

Table of Contents

1 & 2 Rate your level of optimism...	1
3. For each of the following, please provide the percentage change that occurred over the PAST 12 months.	2
3. For each of the following, please provide the percentage change that you expect for the NEXT 12 months.	3
4. Does your company offer Health Savings Accounts, which allow employees to contribute tax-deferred money to a medical-cost-only savings account?	4
5. The 3-month Libor Rate as of November 23 was 2.38 %. Futures markets are assuming the rate will rise to 3.36% in the next 12 months. In your opinion, rank the accuracy of this prediction. Markets are:	5
6a. The dollar is down more than 40% against the Euro since 2002. If the dollar continues its decline over the next year, how will it impact your company's earnings?	6
6b. China is reportedly considering a move to revalue their currency. If the yuan is valued 15% stronger, how will that affect your company's earnings?	7
7. Producer prices, including crude materials, have risen this quarter. Which statement most accurately reflects your company's situation?	8
7b. How would you expect your company to pay for higher producer prices?	9
8. Does your company plan to take advantage of the repatriation provision contained in the recently-enacted tax bill which will permit you to bring back earnings that are permanently reinvested overseas at a greatly reduced tax rate?	10
9. The "privatization" of a portion of Social Security is being discussed by the presidential administration. Which statement describes your position on the issue?	11
9b. Why do you support privatization of Social Security? (Check all that apply.)	12
9b. Why do you support privatization of Social Security? Other specified.	13
9b. Why don't you support privatization of Social Security? (Check all that apply.)	14
10. Do you think your company would benefit from changes in the law that would move class action suits to federal courts?	15
10b. Has a class action lawsuit ever been filed against your company?	16
10c. Was the lawsuit filed in a federal or a state court?	17
10d. What was the outcome?	18
11. What types of permanent, global system changes have SOX Section 404 compliance required your company to make that you would NOT have adopted otherwise?	19
PRIVATE COMPANIES: 1. Who is the CEO of your company?	20
PRIVATE COMPANIES: 2. Has your company or any of its subsidiaries restructured its ownership to take advantage of the Homeland Security Federal Small Business and Minority guidelines?	21
PRIVATE COMPANIES: 3. Do you carry D&O insurance?	22
PRIVATE COMPANIES: 4a. Does your board have any outside directors?	23
PRIVATE COMPANIES: 4b. Does pay for directors include any equity component?	24
PRIVATE COMPANIES: 4b. Does pay for directors include any equity component? Other specified.	25
Industry	26
Industry (Other specified)	27
Sales Revenue	28
Weighted Sales Revenue (Millions)	29
Number of Employees	30
Weighted Number of Employees	31
Headquarters	32
Ownership	33

FEI-Baruch CFO Outlook Survey - 4th Quarter, 2004

1 & 2 Rate your level of optimism...

	Mean	SD	Median	Minimum	Maximum	Total
Rate your optimism about the US economy on a scale from 0-100, with 0 being the least optimistic and 100 being the most optimistic.	70.78	12.79	75	35	95	183
Rate your optimism about the financial prospects for your company on a scale from 0-100, with 0 being the least optimistic and 100 being the most optimistic.	75.73	15.58	80	25	100	183

FEI-Baruch CFO Outlook Survey - 4th Quarter, 2004

3. For each of the following, please provide the percentage change that occurred over the PAST 12 months (e.g., +3%, -2%, etc.).

	Mean	SD	Median	Total
Health care costs	11.70	7.55	12	174
Technology spending	10.36	21.45	5	176
Capital spending	14.57	35.84	7.50	176

FEI-Baruch CFO Outlook Survey - 4th Quarter, 2004

3. For each of the following, please provide the percentage change that you expect for the NEXT 12 months (e.g., +3%, -2%, etc.).

	Mean	SD	Median	Total
Health care costs	9.43	6.01	10	175
Technology spending	13.38	44.81	6	177
Capital spending	22.65	70.41	10	177

FEI-Baruch CFO Outlook Survey - 4th Quarter, 2004

4. Does your company offer Health Savings Accounts, which allow employees to contribute tax-deferred money to a medical-cost-only savings account?

