

# AICPA & CIMA survey indicates a less pessimistic economic outlook

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With concerns about inflation and a potential recession ticking down, business executives have grown guardedly less pessimistic about the US economy's prospects, according to the third-quarter [AICPA & CIMA Economic Outlook Survey](#). The survey polls chief executive officers, chief financial officers, controllers and other certified public accountants in US companies who hold executive and senior management accounting roles.



Only 29% of survey respondents expressed optimism about the outlook for the US economy over the next 12 months, While modest, that's the highest level since the first quarter of 2022 and a jump from last quarter's measure of 14%. US business executives' views of the global economy also improved somewhat, with 17% expressing optimism, up from 11% last quarter.

Sixteen percent of business executives said they still expected a recession by year end, a dramatic drop from the 47% who expressed that sentiment last quarter. The percentage of those who said they believed the economy is already in recession also fell sharply. Twenty-seven percent still expect to see a recession in 2024.

"Most of the indicators we track are up this quarter, buoyed by greater prospects for a soft landing for the economy and a sense that inflation may have peaked," said Tom Hood, the AICPA & CIMA's executive vice president for business engagement and growth. "There's still substantial wariness about the economic outlook, however. One strong positive is that half of business executives now expect to see expansion in their organizations over the next 12 months."

Inflation, the top business challenge identified within the survey since the end of 2021, was supplanted this quarter by "availability of skilled personnel," a reflection of the continued tightness in the labor market and executives' perception of a lingering skills gap in the workforce.

The most recent meeting of AICPA & CIMA's Future of Finance Leadership Group of Fortune 500 finance executives found transformation and talent were the top barriers to achieving growth as they come through the recession.

Some 39% of business executives said their company currently has too few employees, down from 43% last quarter. Twenty-five percent said they planned to hire immediately, while 14% said they were hesitant to hire because of economic uncertainty.

The AICPA survey is a forward-looking indicator that tracks hiring and business-related expectations for the next 12 months. In comparison, the US Department of Labor's August employment report, scheduled for release tomorrow, looks back on the previous month's hiring trends.

#### Other key findings of the survey:

- Expansion plans increased from 43% to 50%, and those who expect their businesses to contract fell from 46% to 24%.
- Twelve-month profit expectations swung from negative (-0.9%) to a narrow positive (0.1%) in the quarter. Revenue growth for the next 12 months is now projected to be 1.9%, up from 1.2% last quarter.
- Business executives are more optimistic about their own company's prospects over the next 12 months (45% vs. 35% last quarter).
- Some 37% of business executives said they expected their companies to raise prices by year end. Fifty-one percent said they expected no change, while 4% said they anticipated decreases.

#### Methodology

The third-quarter AICPA & CIMA Economic Outlook Survey was conducted from 1 to 24 August 2023, and included 401 qualified responses from CPAs and chartered global management accountants (CGMAs) 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 be found on [aicpa.org](#).

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