

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

Results for 657 U.S. firms (own-firm changes expected during the next 12 months)

	Sep 2009	May 2009	Feb 2009	Dec 2008	Sept 2008
Weighted Averages for Earnings growth*	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
Weighted Averages for Earnings growth*	3.1%	-4.0%	-19.8%	-9.0%	+5.5%
Capital spending	-3.2%	-11.5%	-13.3%	-10.2%	+0.6%
Technology spending	-0.4%	-4.6%	-5.4%	-4.4%	+1.9%
R&D spending	0.4%	-1.5%	Not asked.	Not asked.	Not asked.
Advertising and marketing spending	0.6%	-6.4%	-7.6%	-6.6%	+0.6%
Employment	-3.2%	-5.6%	-5.7%	-5.0%	-1.6%
Outsourced Employment	2.6%	0.3%	-1.7%	-1.6%	+3.7%
Wages and Salaries	0.9%	-1.0%	-0.5%	+1.2%	+2.8%
Productivity	2.5%	2.1%	1.7%	+1.8%	+2.9%
Inflation (Chg in prices of own-firm products)	0.6%	0.3%	0.5%	0.0%	+3.6%
Health Care Costs	6.0%	5.4%	5.1%	+6.4%	+6.5%
Dividends*	-1.7%	-12.0%	-10.9%	-3.0%	+1.3%
Share Repurchases*	0.2%	-0.5%	0.4%	+0.7%	-0.5%
Cash on balance sheet*	4.5%	6.2%	0.6%	+0.5%	+1.3%
Mergers and Acquisitions	Not asked.	Not asked.	19.3% plan to acquire. 13.7% plan to sell part or all of firm.	Not asked.	36.7% plan to acquire. 16.3% plan to sell part or all of firm.

* indicates public firms only. All other numbers for all survey respondents (including private)

U.S. BUSINESS OPTIMISM

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	Sep 2009	May 2009	Feb 2009	Dec 2008	Sept 2008
	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 optimistic: 57.7% Less optimistic: 13.4% No change: 28.9%	More optimistic: 53.7% Less optimistic: 15.2% No change: 31.1%	More optimistic: 11.0% Less optimistic: 67.2% No change: 21.8%	More optimistic: 9.0% Less optimistic: 80.5% No change: 10.5%	More optimistic: 28.5% Less optimistic: 41.5% No change: 30.0%
Optimism about own company	More optimistic: 47.8% Less optimistic: 20.5% No change: 31.8%	More optimistic: 39.9% Less optimistic: 29.3% No change: 30.8%	More optimistic: 20.9% Less optimistic: 52.9% No change: 26.2%	More optimistic: 14.7% Less optimistic: 65.0% No change: 20.3%	More optimistic: 32.3% Less optimistic: 39.0% No change: 28.7%

Other Key Results from September 2009 survey

- 62% of companies say their current number of employees is less than at end of 2007
 - Among these firms, 13% say employment levels will return to 2007 levels by year-end 2010, another 33% say by year-end 2011. 54% say employment will stay below 2007 levels until 2012 or beyond.
 - 56% of communications/media CFOs say employment may never return to historic highs
- 56% of companies say they are still adversely affected by credit market conditions
 - Of these companies, 56% say the cost of credit has increased, 51% say credit is hard to find, and 47% say terms of credit are more restrictive (e.g., more collateral is required).
- Tight credit markets have led to the deferral of much investment since 2008
 - 58% of companies say this deferred investment is postponed indefinitely, and 26% is cancelled permanently
- Among companies with a credit line, the average drawdown is 31%

Top Concerns for U.S. Businesses

MACRO CONCERNS

- Consumer Demand
- Federal Government Agenda/Policies
- Credit Markets/Interest Rates
- Housing Market Fallout

INTERNAL TO OWN FIRM

- Ability to Forecast Results
- Working Capital Management
- Maintaining Morale / Productivity During Economic Downturn
- Balance Sheet Weakness