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63% of CFOs Expect Growth in Coming Year

By Isaac M. O'Bannon, Managing Editor

Chief financial officers at U.S. companies may be voicing concern about political and policy uncertainty, but their focus on offense over defense for the next year hit a new high and shows their underlying confidence, according to Deloitte's CFO Signals survey for the second quarter (2Q 2017).

Sixty-three percent of CFOs surveyed say they expect revenue growth, one of the highest levels in the survey's history, and only 18 percent claim a bias toward cost reduction, for a survey-high net value of plus 45 percent. The bias toward investing cash over returning it to shareholders (62 percent versus 16 percent) hit another three-year high at a net plus 46 percent. CFOs also remain positive on the U.S. economy, with 65 percent saying current conditions are good and 58 percent expecting better conditions in a year.

"Last quarter's CFO Signals survey registered the sharpest uptick in sentiment in its seven-year history, and the global economy has continued to show strength since. As a result, CFOs continue to be strongly optimistic," said Sandy Cockrell III, national managing partner of the U.S. CFO Program, Deloitte LLP. "However, our survey also picked up a growing concern from CFOs about political and policy uncertainty, as well as talent shortages, all figuring among their most worrisome risks."

All four business outlook metrics, tracked by this survey for 29 quarters, remain strong. Revenue growth expectations rose from 4.3 percent last quarter to 5.6 percent, above the prior two-year survey average. Earnings growth expectations rose

to 8.7 percent from last quarter's 7.3 percent, a two-year high. Capital investment

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economy,” said [Patricia Buckley](#), managing director, economic policy and analysis, Deloitte Services LP.

Almost seven years ago, CFOs were asked how they stay informed, and this quarter CFOs again answered questions about where they find information on macroeconomics, geopolitics, policy, financial markets, industry trends and management trends. Highlights of CFO responses include:

- CFOs appear to be spending considerably more time staying abreast of global economic and policy developments than they used to, and also seem to be relying substantially on their own research. Notably, less than 25 percent say they have an on-staff economist.
- Major global news outlets are still CFOs' primary sources of broad-based information, but there appears to be a rising reliance on subject matter specialists for deeper, industry-specific insight — especially consortia, professional services firms, bank analysts, and individual thought leaders.
- The channels by which CFOs consume daily news — including websites, newsletters, TV and printed dailies — appear highly varied, and preferences appear to be significantly different by age. Device use also varies by age, but laptops were still the top device overall. Although social media use was indeed highest among younger CFOs, the age-related differences were not particularly strong.

“CFOs have been citing volatility in the business environment as a growing challenge for several years now, and this quarter's findings seem to show they are spending considerable effort staying abreast of what's happening — across a very broad range of areas,” said Greg Dickinson, managing director, Deloitte LLP, who leads the North American CFO Signals survey. “Some appear to get significant help

from internal and external resources who focus on particular areas, but it also

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