

# Business executives' mixed view on economy reflects continued uncertainty, AICPA & CIMA survey finds

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Business executives don't have a strong sense of where the economy is headed, and their mixed-bag outlook reflects that, according to the fourth-quarter AICPA & CIMA Economic Outlook Survey. The survey polls chief executive officers, chief financial officers, controllers and other certified public accountants in U.S. companies who hold executive and senior management accounting roles.



Twenty-four percent of survey respondents expressed optimism about the outlook for the U.S. economy over the next 12 months, a drop of 5% from last quarter. That continues a volatile trend of advance and retreat in economic optimism over the past year, a sign of the uncertainty business executives feel about the path ahead.

Inflation returned as the top concern cited by business executives after falling to No. 2 last quarter, and only 27% dismiss the prospect of a recession next year. Yet profit and revenue growth expectations for the next 12 months were largely unchanged from last quarter, with the profit outlook rising a tick from 0.1% to 0.5% and revenue growth projections slipping a bit from 1.9% to 1.8%.

"We're seeing some softening on the hiring front and IT spending, which are classic areas of belt-tightening in uncertain times," said Tom Hood, the AICPA & CIMA's executive vice president for business engagement and growth. "At the same time, business executives' expectations for their own organisation's prospects over the next year are down just a bit from the third quarter and ahead of where they were a year ago. So, there's a lot of mixed signals right now on the economy."

Twelve percent of business executives said they had too many employees, up four percentage points from last quarter. Some 38% said they have too few employees, but the percentage who said they were hesitant to hire because of economic uncertainty increased from 14% to 16%.

The AICPA survey is a forward-looking indicator that tracks hiring and business-related expectations for the next 12 months. In comparison, the U.S. Department of Labour's November employment report, scheduled for release tomorrow, looks back on the previous month's hiring trends.

Other key findings of the survey:

- Expansion plans fell slightly from 50% to 48% this quarter
- Business executives less optimistic about their own company's prospects over the next 12 months (43% vs. 45% last quarter), although they are still ahead of where they were a year ago (35%).
- Some 28% of business executives said they expected their companies to raise prices by year-end, down from 37% last quarter. Sixty-three percent said they expected no change, while 2% said they anticipated decreases.

## Methodology

The fourth-quarter AICPA & CIMA Economic Outlook Survey was conducted from 7-28 November 2023, and included 316 qualified responses from CPAs and Chartered Global Management Accountants (CGMAs) who hold leadership positions, such as chief financial officer or controller, in their companies. The overall margin of error is less than 3 percentage points. A copy of the report can be found on [aicpa.org](https://aicpa.org).

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