

# 2019

McDonald Hopkins

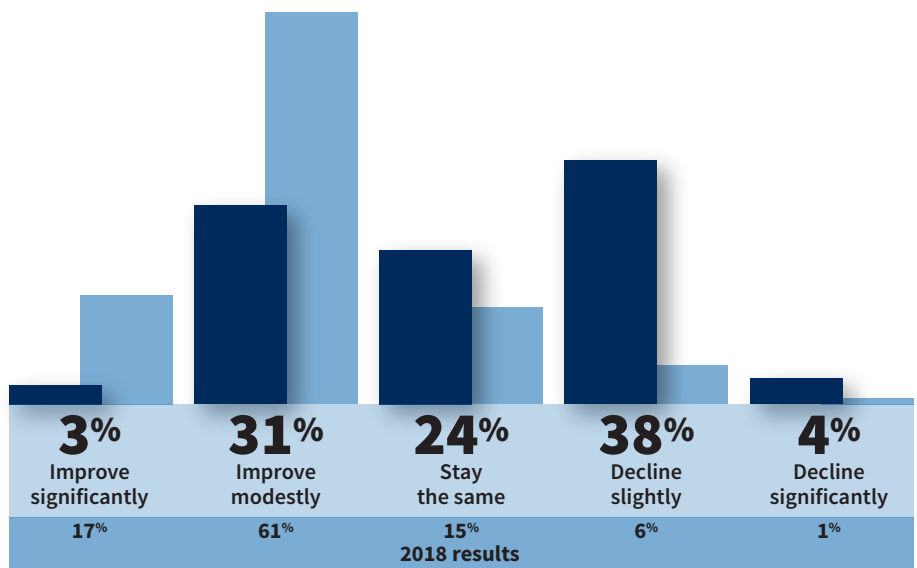
## BUSINESS OUTLOOK SURVEY REPORT

# Confidence in the U.S. business outlook takes a tumble in 2019

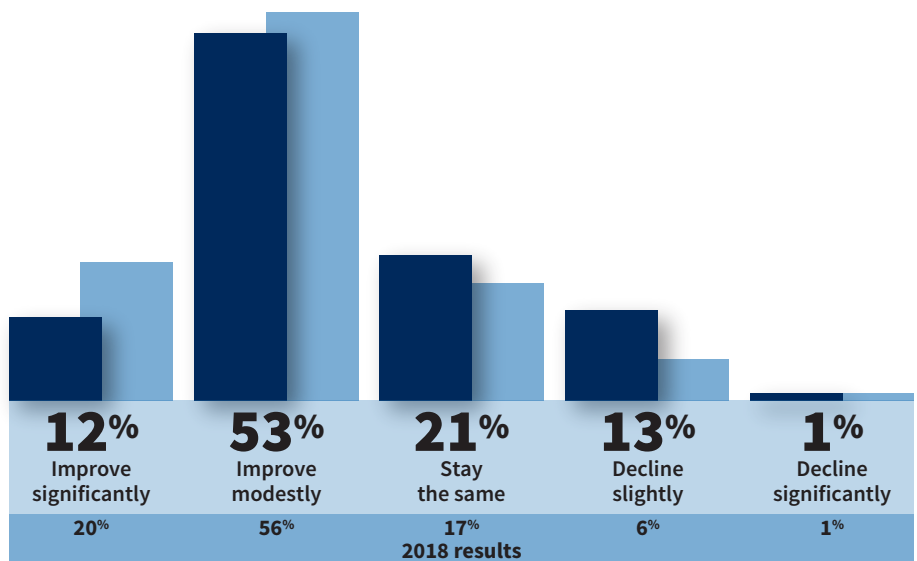
The business community's exuberance about the U.S. business climate has diminished considerably since last year. Only 34 percent of the business executives who responded to our ninth annual Business Outlook Survey expect business conditions in the U.S. to improve this year. Last year, nearly 80 percent predicted improvement.

