



VISTAGE

CEO ECONOMIC OUTLOOK

Q1 2025 Vistage CEO Confidence Index

THE RETURN TO OFFICE LOOMS AS UK CEO ECONOMIC
CONFIDENCE DECLINES IN Q1, ACCORDING TO VISTAGE
QUARTERLY INDEX

ABOUT THE VISTAGE CEO CONFIDENCE INDEX

Since 2003, the Vistage CEO Confidence Index has captured the sentiment of small and medium sized business CEOs, presidents and business owners in the United Kingdom about the economy each quarter. The Q1 Vistage CEO Confidence Index survey was conducted online and sent to active Vistage members participating in Chief Executive and Small Business groups. It was open between 3 and 17 March, 2025, and captured input from 141 leaders.

For more than 20 years, the Vistage CEO Confidence Index has been recognized as the definitive voice of high-performing, high-integrity leaders. As a trusted resource, the Index provides world-class insights to inform decision-making for CEOs and other key leaders of small and medium sized businesses.

Q1 2025 findings:

- 53% of SME business leaders believe economic conditions in the UK have declined over the past 12 months
- More than a third (34%) of business leaders plan to embrace the full-time return to office for all employees
- 31% of SME business leaders plan to expand talent pool this year

LONDON, UK - 28th March 2025 – Today Vistage, the world's leading business performance and leadership organisation for SMEs, have released its quarterly CEO Confidence Index for Q1 2025, revealing a notable decline in economic confidence across the UK and Ireland.

The report highlights growing economic challenges as confidence amongst business leads falls from 91.4 to 87.5, with more than half (53%) of business leaders observing economic decline in the UK in 2025, and 41% anticipating further deterioration over the next 12 months.

This sentiment follows the Chancellor's Spring Statement, where support for SMEs remained limited, further compounded by significant cuts to welfare benefits that are expected to impact consumer spending.

LEADERS PUSH FOR OFFICE RETURN

As SMEs navigate workplace strategies for 2025, a growing number of business leaders are advocating for the return of traditional office settings. Over a third (34%) of SME business leaders support the return to the office five-days per week. In fact, 21% believe that it would boost productivity and collaboration, while 34% say it would strengthen company culture and team cohesion.

This drive to reinforce team dynamics is also reflected in SME hiring plans, which show a cautious but optimistic outlook. Despite economic challenges almost a third (31%) plan to invest in talent acquisition and growing headcount.

SMALL BUSINESSES EMBRACE AI

As AI continues to reshape the business landscape, SMEs are making sure they don't fall behind in adoption and application. Nearly two-thirds (65%) of individuals and 70% of CEOs are actively engaging with AI, highlighting its benefits in driving business efficiency across SMEs.

To ensure its use is both effective and responsible, SME business leaders are taking proactive steps. Nearly half (46%) have introduced formal AI policies to provide clear guidelines, and 50% are investing in training sessions to upskill employees to seamlessly integrate AI into their business operations.

BUSINESS LEADERS TO EXPECT REVENUE GROWTH IN 2025

Despite economic headwinds, business leaders remain confident in their performance outlook. Over half (56%) anticipate an increase in their firm's sales revenues over the next 12 months. However, profit expectations are more cautious, with only 38% expecting higher profits and another 38% predicting profits will remain broadly the same.



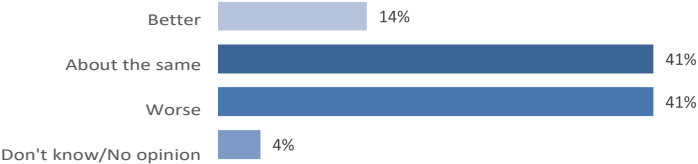
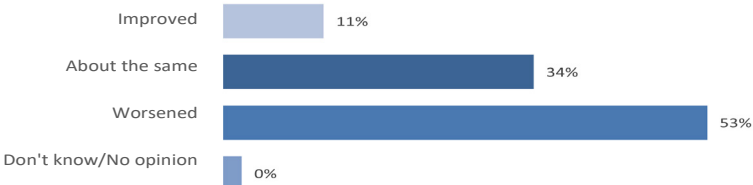
Looking ahead to long-term investment, 34% of business leaders plan to increase spending in 2025, while 44% expect it to remain the same.

