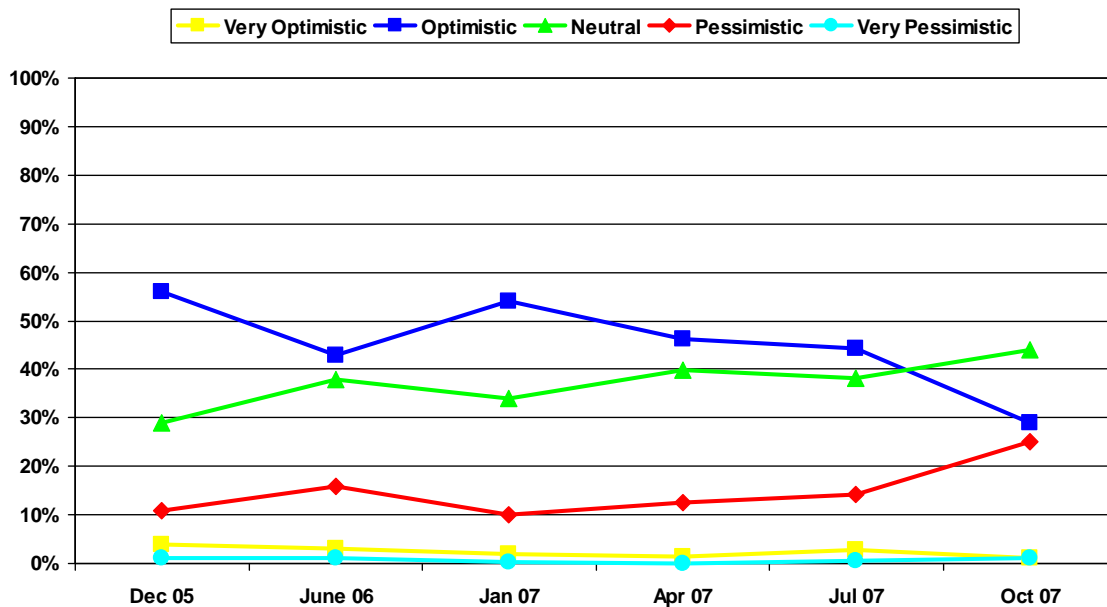


AICPA Business and Industry 4Q 2007 Economic Outlook Survey of CPA Financial Decision-Makers

Executive Overview

Confidence in the US economy plunged in the 4Q 2007 AICPA Economic Outlook Survey with over 60% of CPA decision-makers indicating that they were less confident than in the past. While there were still slightly more optimists than pessimists, the gap between the two closed dramatically. In Q4 only 30% indicated that they felt optimistic about the economy for the upcoming 12 months, while 26% declared themselves pessimistic. In 3Q, 47% expressed optimism and only 15% expressed pessimism. Changes in the outlook for individual state economies tracked very closely to the outlook for the national economy.



Outlook for US Economy

Optimism has been declining throughout 2007 but declined precipitously in 4Q with a matching rise in pessimism.

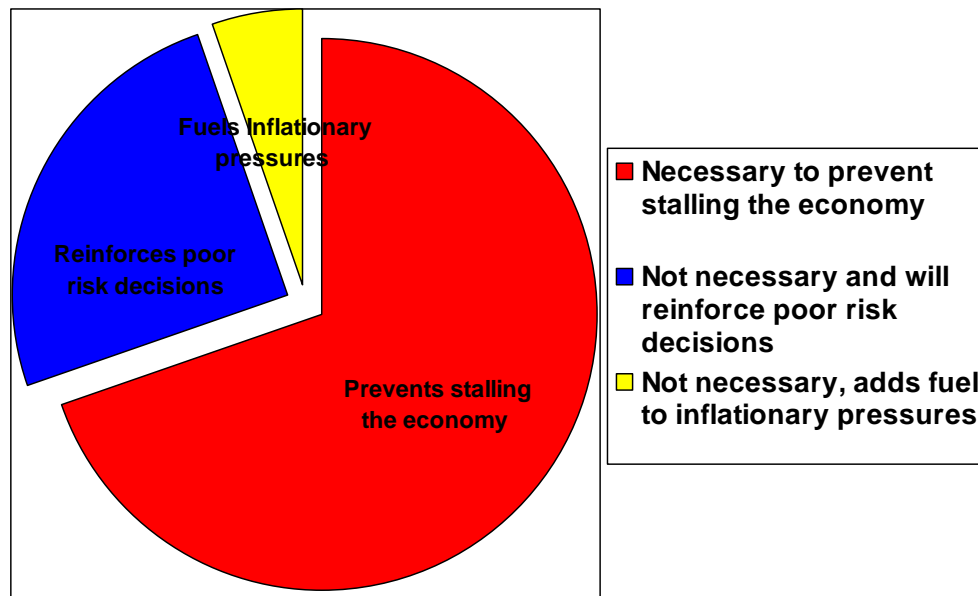
However, this decline in optimism about the economy did not translate fully into expectations for the respondents' own organizations. Although 17% of respondents now have a pessimistic view for their own company's prospects over the next 12 months, 59% reported that they continue to be optimistic.

When asked to comment on why their outlook had changed, over half the comments cited the related impacts of sub-prime mortgage problems, the housing slowdown

and the tightening credit market in general. Many expressed the belief that the economy had not yet absorbed the full impact of these problems. Other concerns mentioned were oil and gas prices and the weakening dollar. Almost gone from the comments were concerns about the Iraq war.

