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AICPA Economic Outlook Survey, which polls chief executive officers, chief financial
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Business executives are reporting their highest level of optimism about prospects for the U.S. economy in more than a dozen years, according to the first-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.

Optimism about the 12-month outlook for the U.S. economy rose from 62 percent last quarter to 69 percent, the highest it's been since it stood at 71 percent at the end of 2004, the first year the survey was conducted. Sentiment about the economy has been volatile in recent years: Optimism was as low as 28 percent a year ago, and reached 68 percent in the same quarter in 2015.

Business executives are similarly upbeat about the outlook for their own companies in the coming year, with almost two-thirds (66 percent) expressing optimism. That's up from 61 percent last quarter and 44 percent a year ago. One reason: rising expectations for profits and revenue, a trend that has gathered steam over the past year.

“We saw a big jump in economic optimism following the election, and that has been reinforced and extended in our latest results,” said [Arleen R. Thomas](#), CPA, CGMA, managing director of Americas Market, Global Offerings & CGMA Exam, Management Accounting for the Association of International Certified Professional Accountants. “Much of this positive sentiment is due to expectations of lower corporate taxes and reduced regulation under the new administration. I expect business executives will be monitoring progress on these goals closely.”

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Other key findings of the survey:

- Some 67 percent of business executives said their companies plan to expand at least a bit in the coming year, up from 62 percent last quarter.
- There is a growing perception of tightness in the labor market. “Availability of skilled personnel” is once again a top three concern for business executives, and “staff turnover” is now No. 9 on the list. A majority of respondents (51 percent) now say their companies plan to increase spending for skills training and staff development.
- Twenty-two percent of respondents said their organizations are ready to hire immediately, up two percentage points from last quarter. Most said their companies had the right amount of employees.
- While the overwhelming majority of respondents (81 percent) expect a substantial reduction in the federal corporate income tax to materialize, half expect it won't be enacted until at least 2018. Some 18 percent said a cut to a range of 15-20 percent would have a significant impact on their bottom line, while 33 percent said it would have a moderate or slight impact and 43 percent said it would have no impact.
- Tax savings from a federal corporate income tax cut would most likely be deployed to capital expenses, not new hiring.
- 12-month profit and revenue growth expectations (3.5 percent and 4.3 percent, respectively) now stand at their highest level since the end of 2014.
- One-in-three executives now list inflation as a concern, up from 28 percent last quarter and 14 percent a year ago.

The first-quarter AICPA Business and Industry Economic Outlook Survey was conducted Feb. 7-22, 2017, and included 930 qualified responses from CPAs who hold leadership positions, such as chief financial officer or controller, in their companies.

The overall margin of error is less than 3 percentage points. A copy of the [report](#) can

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