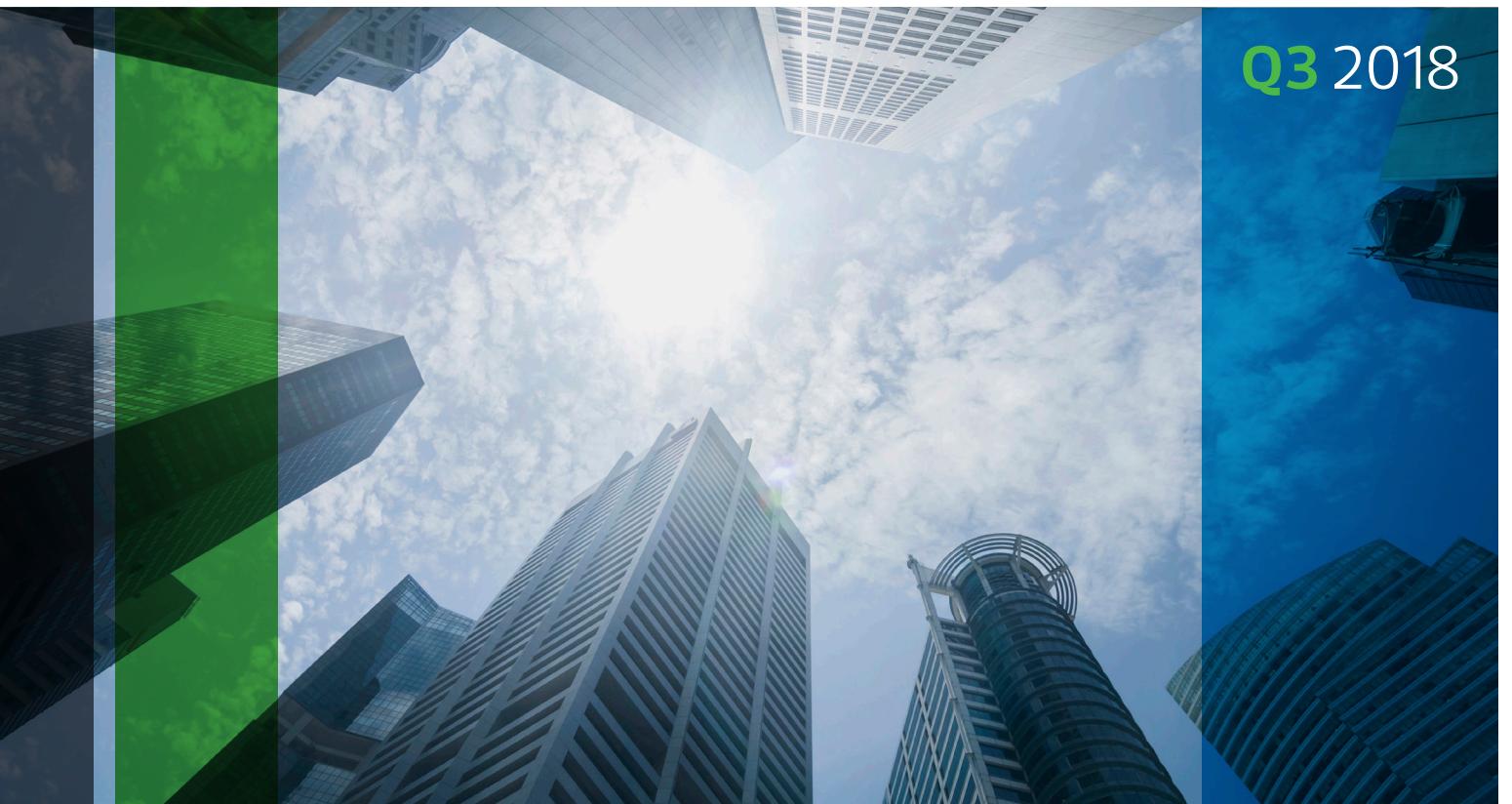


RSM US MIDDLE MARKET

# BUSINESS INDEX

IN PARTNERSHIP WITH THE  
U.S. CHAMBER OF COMMERCE



Q3 2018



U.S. CHAMBER OF COMMERCE



RSM

# RSM US MIDDLE MARKET BUSINESS INDEX

IN PARTNERSHIP WITH THE  
U.S. CHAMBER OF COMMERCE

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.



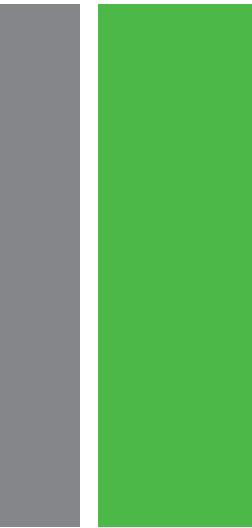
U.S. CHAMBER OF COMMERCE





## TABLE OF CONTENTS

RSM US MIDDLE MARKET BUSINESS INDEX HOLDS STEADY ON STRONG FUNDAMENTALS .....	4
RSM MMBI REMAINS ROBUST IN THIRD QUARTER AS MIDDLE MARKET ECONOMY ROARS AHEAD .....	8



# RSM US MIDDLE MARKET BUSINESS INDEX HOLDS STEADY ON STRONG FUNDAMENTALS

## RSM US LLP CHIEF ECONOMIST



**Joe 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.



The middle market economy remained robust in the third quarter of 2018, signaling a period of sustained economic growth heading into the final three months of the year and 2019. The proprietary RSM US Middle Market Business Index was nearly unchanged at 134.4 between the second and third quarters of 2018. Strong net earnings, revenue, employment and pricing reported by middle market executives polled during the period bolstered the near-term outlook.

The data also suggest that policymakers at the Federal Reserve should proceed cautiously on interest rate hikes. While the economy and the middle market are sturdy enough to absorb rate hikes in September and December, by midyear 2019 Fed policy could become restrictive ahead of an impending decline in fiscal outlays one year from now. This may create the conditions for unwinding the economic strength that has characterized the middle market since 2014.

**“Tariffs are taxes that raise costs for businesses and consumers. Policymakers can support the continued optimism of middle market business leaders by pursuing free, fair, and open trade. Such policies will help our economy continue to grow.”**

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

### RSM US Middle Market Business Index (MMBI)



Source: RSM US LLP



RSM US LLP and The Harris Poll have collected data on middle market firms from quarterly surveys 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.

