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Middle-market CEOs saw disruptions even before lockdowns

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by [Kevin Gale](#)

Even before statewide lockdowns swept the nation and shuttered most of the U.S. economy, more than half of middle-market CEOs said the spread of coronavirus had disrupted their companies' production and supply chains, according to the latest Marcum-Hofstra CEO Survey.

The Marcum LLP-Hofstra University CEO Survey found that approximately 56% of mid-market CEOs reported production disruptions related to COVID-19. At the same time, the global pandemic has forced many businesses to shut down operations entirely in several international markets, the survey found.

CEO optimism about the current business environment plummeted just as the coronavirus outbreak was reaching U.S. shores.

- 13.3% of CEOs rated their outlook for the coming year as “10.” This is a decline from 17.6% in the previous survey.
- 35.6% of CEOs rated their outlook as “8” or higher. This is a steep decline from 58.6% previously.
- 71.5% of CEOs assigned a rating of “5” or higher in the current survey, down sharply from 94.1%.
- 40.2% of CEOs assigned a rating of “5” or lower in the current survey, up sharply from 11%.

When asked about their priorities for capital investment over the next 12 months, technology was the most frequent response, with 60% of CEOs indicating that this was one of their three top priorities. This represents a decrease from 68% in the previous survey.

- Equipment (23% of CEOs) and technology (21% of CEOs) were most commonly cited as the top investment priorities

Issues related to the economy, the availability of talent, and technology were the most commonly expressed influences on business planning (top 3) for the coming 12 months.

- “Economic concerns” was most often cited as having the greatest influence (by 31.3% of the respondents), followed by “access to capital,” which was cited by 21.5% of respondents.