	Number	Percent	95% CI
Yes, we have offered for some time.	44	23.9 %	± 6.6 %
Yes, we just started.	10	5.4 %	± 4.0 %
No, but we're considering it.	71	38.6 %	± 7.4 %
No, and we're not considering it.	59	32.1 %	± 7.1 %
Total	184	100.0 %	

Missing Cases = 1

Response Percent = 99.5 %

FEI-Baruch CFO Outlook Survey - 4th Quarter, 2004

5. The 3-month Libor Rate as of November 23 was 2.38 %. Futures markets are assuming the rate will rise to 3.36% in the next 12 months. In your opinion, rank the accuracy of this prediction. Markets are:

	Number	Percent	95% CI
1=Significantly underestimating the rise in rates.	6	3.2 %	± 3.6 %
2=Somewhat underestimating the rise in rates.	54	29.2 %	± 7.0 %
3=Just about right.	103	55.7 %	± 7.5 %
4=Somewhat overestimating the rise in rates.	22	11.9 %	± 5.2 %
5=Significantly overestimating the rise in rates.	0	0.0 %	
Total	185	100.0 %	

Mean = 2.76

SD = .70

Missing Cases = 0

Response Percent = 100.0 %

FEI-Baruch CFO Outlook Survey - 4th Quarter, 2004

6a. The dollar is down more than 40% against the Euro since 2002. If the dollar continues its decline over the next year, how will it impact your company's earnings?

	Number	Percent	95% CI
5=Earnings will be significantly higher.	1	0.5 %	
4=Earnings will be moderately higher.	48	25.9 %	± 6.8 %
3=No expected change to earnings.	99	53.5 %	± 7.6 %
2=Earnings will be moderately lower.	28	15.1 %	± 5.7 %
1=Earnings will be significantly lower.	6	3.2 %	± 3.6 %
=Don't know/No answer.	3	1.6 %	± 4.3 %
Total	185	100.0 %	

Mean = 3.05

SD = .75

Missing Cases = 0

Response Percent = 100.0 %

FEI-Baruch CFO Outlook Survey - 4th Quarter, 2004

6b. China is reportedly considering a move to revalue their currency. If the yuan is valued 15% stronger, how will that affect your company's earnings?

	Number	Percent	95% CI
5=Earnings will be significantly higher.	0	0.0 %	
4=Earnings will be moderately higher.	19	10.3 %	± 5.0 %
3=No expected change to earnings.	130	70.3 %	± 6.9 %
2=Earnings will be moderately lower.	23	12.4 %	± 5.3 %
1=Earnings will be significantly lower.	2	1.1 %	
=Don't know/No answer.	11	5.9 %	± 4.2 %
Total	185	100.0 %	

Mean = 2.95

SD = .53

Missing Cases = 0

Response Percent = 100.0 %

FEI-Baruch CFO Outlook Survey - 4th Quarter, 2004

7. Producer prices, including crude materials, have risen this quarter. Which statement most accurately reflects your company's situation?

	Number	Percent	95% CI
We are not affected by producer prices.	36	19.5 %	± 6.2 %
We have not yet felt the effect of rising producer prices.	46	24.9 %	± 6.7 %
We have begun to feel the effect of rising producer prices.	103	55.7 %	± 7.5 %
Total	185	100.0 %	

Missing Cases = 0

Response Percent = 100.0 %

FEI-Baruch CFO Outlook Survey - 4th Quarter, 2004

7b. How would you expect your company to pay for higher producer prices?

	Number	Percent	95% CI
Pass along most or all of our increased costs to consumers.	60	40.3 %	± 8.4 %
Absorb most or all of our increased costs.	34	22.8 %	± 7.4 %
About equal combination of passing along the cost and absorbing it.	55	36.9 %	± 8.3 %
Total	149	100.0 %	

Missing Cases = 0

Response Percent = 100.0 %

FEI-Baruch CFO Outlook Survey - 4th Quarter, 2004

8. Does your company plan to take advantage of the repatriation provision contained in the recently-enacted tax bill which will permit you to bring back earnings that are permanently reinvested overseas at a greatly reduced tax rate?

	Number	Percent	95% CI
Yes.	17	9.2 %	± 4.8 %
No.	136	73.5 %	± 6.7 %
Considering, no decision yet.	17	9.2 %	± 4.8 %
Don't know.	15	8.1 %	± 4.6 %
Total	185	100.0 %	

Missing Cases = 0

Response Percent = 100.0 %

FEI-Baruch CFO Outlook Survey - 4th Quarter, 2004

9. The “privatization” of a portion of Social Security is being discussed by the presidential administration. Which statement describes your position on the issue?