# RSM MMBI REMAINS ROBUST IN THIRD QUARTER AS MIDDLE MARKET ECONOMY ROARS AHEAD

## THE MIDDLE MARKET ECONOMY IS SOLID AS A ROCK AND PROSPERING

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

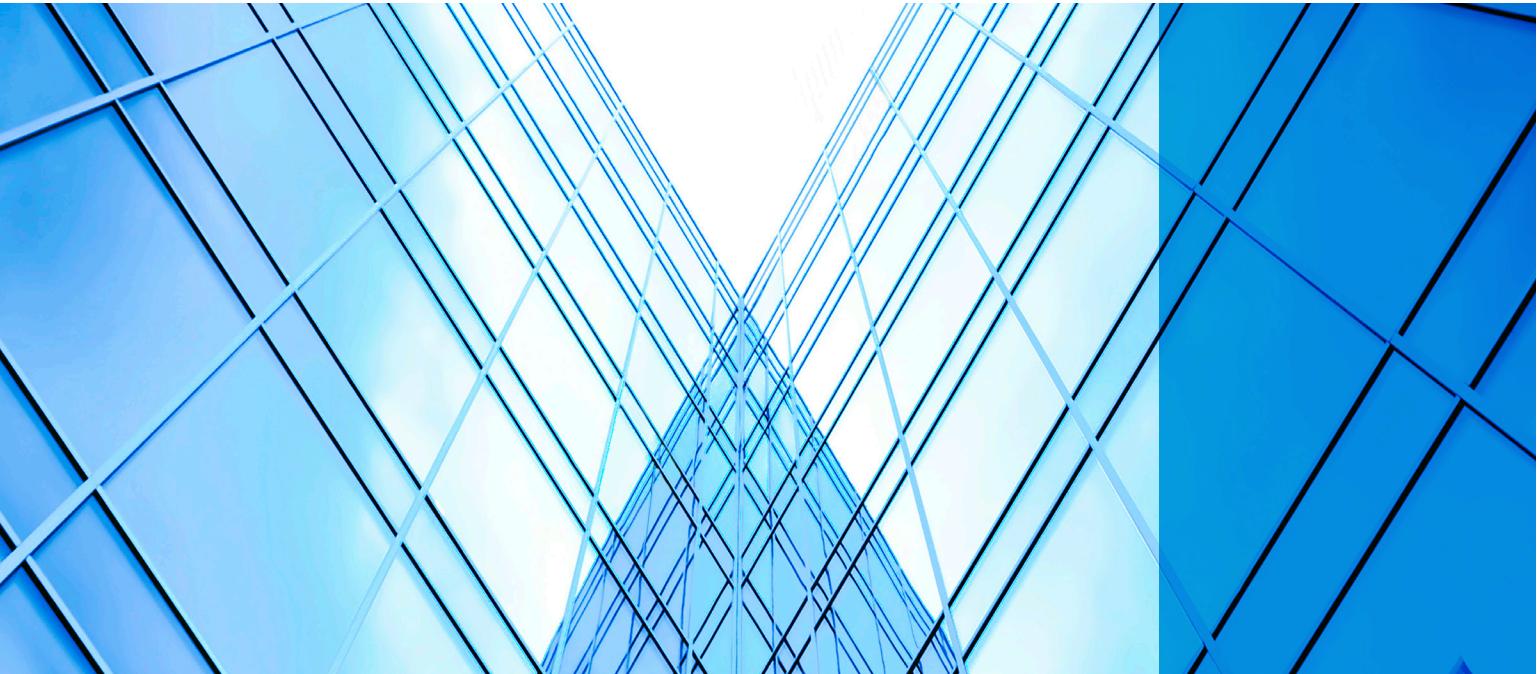
The third quarter 2018 proprietary RSM US Middle Market Business Index remains nearly unchanged at 134.4. Forward looking sub-indices tracking revenues, net earnings, employment, compensation and pricing imply a sustained period of strong economic growth heading into the final three months of 2018 and next year.

The data suggest that policymakers at the Federal Reserve should proceed cautiously on interest rate hikes. While the economy and the middle market are sturdy enough to absorb rate hikes in September and December, by midyear 2019 Fed policy on its current path will likely turn restrictive ahead of an impending decline in fiscal outlays one year from now. This may create the conditions for unwinding the economic strength that has characterized the middle market since 2014.

Middle market gross revenues are robust heading into the final three months of the year. About 62 percent of middle market executives indicate that revenues increased in the third quarter, up from 56 percent in the prior quarter. Over the next six months, 67 percent expect revenues to improve.

Net earnings trends are remarkably similar. During the current quarter, 59 percent of middle market executives indicate an improvement in net earnings, while 65 percent anticipate progress over the next 180 days. Strong sentiment about revenues and net earnings signals current robust economic conditions in the largely privately held middle market.

The categories of hiring and compensation also reflect vigorous economic conditions. Fifty-three percent of middle market executives indicate they expect to increase the pace of hiring over the next six months, while 49 percent did so in the current quarter. Fifty-two percent say they increased compensation and 57 percent signal they intend to do so through the first quarter of 2019. The quantity of workers willing and available to work—a consistent headwind for the middle market—is likely the primary reason for the modest increase in the percentage of those stating they increased hiring from the previous quarter. While middle market businesses are clearly willing to offer higher wages to retain and attract workers, the primary challenge right now is not compensation, but the lack of qualified labor.



## CAPEX RETICENCE COULD DRAG DOWN GDP

Meanwhile, capital expenditures remain somewhat restrained, presenting another challenge that we have noted for several quarters. The percentage of those businesses that increased capital expenditures eased to 41 percent; those expecting to boost outlays six months ahead declined to 51 percent from 55 percent in the previous quarter. The integration of advanced technology into the production of goods and provision of services is accelerating across the economy, yet the middle market remains cautious. While overall U.S. productivity increased 1.4 percent on a year-ago basis, without strong participation by the middle market, productivity will not continue to improve.

Increases in the cost of raw materials used at earlier stages of production, as well as intermediate goods during 2018 has altered middle market sentiment. Fifty-nine percent of middle market executives reported paying higher prices, just below the cyclical high of 62 percent in the previous quarter; 65 percent expect price hikes in the next six months. A 59 percent majority report passing those price increases downstream to their customers, while 65 percent intend to do so over the course of the

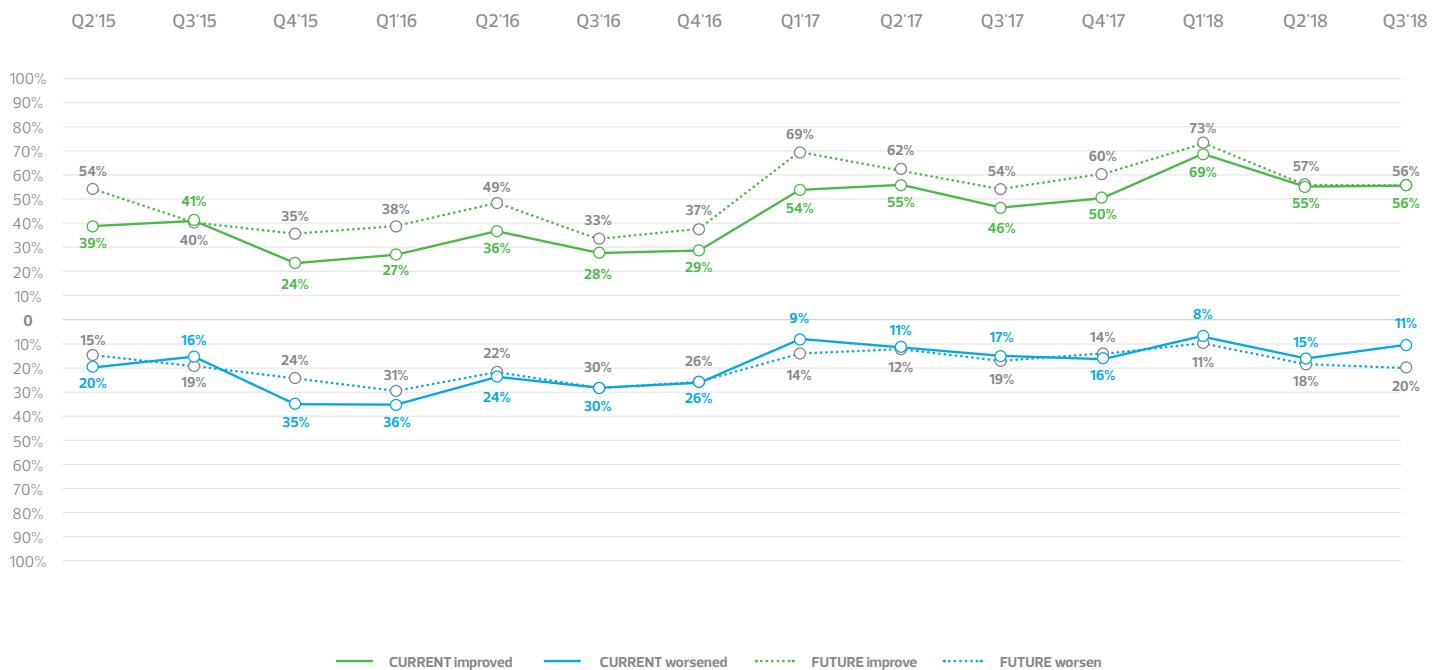
next two quarters. While there is plenty of anecdotal evidence of businesses passing along prices linked to the three primary trade spats facing the United States, we will wait to see more systemic evidence before we pass judgment on cost pass-throughs linked to taxes on imports and a potential breakout in inflation in the middle market.

