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in the coming year, according to the fourth quarter AICPA Economic Outlook Survey.

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With growing confidence in the U.S. economy, business executives are raising their expectations for profits, revenue and expansion in the coming year, according to the fourth quarter [AICPA Economic Outlook Survey](#), which polls chief executive officers, chief financial officers, controllers and other certified public accountants in U.S. companies who hold executive and senior management accounting roles.

Some 64 percent of survey takers now say they are optimistic about prospects for the U.S. economy over the next 12 months, up from 52 percent last quarter and 38 percent a year ago. For perspective, the level of optimism was nine percent as recently as the third quarter of 2011.

Business executives are slightly more optimistic about their own companies' prospects (67 percent, up 2 percentage points from last quarter), and 71 percent say they expect their business to expand in the coming year, up three percentage points from the third quarter.

"The number of executives who say they are planning to hire immediately has gone from 13 percent a year ago to 23 percent this quarter," said [Arleen R. Thomas](#), CPA, CGMA, AICPA's senior vice president of management accounting and global markets. "As clouds lift on the economy, companies are shifting back into growth mode."

While hiring signs are positive, a majority of business executives (62 percent) said they are dealing with increased competition for job candidates, with one in four saying they've lost out on a top recruit recently or had to leave important jobs open for extended periods of time. 'Availability of skilled personnel,' is now the No. 2 top challenge for businesses, up from No. 3 last quarter.

More than one in three executives say they are offering higher salaries to aid

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Department of Labor's November employment report, scheduled to be released tomorrow, looks back on the previous month's hiring trends.

The CPA Outlook Index—a comprehensive gauge of executive sentiment within the AICPA survey—rose three points in the third quarter to 78, a post-recession high. The index is a composite of nine, equally weighted survey measures set on a scale of 0 to 100, with 50 considered neutral and greater numbers signifying positive sentiment.

For the second quarter in a row, every category of the index rose both quarter over quarter and year over year. The largest increase among index components in the past quarter involved U.S. economic optimism (+9 points), followed by profit expectations (+5 points), revenue expectations (+ 3 points) and employment plans (+3 points).

Among other findings of the survey:

- Headcount is now expected to increase by 2.1 percent over the next year, an improvement over the 1.8 percent growth expectation last quarter. Employment growth in technology (4 percent) and the construction sector (3.1 percent) is expected to outstrip the overall average.
- Anticipated spending growth on training improved to 2.2 percent, up from 2 percent last quarter and 1.5 percent a year ago.
- Fears about deflation doubled from 5 to 10 percent in the quarter, the highest level since 2012. Inflation fears fell from 38 percent to 27 percent.

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