



NEWS RELEASE

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Business Roundtable CEO Economic Outlook Index Reaches Highest Level in Survey's 15-Year History

First Survey Post-Tax Reform; Survey Conducted Before Trump Tariff Announcement

Washington – The Business Roundtable Q1 2018 CEO Economic Outlook Index – a composite of CEO projections for sales and plans for capital spending and hiring over the next six months – increased to 118.6 in the first quarter of 2018, the highest level since the survey began in the fourth quarter of 2002. The survey was conducted between February 7 and February 26, 2018. Results reflect renewed CEO optimism and confidence following passage of the *Tax Cuts and Jobs Act*, but do not capture effects of President Trump's March 8, 2018, announcement of steel and aluminum tariffs that could undermine the benefits of tax reform.

The Q1 2018 Index exceeded its previous high point of 113 in 2011. The Index has significantly surpassed its historical average level of 81.2.

All three components of the Index reached record highs, signaling a positive direction for the U.S economy.

- CEO plans for hiring rose to 98.5, up 22.8 from the previous quarter.
- Plans for capital investment rose to 115.4, up 22.7 from Q4 2017.
- Expectations for sales reached 141.9, an increase of 19.9 from the last quarter.

In their second estimate for GDP in 2018, CEOs project 2.8 percent GDP growth for the year, compared to the previous quarter's estimate of 2.5 percent for the year.

Jamie Dimon, Chairman and Chief Executive Officer of JPMorgan Chase & Co. and Chairman of Business Roundtable said, “These results validate BRT’s advocacy of smart and inclusive economic policies. Put into action, the survey results translate into more jobs and opportunity for all Americans. BRT companies are stepping up to share the benefits of a strong business environment with their employees and their communities. We must do everything possible to continue to build on this strong momentum.”

Joshua Bolten, Business Roundtable President & CEO added, “The impact of the new tax law is clear, with the Business Roundtable CEO Survey reaching its highest point in its 15-year history. Tax reform is already prompting more investment, jobs and increased wages and benefits for American workers.

“Yet the economic progress made by easing regulatory burdens and reforming our tax code faces a looming threat. By taking measures to restrict international trade, the Trump Administration risks undoing this economic progress and harming American workers and businesses who rely on trade to stay competitive in the global marketplace.

“Rather than undermining the benefits of tax reform and regulatory relief, the Administration should move forward with a positive trade agenda that expands opportunity for American businesses and workers.”

Survey Results

The survey’s key findings from this quarter and the fourth quarter of 2017 include:

CEO Survey Results & Sub-Indices	2017 Q4				2018 Q1				Quarter-Quarter Change in Sub-Index
	Increase	No Change	Decrease	Sub-Index	Increase	No Change	Decrease	Sub-Index	
How do you expect your company's <u>sales</u> to change in the next six months?	76%	20%	4%	122.0	93%	7%	1%	141.9	+19.9
How do you expect your company's U.S. <u>capital spending</u> to change in the next six months?	49%	45%	6%	92.7	68%	30%	2%	115.4	+22.7
How do you expect your company's U.S. <u>employment</u> to change in the next six months?	43%	39%	18%	75.7	61%	26%	13%	98.5	+22.8

First Quarter 2018 Business Roundtable CEO Economic Outlook Index

The Business Roundtable CEO Economic Outlook Index – a composite index of CEO plans for the next six months of sales, capital spending and employment – increased from 96.8 in the fourth quarter of 2017 to 118.6 in the first quarter of 2018.

About the Business Roundtable CEO Economic Outlook Survey

The Business Roundtable CEO Economic Outlook Survey, conducted quarterly since the fourth quarter of 2002, provides a forward-looking view of the economy by Business Roundtable member CEOs.

The survey is designed to provide a picture of the future direction of the U.S. economy by asking CEOs to report their plans for their company's sales, capex and employment in the next six months. The data are used to create the Business Roundtable CEO Economic Outlook Index and sub-indices for sales, capex and hiring expectations. These indices are diffusion indices that range between -50 and 150 – where readings at 50 or above indicate an economic expansion, and readings below 50 indicate an economic contraction. A diffusion index is defined as the percentage of respondents who report that a measure will increase, minus the percentage who report that the measure will decrease.

The first quarter 2018 survey was conducted between February 7 and February 26, 2018. Overall, 137 CEOs completed the survey. Results of this and all previous surveys are available at brt.org/resources/ceo-survey.

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