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## ACCOUNTING & AUDIT

# Mid-Market Companies Hopeful About Economy, Business Prospects

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Dec. 09, 2015

U.S. middle market companies are bullish on the economy and expect to add customers and markets and hire more full-time employees in the coming year because of it. At the same time, they're taking steps to guard against data breaches, and moving toward more electronic payments, while balancing vendors who continue to rely on paper-based invoicing.

Of U.S. companies with between \$10 million and \$1 billion in annual revenue, close to three quarters (73%) are optimistic that the economy will grow over the next year, and 75% believe that growth will positively affect their business, according to an annual American Express Survey of Mid-sized Companies.

Given those economic circumstances, close to a third (31%) said expanding their business is their top priority over the next 12 months. Companies expect to accomplish that by acquiring new customers (31%), increasing investments in technology, operations and other infrastructure (27%), widening existing customer relationships (15%), and gaining access to capital (14%), according to the report.

### Hiring Increases to Continue

U.S. companies' faith in the economy is translating into ongoing, robust hiring. Sixty percent said headcount is higher than it was a year ago, and the vast majority (88%) expects to add to their workforce in the next 12 months. Of those, slightly more than half (52%) plan to hire only full-time workers, 19% expect to hire only part-time workers, and 18% say they'll hire both.

Companies are adding employees because they need more hands to support their business volume (49%), find the right candidates for positions that have been open for some time (36%) or are staffing up for new ventures (34%), among other reasons.

## Survey Highlights

Other findings:

**Data security** – Recent data breaches nationwide have spurred middle market organizations' desire to protect against digital intruders. Companies aren't waiting until their own systems have been compromised to act. While 34% said they've experienced a data breach, 78% plan to spend more on data security in the next 12 months. Three quarters (75%) require data security training for employees, and 44% have attempted a white-hat or friendly hack on their own systems to analyze how they'd stand up to outside attacks.

**Electronic payments** – U.S. middle market companies have embraced corporate credit or charge card payments for bills and expenses to streamline accounts payables and receivables (29%), make business spending easier to track (26%), and in some cases, earn points or rewards (19%). Companies use rewards or points from a corporate card to reinvest in the business (48%), reduce out-of-pocket costs (38%) or reward employees (36%). Middle market enterprises report paying 33% of their bills and expenses with corporate credit or charge cards, 19% with paper checks, 15% with debit cards, 11% with cash and 2% with electronic funds transfers.

**Business travel** – Companies remain dedicated to putting employees on the road for work, with the vast majority (97%) seeing business travel as a “somewhat effective” or “very effective” way to acquire customers, accounts or suppliers. On average, middle market companies said a third (34%) of their employees travel for business.

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