

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

Results for 238 U.S. firms (own-firm changes expected during the next 12 months)

	Jun 2019	Mar 2019	Dec 2018	Sept 2018	Jun 2018
Weighted Averages for	Expected growth in next 12 months	Expected growth in next 12 months	Expected growth in next 12 months	Expected growth in next 12 months	Expected growth in next 12 months
Earnings growth*	4.1% Median=5.0%		4.5%	12.8%	9.5%
Capital spending	3.4% Median=2.0%	8.2% Median=5.0%	1.0% Median=2.0%	5.7% Median=5.0%	8.3% Median=5%
Advertising and marketing spending	2.8% Median=2.0%		1.3%	3.6%	1.9%
Technology spending	4.8% Median=2.0%		4.3%	6.3%	7.2%
R&D spending	2.1% Median=1.0%		1.4%	2.7%	3.1%
Employment – full-time	3.4% Median=2.0%	4.6% Median=2.0%	3.6% Median=3.0%	3.9% Median=2.0%	4.5% Median=3.0%
Wages and Salaries	3.8% Median=3.0%	5.1% Median=3.0%	4.2% Median=3.0%	4.8% Median=3.0%	4.1% Median=3.0%
Inflation (Chg in prices of own-firm products)	1.4% Median=1.0%		2.7%	3.0%	3.8%
Health Care Costs	6.2% Median=5.0%		6.0%	7.8%	7.6%
Revenue	5.1% Median=4.0%	6.3% Median=5.0%	4.9%	7.5%	6.9%

* 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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	Jun 2019	Mar 2019	Dec 2018	Sept 2018	Jun 2018
	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.
Optimism about the U.S. economy	More opt: 19.8% Less opt: 40.1% No chg: 40.1%	More opt: 24.1% Less opt: 36.8% No chg: 39.1%	More opt: 16.6% Less opt: 45.0% No chg: 38.4%	More opt: 43.6% Less opt: 23.0% No chg: 33.3%	More opt: 47.1% Less opt: 21.3% No chg: 31.6%
U. S. optimism level (0 to 100)	65.7	64.6	66.4	70.0	71.1
Optimism about own company	More opt: 44.3% Less opt: 27.0% No chg: 28.7%	More opt: 48.3% Less opt: 21.9% No chg: 29.9%	More opt: 35.1% Less opt: 32.7% No chg: 32.2%	More opt: 48.6% Less opt: 21.4% No chg: 30.0%	More opt: 54.0% Less opt: 17.3% No chg: 28.8%
Own company optimism level	68.1	70.4	68.5	71.4	71.0

Other Key Results for June 2019

- Difficulty hiring and retaining qualified employees remains the top concern of US CFOs; however, only 45% listed it as a top concern this quarter, down six points from its all-time high of 53% two quarters ago
- Nearly half (48.1%) of US CFOs believe that the US will be in recession by the 2nd quarter of 2020 and 69% believe that a recession will have begun by the end of 2020.
 - CFOs are even more pessimistic in most other regions of the world:
 - 85% of African CFOs believe that a recession will have begun in their countries no later than Q2 of 2020, as do the majority in Europe (63%), Asia (57%), and Latin America (52%)
- US CFOs are strongly in favor of more accommodative immigration policies
 - 83% support expedited granting of green cards to allow foreign graduate students in science, technology, engineering, and math (STEM) fields to work in the U.S.
 - 82% favor expedited work permits for STEM undergraduate students.
 - 79% of CFOs believe the U.S. should drop its lottery-based immigration policy in favor of a merit-based system
 - 68% of finance chiefs favor increasing the cap on work visas for seasonal and lower skill immigrant workers.

Top Concerns for U.S. Businesses (June 2019)

- Attracting and retaining qualified employees
- Government policies
- Economic uncertainty
- Data Security
- Rising wages and salaries

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

- Regulatory requirements
- Cost of benefits
- Employee productivity
- Weak demand for products/services
- Rising input or commodity price