

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

Results for 489 U.S. firms (own-firm changes expected during the next 12 months)

	Jun 2015	Mar 2015	Dec 2014	Sept 2014	Jun 2014
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*	7.6%	8.2%	9.0%	11.7%	4.1%
Capital spending	5.8%	5.2%	5.9%	7.6%	9.3%
Technology spending	3.5%	3.8%	5.6%	5.2%	7.9%
R&D spending	2.7%	3.6%	2.5%	4.4%	2.3%
Advertising and marketing spending	4.3%	3.2%	3.8%	3.0%	4.0%
Employment – full-time	2.4%	2.4%	2.9%	2.1%	1.9%
Employment – temporary	0.5%	-0.3%	1.1%	0.1%	1.2%
Outsourced Employment	1.1%	3.2%	3.1%	3.1%	3.7%
Wages and Salaries	3.3%	2.7%	3.4%	2.9%	3.0%
Productivity	2.3%	2.3%	2.7%	3.0%	2.5%
Inflation (Chg in prices of own-firm products)	1.3%	0.8%	2.4%	2.0%	2.6%
Health Care Costs	7.7%	7.2%	7.7%	7.5%	7.9%
Dividends*	3.9%	10.3%	3.2%	5.9%	2.8%
Share Repurchases*	1.5%	1.9%	-0.2%	0.4%	4.6%
Cash on balance sheet*	-6.3%	-3.3%	-2.5%	3%	-3.1%
Mergers and Acquisitions	Not asked.	26.5% plan to acquire; Foreign targets in 17.6% of acq.	Not asked.	Not asked.	Not asked.
Revenue	4.2%	4.2%	6.4%	7.3%	5.7%

* 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 2015	Mar 2015	Dec 2014	Sept 2014	Jun 2014
	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: 37.0% Less opt: 22.1% No chg: 40.9%	More opt: 46.5% Less opt: 16.5% No chg: 36.9%	More opt: 50.3% Less opt: 16.4% No chg: 33.3%	More opt: 43.0% Less opt: 19.0% No chg: 38.0%	More opt: 37.5% Less opt: 19.0% No chg: 43.5%
U. S. optimism level (0 to 100)	62.9	64.7	63.7	62.5	61.1
Optimism about own company	More opt: 46.3% Less opt: 25.0% No chg: 28.7%	More opt: 48.4% Less opt: 21.3% No chg: 30.3%	More opt: 46.8% Less opt: 25.3% No chg: 27.9%	More opt: 49.5% Less opt: 19.5% No chg: 31.5%	More opt: 46.5% Less opt: 21.0% No chg: 32.5%
Own company optimism level	67.5	67.5	66.4	68.9	67.1

Other Key Results for June 2015 (US unless mentioned otherwise)

- More than 80% of US firms say that they have been seriously hacked (with the hack intended to steal, change, or make public important data)
 - 85% of U.S. firms with fewer than 1,000 employees have been hacked
 - Most firms around the globe have been hacked: Asia 85%, Latin America 87%, Africa 87%, Europe 92%
- Companies have taken actions in an attempt to limit hacking
 - Installing new software (64% of firms), employee training (33%), new hardware (31%), hired data security firm to review protocol (28%), hired a consultant to attempt a 'friendly hack' (19%), hired staff specializing in data security (16%)
 - Small-medium sized firms (< 1,000 employees) are only half as likely as large firms to require training, hire new data security staff, or attempt a friendly hack, which might explain the higher hack rate at smaller firms.
- Employment / wage growth will be strongest in tech, services/consulting, health care, and construction. Finance and energy will reduce the number of fulltime employees over the next year.
- The strong US dollar hurts exporters. 80% of firms exporting at least one-fourth of total sales say appreciated dollar has had negative effect; 40% say they have reduced spending in response.
- US CFOs assign a 16% probability that a recession will occur within 12 months
- See a separate file at www.cfosurvey.org about changing role of the CFO

Top Concerns for U.S. Businesses

- Economic Uncertainty
- Cost of benefits
- Attracting and retaining qualified employees
- Regulatory requirements
- Government policy

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

- Weak demand for product/services
- Data Security
- Employee morale
- Access to capital
- Employee productivity