**The integration of advanced technology into the production of goods and provision of services is accelerating across the economy, yet the middle market remains cautious.**

Inventory levels for the middle market remain carefully managed. Some 30 percent of businesses indicate they increased their inventory levels, while 40 percent state they expect to do so. Some middle market businesses could be caught off guard if the trade spats intensify or result in increasing production costs. This requires careful monitoring.

## GENERAL ECONOMY PERFORMANCE

Similar to the previous quarter, 56 percent of executives reported that they believe the general economy has improved this quarter versus last quarter. The same percent indicated they expect the economy to improve in the next six months.



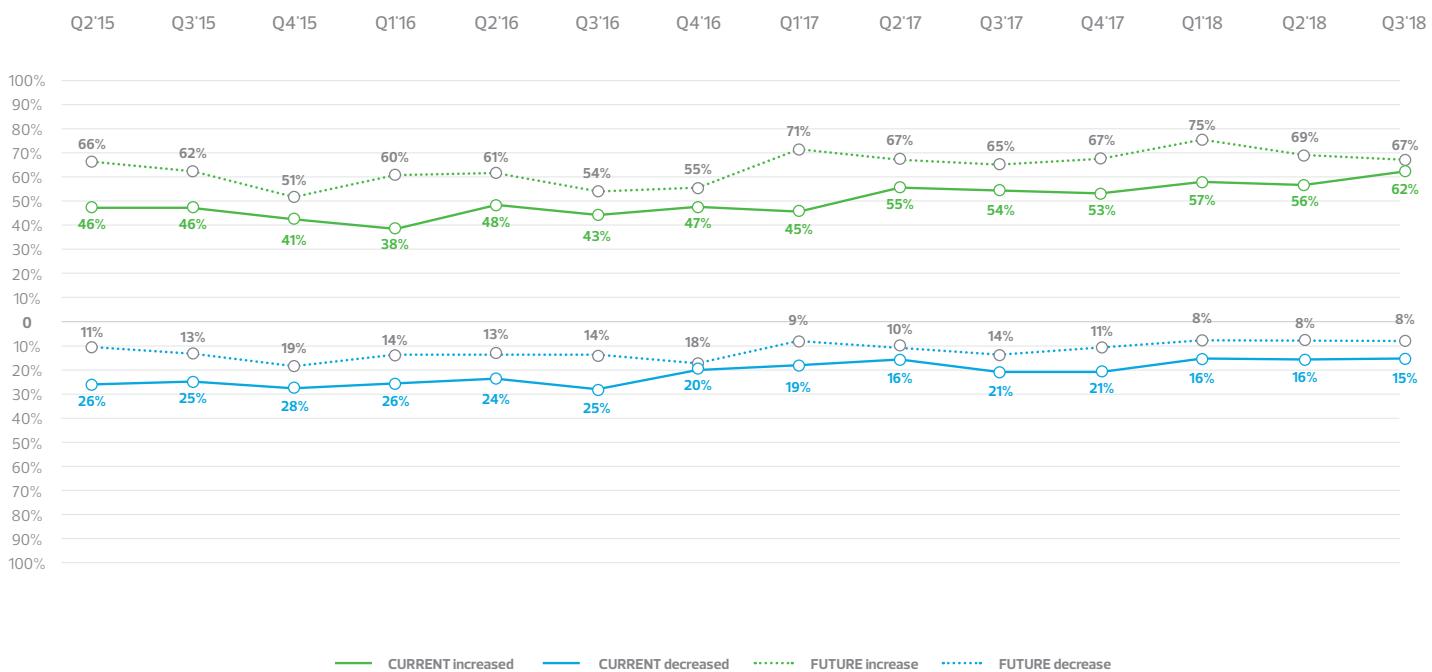
FUTURE CURRENT	% REMAIN UNCHANGED															
	Q2'15		Q3'15		Q4'15		Q1'16		Q2'16		Q3'16		Q4'16		Q1'17	
	Current	Future	Current	Future	Current	Future	Current	Future	Current	Future	Current	Future	Current	Future	Current	Future
Current	(n=210) 41%	(n=252) 43%	(n=208) 41%	(n=424) 37%	(n=404) 41%	(n=400) 42%	(n=406) 45%	(n=409) 37%	(n=400) 34%	(n=406) 37%	(n=399) 34%	(n=412) 23%	(n=402) 31%	(n=402) 34%		
Future	(n=210) 31%	(n=252) 41%	(n=208) 41%	(n=424) 31%	(n=404) 29%	(n=397) 37%	(n=402) 36%	(n=409) 17%	(n=400) 26%	(n=406) 27%	(n=399) 26%	(n=412) 16%	(n=402) 25%	(n=402) 24%		

- 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

Sixty-two percent of executives reported gross revenues increased in the current quarter, and 67 percent expect revenues to increase in the next six months.



