

NEWS BRIEF

Provided by: SCS Agency Inc

Report: CFO Economic Pessimism on the Rise

Nearly three-quarters (72%) of chief financial officers (CFOs) expect interest rate hikes to lead to a recession, according to a new quarterly survey from professional services network Grant Thornton. Furthermore, less than half (39%) have a positive outlook about the U.S. economy over the next six months—compared with 69% a year ago.

The pessimistic outlook is being driven by inflation, its trickle-down effect and the steps the Federal Reserve is taking to fight it. Surveyed CFOs cited the following as their top five concerns:

1. The increase in costs for goods and services
2. The increase in energy costs
3. Supply chain challenges
4. Interest rate increases
5. The increased cost of credit and capital

“The CFOs we surveyed are primarily concerned about cost, not demand. That’s exactly what I’m hearing from clients, too. Among our respondents, 71% are confident on demand, but only 57% are confident about controlling costs.”

- National Managing Partner Christopher Schenkenberg, Regional Tax Business Lines, Grant Thornton

In addition, almost half (41%) of the surveyed CFOs say cybersecurity will be their top challenge over the next six months, with the supply chain (37%) and the remote workforce (32%) following next.

What’s Next?

While most CFOs aren’t optimistic about the economy, they believe that the economic impact of COVID-19 is waning. They’re confident and expect their companies to meet growth goals and increase net profits.

Uncertainty around the U.S. economy will continue. Meanwhile, employers can continue to monitor inflation, recession and supply chain fears and adjust their pricing and projections accordingly.

Contact SCS Agency Inc for more resources.

