

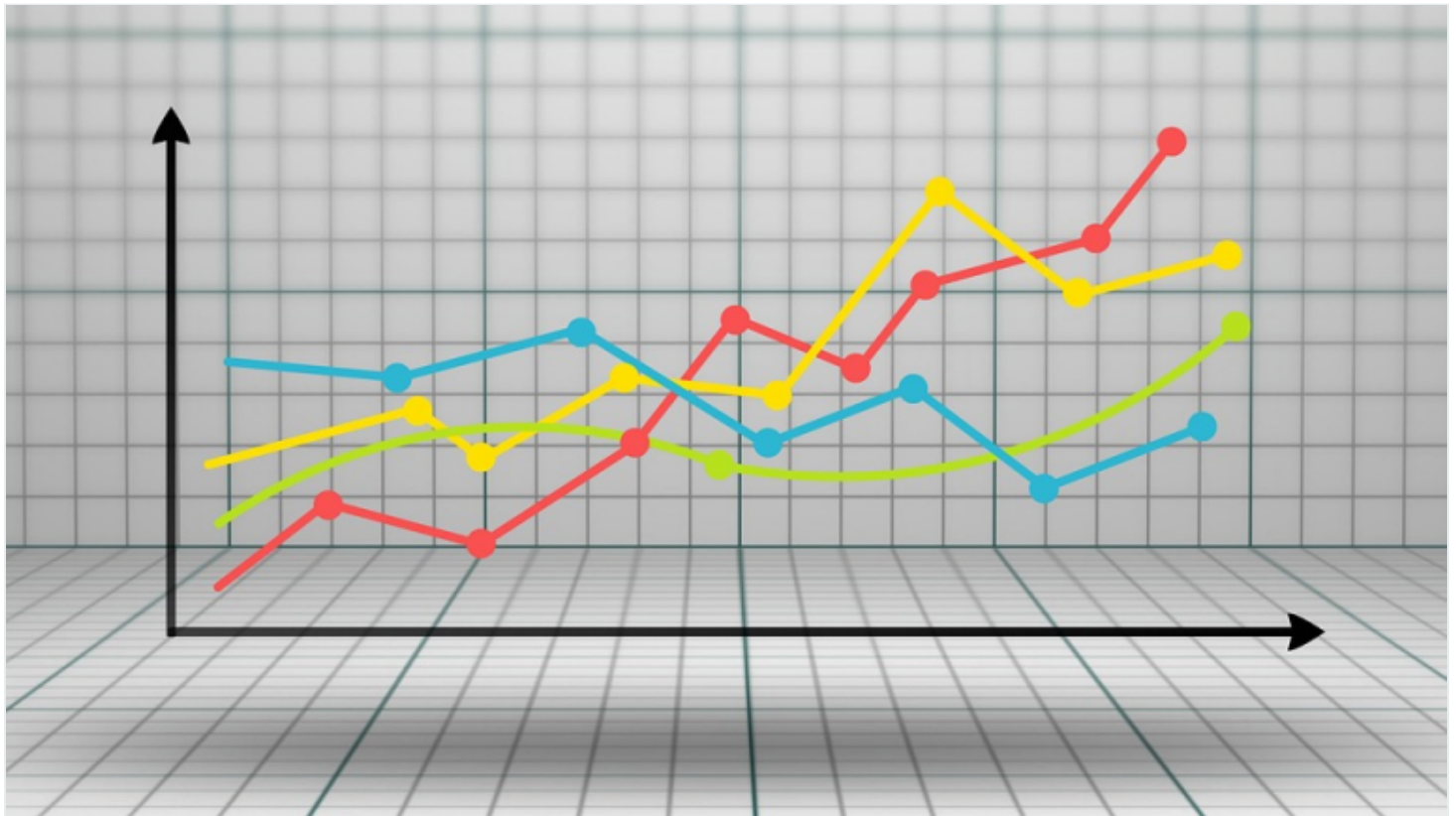
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Findings

Seventy percent of business executives expressed optimism about the U.S. economy over the next 12 months, up from 47 percent last quarter, as government relief funds, vaccine rollouts and relaxed workplace restrictions have improved business conditions.

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Business executives are predicting the economy will roar back in the coming year, with revenue and profit growth expectations not seen since 2018, according to the second-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.

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quarter,

Most of the outlook was overwhelmingly positive, however:

- Business executives' optimism about their own organization's prospects over the next 12 months rose to 76 percent from 58 percent last quarter
- Some 69 percent of executives say their companies plan to expand in the next 12 months, up from 58 percent last quarter
- Profits are expected to grow by four percent in the next 12 months, more than doubling last quarter's 1.9 percent forecast. And revenues are expected to climb five percent, up from three percent. Both projections are at their highest level since 2018.
- The hiring picture is also significantly improved, with 33 percent of executives saying their companies planned to fill positions immediately, up from 19 percent last quarter. Another 14 percent said they have too few employees but are hesitant to hire. The percentage of executives who said their companies had too many employees declined from seven to four percent, quarter over quarter.

"What we're seeing is a broad expectation that things will really open up in the second half of the year," 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. "Many issues remain, of course. Supply chains are still straining to meet demand in a number of sectors. The global response to the pandemic still contains many uncertainties, which impacts the United States. But we are clearly seeing growing confidence on the part of business executives that the worst is behind us."

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

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Other key findings of the survey:

- Some 50 percent of business executives expressed optimism about the global economy, up from 37 percent last quarter
- After “availability of skilled personnel,” the top challenges cited by businesses are “materials/supplies/equipment costs” – No. 6 last quarter – and “domestic political leadership.”
- Companies’ input prices are predicted to increase by 4.4 percent over the next 12 months, up from last quarter’s forecast of 3.1 percent. Conversely, the prices executives expect their companies to charge are expected to increase 2.7 percent in that timeframe, up from 1.8 percent.
- Sectors seeing stepped-up hiring compared to last quarter include the category that includes pharmaceutical companies and medical device makers, manufacturing, and hospitality and entertainment. Those seeing increases ramp down a bit include banking and real estate.

Small Business

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