Some of the words repeatedly used by our respondents are: uncertainty, volatility and chaos. As one executive said, "Uncertainty is not good for business..." It is noteworthy that 65 percent expect business conditions in their own organizations to improve this year.

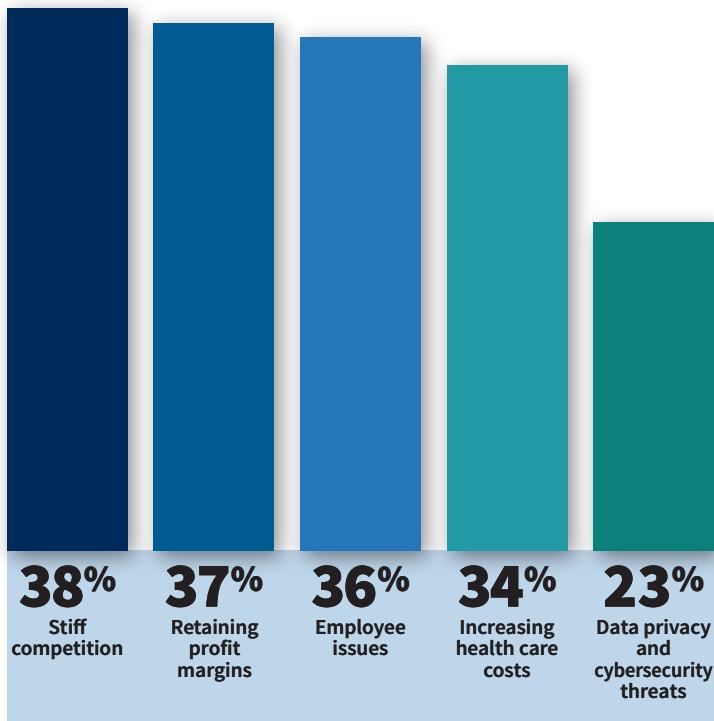
### Do you expect business conditions in the U.S. to



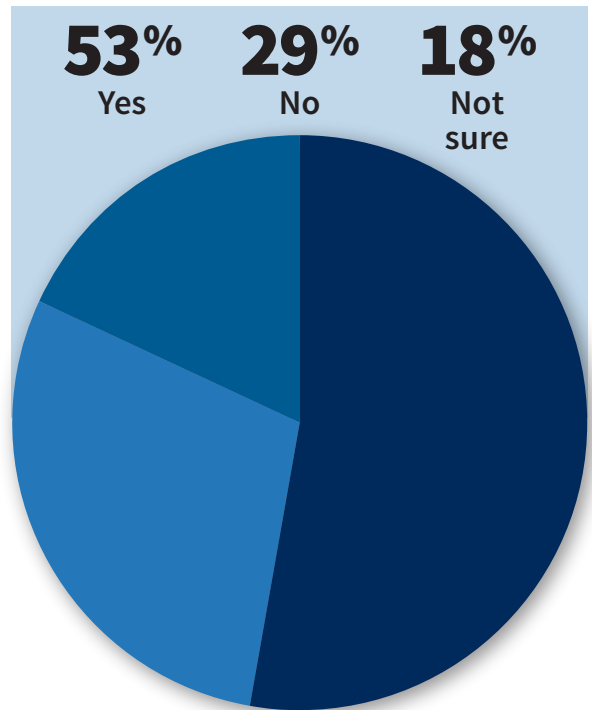
### Do you expect business conditions in your organization to



