

INTERNATIONAL PROFIT ASSOCIATES

SMALL BUSINESS RESEARCH BOARD (SBRB) STUDY

Small Business Confidence Indexes Rise In Three Key US Industries; Owners Plan to Increase Hiring During Next 12 Months SBRB Reports

Outlook for Construction / Contracting, Manufacturing, Food Industries improved during second quarter says SBRB report prepared in conjunction with International Profit Associates.

NORTHFIELD, IL (June 18, 2007) – The Small Business Research Board (SBRB) reported today that the outlook for small businesses in three key U.S. industry categories has improved from the previous quarter and that the majority of owners are predicting hiring to increase during the next 12 months.

The SBRB Small Business Confidence Index (SBCI) for businesses in construction and contracting, manufacturing and the food industries all showed increases from the previous quarter according to a report issued here today co-sponsored by International Profit Associates (IPA). The higher SBCI tabulations in all three categories were driven by sharply increased plans for hiring -- even though concerns were expressed about the strength of the U.S. economy.

Overall, the SBCI for the construction and contracting industry was the only one of the three key segments to exceed the index for all US small businesses.

The SBCI for the construction and contracting industry rose to 48 during the second quarter of 2007 as compared to the 43.4 reported during the previous period. The higher construction and contracting SBCI resulted entirely from plans for increased hiring over the next 12 months. A full 50% of the respondents indicated they will increase hiring compared to 31.1% that were prepared to make that commitment during the first quarter. Respondents said they were prepared to add staff despite showing a slight drop in their opinion about the strength of the economy. Fewer businesses in this category also are projecting revenue increases.

The construction and contracting SBCI, by comparison, was two points higher than the overall US SBCI of 46 during the quarter. (The US SBCI also posted an increase during the quarter up from the previously recorded 40.78.) The construction and contracting industry also was higher than the SBCI tabulations for the manufacturing industry of 40.33 and the food industry SBCI, which also were 40.33. Both were slight increases from the prior quarter.

Manufacturing business share concern about the outlook for the economy, but the majority are now expecting their revenues to improve over the next 12 months. Moreover, 33% of the respondents believe they will increase hiring during that period, as opposed to 23.3% in the previous period.

Food industry respondents were the most pessimistic about the economy and showed the biggest drop in percentage of businesses which expect revenues to increase (48% down from 55.1%). However, 40% are planning to add staff, up from 24.4%.

“It appears that companies are going to place tremendous pressure on existing employees and new hires to meet their goals during the next 12 months,” said Gregg M. Steinberg, President of IPA. “We can expect businesses to introduce and expand training programs for all employees as the principal means for increasing productivity.”

More than 770 small business owners participated in the nationwide poll. The universe of participants is developed from among small businesses across the United States. The SBRB study is a voluntary survey conducted quarterly.

The Small Business Research Board ascertains and reports the opinions of small business owners and managers on a wide variety of topics related to their own businesses as well as national and international issues that may impact their operations. The SBRB conducts these studies for the benefit of small business owners and managers. The SBRB also provides opportunities for third parties to gain real time insight into the attitudes of small businesses nationwide through the independently conducted research.

The latest information about the Small Business Research Board can be found at www.ipasbrb.com.

International Profit Associates, Inc. (IPA) is the largest privately-held provider of management consulting services to small and medium-size businesses in North America. IPA and its more than 1,800 professionals offer a wide range of proven and innovative methodologies to help businesses grow and prosper regardless of the economic cycle. IPA either provides directly or through its affiliated companies a comprehensive array of business advisory services, tax and estate planning services or merger, acquisition and other financial advisory services in the United States and Canada. More information about IPA can be found at www.ipa-iba.com.

SBRB INDUSTRY COMPARISONS May/June 2007 vs. Prior Quarter

	ALL US	Construction/ Contracting	Food	Manufacturing
SBRB (current)	46	48	40.3	40.3
Prior SBCI	40.78	43.4	38.03	37.0
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Economy Improving	43	42.0	33	36
Prior	40.07	43.4	34.6	40.0
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Revenues To Increase	58	52	48	52
Prior	53.71	55.7	55.1	47.8
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Hiring To Increase	37	50	40	33
Prior	28.71	31.1	24.4	23.3
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For more information about this poll, results of previous studies or other matters related to the SBRB, please contact Raymond D. Minkus, (847) 441-4192.

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