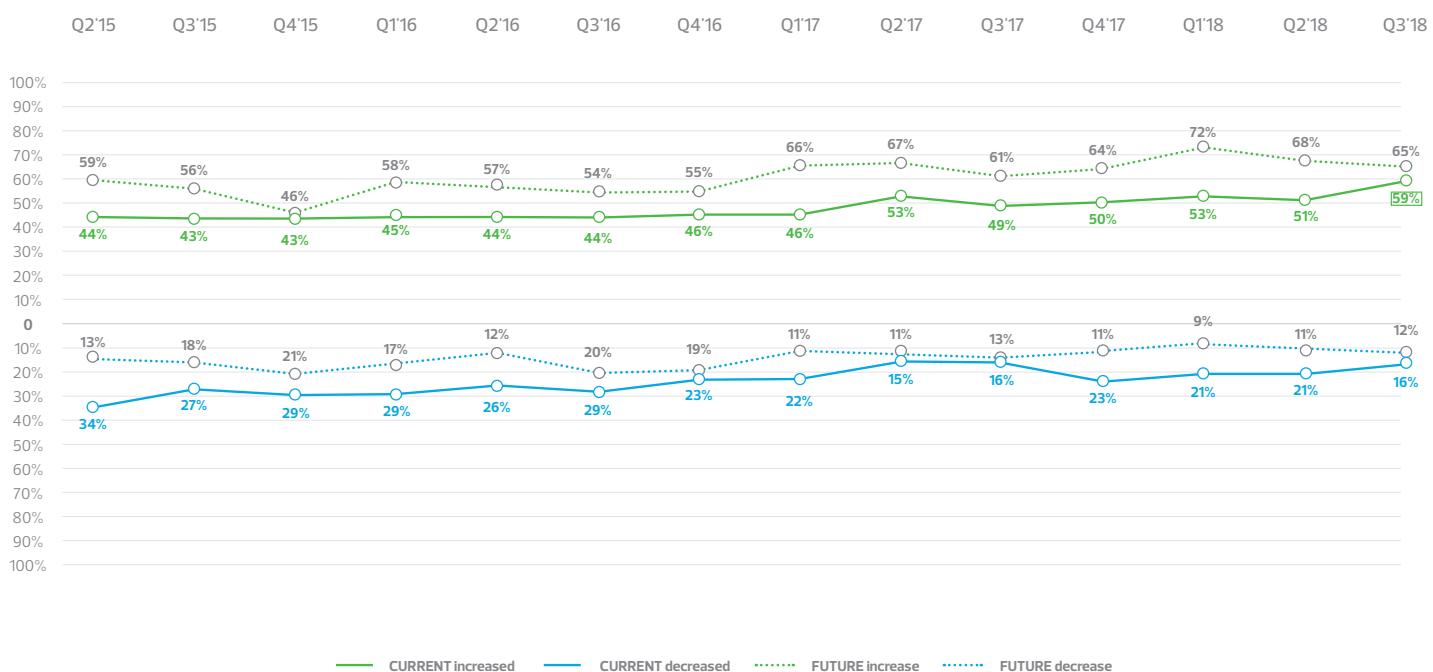
	% REMAIN UNCHANGED													
	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18
FUTURE CURRENT	(n=210) 28%	(n=250) 29%	(n=208) 31%	(n=424) 35%	(n=403) 28%	(n=398) 32%	(n=406) 33%	(n=408) 36%	(n=399) 29%	(n=405) 25%	(n=400) 26%	(n=412) 27%	(n=398) 28%	(n=399) 24%
	(n=210) 23%	(n=250) 25%	(n=208) 30%	(n=426) 25%	(n=404) 26%	(n=400) 31%	(n=403) 27%	(n=409) 20%	(n=400) 23%	(n=406) 22%	(n=399) 23%	(n=412) 17%	(n=401) 23%	(n=401) 25%

- 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-nine percent of middle market executives reported net earnings increased in the current quarter, a significant increase over last quarter (51 percent). Nearly two-thirds expect net earnings to increase over the next six months.



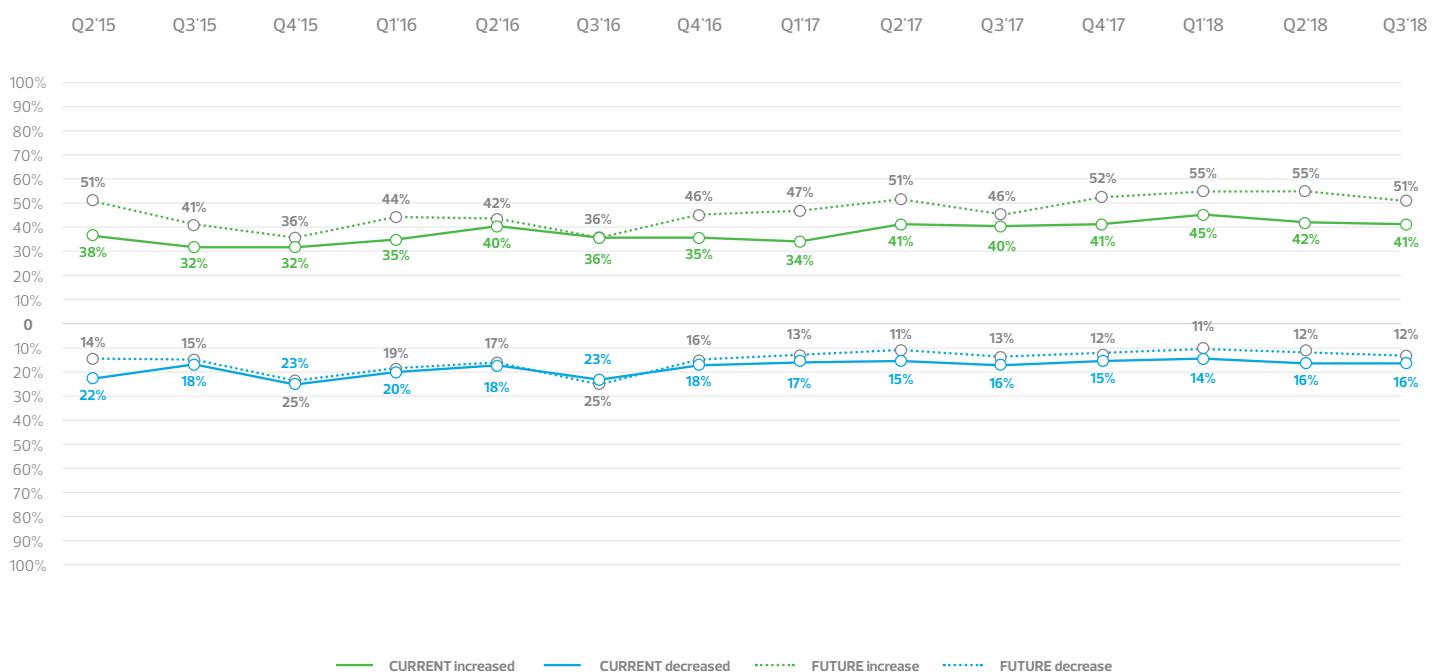
FUTURE	% REMAIN UNCHANGED													
	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18
CURRENT	(n=191) 22%	(n=230) 30%	(n=189) 28%	(n=394) 26%	(n=370) 30%	(n=368) 28%	(n=375) 31%	(n=380) 31%	(n=362) 32%	(n=380) 35%	(n=379) 27%	(n=392) 26%	(n=386) 28%	(n=383) 24%
FUTURE	(n=191) 28%	(n=230) 26%	(n=191) 33%	(n=396) 25%	(n=369) 31%	(n=369) 27%	(n=375) 27%	(n=381) 22%	(n=362) 22%	(n=378) 26%	(n=379) 24%	(n=392) 19%	(n=386) 21%	(n=383) 23%

- 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

Forty-one percent of middle market executives indicated capital expenditures increased during the current period, and half expect to increase capex during the next six months.



