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executives' outlook on the U.S. economy, according to the third-quarter AICPA Economic Outlook Survey. The survey polls chief executive officers, chief financial officers, ...

**Isaac M. O'Bannon** • Sep. 02, 2021



Labor shortages and mounting inflation fears combined to dampen business executives' outlook on the U.S. economy, according to the third-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.

A bare majority of executives (51 percent) expressed optimism about the U.S. economy over the next 12 months, although that represents a steep drop from last

quarter's measure of 70 percent. Survey respondents cited several factors for the

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said their companies have too few employees and are looking to hire immediately. Another 14 percent said they also have too few employees but are hesitant to hire. And in a sign of the stresses within the job market, two of the top five challenges listed by executives this quarter were "availability of skilled personnel" (No. 1) and "staff turnover" (No. 4).

- **Concern about the impact of COVID-19 variants.**

"There is a significant downward shift – 51 percent versus 70 percent last quarter – in the percentage of business executives who feel optimistic about the U.S. economy," said Ash Noah, CPA, CGMA, vice president and managing director of CGMA learning, education and development for the Association of International Certified Professional Accountants, representing the AICPA and CIMA. "This quarter's score, however, compares favorably to a year ago when it stood at 24 percent. Business executives are expressing increased concern about inflation, staffing and the potential for COVID-19 variant surges, and this continued flux and uncertainty helps explain the current pullback in optimism on the economy."

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 August 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—now stands at 75, down three points from last quarter. The index is a composite of nine, equally weighted survey measures set on a scale of 0 to 100, with 50 considered neutral and higher numbers signifying positive sentiment.

Other key findings of the survey:

- To improve recruitment and retention, 64 percent of business executives said their

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percent projection last quarter. Firm growth is now anticipated to be 2.10 percent, compared to four percent last quarter.

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