	Number	Percent	95% CI
I support the idea.	110	59.5 %	± 7.4 %
I do not support the idea.	52	28.1 %	± 6.9 %
Don't know.	23	12.4 %	± 5.3 %
Total	185	100.0 %	

Missing Cases = 0

Response Percent = 100.0 %

FEI-Baruch CFO Outlook Survey - 4th Quarter, 2004

9b. Why do you support privatization of Social Security? (Check all that apply.)

	Number	Percent	95% CI
Because privatization gives employees more control over their financial future.	88	80.0 %	± 8.1 %
Because the Social Security Trust will not have adequate funds to provide for future generations.	57	51.8 %	± 10.0 %
Other.	12	10.9 %	± 7.0 %
Total	157		

Number of Cases = 110

Number of Responses = 157

Average Number Of Responses Per Case = 1.4

Number Of Cases With At Least One Response = 110

Response Percent = 100.0 %

FEI-Baruch CFO Outlook Survey - 4th Quarter, 2004**9b. Why do you support privatization of Social Security? Other specified.**

Government has not done an adequate job in investing our funds.
In the long run, it's an administrative burden that should not rest with the Federal Government.
It will make Americans capitalists and responsible for themselves
Because its time to end this Ponzi scheme.
It will provide a funded portion to the Social Security Benefit
some diversification or balance is good
Superior market returns should be accessible.
Social Security is the coming train wreck. Something must be done NOW!
Both of the above
get money out of the hands of the govt. if you give it to them, they blow it
Because the investment returns offered by the federal government are lower than the private sector
Removes government costs to allow better returns
Social Security represents a tax rather than a Trust

FEI-Baruch CFO Outlook Survey - 4th Quarter, 2004

9b. Why don't you support privatization of Social Security? (Check all that apply.)

	Number	Percent	95% CI
Because ultimately the government will have to compensate for poor investment choices.	32	61.5 %	± 14.9 %
Because the average employee does not have the ability or sophistication to make successful long-term investment decisions.	27	51.9 %	± 15.3 %
Because it's the government's responsibility to ensure adequate funding of Social Security benefits.	24	46.2 %	± 15.4 %
Because the stock and/or bond market is too risky for funds that employees count on for retirement income.	16	30.8 %	± 14.7 %
Because the average employee already has significant responsibility for his/her financial future through DC plans and other personal savings.	13	25.0 %	± 14.2 %
Total	112		

Number of Cases = 52

Number of Responses = 112

Average Number Of Responses Per Case = 2.2

Number Of Cases With At Least One Response = 51

Response Percent = 98.1 %

FEI-Baruch CFO Outlook Survey - 4th Quarter, 2004**10. Do you think your company would benefit from changes in the law that would move class action suits to federal courts?**

	Number	Percent	95% CI
No.	55	29.7 %	± 7.0 %
Yes.	49	26.5 %	± 6.8 %
Don't know.	81	43.8 %	± 7.5 %
Total	185	100.0 %	

Missing Cases = 0

Response Percent = 100.0 %

FEI-Baruch CFO Outlook Survey - 4th Quarter, 2004**10b. Has a class action lawsuit ever been filed against your company?**

	Number	Percent	95% CI
No.	144	77.8 %	± 6.3 %
Yes.	41	22.2 %	± 6.5 %
Total	185	100.0 %	

Missing Cases = 0

Response Percent = 100.0 %

FEI-Baruch CFO Outlook Survey - 4th Quarter, 2004**10c. Was the lawsuit filed in a federal or a state court?**

	Number	Percent	95% CI
Federal.	11	27.5 %	± 16.8 %
State.	29	72.5 %	± 16.0 %
Total	40	100.0 %	

Missing Cases = 1

Response Percent = 97.6 %

FEI-Baruch CFO Outlook Survey - 4th Quarter, 2004**10d. What was the outcome?**

	Number	Percent	95% CI
Settled out of court.	25	67.6 %	± 17.1 %
Judge dismissed.	8	21.6 %	± 16.0 %
Ruled in favor of plaintiff.	1	2.7 %	
Ruled in favor of company.	3	8.1 %	± 18.9 %
Total	37	100.0 %	

Missing Cases = 4

Response Percent = 90.2 %

FEI-Baruch CFO Outlook Survey - 4th Quarter, 2004

11. What types of permanent, global system changes have SOX Section 404 compliance required your company to make that you would NOT have adopted otherwise?

