

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

Results for 259 U.S. firms (own-firm changes expected during the next 12 months)

	Dec 2017	Sept 2017	Jun 2017	Mar 2017	Dec 2016
Weighted Averages for	Expected growth in next 12 months				
Earnings growth*	5.6%	4.6%	8.2%	8.6%	8.4%
Capital spending	3.2%	4.2%	2.2%	5.8%	1.4%
Advertising and marketing spending	3.0%	1.7%	1.8%	3.8%	1.9%
Technology spending	4.8%	5.2%	4.1%	5.3%	3.5%
R&D spending	3.3%	1.3%	2.3%	4.0%	0.9%
Employment – full-time	3.2%	3.4%	3.8%	3.5%	2.2%
Wages and Salaries	4.4%	3.9%	4.1%	3.9%	3.2%
Inflation (Chg in prices of own-firm products)	2.7%	1.2%	2.5%	3.0%	1.7%
Health Care Costs	8.3%	8.6%	7.8%	6.8%	6.8%
Revenue	5.9%	4.3%	6.2%	8.1%	4.4%

* 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 2017	Sept 2017	Jun 2017	Mar 2017	Dec 2016
	Compared to last qtr.				
Optimism about the U.S. economy	More opt: 49.4% Less opt: 17.8% No chg: 32.8%	More opt: 32.7% Less opt: 29.2% No chg: 38.1%	More opt: 41.8% Less opt: 23.4% No chg: 34.7%	More opt: 62.0% Less opt: 15.0% No chg: 23.0%	More opt: 64.1% Less opt: 16.3% No chg: 19.6%
U. S. optimism level (0 to 100)	68.6	65.9	67.4	68.5	66.5
Optimism about own company	More opt: 53.9% Less opt: 16.3% No chg: 29.8%	More opt: 47.7% Less opt: 22.2% No chg: 30.1%	More opt: 49.6% Less opt: 20.7% No chg: 29.7%	More opt: 58.1% Less opt: 17.9% No chg: 24.0%	More opt: 51.1% Less opt: 18.3% No chg: 30.6%
Own company optimism level	71.3	70.2	69.2	69.0	67.4

Other Key Results for December 2017

- Optimism among CFOs who responded after Dec 1 (the day the Senate tax bill passed) was 73, which is the highest optimism ever recorded in the history of the survey
- The typical US CFO says s/he works two-thirds of waking hours ... but that working only 52% of working hours would be ideal. The desire to work less is pervasive.
 - Among CFOs who say they work 80% of waking hours, 85% say that working 60% or less would be ideal.
 - Among CFOs who say they work 60% of waking hours, 76% say that working 50% or less would be ideal.
 - Asian CFO work 73% of waking hours, slightly higher than CFOs in Europe (72%), Africa (70%), and Latin America (69%). Almost all wish they worked at least 15% fewer hours.
- 62% of CFOs say that the pace of change / innovation has become faster in their industries
 - Among these firms, 76% have increased capital spending in response, and 46% (31%) have increased R&D spending (moon-shot projects)
 - Among these same firms, in response to the faster pace of change, 61% now focus more on the early years of their planning horizons and 39% have formally reduced the number of years included in their long-range plans. 38% say the length of their typical project has shrunk, and 33% now require a shorter payback period in their project-selection process.
- 48% of companies indicate that health care spending crowds out their ability to spend on long-term projects, and 40% say that adhering to regulations stifles long-term investment.
- 77.6% of US CFOs say that they are one of the top 2 or 3 decision-makers for corporate liquidity management.
 - CFO are a top 2 or 3 decision-maker for risk management (69% of CFOs), corporate strategy (64%), capital structure (60%), wages/salaries (59%), and investment decisions (57%).
- The degree to which attracting and retaining qualified employees is a top concern is at an all-time high, with 43% of firms listing it as a top 4 concern.

Top Concerns for U.S. Businesses

- Attracting and retaining qualified employees
- Cost of benefits
- Data Security
- Government policies
- Regulatory requirements

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

- Employee productivity
- Economic Uncertainty
- Corporate tax code
- Rising wages and salaries
- Employee morale