

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

Results for 510 U.S. firms (own-firm changes expected during the next 12 months)

	Sept 2015	Jun 2015	Mar 2015	Dec 2014	Sept 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*	3.0%	7.6%	8.2%	9.0%	11.7%
Capital spending	2.4%	5.8%	5.2%	5.9%	7.6%
Technology spending	4.3%	3.5%	3.8%	5.6%	5.2%
R&D spending	1.6%	2.7%	3.6%	2.5%	4.4%
Advertising and marketing spending	3.6%	4.3%	3.2%	3.8%	3.0%
Employment – full-time	1.4%	2.4%	2.4%	2.9%	2.1%
Employment – temporary	-1.0%	0.5%	-0.3%	1.1%	0.1%
Outsourced Employment	0.52%	1.1%	3.2%	3.1%	3.1%
Wages and Salaries	3.3%	3.3%	2.7%	3.4%	2.9%
Productivity	3.2%	2.3%	2.3%	2.7%	3.0%
Inflation (Chg in prices of own-firm products)	0.9%	1.3%	0.8%	2.4%	2.0%
Health Care Costs	7.5%	7.7%	7.2%	7.7%	7.5%
Dividends*	3.5%	3.9%	10.3%	3.2%	5.9%
Share Repurchases*	2.2%	1.5%	1.9%	-0.2%	0.4%
Cash on balance sheet*	0.3%	-6.3%	-3.3%	-2.5%	3%
Mergers and Acquisitions	26.1% plan to acquire. To improve industry position&product diversification.	Not asked.	26.5% plan to acquire; Foreign targets in 17.6% of acq.	Not asked.	Not asked.
Revenue	3.5%	4.2%	4.2%	6.4%	7.3%

* 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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	Sept 2015	Jun 2015	Mar 2015	Dec 2014	Sept 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: 23.1% Less opt: 41.6% No chg: 35.3%	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%
U. S. optimism level (0 to 100)	60.0	62.9	64.7	63.7	62.5
Optimism about own company	More opt: 39.3% Less opt: 32.4% No chg: 28.3%	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%
Own company optimism level	65.8	67.5	67.5	66.4	68.9

Other Key Results for September 2015

- 93% of U.S. firms say they have job openings in key positions and half of these firms say they find it difficult to fill key positions
 - Most companies say they will increase real wages (i.e., above the rate of inflation) due to labor market pressures and desire to hire fill key slots.
- Employment / wage growth will be strongest in services/consulting, health care, tech, retail/wholesale, and construction. Finance, energy, and agriculture will reduce the number of fulltime employees over the next year.
- Even with the recent market correction, 55% of U.S. CFOs say that they think the stock market is overvalued.
- 44% of U.S. CFOs say that they think firms in their own industries have become complacent about managing downside risk
 - 55% of CFOs say that firms in the finance, tech, and energy industries are not adequately managing downside risk
- M&A activity is being driven by firms seeking to solidify position within their industries, to diversify their product lines, to achieve cost synergies, and to diversify geographically
- See a separate file at www.cfosurvey.org about CFO views about which presidential candidates would be best for their businesses.

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 productivity
- Access to capital
- Employee morale