



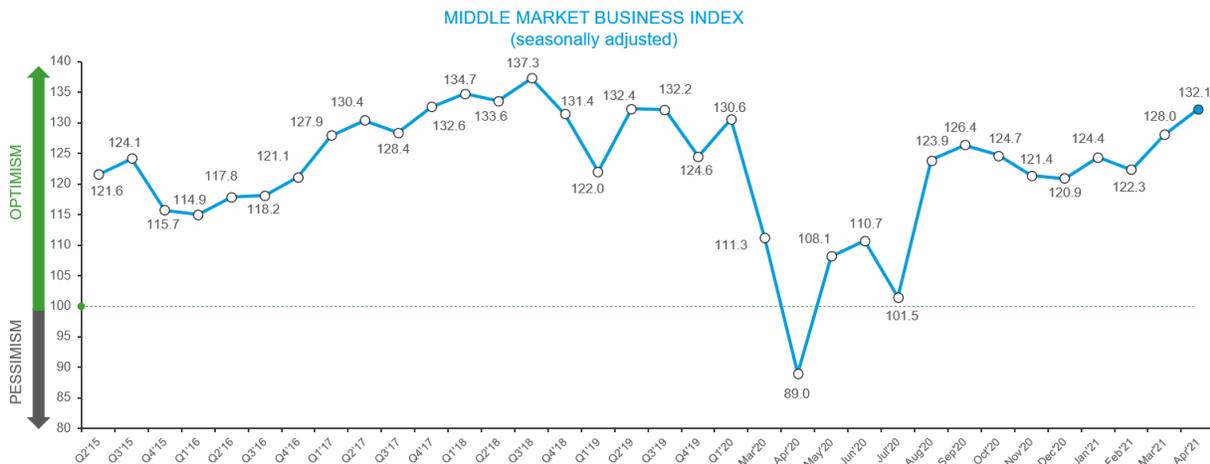
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The RSM US Middle Market Business Index Significantly Improves as Economic Recovery Accelerates

Survey indicates strong economic and business performance improvements through the first quarter, and forward-looking indicators show a positive outlook

CHICAGO (June 2, 2021) - The [RSM US Middle Market Business Index](#) (MMBI), presented by [RSM US LLP](#) (“RSM”) in partnership with the [U.S. Chamber of Commerce](#), increased in April 2021 to 132.1 from 128.0 in March 2021, indicating the U.S. economy is improving as the prospect of an economic boom, rising revenues and surging net earnings this year more than offset evidence of pricing pressures. This is the best reading for the index since the first quarter of 2020, the last quarter prior to pandemic shutdowns. The index is part of the MMBI for the second quarter.



“The undeniable strength of middle market businesses is best illustrated by the strong jump in current economic circumstances over the past two months from 34% of survey respondents indicating an improvement in overall economic conditions in February to 49% in April,” said [Joe Brusuelas](#), RSM US LLP chief economist. “Further highlighting the resilience of the American middle market, nearly half of the respondents noted an improvement in gross revenues (47%) and net earnings (48%) in the most recent quarter, occurring in conjunction with a 6.4% increase in gross domestic product. Middle market businesses are indicating great optimism moving forward, and we’re expecting an extraordinary economic boom as the recovery continues.”

With the significant improvements achieved in the most recent quarter, the economic outlook among middle market executives is also increasingly positive. Looking ahead to the next six months, 74% of respondents stated they expect the general economy to improve, 72% indicated they expect an improvement in gross revenues and 71% anticipate growth in net earnings.

Businesses Prepare to Make Investments, Even as Challenges Remain

Though pricing pressures are a concern, 62% of respondents stated they intend to engage in productivity-enhancing capital expenditures over the next six months – in contrast with the 35% who said they did so over the recent quarter.

Additionally, as the economy continues to reopen, 69% indicated in April that they paid higher prices for goods this quarter compared to the previous quarter and only 43% stated they received prices downstream this quarter. Surging demand will continue to constrain supply chains, and a record 82% of respondents said they expect to pay more for the inputs used in their operations over the next six months.

It is important to note that while prices are increasing following steep declines during the pandemic last year, they are now moving back toward pre-pandemic levels, and the majority of survey respondents are not facing significant problems linked to inflation.

“Encouraged by vaccine distribution and loosening restrictions, there is a great amount of optimism from the middle market as business comes back and leaders see more good times ahead,” said U.S. Chamber Executive Vice President & Chief Policy Officer Neil Bradley. “The middle market has shown tremendous resilience and has been crucial in leading the country’s economic recovery. We’ll be working alongside the middle market in 2021 to continue to navigate important legislative and policy issues to get back to business.”

The survey data that informs this index reading was gathered between April 7 and April 28, 2021.

About the RSM US Middle Market Business Index

RSM US LLP and the U.S. Chamber of Commerce have partnered to present the RSM US Middle Market Business Index (MMBI). It is based on research of middle market firms conducted by Harris Poll, which began in the first quarter of 2015. The survey is conducted four times a year, in the first month of each quarter: January, April, July and October. The survey panel consists of 700 middle market executives and is designed to accurately reflect conditions in the middle market.

Built in collaboration with Moody’s Analytics, the MMBI is borne out of the subset of questions in the survey that ask respondents to report the change in a variety of indicators. Respondents are asked a total of 20 questions patterned after those in other qualitative business surveys, such as those from the Institute of Supply Management and National Federation of Independent Businesses.

The 20 questions relate to changes in various measures of their business, such as revenues, profits, capital expenditures, hiring, employee compensation, prices paid, prices received and inventories. There are also questions that pertain to the economy and outlook, as well as to credit availability and borrowing. For 10 of the questions, respondents are asked to report the change from the previous quarter; for the other 10 they are asked to state the likely direction of these same indicators six months ahead.

The responses to each question are reported as diffusion indexes. The MMBI is a composite index computed as an equal weighted sum of the diffusion indexes for 10 survey questions plus 100 to keep the MMBI from becoming negative. A reading above 100 for the MMBI indicates that the middle market is generally expanding; below 100 indicates that it is generally contracting. The distance from 100 is indicative of the strength of the expansion or contraction.

About The U.S. Chamber of Commerce

The U.S. Chamber of Commerce is the world's largest business organization representing companies of all sizes across every sector of the economy. Members range from the small businesses and local chambers of commerce that line the Main Streets of America to leading industry associations and large corporations.

They all share one thing: They count on the U.S. Chamber to be their voice in Washington, across the country, and around the world. For more than 100 years, we have advocated for pro-business policies that help businesses create jobs and grow our economy.

About RSM US LLP

RSM's purpose is to deliver the power of being understood to our clients, colleagues and communities through world-class audit, tax and consulting services focused on middle market businesses. The clients we serve are the engine of global commerce and economic growth, and we are focused on developing leading professionals and services to meet their evolving needs in today's ever-changing business environment.

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