

The Business Journals: <https://www.bizjournals.com/bizjournals/news/2023/07/18/recession-inflation-profit-revenue-jpmorgan.html>

Recession worries are fading for many businesses. But one number isn't budging.

By [Andy Medici](#) – Senior Reporter, The Playbook,

After [months of uncertainty and recession fears](#), business leaders are showing more optimism about the economy. But their confidence in their own company's performance isn't showing similar gains.

That was a big takeaway from the [JPMorgan Chase 2023 Midyear Business Leaders Outlook](#), which found 45% of midsize business leaders anticipate a recession before the end of the year, down from 65% six months ago. Meanwhile, the percentage of midsize business leaders who were pessimistic about the global economy fell from 60% to 39% in the latest survey.

The increased confidence — [which comes as the stock market has been on a hot streak](#) — bodes well for the remainder of the year. Many businesses had been worried that economic concerns would spark cutbacks in spending and lead to revenue challenges at a time when [companies are faced with a credit crunch and thinner access to capital](#).

But increased confidence in the global economy hasn't directly coincided with confidence in their own businesses. About 67% remain confident in their own company's performance for the next year, about the same as six months ago. Additionally, 52% are expecting increased profits, only a slight uptick from 51% six months ago.

Ginger Chambless, head of research for JPMorgan Chase Commercial Banking, said consumer spending and other tailwinds led the economy to a stronger first half than expected. In turn, that has reduced recession expectations. That's not to say it's all positive news.

Price problems linger

Inflation continues to be a major concern for midsize businesses. About 79% said the cost of doing business has risen in the past six months, although that is down from 91% six months ago.

The sentiment comes as overall inflation declines from the 9.1% year-over-year increase in the Consumer Price Index seen in June 2022. The Bureau of Labor Statistics reported [a 3% year-over-year increase in the Consumer Price Index for June 2023](#). That compares to a pre-pandemic range of 1% to 2.5%.

About 75% of business owners said they were likely to continue to raise prices to mitigate costs.

Despite some [national signals of a softening labor market](#), talent remains an issue for many businesses.

About 22% of businesses cited labor shortages as their biggest external threat, followed by inflation and competition.

"I think it's very consistent with what we are seeing in the macro data as well — continued strength in the labor market," Chambless said.

Marcum-Hofstra CEO Survey also shows confidence

The latest [Marcum-Hofstra University CEO Survey](#) also showed a noticeable uptick in optimism in the last few months, with the biggest gains in construction, professional services and technology sectors — while the health care and retail sectors saw a dip.

The percentage of CEOs who said they were "very concerned" about a recession dropped from 46.5% in November 2022 to 26.4% now. The percentage of CEOs expressing no concern about a potential recession grew from 6.3% to 15.6% over the same time.

"Our latest CEO survey shows that optimism is on the rise, but it's clear that these leaders are keenly aware of the challenges ahead," said [Jeffrey Weiner, chairman and CEO of Marcum](#). "From managing economic uncertainties and grappling with talent shortages to mitigating the impact of rising operational costs, CEOs will need adaptability and grit in this fluid business landscape."

Even with optimism about the overall economy rising, concerns remain about the job market.

About 75% of Americans [surveyed in an April Morning Consult poll said they are worried about layoffs](#). About 44% were worried about job losses at their own company specifically, and 39% were worried about losing their own jobs.

However, jobseekers are still seeking out new jobs and big career changes, [according to CompTIA's Job Seeker Trends tracking survey](#), which reported that 27% of the labor market reported actively pursuing a new job or career change in the past 90 days. Among those seeking new jobs, 40% said the job market was strong.