate in four surveys in a one-year period.
- A total of 409 executives completed the survey, which was conducted between April 10 and April 29, 2019.
- All middle market executives were qualified as U.S. full-time senior executive decision-makers.
- Selected industries included the following:
 - Agriculture, forestry, fishing and hunting; mining, quarrying, and oil and gas extraction; utilities; construction; manufacturing; wholesale trade; retail trade; transportation and warehousing; information; finance and insurance; real estate, and rental and leasing; professional, scientific, and technical services; administrative and support; waste management and remediation services; educational services; health care and social assistance; arts, entertainment and recreation; accommodation and food services; and other services (except public administration)
 - Other executive categories include the following:
 - Nonfinancial or financial services companies with revenue of \$10 million–\$1 billion
 - Financial institutions represented by AUM \$250 million–\$10 billion
 - Executives involved in or responsible for business strategy or financial management strategy

WHEN

- Interviews were conducted on a quarterly basis over a 12-month period.

HOW

- Potential middle market executives were emailed a link to an online survey.
- Follow-up calls were made to middle market executives who did not respond to the online survey; they were given the option to complete the survey via telephone.

TOP OF MIND IN THE SECOND QUARTER

How are middle market companies making themselves more attractive to potential hires? Here are some responses from the latest survey:

“Higher salaries, signing bonuses. Spot bonus awards, increased PTO hours. Flexible work hours. Paid training opportunities.”

“We are trying to use social media to spread a positive image of our organization.”

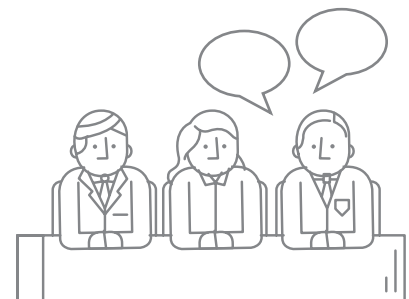
“Give new employees more input on what they are looking for.”

“We are trying to shift our perspective toward the youth.”

“We highlight our beliefs and then have training for our current employees so that they can be storytellers about our system.”

“We are trying to look and appear more modern.”

“We’re probably going to bring in an onsite health professional to make it easier to obtain low cost health care for people without insurance.”



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