

# Survey shows CEO confidence still slumping, Chicago remains optimistic

by [Sarah Schaale](#)

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Confidence among CEOs, on a steady decline for the last six months, showed some signs of stabilizing in a survey released Wednesday, but CEOs remain pessimistic about employment and the investment environment, and many said they believed the worst of it is right now.

However, some Chicago-area CEOs were more optimistic, maintaining positive outlooks for their companies and the economy.

Steve Sarowitz, CEO of Arlington-Heights based Paylocity Corp., said he hasn't seen any weakness in the economy reflected in his business, which provides payroll services.

"All of the vital signs of our business seem to be very healthy," Sarowitz said. "I'm very bullish on where our company is going."

Sarowitz said he thinks the economy is seeing the after affects of a boom, but is not necessarily experiencing a recession. He said certain sectors are hurting, but that most businesses should be able to weather the storm.

"Healthy players in the economy will do just fine," he said. "With very few exceptions, I would not be concerned about the economy right now."

Niles-based Garvey's Office Products CEO Bernie Garvey said he is "guardedly optimistic" about economic conditions, and that he hasn't had to make any cost-saving changes to his business plan.

Garvey said he's seen a drop-off in certain sector clients, but his staff has made up for it by winning over new business and offering alternatives for customers looking to trim expenses.

"We show them there are savings to be had, and people are willing to listen," Garvey said. "They are more willing than usual to consider alternatives if they think they can save some dough for the company."

A downturn in the market doesn't have to lead a company to struggle, Garvey said.

“In these times, you double your efforts,” he said. “Find new clients, make the investments. So when the overall economy does begin to grow again, you are going just as far as the next guy.”

Chief Executive magazine reported in its CEO Index that the greatest month-to-month decline was in employment confidence, with more than 40 percent of respondents saying their workforce would decrease in the next quarter, compared to 16 percent who said they anticipated an increase.

“Most companies are trying to manage their costs effectively,” said Ken Esch, partner of PricewaterhouseCoopers Private Company Services Practice. “Most companies are still concerned about the turmoil in the credit markets and how that’s going to affect their business.”

Some assurance came through gains in investment confidence, but the majority of the 344 executives surveyed said they would describe economic conditions as “bad” or expecting to get worse in the next quarter. More than a third said they believed the worst is yet to come.

PricewaterhouseCoopers conducted a similar survey released last week among private-company CEOs, 75 percent of whom said they were uncertain or pessimistic about the economy in the next year.

“This is probably a more severe occurrence than anything we’ve seen in a long time,” Esch said. “It’s more of a spike than we’ve seen in many years and that’s really contributing to people’s uncertainty.”

Esch added that many CEOs expressed worry over the foreign economy, as many hope to serve overseas markets to grow their companies.

“More and more companies are participating in the global economy,” Esch said. “What happens in those foreign markets affects demand for their products.”