



According to the National Center for the Middle Market (NCMM), middle market businesses represent one third of our nation’s GDP and employ nearly 48 million people. They are geographically diverse; span all industries; and the health of these businesses serves as an indicator for the U.S. economy as a whole. The NCMM surveys 1000 CEO, CFO and other C-suite executives each quarter to measure the middle market pulse, the results of which are summarized below.

As 77% of middle market companies reported positive revenue growth; and data indicates revenue growth has been steadily climbing, reaching 8.4% in the first quarter of 2018, the second highest recorded level since NCMM began collecting data. Companies of all sizes within the middle market anticipate continued revenue growth during the next 12 months.

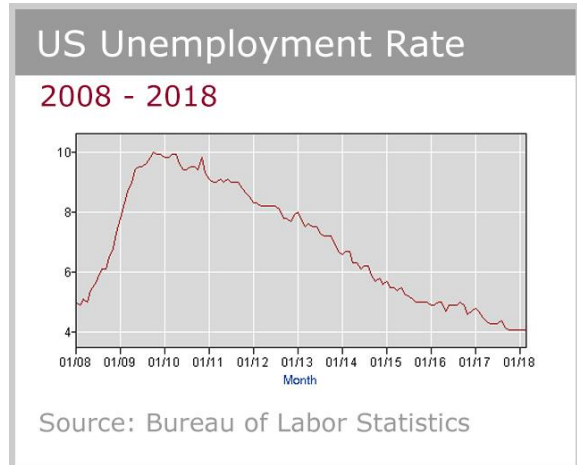


Figure 1

46% of middle market companies expect to add jobs this year. Most companies are planning to hire full time employees. Upper middle market companies indicate they are specifically adding IT professionals.

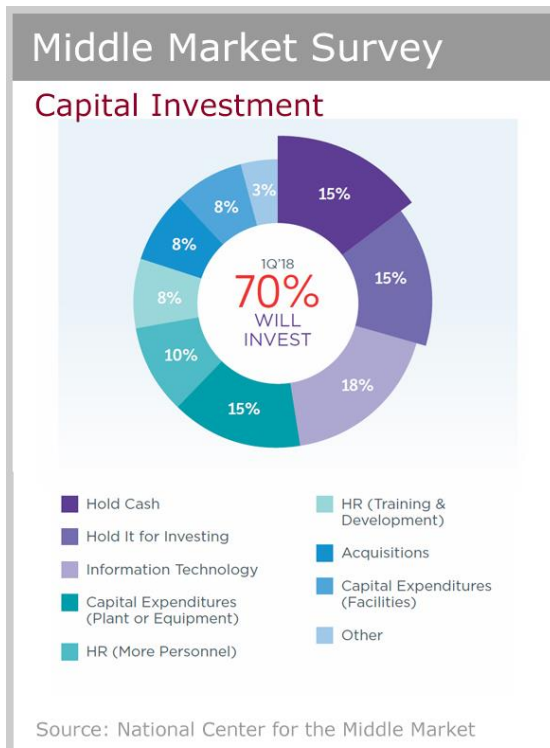


Figure 2

94% of middle market leaders expressed confidence in local, national and global economies.

70% of middle market companies say they will invest in their businesses this year. Investments will likely be in IT, plant and equipment, personnel and training, and facilities. Acquisitions are another area where middle market companies will invest cash reserves. Tax reform and the new accounting treatment of capital expenses is a likely stimulus to investment..

45% of middle market companies expect to raise prices of products and/or services this year to improve profit margins.

As middle market companies grow, they must face and overcome internal and external challenges along the way. The #1 internal challenge currently facing middle market companies is the finding, retaining and developing of the workforce. The labor pool continues to tighten with the national unemployment rate at 4.1%. External challenges include competition, regulations, increasing costs and the potential for a turn in the economy. With the introduction of tax reform, taxes do not appear to be a large concern for most businesses.

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**NOTICE:**

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