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Business CEOs Bullish on Economy, Plan to Invest Tax Cut Savings in Growth

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[Marcum LLP](#) and [Hofstra University's Frank G. Zarb School of Business](#) have joined forces to survey the nation's business leaders about their outlook on the business environment, their short-term plans for growth and investment, and their perspective on selected business or news developments. The [Marcum LLP-Hofstra University CEO Survey](#) is being conducted as part of the Zarb Business School's MBA curriculum and will be presented in three installments in 2019.

Results from the first survey found CEOs to be strongly bullish, both in their current and short-term future outlook. A majority of CEOs also feel confident they can meet the demands of their jobs, despite numerous challenges. CEOs whose companies realized a tax savings in the first year of the new tax law described how they plan to invest the funds back into their companies, citing business expansion, debt reduction, operational improvements, and increasing employees' salaries as their first priorities.

“It is a very positive signal for the economy and the national mood that the first Marcum-Hofstra survey revealed CEOs' strong optimism about the business environment, despite the economic and policy flux that has characterized the past year, and the complex new tax code that has changed the dynamics of commerce from the local to the international level,” said [Jeffrey M. Weiner](#), Marcum's chairman & chief executive officer, a Hofstra alumnus.

“Hofstra and the Zarb School of Business share Marcum's focus on entrepreneurship and leadership, and they are already bringing valuable new insight to our CEO Survey. In addition to uncovering

meaningful intelligence on prevailing CEO attitudes, Marcum is very committed to making this joint project a real-world learning exercise for the future business leaders who work on it,” Mr. Weiner said.

The CEOs surveyed also stressed recruitment and availability of talent as top priorities in capital spending and business influences. Almost half (49%) of all those polled rated the availability of talent among their top influences for business planning over the next 12 months. And 29 percent said talent recruitment will be one of their top capital investments in the next year.

“Partnerships like this one between Marcum and the Zarb School are vital to training the next generation of business leaders,” said Zarb School Dean Janet Lenaghan. “This survey, with its in-depth, real-time insight about the business climate, help us provide a pipeline of talented students who are poised meet the demands of industry and prepared to take their place in C-suite.”

Highlights of the first Marcum-Hofstra survey include the following:

- 18% of CEOs gave their outlook on the business environment the highest rating of “10” and 96% rated their outlook a “5” or higher.
- The weighted average of CEO responses was 7.79, compared to 7.46 in the previous quarter. This is a level of confidence not seen since the first quarter of 2018, when the weighted average was 7.77.
- 64% of CEOs plan to invest more in their companies over the next 12 months. Technology was most frequently selected as a top-three investment priority (47%), and equipment was the No.1 priority overall (20%).
- The three greatest influences on business planning selected by CEOs were technology (53%), economic concerns (53%) and availability of talent (49%).
- The top external issues cited by CEOs as impacting their businesses included economic trends (76%), cost of labor (49%), cybersecurity (38%) and inflation (38%).

The CEO Job

In addition to the benchmarking questions, two bellwether questions provided new insight into CEOs’ current mindset. Asked whether their jobs were harder now than in the past, a clear majority (57%) answered “no.” Of the 43% who said the CEO job is harder now, the most frequent reason given was the challenge of “attracting and retaining customers/clients” (18%). Other top-three answers included “economic concerns” (14%) and “attracting/retaining talent” (13%).

Impact of the Tax Cuts & Jobs Act

CEOs were also asked about the impact of the 2017 Tax Cuts & Jobs Act on their business’ tax liability. More than a quarter (27%) of respondents said their companies’ tax obligations decreased in

the first year under the new tax law. 18% said their companies' taxes increased. About half (46%) saw no effect on their taxes.

“The collaboration between Marcum LLP and the Hofstra University Zarb School of Business provides an opportunity for Zarb MBA students to focus their attention on the timely issues that impact corporate leaders,” said Dr. Andrew Forman, associate professor of marketing and director of the co-op MBA program. “The students began by identifying key forces and trends shaping the current business environment. Subsequently, they designed the questionnaire, analyzed the survey results, and reported on the influence of these factors on executive decision-making. The students, in addition to honing their research skills, gained a deeper appreciation of the role that external forces play in the evolution CEOs' strategic priorities.”