	Number	Percent	95% CI
No substantive changes	105	56.8 %	± 7.5 %
Having better control over documentation of systems changes.	55	29.7 %	± 7.0 %
Investing in a technology [whether acquired, outsourced or developed internally] solution to monitor compliance and maintain and store internal control documentation.	39	21.1 %	± 6.4 %
Other	19	10.3 %	± 5.0 %
Streamlining the process for granting users access to finance-critical systems.	19	10.3 %	± 5.0 %
Replacing individual business level systems with one overall global system.	15	8.1 %	± 4.6 %
Total	252		

Number of Cases = 185

Number of Responses = 252

Average Number Of Responses Per Case = 1.4

Number Of Cases With At Least One Response = 183

Response Percent = 98.9 %

FEI-Baruch CFO Outlook Survey - 4th Quarter, 2004

PRIVATE COMPANIES: 1. Who is the CEO of your company?

	Number	Percent	95% CI
Family member.	66	54.1 %	± 9.4 %
Non-family member promoted from within the company.	28	23.0 %	± 8.1 %
Non-family member brought in from outside the company.	28	23.0 %	± 8.1 %
Total	122	100.0 %	

Missing Cases = 2

Response Percent = 98.4 %

FEI-Baruch CFO Outlook Survey - 4th Quarter, 2004**PRIVATE COMPANIES: 2. Has your company or any of its subsidiaries restructured its ownership to take advantage of the Homeland Security Federal Small Business and Minority guidelines?**

	Number	Percent	95% CI
No.	120	96.8 %	± 3.6 %
Yes.	3	2.4 %	± 6.4 %
<u>Don't know.</u>	1	0.8 %	
Total	124	100.0 %	

Missing Cases = 0

Response Percent = 100.0 %

FEI-Baruch CFO Outlook Survey - 4th Quarter, 2004**PRIVATE COMPANIES: 3. Do you carry D&O insurance?**

	Number	Percent	95% CI
No.	40	32.3 %	± 8.9 %
Yes.	82	66.1 %	± 8.9 %
Don't know.	2	1.6 %	
Total	124	100.0 %	

Missing Cases = 0

Response Percent = 100.0 %

FEI-Baruch CFO Outlook Survey - 4th Quarter, 2004**PRIVATE COMPANIES: 4a. Does your board have any outside directors?**

	Number	Percent	95% CI
No.	47	37.9 %	± 9.2 %
Yes.	77	62.1 %	± 9.1 %
Total	124	100.0 %	

Missing Cases = 0

Response Percent = 100.0 %

FEI-Baruch CFO Outlook Survey - 4th Quarter, 2004**PRIVATE COMPANIES: 4b. Does pay for directors include any equity component?**

	Number	Percent	95% CI
Yes, full-value shares of company stock.	2	2.6 %	
Yes, options.	13	16.9 %	± 10.0 %
No.	61	79.2 %	± 10.0 %
Other.	1	1.3 %	
Total	77	100.0 %	

Missing Cases = 0

Response Percent = 100.0 %

FEI-Baruch CFO Outlook Survey - 4th Quarter, 2004

PRIVATE COMPANIES: 4b. Does pay for directors include any equity component? Other specified.

phantom shares
Preferred Warrants

FEI-Baruch CFO Outlook Survey - 4th Quarter, 2004

Industry

	Number	Percent	95% CI
Manufacturing	63	34.4 %	± 7.3 %
Retail/Wholesale	30	16.4 %	± 5.8 %
Banking/Finance/Insurance	18	9.8 %	± 4.9 %
Service/Consulting	17	9.3 %	± 4.8 %
Other	15	8.2 %	± 4.6 %
Communications/Media	10	5.5 %	± 4.0 %
Healthcare/Pharmaceutical	9	4.9 %	± 3.9 %
Tech [Software/Biotech]	9	4.9 %	± 3.9 %
Mining/Construction	7	3.8 %	± 3.7 %
Transportation/Energy	5	2.7 %	± 3.6 %
Total	183	100.0 %	