Interest Rate Cuts – Good or Bad?

CPA business leaders believe that the Fed made the right decision in reducing interest rates in September. (This survey was conducted in October prior to the most recent rate cut.) On a question asking respondents to characterize their reaction to the rate cuts, 69% answered that reducing rates was necessary to prevent the credit crunch from stalling the economy, 25% felt it was not necessary and will only serve to reinforce poor risk decisions, and 5% felt that reducing rates was not necessary, adding fuel to already existing inflationary pressures.



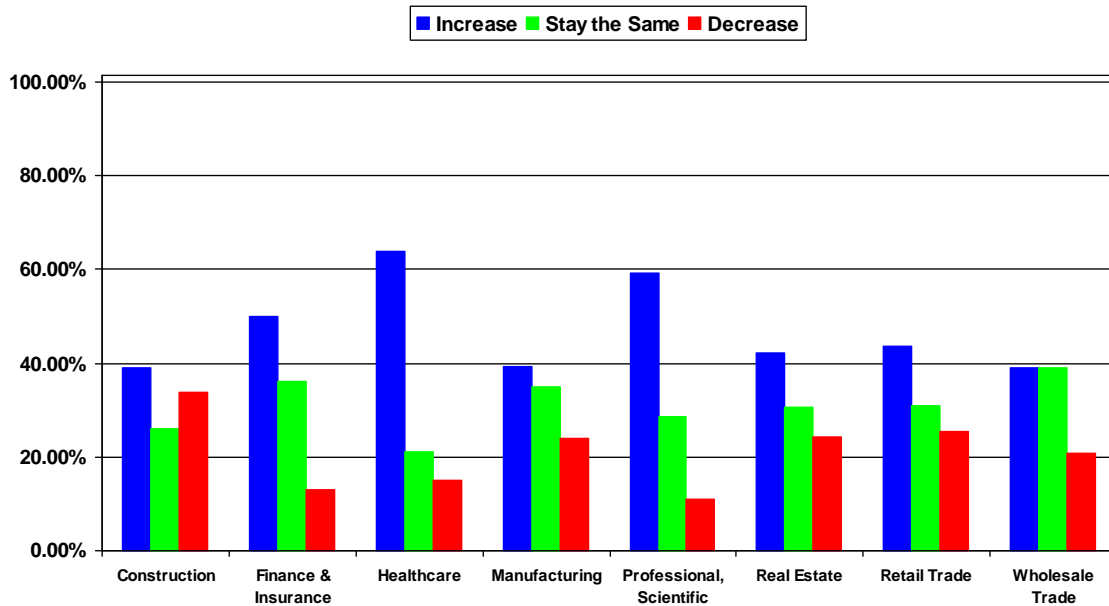
Reaction to Interest Rate Cuts

Most respondents felt that the recent interest rate cuts were necessary to prevent the economy from stalling

Industry Variation

Despite the decreasing amount of optimism expressed, over 60% of organizations expect to see revenues and profits continue to grow over the next 12 months. Respondents from the Finance, Professional Services and Manufacturing industries were most likely to expect increased profits while those from Construction, Real Estate, Retail Trade and Wholesale Trade were most likely to expect decreases. Even in those industries the number of respondents expecting profit increases surpasses the number expecting decreases.

Hiring growth may not be as robust as just 48% of respondents indicated that they expect to increase the number of employees in their organization and 18% expect a decrease. Employment expectations vary significantly by industry with over 60% of Healthcare respondents and 59% of Professional Services respondents expecting to hire. Conversely 34% of Construction respondents, 25% of Retail Trade respondents and 24% of Real Estate and Manufacturing respondents expect to decrease the number of employees in their organizations.



Hiring Expectations

While respondents from the Healthcare and Professional Services industries expect to hire more employees, Construction industry respondents were almost as likely to expect to decrease as increase the number of employees

Employee related costs continue to be one of the largest challenges faced by organizations with 96% of respondents indicating that employee and benefit costs represent a challenge and 22% indicating that they are a major challenge. Not surprisingly, the industries that expect to hire the most, Healthcare and Professional Services, are most likely to see employee costs as a major challenge. Respondents from Professional Services expect larger salary increases with 40% indicating that they expect the average basic salary to increase by more than 4% while just 22% of all respondents expect increases to exceed 4%. Respondents from Construction and Retail Trade industries foresee the lowest salary growth with over one-fifth expecting no growth

A major contributor to employee costs is healthcare costs. Seventy-seven percent of respondents expect increases of at least 4% and 41% expect increases to exceed 8%. Perhaps related to increased challenges in hiring and retaining employees, respondents from the Healthcare and Professional Services industries expect the largest increases in healthcare costs with 51% of Healthcare respondents and 53% of Professional Services respondents expecting healthcare cost increases to exceed 8%.

Survey Background

The survey was conducted of AICPA Business & Industry members between October 10 and October 28, 2007 and had 1242 completed respondents. Half the respondents (50%) were CFOs, 20% were Controllers and 13% were CEOs or COOs. Sixty-six percent of respondents came from privately owned entities, 17% from public companies, 10% from government, education and not-for-profits and 5% from foreign owned companies. Thirteen percent came from organizations with annual revenues of 1 billion or more, 20% from organizations with \$100 million to under \$1 billion in annual revenues, 45% from organizations with \$10 million to \$100 million and 22% from organizations with under \$10 million in revenues.