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AICPA Survey

While the percentage of business executives who expressed optimism about the U.S. economy rose from 37 percent to 47 percent this quarter, that still means the majority remain pessimistic or neutral. More than three-quarters (76 percent) of survey ...

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With the promise of expanded pandemic-related relief and an improving vaccine rollout, U.S. business executives are taking a more optimistic view of the U.S. economy for the coming year, 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.

There's a downside, however, to the prospect of a more open-throttle economy: a

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organization, with one-in-five describing that impact as significant.

Despite that backdrop, there are several positive notes from the survey:

- Executives' view of their own companies' prospects over the next 12 months flipped into positive territory, with 58 percent expressing optimism compared to 49 percent last quarter.
- The hiring outlook is improving, with 38 percent of respondents saying their companies have too few employees. Half of that group said they planned to hire immediately, an uptick of two percentage points over last quarter.
- Some of the hardest-hit sectors (retail trade, hospitality and food service), are now projecting increases in headcount over the next 12 months, rather than declines.

"We definitely see a resurgent sense of optimism about the economy overall, despite the deep pain that remains in key sectors and industries," said Ash Noah, CPA, CGMA, VP and managing director of CGMA learning, education and development for the Association of International Certified Professional Accountants, representing the AICPA and CIMA. "Business executives are communicating that economic recoveries are not like flipping a switch. The pandemic has caused significant dislocations and uncertainties with customer demand, supply chain and production cycles. As demand for products and services stabilizes and rises, how does that impact the competition for raw materials and supplies, skilled personnel and other cost factors? These business executives clearly have some concerns."

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.

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percent in the same timeframe, up from a projected increase of 0.2 percent.

- Some 58 percent of survey respondents said their companies plan to expand in the next 12 months, up 12 percentage points from last quarter.
- Some 37 percent of business executives expressed optimism about the global economy, up from 27 percent last quarter
- “Domestic economic conditions” remained the No. 1 issue impacting business for the fourth quarter in a row. “Availability of skilled personnel” moved up a slot to No. 2, while “Regulatory requirements/changes” rounded out the top three challenges. “Domestic political leadership”, the No. 2 issue last quarter, faded to No. 4 in the rankings.

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