

OBSERVATIONS

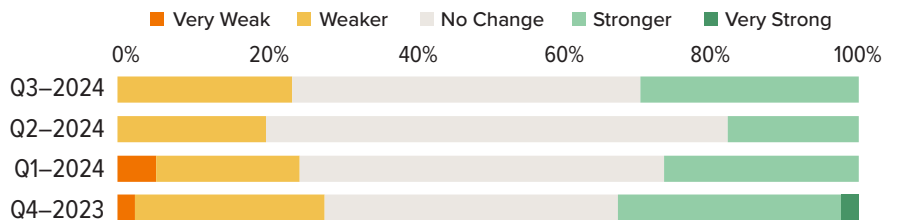
The latest quarterly Executive Sentiment Survey shows improving outlooks for the economy and companies' health. Companies say they plan to pare back on capital expenditures, perhaps to offset prospects for higher operating costs ahead. And most respondents see inventories continuing to retreat and landed costs continuing to rise, suggesting moderate increases in retail footwear prices into 2025.

- Respondents' 6-month outlooks for their company health improved from last quarter to the most upbeat in 2 ½ years.
- Reflecting this optimism, over half of respondents see their company sales higher from 6 months ago and half expect better sales over the next 6 months.
- Looking further ahead, nearly three quarters expect higher comps over the next 12 months, a record share.
- Most continue to see no change in 6-month hiring plans.
- Capital expenditure outlays may downshift, as less than 24% look for capex to increase over the next 6 months, the smallest share in the 4-year history of this survey.
- This downshift may occur as growing shares of respondents see operating costs increasing. Already, over half see operating costs higher from 6 months ago, and nearly half see these costs even higher over the next 6 months.
- Landed costs are set to rise, as only 11% of respondents expect these costs to decrease over the next 6 months.
- The long, soft landing: About 85% of respondents see inventories flat to lower from 6 months ago, with nearly 3/4 still seeing inventories flat to even lower over the next 6 months.
- Lower inventories and higher landed costs point to higher retail prices. While most continue to look for little price change, over 27% see stronger footwear prices over the next 6 months, the highest share in more than a year.
- Most see Middle East tensions continuing to impact their global shipping strategy and cost, while less than half see Panama Canal delays having a similar impact.
- Little surprise: With a presidential election promising a change of resident at 1600 Pennsylvania Ave, a record-high share listed government taxes, duties, and regulations as their company's biggest issue over the next 6 months.