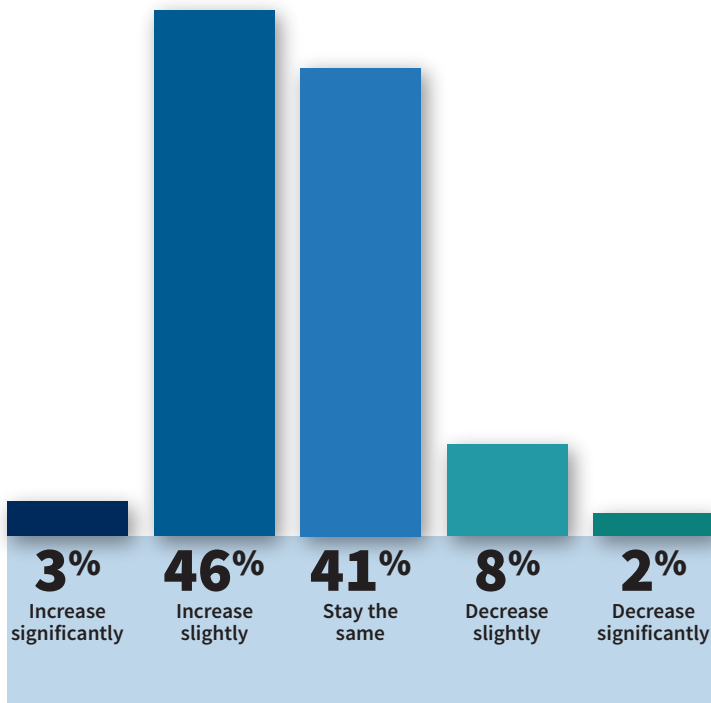
### What do you believe are the greatest challenges facing your organization?



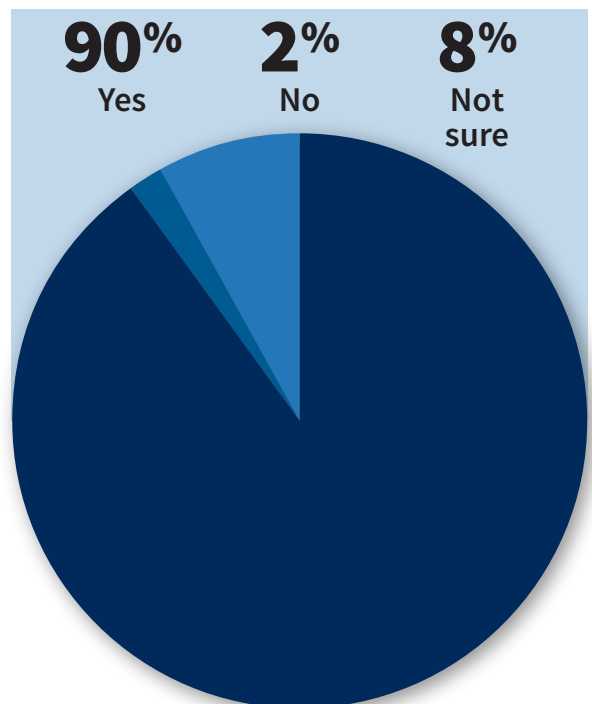
### Do you believe that volatility in the stock market will harm the economy?



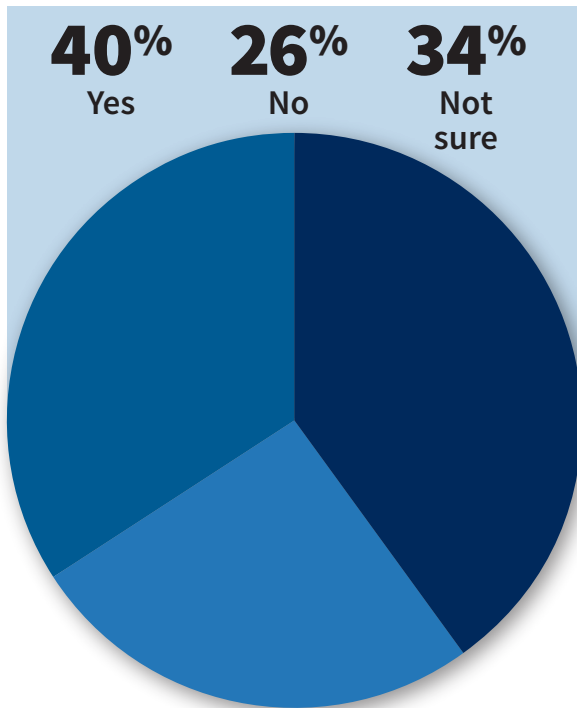
### Is your organization likely to increase or decrease its number of employees?



