



# NEWS RELEASE

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## Business Roundtable CEO Economic Outlook Index Shows Signs of Continued Confidence in Economy

### *Business Leaders Identify U.S. Tax System as the Most Significant Barrier Impacting U.S. Global Competitiveness*

Washington — The Business Roundtable CEO Economic Outlook Index — a composite of CEO projections for sales and plans for capital spending and hiring over the next six months — stood at 94.5 for the third quarter of 2017, edging up from 93.9 in the second quarter.

For the second quarter in a row, the Index reached its highest level since the second quarter of 2014 (95.4). The Index has also significantly exceeded its historical average of 80.3 for three quarters in a row and remains well above 50, suggesting CEOs' continued confidence in the U.S. economy.

CEO plans for hiring jumped from the previous quarter, up 9.9 points to 80.2 in the third quarter - the highest reading in more than six years. Expectations for sales dipped by 7.4 to 116.9 for the third quarter, while plans for capital investment moderated slightly from 87.2 to 86.4.

CEOs project 2.1 percent GDP growth in 2017, up 0.1 percent from their projection for 2017 made in June.

Responding to a special question, CEOs identified the U.S. tax system as the most important disadvantage for the U.S. economy relative to other major economies. Of the 140 CEOs who responded to the survey, 122 (87 percent) identified the U.S. tax code as a disadvantage - including 85 CEOs who viewed it as a "substantial disadvantage."

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*Jamie Dimon, Chairman and Chief Executive Officer of JPMorgan Chase & Co. and Chairman of Business Roundtable said, “The survey results demonstrate that CEOs remain confident in the U.S. economy and that we must seize on the opportunity to continue to press for pro-growth economic policies that create jobs and fuel wage growth at all levels of the economy. Our CEOs are committed and actively engaged in the effort to pass tax reform because they recognize that it will make us stronger as a country and create more opportunity for all Americans.”*

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*Joshua Bolten, Business Roundtable President & CEO added, “As the largest employers in the country, Business Roundtable CEOs are sending a positive economic signal with their plans for increased hiring. They see the progress that has been made toward creating a more favorable regulatory environment, while tax reform remains an economic imperative.*

*“Business Roundtable CEOs overwhelmingly regard the U.S. tax system as a major disadvantage when it comes to competing with the rest of the world. Failure to pass tax reform would cement that disadvantage to the detriment of all Americans. Business Roundtable will continue to work with Congress and the Administration toward successful enactment of reform legislation.”*

## **Survey Results**

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

CEO Survey Results & Sub-Indices	2017 Q2				2017 Q3				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?	77%	20%	3%	<b>124.3</b>	73%	22%	6%	<b>116.9</b>	<b>-7.4</b>

How do you expect your company's U.S. <u>capital spending</u> to change in the next six months?	43%	52%	6%	<b>87.2</b>	49%	39%	12%	<b>86.4</b>	<b>-0.8</b>
How do you expect your company's U.S. <u>employment</u> to change in the next six months?	36%	49%	16%	<b>70.3</b>	43%	44%	13%	<b>80.2</b>	<b>+9.9</b>

### ***Third Quarter 2017 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 93.9 in the second quarter of 2017 to 94.5 for the third quarter of 2017.

### ***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 third quarter 2017 survey was conducted between August 18 and September 6, 2017. Overall, 140 CEOs completed the survey. Results of this and all previous surveys are available at [brt.org/resources/ceo-survey](http://brt.org/resources/ceo-survey).

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Business Roundtable CEO members lead companies with nearly 15 million employees and more than \$6 trillion in annual revenues. The combined market capitalization of Business Roundtable member companies is the equivalent of nearly one-quarter of total U.S. stock market capitalization, and Business Roundtable members invest more than \$100 billion annually in research and development - equal to 30 percent of U.S. private R&D spending. Our companies pay over \$220 billion in dividends to shareholders and generate more than \$400 billion in revenues for small and medium-sized businesses annually. Business Roundtable companies also make more than \$7 billion a year in charitable contributions. Learn more at [BusinessRoundtable.org](https://www.BusinessRoundtable.org)

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