

# FINANCIAL TRENDS

## Business Executives See Financial Crisis Improving By Year-End

(NAPSA)—In a sign that there may be a light at the end of the tunnel, four out of five middle-market executives believe that the financial crisis will bottom out this year, according to a study by CIT, a leading provider of financing and advisory services to the middle market.

The study, “U.S. Middle Market Outlook 2009: Navigating the Credit Crunch,” which surveyed senior-level financial decision makers at middle-market companies (those with annual revenues between \$25 million and \$1 billion), found that a majority of middle-market executives expect stable or growing revenues as they actively focus on implementing operating efficiencies, managing their cash flow and spending more effectively.

“These findings are in line with what we are seeing,” said Jim Hudak, co-head of corporate finance at CIT. “Despite the current economic crisis, middle-market firms continue to demonstrate their resiliency and ability to adapt as they look for the market to improve.”

Middle-market companies, a key component of the U.S. economy, account for more than \$6 trillion in sales and employ about 32 million Americans. The report highlighted how these executives are managing the economic crisis and revealed their outlook.

Key findings from the study included:

- Four out of five respondents indicated that the financial crisis will bottom out this year, with 28 percent predicting it will happen



**Many business executives believe the financial crisis will soon improve.**

within six months and 52 percent saying it will happen in six to 12 months.

- A majority of middle-market executives expect stable (23 percent) or growing (41 percent) revenues. Of those who expect their revenues to grow, 73 percent said they would support this growth by improving operating efficiencies as they manage cash flow and spend more effectively.

- Respondents indicated that cash-flow financing was the No. 1 form of financing that they will use in the next 12 months and 31 percent said working capital needs was the No. 1 item for which they might use any financing.

- When asked how the crisis has affected their business, nearly two-thirds said it has had a significant or moderate impact, while one-third said it has had a slight impact or no impact at all.

### Learn More

To view the complete report or to listen to podcasts about the study, visit <http://middlemarket.cit.com>.