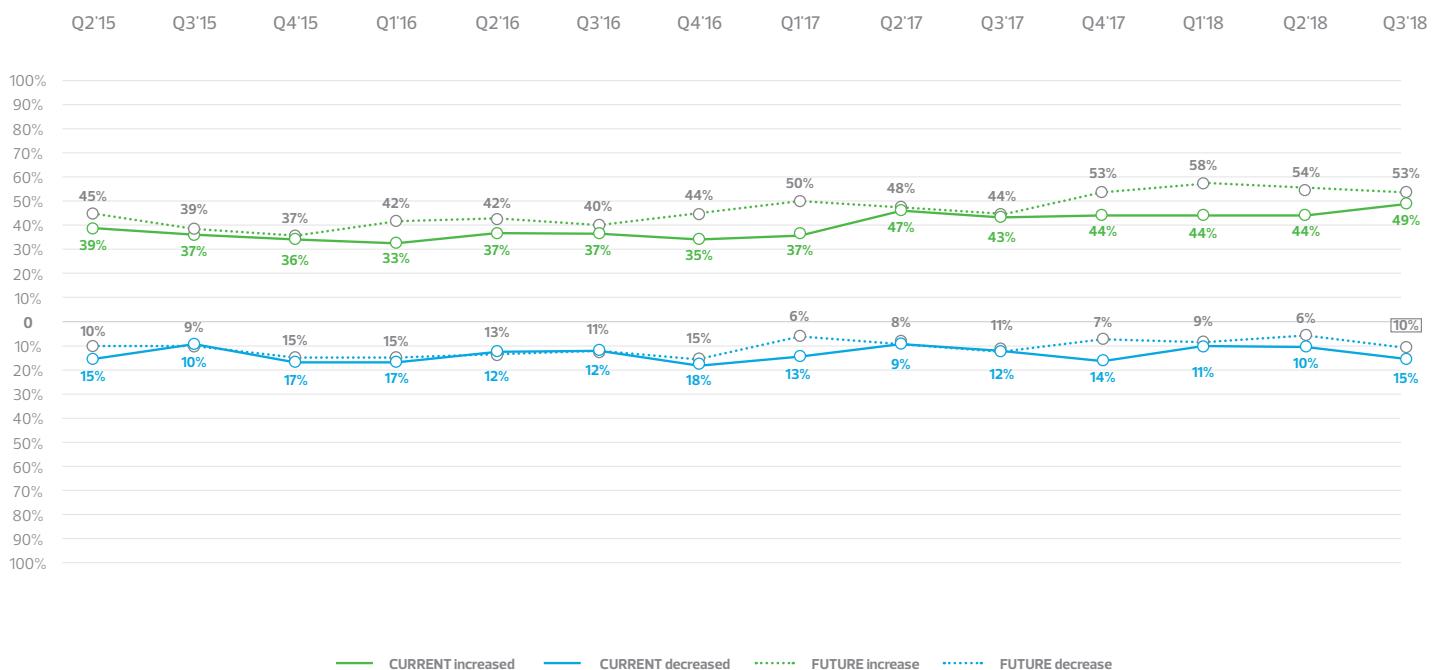
% REMAIN UNCHANGED														
FUTURE	CURRENT													
	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18
	(n=209) 40%	(n=250) 50%	(n=207) 45%	(n=424) 45%	(n=403) 42%	(n=399) 41%	(n=404) 47%	(n=407) 49%	(n=398) 44%	(n=405) 44%	(n=397) 44%	(n=412) 42%	(n=402) 42%	(n=401) 44%
	(n=210) 35%	(n=252) 44%	(n=207) 39%	(n=425) 37%	(n=404) 42%	(n=400) 39%	(n=405) 37%	(n=407) 40%	(n=399) 38%	(n=405) 41%	(n=398) 36%	(n=412) 34%	(n=402) 33%	(n=401) 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

Compared to last quarter, more executives reported that hiring levels will decrease over the next six months (10 percent versus 6 percent).



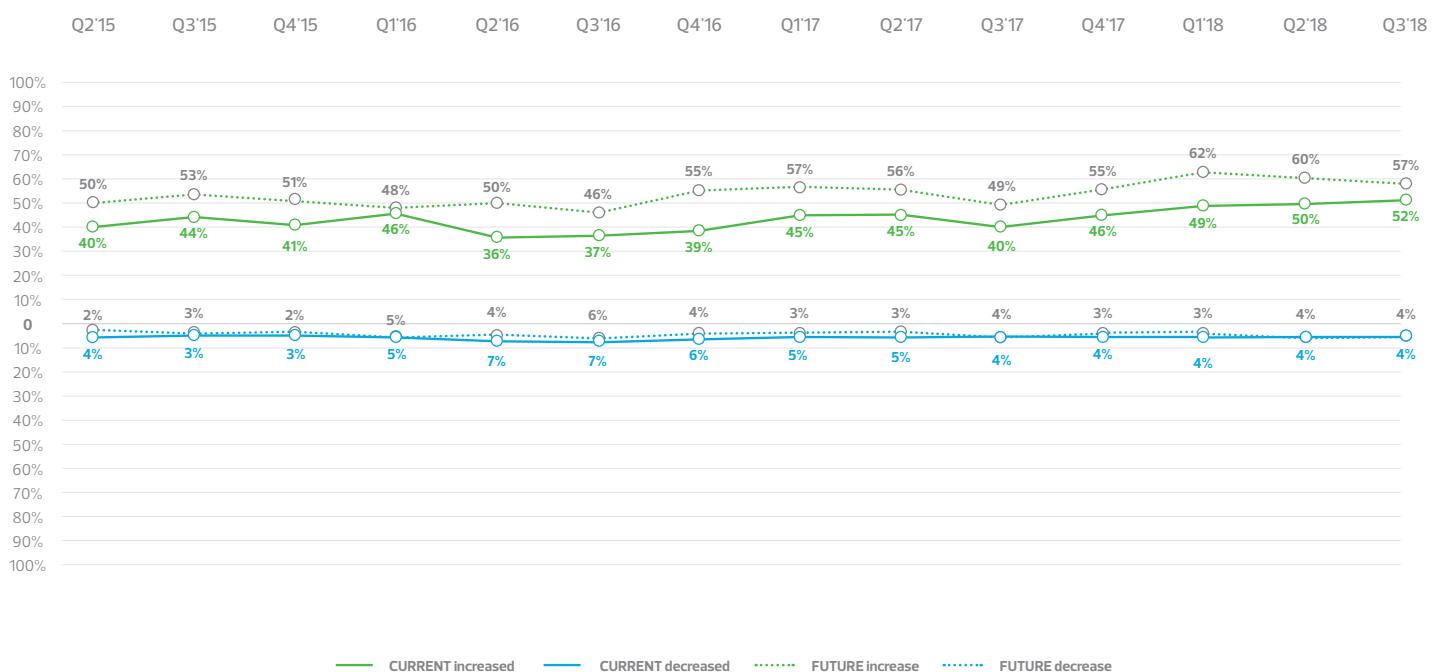
% REMAIN UNCHANGED														
FUTURE	CURRENT							FUTURE						
	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18
CURRENT	(n=210) 46%	(n=251) 53%	(n=209) 47%	(n=426) 51%	(n=404) 51%	(n=400) 51%	(n=405) 47%	(n=409) 50%	(n=400) 44%	(n=406) 45%	(n=400) 42%	(n=412) 44%	(n=402) 46%	(n=402) 36%
FUTURE	(n=210) 45%	(n=251) 48%	(n=209) 48%	(n=426) 43%	(n=404) 44%	(n=400) 50%	(n=405) 41%	(n=409) 43%	(n=400) 44%	(n=406) 45%	(n=399) 40%	(n=412) 33%	(n=402) 40%	(n=402) 37%

- 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

Fifty-two percent of middle market businesses reported increased compensation during the current quarter. Fifty-seven percent of middle market businesses expect to increase compensation over the next six months.



