

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

Results for 535 U.S. firms (own-firm changes expected during the next 12 months)

	Jun 2010	Feb 2010	Dec 2009	Sep 2009	May 2009
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
Capital spending	9.0%	8.9%	1.5%	-3.2%	-11.5%
Technology spending	5.9%	4.1%	0.1%	-0.4%	-4.6%
R&D spending	3.9%	3.7%	1.3%	0.4%	-1.5%
Advertising and marketing spending	4.0%	3.4%	1.4%	0.6%	-6.4%
Employment	0.7%	0.2%	-1.4%	-3.2%	-5.6%
Outsourced Employment	5.5%	4.0%	2.6%	2.6%	0.3%
Wages and Salaries	2.6%	2.6%	1.9%	0.9%	-1.0%
Productivity	3.7%	3.2%	3.6%	2.5%	2.1%
Inflation (Chg in prices of own-firm products)	1.5%	1.1%	0.3%	0.6%	0.3%
Health Care Costs	8.0%	7.4%	6.8%	6.0%	5.4%
Dividends*	2.8%	6.3%	1.2%	-1.7%	-12.0%
Share Repurchases*	1.4%	6.1%	2.4%	0.2%	-0.5%
Cash on balance sheet*	2.1%	6.5%	4.3%	4.5%	6.2%
Mergers and Acquisitions	Not asked.	31.0% plan to acquire. 11.0% plan to sell part or all of firm.	Not asked.	Not asked.	Not asked.

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

## U.S. BUSINESS OPTIMISM

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	Jun 2010	Feb 2010	Dec 2009	Sep 2009	May 2009
	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.	Compared to last qtr.
<b>Optimism about the U.S. economy</b>	More optimistic: 40.4% Less optimistic: 25.0% No change: 34.6%	More optimistic: 47.3% Less optimistic: 14.1% No change: 38.6%	More optimistic: 48.4% Less optimistic: 17.7% No change: 33.9%	More optimistic: 57.7% Less optimistic: 13.4% No change: 28.9%	More optimistic: 53.7% Less optimistic: 15.2% No change: 31.1%
<b>Optimism about own company</b>	More optimistic: 45.7% Less optimistic: 24.2% No change: 30.1%	More optimistic: 52.3% Less optimistic: 17.3% No change: 30.5%	More optimistic: 46.8% Less optimistic: 22.3% No change: 30.9%	More optimistic: 47.8% Less optimistic: 20.5% No change: 31.8%	More optimistic: 39.9% Less optimistic: 29.3% No change: 30.8%

#### Other Key Results from June 2010 survey

- 59% of companies say that employment will not return to pre-recession levels until 2012 or later
- Among companies that cut employment-related benefits, fewer than half have restored the following benefits to pre-recession levels: bonuses (38%), overtime (27%), training and development (38%), pension contributions (40%), and health benefits (14%)
- 22% of CFOs say that borrowing conditions are worse now than in Fall 2009
  - 24% say borrowing has improved
  - 36% of companies say that their capital spending has been constrained due to funding tightness.
- One-fourth of companies violated or almost violated a covenant on their credit lines.

#### Top Concerns for U.S. Businesses

##### MACRO CONCERNS

- Consumer Demand
- Federal Government Agenda/Policies
- Price Pressure from Competitors
- Credit Markets/Interest Rates
- Global Financial Instability

##### INTERNAL TO OWN FIRM

- Ability to Maintain Margins
- Ability to Forecast Results
- Maintaining Morale / Productivity
- Cost of Health Care
- Working Capital Management