Missing Cases = 2

Response Percent = 98.9 %

FEI-Baruch CFO Outlook Survey - 4th Quarter, 2004**Industry (Other specified)**

construction technology
engineering
Fixed Satellite Services
High Tech Services
High tech - wireless
Medical Equipment Distribution
Nonprofit
not for profit
Process Engineering
REal estate
Real Estate
real estate
Semiconductor
Semiconductor
social service nfp

FEI-Baruch CFO Outlook Survey - 4th Quarter, 2004**Sales Revenue**

	Number	Percent	95% CI
Less than \$25 million	25	13.7 %	± 5.5 %
\$25-\$99 million	49	26.9 %	± 6.8 %
\$100-\$499 million	62	34.1 %	± 7.2 %
\$500-\$999 million	17	9.3 %	± 4.8 %
\$1-4.9 billion	21	11.5 %	± 5.1 %
Over \$5 billion	8	4.4 %	± 3.8 %
Total	182	100.0 %	

Missing Cases = 3

Response Percent = 98.4 %

FEI-Baruch CFO Outlook Survey - 4th Quarter, 2004**Weighted Sales Revenue (Millions)**

Minimum = 25

Maximum = 6000

Mean = 802.27

Median = 300

Variance (Unbiased) = 2072954.39

Standard Deviation (Unbiased) = 1439.78

Standard Error Of The Mean = 106.72

95 Percent Confidence Interval Around The Mean = 593.09 - 1011.45

99 Percent Confidence Interval Around The Mean = 527.46 - 1077.08

Skewness = 2.43

Kolmogorov-Smirnov Statistic For Normality = 5.20

Quartiles

1 = 62

2 = 300

3 = 525

Valid Cases = 182

Missing Cases = 3

Response Percent = 98.4%

FEI-Baruch CFO Outlook Survey - 4th Quarter, 2004**Number of Employees**

	Number	Percent	95% CI
Fewer than 100	26	15.4 %	± 5.5 %
100-499	58	34.3 %	± 7.1 %
500-999	24	14.2 %	± 5.4 %
1,000-2,499	26	15.4 %	± 5.5 %
2,500-4,999	17	10.1 %	± 4.8 %
5,000-9,999	9	5.3 %	± 3.9 %
Over 10,000	9	5.3 %	± 3.9 %
Total	169	100.0 %	

Missing Cases = 16

Response Percent = 91.4 %

FEI-Baruch CFO Outlook Survey - 4th Quarter, 2004**Weighted Number of Employees**

Minimum = 100

Maximum = 12000

Mean = 1909.76

Median = 750

Variance (Unbiased) = 9068698.75

Standard Deviation (Unbiased) = 3011.43

Standard Error Of The Mean = 231.65

95 Percent Confidence Interval Around The Mean = 1455.73 - 2363.79

99 Percent Confidence Interval Around The Mean = 1313.27 - 2506.26

Skewness = 2.29

Kolmogorov-Smirnov Statistic For Normality = 4.10

Quartiles

1 = 300

2 = 525

3 = 1750

Valid Cases = 169

Missing Cases = 16

Response Percent = 91.4%

FEI-Baruch CFO Outlook Survey - 4th Quarter, 2004**Headquarters**

	Number	Percent	95% CI
Midwest	58	31.7 %	± 7.1 %
Northeast	37	20.2 %	± 6.3 %
Pacific	35	19.1 %	± 6.1 %
South Atlantic	22	12.0 %	± 5.2 %
South Central	16	8.7 %	± 4.7 %
Mountain	8	4.4 %	± 3.8 %
Outside U.S.	7	3.8 %	± 3.7 %
Total	183	100.0 %	

Missing Cases = 2

Response Percent = 98.9 %

FEI-Baruch CFO Outlook Survey - 4th Quarter, 2004**Ownership**

	Number	Percent	95% CI
Private	124	67.8 %	± 7.1 %
Public, NYSE	29	15.8 %	± 5.8 %
Public, Nasdaq/AMEX	23	12.6 %	± 5.3 %
Public, foreign exchange	7	3.8 %	± 3.7 %
Total	183	100.0 %	

Missing Cases = 2

Response Percent = 98.9 %