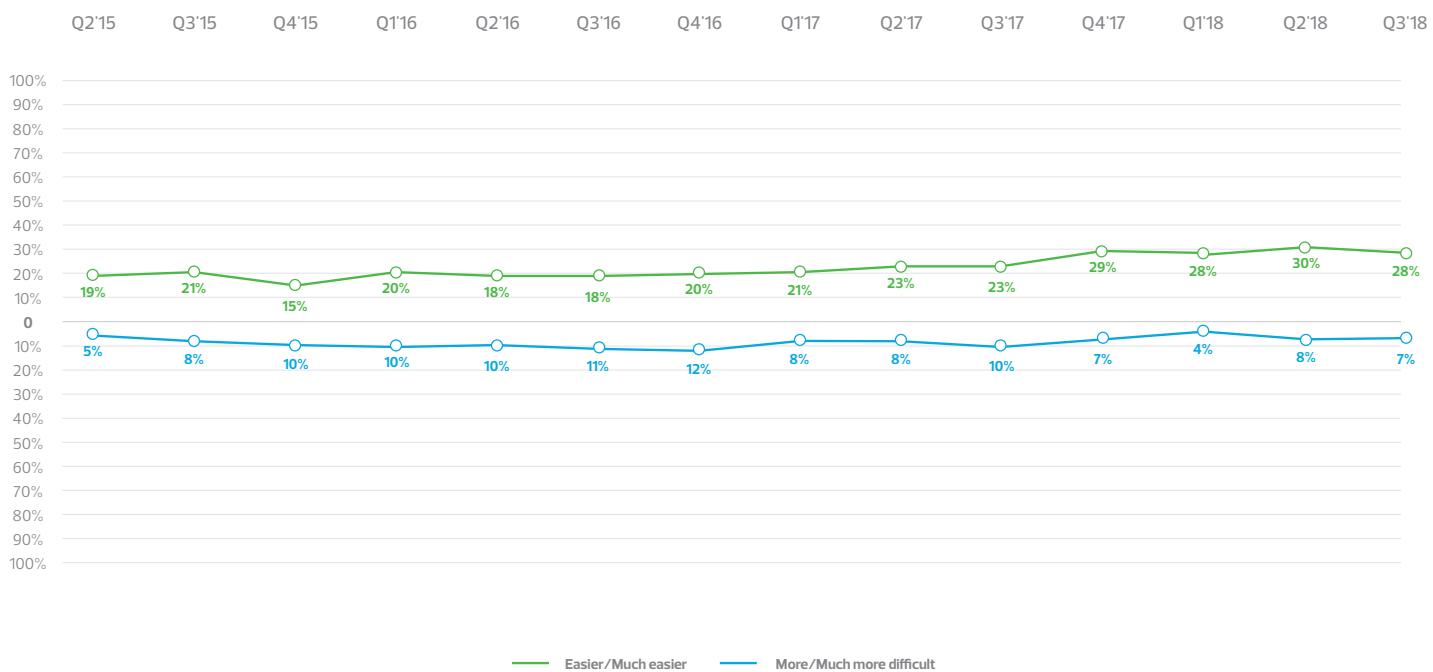
FUTURE CURRENT	% REMAIN UNCHANGED													
	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18
(n=210)	(n=252)	(n=208)	(n=424)	(n=403)	(n=399)	(n=406)	(n=407)	(n=400)	(n=400)	(n=404)	(n=400)	(n=412)	(n=402)	(n=401)
56%	53%	56%	49%	57%	56%	55%	50%	49%	56%	50%	50%	47%	46%	44%
(n=209)	(n=252)	(n=208)	(n=426)	(n=404)	(n=400)	(n=406)	(n=409)	(n=400)	(n=405)	(n=405)	(n=400)	(n=412)	(n=402)	(n=401)
48%	44%	47%	48%	46%	48%	40%	40%	41%	47%	42%	35%	37%	39%	

- 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 second quarter.



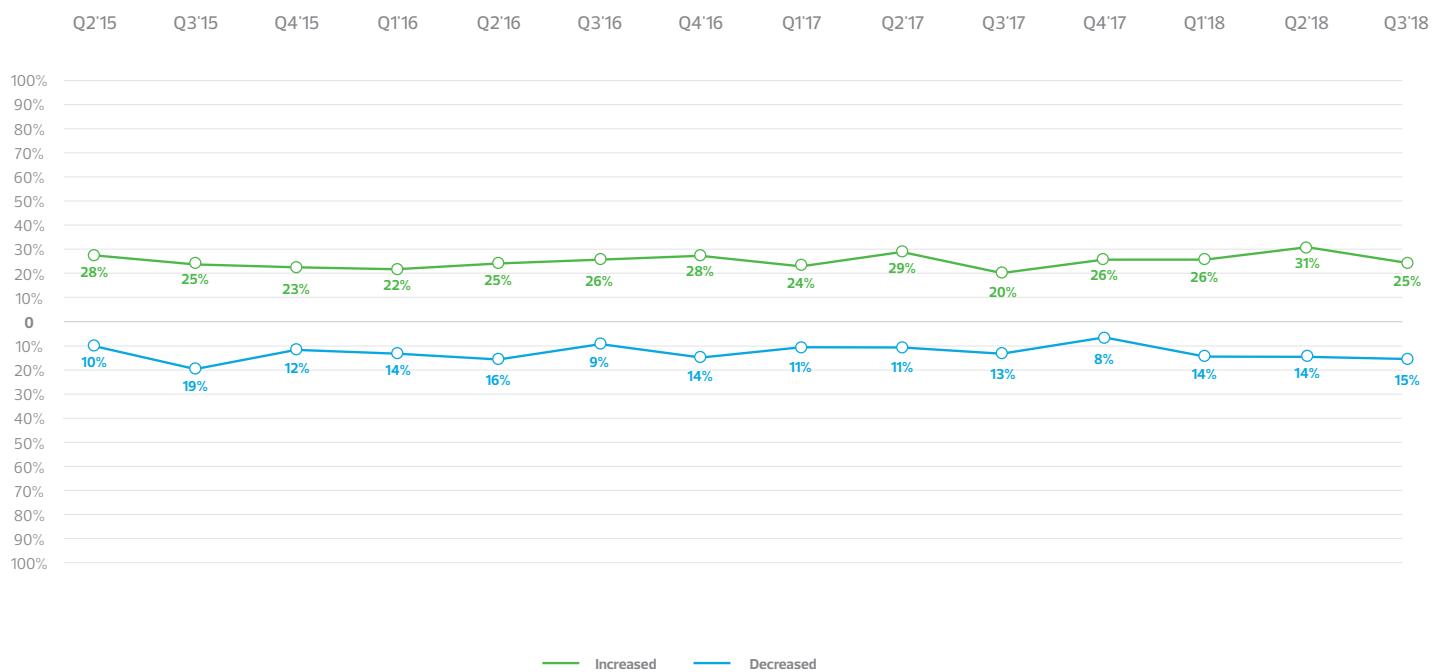
CURRENT	% REMAIN UNCHANGED														
	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	
	(n=210) 76%	(n=247) 71%	(n=202) 75%	(n=420) 70%	(n=398) 72%	(n=394) 71%	(n=397) 69%	(n=405) 71%	(n=394) 69%	(n=400) 68%	(n=397) 64%	(n=410) 68%	(n=394) 62%	(n=393) 65%	

- 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

Expectations for planned borrowing over the next six months are similar to the level observed in the second quarter.