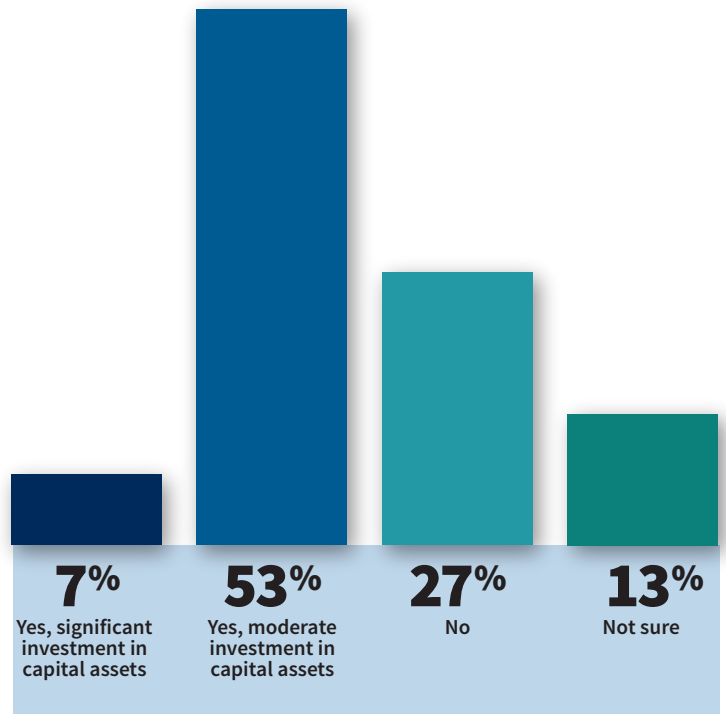
### Do you believe the stock market will continue to be volatile?



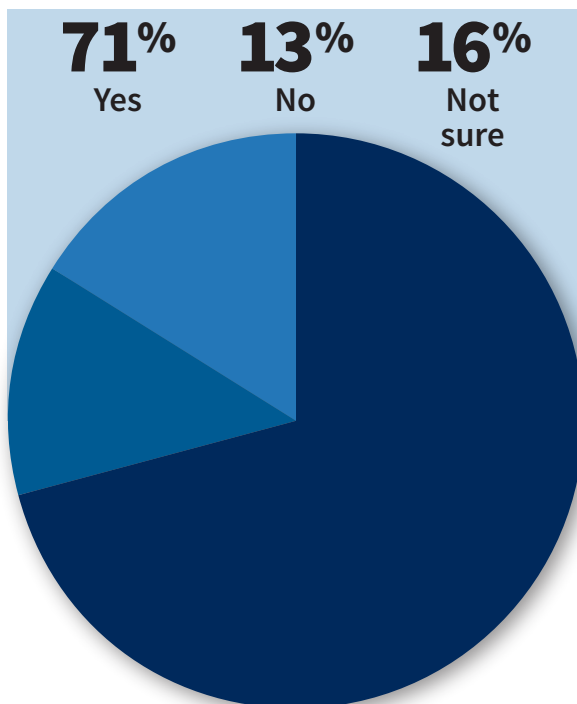
## Did the 2017 tax reform act benefit your organization?



