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CEOs Grow More Polarized On Economic Outlook, Survey Says

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CEOs are gravitating toward two opposite camps when it comes to their outlook on the economy, a new survey suggests.

While they are overall largely optimistic about the economy, executives at 209 mostly midsize companies surveyed in the fourth quarter drifted toward both the positive and negative ends of the scale, according to Marcum LLP, a national accounting and advisory firm that conducts the CEO Confidence Index survey with Chief Executive Group.

"CEOs' outlook on the business climate was invigorated at both the positive and negative ranges of the confidence scale during the fourth quarter of 2018, with more executives taking definitive positions, and fewer putting themselves in neutral territory," Marcum CEO Jeffrey M. Weiner said in a prepared statement. "This is a reflection of the general mood in our country right now, as we continue to see pronounced polarity on most national issues."

The survey found that 7.11 percent of CEOs gave their outlook the maximum "10" rating, which was up from 5 percent in the third quarter and the first increase in three quarters. The scale goes from 1 to 10, with 10 being the most optimistic about the 12-month outlook for the economy.

Those rating their outlook a 9 increased to 21.33 percent, up from 19.71 percent in the third quarter.

There were fewer CEOs in the neutral outlook camp from the third to the fourth quarter, with those scoring their outlook an 8 falling from 37 percent to 28 percent and those with a 7 score going from 17 percent to 14 percent.

Meanwhile, there was also an increasing number of CEOs on the negative side of the index ledger, according to Marcum LLP.

Those putting their confidence levels at 4, 5 or 6 increased to 28.44 percent from 20.44 in the third quarter, and up from 13.69 percent in the first quarter.

"Nonetheless, CEOs remain exceedingly optimistic about the business environment, with 95.26 percent rating their outlook in the range of 5 to 10 and just 4.74 percent choosing ratings of 1 to 4," the report said.