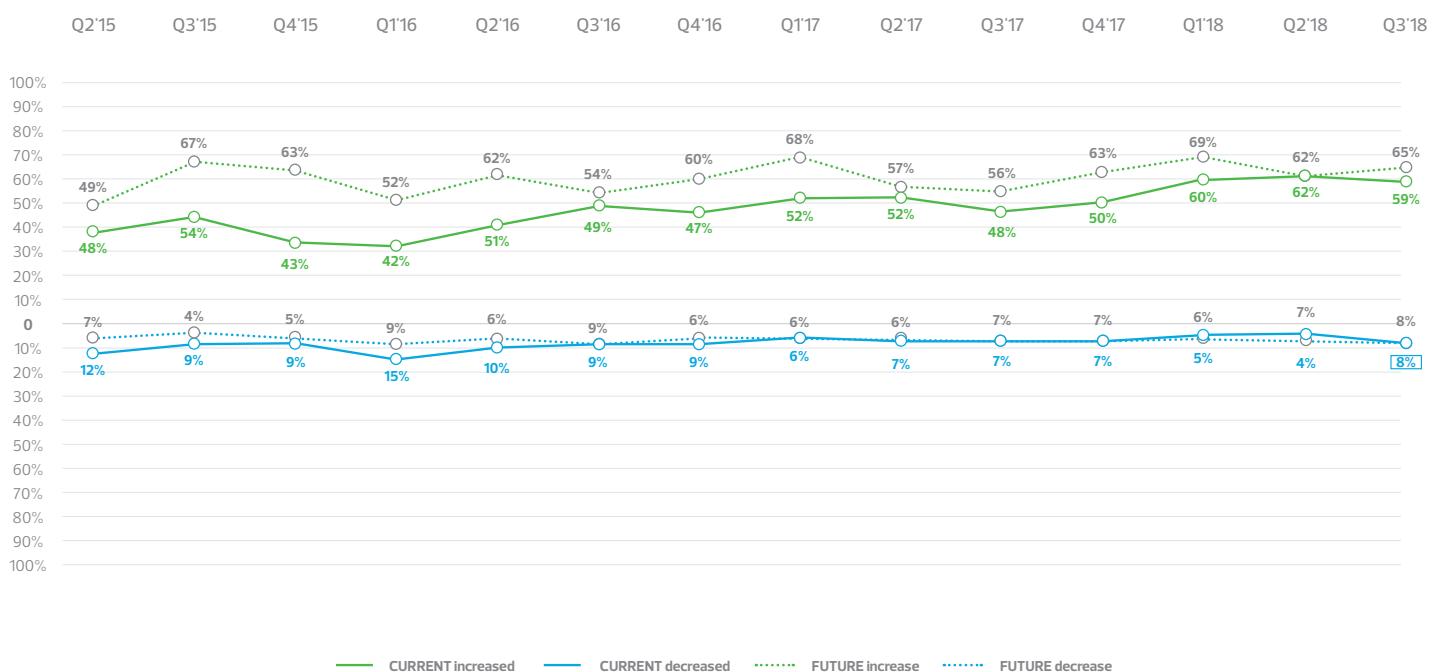
FUTURE	% REMAIN UNCHANGED														
	Q2 '15	Q3 '15	Q4 '15	Q1 '16	Q2 '16	Q3 '16	Q4 '16	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	Q3 '18	
	(n=209) 61%	(n=251) 56%	(n=203) 64%	(n=419) 64%	(n=401) 59%	(n=399) 65%	(n=400) 58%	(n=406) 65%	(n=396) 60%	(n=400) 68%	(n=398) 66%	(n=411) 61%	(n=396) 55%	(n=398)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

• 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

More middle market executives reported the amount paid for goods and services decreased in the current quarter (8 percent) versus 4 percent in the second quarter.



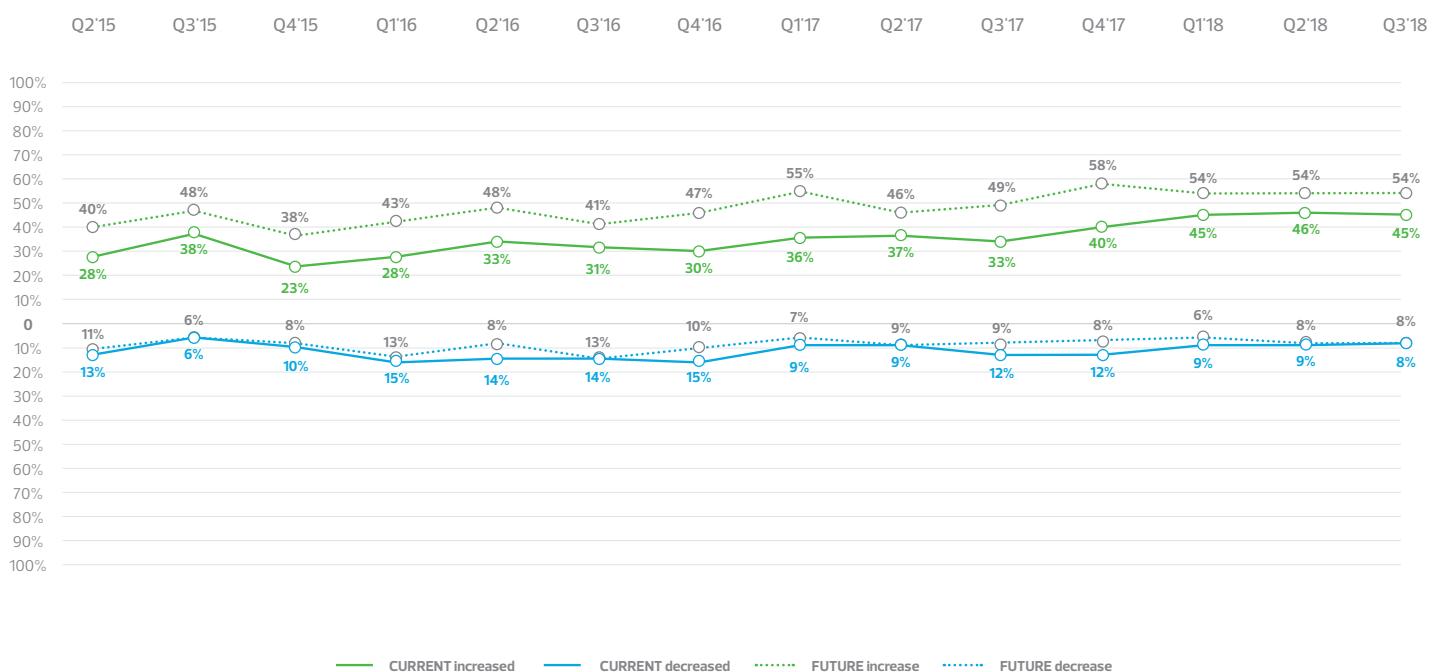
% REMAIN UNCHANGED														
FUTURE CURRENT	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18
	(n=209)	(n=252)	(n=208)	(n=426)	(n=401)	(n=399)	(n=406)	(n=408)	(n=399)	(n=405)	(n=405)	(n=400)	(n=411)	(n=400)
CURRENT	40%	37%	48%	43%	39%	42%	44%	43%	41%	45%	42%	35%	34%	33%
FUTURE	44%	29%	32%	38%	33%	37%	34%	26%	36%	37%	29%	25%	31%	27%

- 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

Current perceptions and future expectations regarding the amount received for goods and services are comparable to the levels observed in the second quarter.



