

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

Results for 434 U.S. firms (own-firm changes expected during the next 12 months)

	Dec 2019	Sept 2019	Jun 2019	Mar 2019	Dec 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*	4.5% Median=5.0%	3.3% Median=5.0%	4.1% Median=5.0%		4.5%
Capital spending	4.7% Median=2.0%	0.6% Median=2.0%	3.4% Median=2.0%	8.2% Median=5.0%	1.0% Median=2.0%
Advertising and marketing spending	1.6% Median=1.0%	1.6% Median=1.0%	2.8% Median=2.0%		1.3%
Technology spending	4.1% Median=3.5%	5.0% Median=3.0%	4.8% Median=2.0%		4.3%
R&D spending	2.7% Median=1.0%	0.6% Median=0.0%	2.1% Median=1.0%		1.4%
Employment – full-time	3.0% Median=2.0%	2.1% Median=1.0%	3.4% Median=2.0%	4.6% Median=2.0%	3.6% Median=3.0%
Wages and Salaries	4.4% Median=3.0%	3.9% Median=3.0%	3.8% Median=3.0%	5.1% Median=3.0%	4.2% Median=3.0%
Inflation (Chg in prices of own-firm products)	2.2% Median=2.0%	1.7% Median=2.0%	1.4% Median=1.0%		2.7%
Health Care Costs	6.4% Median=5.0%	6.1% Median=5.0%	6.2% Median=5.0%		6.0%
Revenue	5.5% Median=5.0%	4.8% Median=3.0%	5.1% Median=4.0%	6.3% Median=5.0%	4.9%

* 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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	Dec 2019	Sept 2019	Jun 2019	Mar 2019	Dec 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: 28.1% Less opt: 33.6% No chg: 38.3%	More opt: 11.8% Less opt: 55.2% No chg: 33.0%	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%
U. S. optimism level (0 to 100)	66.6	62.6	65.7	64.6	66.4
Optimism about own company	More opt: 43.2% Less opt: 24.1% No chg: 32.7%	More opt: 32.4% Less opt: 36.0% No chg: 31.5%	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%
Own company optimism level	75.0	67.1	68.1	70.4	68.5

Other Key Results for December 2019

- More than half (52%) of US CFOs believe that the US will be in recession by the 4th quarter of 2020 and 76% believe that a recession will have begun by the middle of 2021.
 - 79% of Asian CFOs believe that a recession will have begun in their countries no later than Q4 of 2020, as do the majority in Canada (67%), Africa (77%), and Latin America (55%). 49% of European CFOs expect a recession by year-end 2020.
- Most companies are taking steps to prepare for a recession
 - 59% are strengthening their balance sheets, 58% are cutting costs, 29% are increasing liquidity, 31% are scaling back or delaying investment
- Most companies (54%) are stockpiling cash, to build liquidity and because of economic uncertainty.

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

- Attracting and retaining qualified employees
- Economic uncertainty
- Data Security
- Cost of benefits
- Government policies

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

- Regulatory requirements
- Rising wages and salaries
- Weak demand for products/services
- Employee productivity
- Access to capital