Rebecca Drew, Managing Director, Vistage International said: *“Our latest CEO report highlights that while SMEs are navigating significant economic uncertainty, their resilience remains strong. Despite a drop in confidence levels, with many leaders feeling the pressure, it’s encouraging to see that over half are still expecting revenue growth. Another key trend we’re seeing is the growing emphasis on strengthening team dynamics, whether by bringing teams back into the office or integrating AI to improve business efficiency. With the recent Spring Statement introducing further budget cuts, businesses are now dealing with additional challenges. Yet, it’s promising that many leaders continue to invest in talent and innovation. At Vistage, we’re supporting these leaders to navigate these shifts and make decisions that set them up for long-term success. The ability to adapt, invest in the right areas, and make bold decisions will be what ultimately separates the thriving businesses from those that struggle in the coming months.”*

Economy

Compared with a year ago, have overall economic conditions in the UK & IRL improved, remained the same, or worsened?

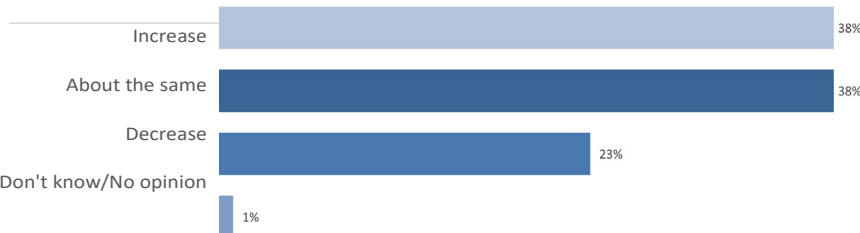
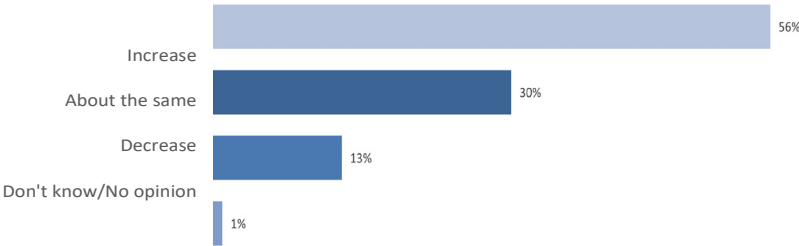
During the next 12 months, do you expect the overall economic conditions in the UK & IRL will be better, about the same, or worse than now?



Prospects

Do you anticipate that your firm's sales revenues will increase, remain about the same, or decrease during the next 12 months?

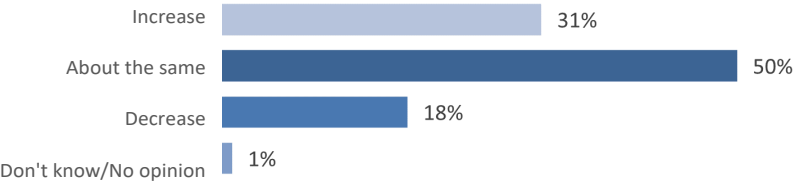
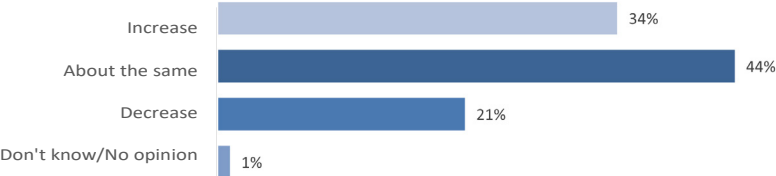
Do you expect your firm's profitability to improve, remain about the same, or worsen during the next 12 months?



Expansion

Are your firm's total fixed investment expenditures likely to increase, remain about the same, or decrease during the next 12 months?

Do you expect your firm's total number of employees will increase, remain about the same, or decrease during the next 12 months?



ABOUT VISTAGE

Vistage is the world's leading business performance and leadership advancement organisation for small and medium sized businesses. For more than 65 years, we've been helping CEOs, business owners and senior executives solve their greatest challenges through confidential peer advisory groups and one-to-one executive coaching sessions with accomplished business leaders. Today, more than 45,000 members in 40 countries rely on Vistage to help make better decisions for their companies, families and communities. According to Dun & Bradstreet data, Vistage CEO members grew their annual revenue on average by 4.6% in 2020, while non-members with comparable small and medium sized businesses saw revenue decrease by 4.7%.

Learn more at <http://www.vistage.co.uk>.

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CEO CONFIDENCE INDEX

Capturing sentiment of small and medium sized business CEOs since 2003