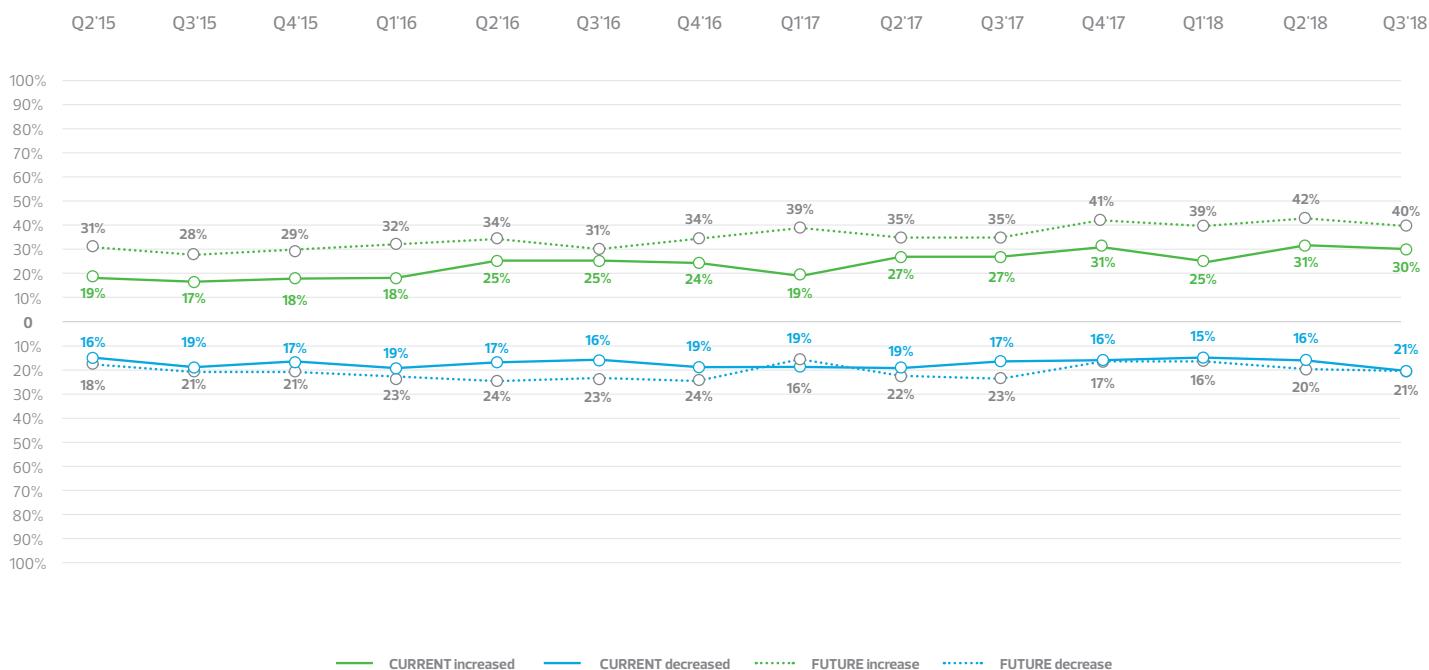
% REMAIN UNCHANGED														
FUTURE CURRENT	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18
	(n=189)	(n=230)	(n=191)	(n=396)	(n=370)	(n=365)	(n=375)	(n=381)	(n=365)	(n=378)	(n=379)	(n=392)	(n=387)	(n=382)
	59%	56%	67%	57%	54%	56%	56%	55%	54%	55%	48%	47%	44%	47%
	45%	46%	53%	44%	45%	46%	44%	38%	45%	43%	34%	41%	38%	38%

- 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 second quarter.



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

- 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 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.

Now that enough observations exist, each question in the index will be seasonally adjusted using the Census X-13 method in order to remove periodic fluctuations associated with recurring calendar-related events. Seasonally adjusted values for questions will make it easier to observe underlying fundamental changes, particularly those associated with economic expansions and contractions.

For this adjustment, the "increase" and "decrease" percentage components of each index question will be tested for seasonality separately and adjusted accordingly if such patterns exist. If no seasonality is detected, the component will be left unadjusted.

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 phone 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
- 402 executives completed the survey, which was conducted between July 16, 2018 and August 3, 2018
- All middle market executives were qualified as:
  - U.S. full-time senior executive decision-makers
- Selected industries:
  - 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)

- Nonfinancial or financial services companies revenue \$10 million-\$1 billion
- Financial institutions represented by AUM \$250 million-\$10 billion
- Involved or responsible for business strategy or financial management strategy

### WHEN

- Interviews 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

# TUNE IN TO “THE MIDDLE MARKET TRANSFORMATIVE CEO” WITH JOE BRUSUELAS



RSM US Chief Economist Joe Brusuelas teams up with business author and co-host, Robert Reiss, for a series of provocative discussions with middle market CEOs. Get the details on game-changing strategies in industries ranging from restaurants to retail and manufacturing.

To listen, visit [rsmus.com/CEOradio](http://rsmus.com/CEOradio)

*The Middle Market*  
*Transformative*  
**CEO**



For more information on RSM, please visit [www.rsmus.com](http://www.rsmus.com).

For media inquiries, please contact Terri Andrews, National Public Relations Director, +1 980 233 4710 or [terri.andrews@rsmus.com](mailto:terri.andrews@rsmus.com).



[www.rsmus.com](http://www.rsmus.com)

This document contains general information, may be based on authorities that are subject to change, and is not a substitute for professional advice or services. This document does not constitute audit, tax, consulting, business, financial, investment, legal or other professional advice, and you should consult a qualified professional advisor before taking any action based on the information herein. RSM US LLP, its affiliates and related entities are not responsible for any loss resulting from or relating to reliance on this document by any person. Internal Revenue Service rules require us to inform you that this communication may be deemed a solicitation to provide tax services. This communication is being sent to individuals who have subscribed to receive it or who we believe would have an interest in the topics discussed.

RSM US LLP is a limited liability partnership and the U.S. member firm of RSM International, a global network of independent audit, tax and consulting firms. The member firms of RSM International collaborate to provide services to global clients, but are separate and distinct legal entities that cannot obligate each other. Each member firm is responsible only for its own acts and omissions, and not those of any other party. Visit [rsmus.com/aboutus](http://rsmus.com/aboutus) for more information regarding RSM US LLP and RSM International.

RSM® and the RSM logo are registered trademarks of RSM International Association. *The power of being understood®* is a registered trademark of RSM US LLP.

© 2018 RSM US LLP. All Rights Reserved.



**RSM**

For more information on the U.S. Chamber of Commerce, please visit [www.uschamber.com](http://www.uschamber.com).

For media inquiries, please contact the U.S. Chamber of Commerce at +1 202 463 5682 or [press@uschamber.com](mailto:press@uschamber.com).

The U.S. Chamber of Commerce is the world's largest business federation representing the interests of more than 3 million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations.

Copyright © 2018 by the United States Chamber of Commerce. All rights reserved. No part of this publication may be reproduced or transmitted in any form—print, electronic, or otherwise—with the express written permission of the publisher.



**U.S. CHAMBER OF COMMERCE**