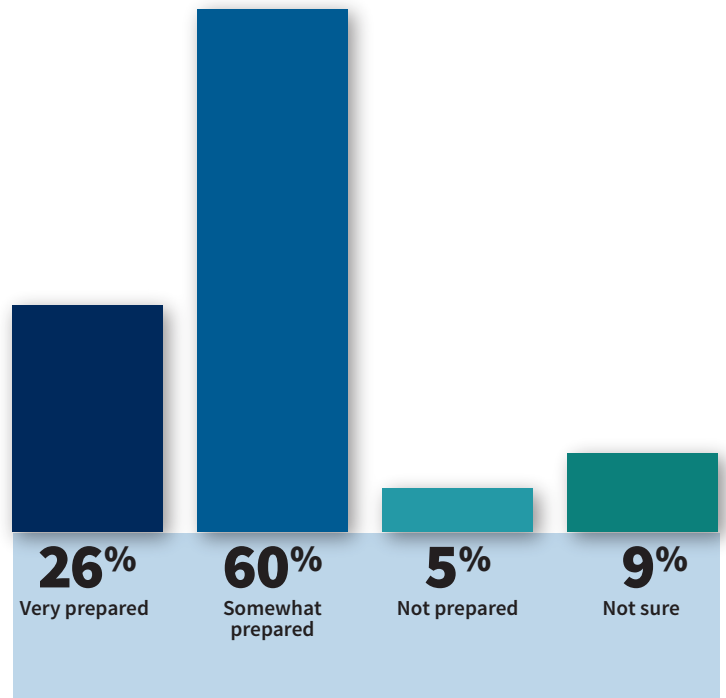
## Is your business planning to invest in capital assets?



## Do you expect the Federal Reserve to increase interest rates again?



## How prepared is your organization for internal and external data privacy and cybersecurity threats?



## A sample of comments:

### Accounting

*If the ever growing federal budget deficit is not addressed soon and recent growth proves non-sustainable, then the U.S. is headed for an economic Armageddon.*

*Our current administration continues to create chaos and erode confidence in their ability to exercise common sense. It is sad and scary.*

### Banking

*Markets will continue to be volatile, but think economy will continue to grow although slower than last year. Tariffs and Fed missteps are greatest fears.*

*Uncertain...which is never a good thing.*

*2019 will be the year of the tax cut hangover... Setting economic policy through daily tweets creates more uncertainty.*

### Construction

*I believe the Fed will lower interest rates 1-2 times in 2019 because their increases were an overreaction to inflation that never materialized.*

*I am a small business trying to make a start in the market. Each year the political scene alters the success of this ability for me.*

### Energy

*Businesses will have to focus on sustainability and competitiveness, as two very critical factors to deliver and execute their operations as planned.*

### Finance/Investment

*Increased signs of economy weakening 12 - 18 months out.*

*The political divide in this country will increase the volatility and uncertainty of the global economy.*

### Food and Beverage

*As an employer who advocates for diversity and has succeeded in large part due to the efforts of our immigrant and refugee employees, it is disheartening to see the ongoing governmental efforts toward restricting legal access to immigration and citizenship.*

### Healthcare/Pharmaceutical

*The regulatory environment is the biggest wild card in my industry.*

*The political landscape will continue to be a problem in the business community.*

*We need to fix the affordable healthcare act and restore the health insurance mandate.*

*Staffing is very difficult.*

### Technology

*Current administration does not value or is incapable of forward and strategic thinking so ambiguity reigns.*

### Manufacturing/Distribution

*2019 business outlook is uncertain due to the conflicts currently taking place between the different government entities.*

*Tariffs and government volatility will continue the downward spiral of the stock market.*

*I believe the global economy will slow a bit and look for a moderate slowing here in the U.S.*

*Trumps actions and threats in 2018 had more impact on our business (mostly bad) than in all the prior 13 years combined.*

### Nonprofit

*The number one impact on business outlook is chaos in government/politics.*

*Big business and big money have far too much control over government, and therefore over business opportunities. It's bad for business, the consumer, and the planet.*

### Professional Services

*Despite a small economic slow down I think the labor market will still be tight in 2019.*

*I'm cautiously optimistic about 2019, but uncertainty in global trade, interest rates, and overall demand are concerns.*

### Real Estate

*Traditional "rules of thumb" no longer apply in the post crash world.*

*Division of country and political arena at national level fanned by the media hurts business environment. Legitimately addressing Federal deficit is necessary.*

### Retail

*While 2018 was a great year for us, we look for 2019 to be at least equal if not better.*

*I believe that the tax cuts are a fundamental or structural change in the U.S. economy. This is just beginning to be felt. 2019 will be a good year.*



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The 2019 Business Outlook Survey was conducted Jan. 2, 2019 to Jan. 28, 2019.