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Business executives' outlook for the U.S. economy rose sharply in the past quarter, but concern is clearly growing about the potential global fallout from the spread of coronavirus, according to the first-quarter AICPA Economic Outlook Survey.

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Business executives' outlook for the U.S. economy rose sharply in the past quarter, but concern is clearly growing about the potential global fallout from the spread of coronavirus, according to the first-quarter [AICPA Economic Outlook Survey](#). The survey 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 61 percent of survey takers expressed optimism about the U.S. economy's

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Some seven percent of business executives said their companies had made a minor downward adjustment to their profit and revenue forecasts due to virus concerns, while 51 percent said they had made no change but were closely monitoring the situation. Forty-two percent said they didn't expect to have to make any coronavirus-related adjustments, but – like the U.S. economic optimism question – responses late in the survey cycle showed much less confidence.

Some 14 percent of survey respondents said their businesses had imposed travel restrictions to China or other regions affected by coronavirus. Four percent said they had shifted some of their supply chain sourcing.

“We are seeing a reversal of a downward trend over the last four quarters with the current survey's key indicators showing considerable strength, especially around expected growth in revenue and profit supported by high employment and low inflation,” said Ash Noah, CPA, CGMA, vice president and managing director of CGMA learning, education and development for the Association of International Certified Professional Accountants. “But there clearly was a softening in optimism as the survey progressed and an overhang from concerns about coronavirus. Detailed risk analysis and careful forecasting and scenario planning will be essential going forward.”

The AICPA survey is a forward-looking indicator that tracks hiring and business-related expectations for the next 12 months. In comparison, the U.S. Department of Labor's February employment report, scheduled for release 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 four points from last quarter and now stands at 76. The index is

a composite of nine, equally weighted survey measures set on a scale of 0 to 100, with

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2.7 percent last quarter and below the outlook of 3.6 percent a year ago. Similarly, 12-month revenue growth expectations increased nine-tenths of a percentage point to 4.3 percent, quarter over quarter. That's down slightly from 4.4 percent a year ago.

- The percentage of U.S. executives who expressed optimism about their own company's prospects over the next 12 months increased from 58 percent to 66 percent, quarter over quarter.
- Survey respondents who said they expect their organizations to expand in the coming year rose five percentage points to 64 percent.
- Availability of skilled personnel remains the top challenge for businesses, a position it has occupied since the third quarter of 2017.

Small Business

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