

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

Results for 469 U.S. firms (own-firm changes expected during the next 12 months)

	Mar 2020	Dec 2019	Sept 2019	Jun 2019	Mar 2019
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%	
Capital spending	1.7% Median=1.0%	4.7% Median=2.0%	0.6% Median=2.0%	3.4% Median=2.0%	8.2% Median=5.0%
Advertising and marketing spending		1.6% Median=1.0%	1.6% Median=1.0%	2.8% Median=2.0%	
Technology spending		4.1% Median=3.5%	5.0% Median=3.0%	4.8% Median=2.0%	
R&D spending		2.7% Median=1.0%	0.6% Median=0.0%	2.1% Median=1.0%	
Employment – full-time	2.0% Median=0.0%	3.0% Median=2.0%	2.1% Median=1.0%	3.4% Median=2.0%	4.6% Median=2.0%
Wages and Salaries	3.1% Median=3.0%	4.4% Median=3.0%	3.9% Median=3.0%	3.8% Median=3.0%	5.1% 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%	
Health Care Costs		6.4% Median=5.0%	6.1% Median=5.0%	6.2% Median=5.0%	
Revenue	1.6% Median=2.0%	5.5% Median=5.0%	4.8% Median=3.0%	5.1% Median=4.0%	6.3% Median=5.0%

* 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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	Mar 2020	Dec 2019	Sept 2019	Jun 2019	Mar 2019
	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: 13.3% Less opt: 75.7% No chg: 11.1%	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%
U. S. optimism level (0 to 100)	50.9	66.6	62.6	65.7	64.6
Optimism about own company	More opt: 24.8% Less opt: 55.6% No chg: 19.6%	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%
Own company optimism level	59.7	75.0	67.1	68.1	70.4

Other Key Results for March/April 2020

U.S. optimism and the business outlook plummeted starting about March 15.

- Before/After March 15, about 40%/80% of US CFOs assessed their company's financial risk due to COVID-19 to be medium or large.

Along with this increase in assessed coronavirus risk, optimism fell and business plans decreased.

- Country optimism before/after March 15: 59/42, with 42 approximately the same level of pessimism as at the bottom of the Great Recession.
- Own-firm optimism before/after March 15: 66/53
- Revenue: 3.7/-0.7
- Capital Spending: 4.3/-1.4
- Employment: 4.8/-1/2
- Wages: 4.8/1.0

CFOs also provided forecasts of good and bad scenarios for 2020. In their "Very Bad" Scenarios, CFOs forecast what revenues would be in a case that there is only a 10% chance sales would be lower than this forecast.

- Before/After March 15, in their very bad scenarios US CFOs thought that sales revenue would grow only 0.8%/shrink 13.3%.

CFOs expect to beat their "Very Good" scenario only 10% of the time.

- Before/After March 15, in their very good scenarios the median US CFO thought that sales revenue would grow 10%/5% in 2020.