Duke's Fuqua School of Business / CFO Magazine Global Business Outlook

Results for 485 U.S. firms (own-firm changes expected during the next 12 months)

	Sept 2016	Jun 2016	Mar 2016	Dec 2015	Sept 2015
Weighted Averages for	Expected growth in next 12 months				
Earnings growth*	7.3%	4.3%	1.6%	9.5%	3.0%
Capital spending	-0.4% Median=0%	1.1%	2.0%	2.6%	2.4%
Technology spending	4.8%	3.7%	4.3%	6.0%	4.3%
R&D spending	1.4%	1.8%	1.2%	3.3%	1.6%
Advertising and marketing spending	2.5%	3.0%	2.8%	3.7%	3.6%
Employment – full-time	1.4%	1.7%	2.0%	2.4%	1.4%
Wages and Salaries	2.9%	3.2%	3.2%	2.9%	3.3%
Inflation (Chg in prices of own-firm products)	1.6%	1.5%	0.8%	0.8%	0.9%
Health Care Costs	6.8%	7.0%	7.1%	7.1%	7.5%
Revenue	4.4%	4.8%	3.7%	4.2%	3.5%

^{*} indicates public firms only. All other numbers are for all survey respondents (including private). The reported averages are weighted by revenue or number of employees, so that large firms are weighted more heavily.

U.S. BUSINESS OPTIMISM

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	Sept 2016	Jun 2016	Mar 2016	Dec 2015	Sept 2015
	Compared to last qtr.				
Optimism about the U.S. economy	More opt: 26.7% Less opt: 33.3% No chg: 40.0%	More opt: 26.7% Less opt: 35.9% No chg: 37.5%	More opt: 22.8% Less opt: 47.3% No chg: 29.9%	More opt: 26.1% Less opt: 40.9% No chg: 33.0%	More opt: 23.1% Less opt: 41.6% No chg: 35.3%
U. S. optimism level (0 to 100)	60.6	59.4	58.6	60.3	60.0
Optimism about own company	More opt: 40.2% Less opt: 31.2% No chg: 28.7%	More opt: 40.7% Less opt: 28.6% No chg: 30.7%	More opt: 41.8% Less opt: 30.2% No chg: 28.0%	More opt: 41.0% Less opt: 30.4% No chg: 28.6%	More opt: 39.3% Less opt: 32.4% No chg: 28.3%
Own company optimism level	65.3	66.3	66.0	65.9	65.8

Other Key Results for September 2016

- 52% of US CFOs say that they are holding off on spending, and 40% on hiring, due to political risk.
- 26% say they have delayed spending plans specifically due the presidential election.
- Most years, the uncertainty dissipates on Election Day and 'normal' business starts to resume. Not this year. Of the 26% mentioned in the previous bullet, 77% say they will continue to delay investment if Hillary Clinton is elected, as they wait until more uncertainty is resolved. 51% say they will continue to hold off on investment after the election if Trump is elected.
- About 50% of European CFOs say that a Trump win would cause them to hold off on investment until uncertainty about his presidency is resolved, compared to fewer than 10% if Clinton wins.
- US CFOs say that investment plans are not interest rate sensitive. Only one-third say a 100 basis point hike in their borrowing rate would cause them to curtail business spending. And only 12% say that a 50 basis point hike would curtail spending.
- Most US firms say that the speed at which Britain exits the EU does not affect their firms, though 12% say they prefer a slow Brexit.
- More US CFOs say that Corporate Culture is a top value driver than is corporate strategy, operations, or any other factor. See http://ssrn.com/abstract=2805602 for a detailed report on Corporate Culture.

Top Concerns for U.S. Businesses

- Economic Uncertainty
- Attracting and retaining qualified employees
- Regulatory requirements
- Cost of benefits
- Weak demand for product/services

(1-5 on left, 6-10 on right)

- Government policy
- Employee productivity
- Data Security
- Employee morale
- Access to capital