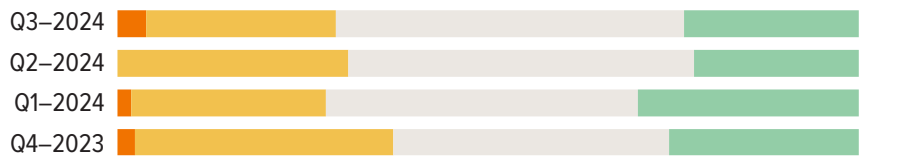
QUESTIONS

RESPONSES & SHARES

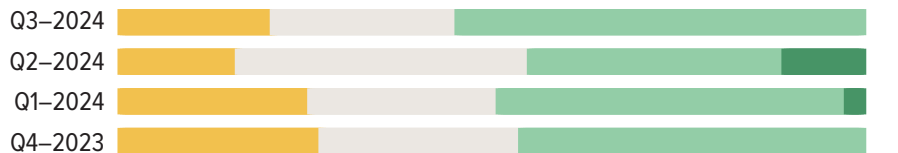
Outlook for economy/ next 6 months



Outlook for shoe shoppers/ next 6 months



Company health over next 6 months

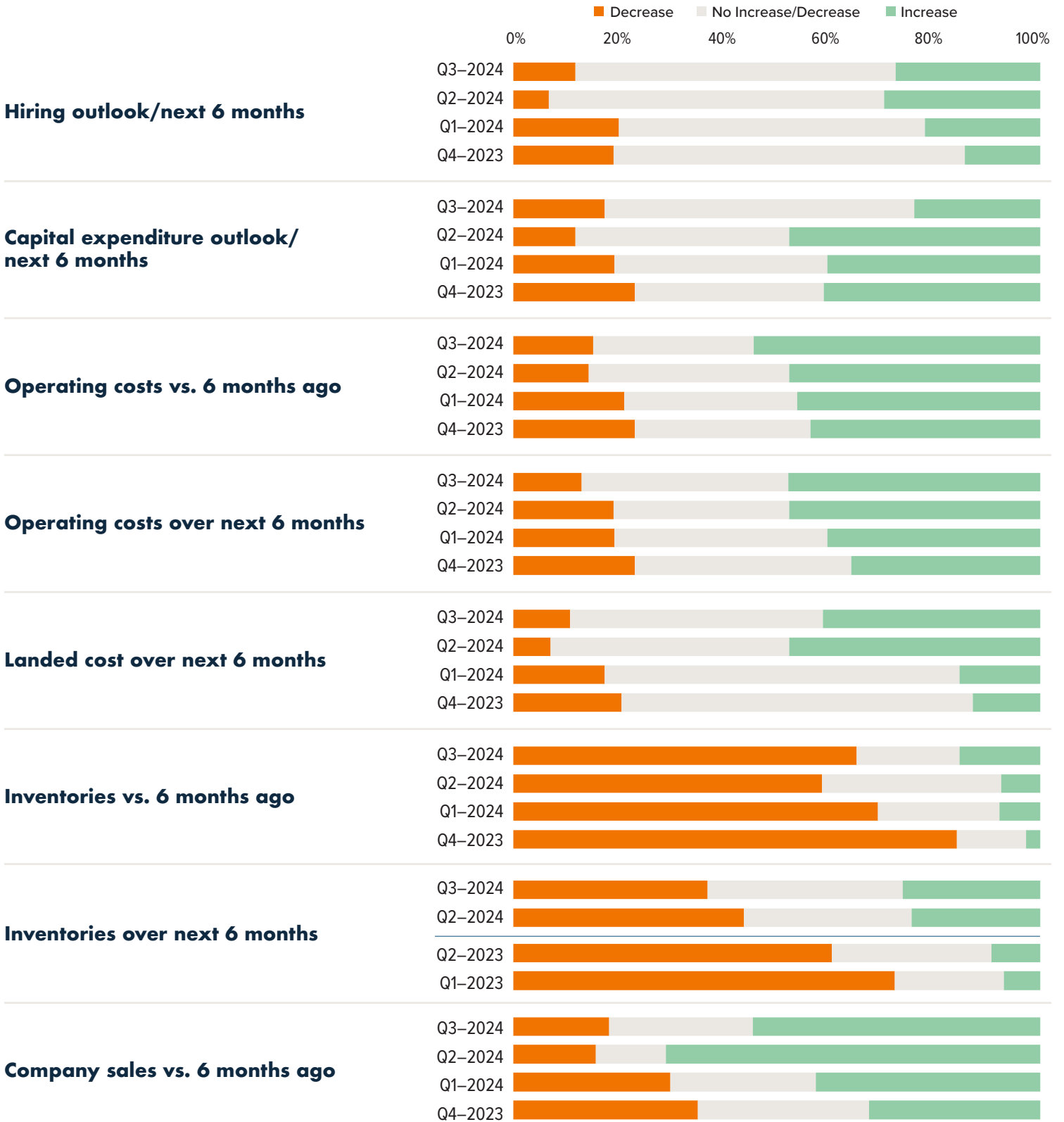


Retail prices over next six months



QUESTIONS

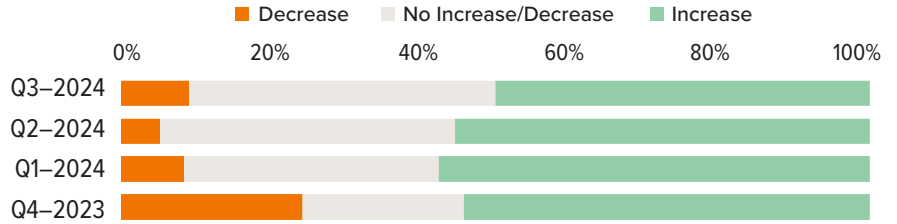
RESPONSES & SHARES



QUESTIONS

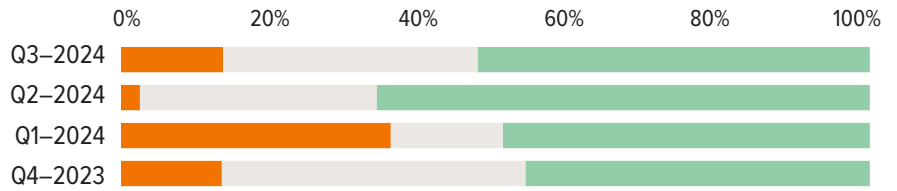
RESPONSES & SHARES

Company sales over next 6 months

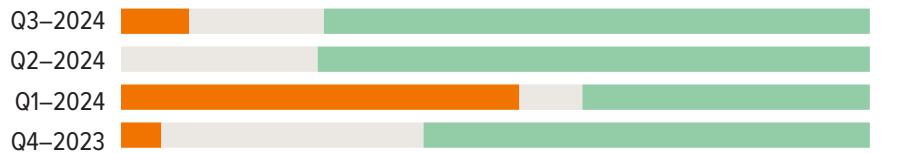


What are your expectations for planned comp sales over the next...

6 months



12 months



YOUR COMPANY'S BIGGEST ISSUE OVER THE NEXT 6 MONTHS

