

**CFO Survey**  
Looking  
beyond the  
clouds

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The Deloitte CFO Survey targets the CFOs of major Australian listed companies. It has been conducted on a quarterly basis since the third quarter of 2009. This survey covers the third quarter of 2014 and took place between 9 September 2014 and 26 September 2014. 46 CFOs participated, representing businesses with a combined market value of approximately \$281 billion or 17% of the Australian quoted equity market.



This quarter saw clouds continuing to hang over business sentiment. But many CFOs are unperturbed by the prevailing conditions and remain focused on growth.

Net optimism has remained subdued off the back of lower-than-expected growth rates in China, weakened commodity prices and ongoing frustration with federal government policy. These concerns have also resulted in a reduced appetite for risk, now at its lowest level since June 2013.

Despite this, the falling Australian dollar is having a positive impact on confidence. Credit is now cheaper and more available than at any time since the Australian CFO Survey began in 2009. The majority of CFOs plan to increase capital expenditure, merger and acquisition activity and organic expansion over the next 12 months. They also plan to introduce new products and services.

This pattern is also reflected in CFOs' views on the ongoing Senate negotiations around the Budget: most said it was negatively affecting their confidence but not their investment plans.

So while there are some clouds hanging over sentiment, the outlook remains positive for growth in the medium term.

#### **Keith Skinner**

Chief Operating Officer

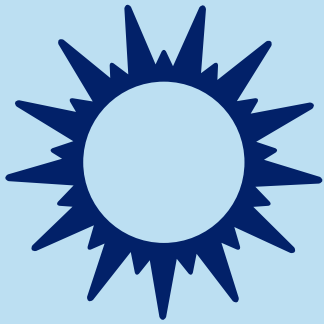
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Plans for growth remain strong  
with outlook for increased M&A activity



SUNNY

56%

Risk appetite has dipped to the  
lowest level since June last year



CHILLY OVERNIGHT

30%

The strength of the US economy had the  
most positive influence on CFO confidence



PARTLY SUNNY

50%

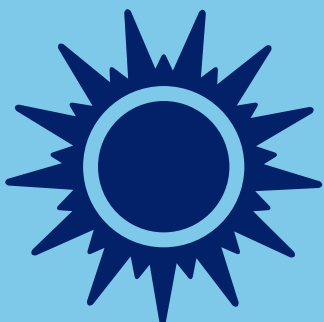
Optimism has been negatively affected by  
lower-than-expected growth rates in China



RAIN AHEAD

56%

Credit is cheaper than at any  
time since the survey began in 2009



CLEAR SKIES

61%

Uncertainty over the Budget's stalled  
passage through the Senate has dampened  
business confidence



THUNDERSTORMS

54%

# The Deloitte CFO Survey

## Looking beyond the clouds

### Key points from the CFO Survey

- Expectations regarding increased revenue, margins, headcount, discretionary spending and cash flow are all positive but lower than they were three months ago
- Plans for increased capital expenditure, M&A activity, organic growth and new products and services remain strong
- Credit is cheaper and more available than at any time since the CFO Survey began in 2009
- Optimism has been negatively affected by weaker commodity prices combined with lower-than-expected growth rates in China
- Federal government uncertainty over the Budget's stalled passage through the Senate has dampened business confidence significantly, but has had a smaller impact on companies' investment plans
- Recent falls in the Australian dollar, current interest rate levels and the strength of the US economy have all had a positive influence on CFO confidence

However:

- CFO risk appetite has dipped to its lowest level since June last year

### Slowdown in sentiment and risk appetite

This quarter, optimism continued to fall for the second consecutive quarter with positive-leaning CFOs only just outnumbering the negative. This has resulted in the lowest net level of business confidence (net 2%) since mid-2013.

The gap between Australian CFOs and their British and North American counterparts has continued to widen – the outlook of UK and US CFOs is still resoundingly positive.

Falling confidence is being driven by the slowdown in China and weakened commodity prices at home. However, at least 40 % of respondents said the lower Australian dollar had helped support overall confidence levels in Q3.

Above normal levels of uncertainty have continued to creep up since the start of the year, and most CFOs agree that will not change for at least another 12 months.

Most notably, however, risk appetite fell sharply; less than 30% of respondents said now was a good time to take greater risk onto their balance sheets, the lowest level in more than a year.

### Budget standoff hampers confidence

Federal government policy uncertainty weighed heavily on CFO confidence, with close to half citing a negative impact on optimism. When asked specifically about the ongoing Senate negotiations over the Federal Budget, three quarters of respondents said it was negatively affecting their confidence. However, only a third said it was influencing their investment plans while 65% said it had no impact at all.

In dealing with the Senate standoff, close to half of the respondents called for a mini-budget to speed up or hold the rate of fiscal repair. Meanwhile, 37% of CFOs felt that the government needed to continue negotiations to achieve the best possible fiscal repair given the current political circumstances. Either way, CFOs are seeking an outcome where they can have greater confidence and certainty.

#### **Growth strategies remain firm**

CFOs are still looking for growth and expect revenue to increase over the next 12 months but at a lower rate than last quarter. They do, however, have lower expectations for margins, headcount, discretionary spending and cash flow than last quarter. Capital spending intentions have increased after a dip last quarter, while plans for M&A, organic expansion and introducing new products and services are as strong, if not stronger, than they were last quarter.

#### **Gearing on hold despite cheap and available credit**

CFOs have reported in net terms that credit is cheaper and more available than at any time since the survey began in Australia in 2009. While the number of CFOs who believe Australian corporate balance sheets are under-gearred has risen, more CFOs expect their own gearing to fall in the year ahead as opposed to rise, reflecting the suppressed appetite for risk.

#### **Investment hurdle rates stay high**

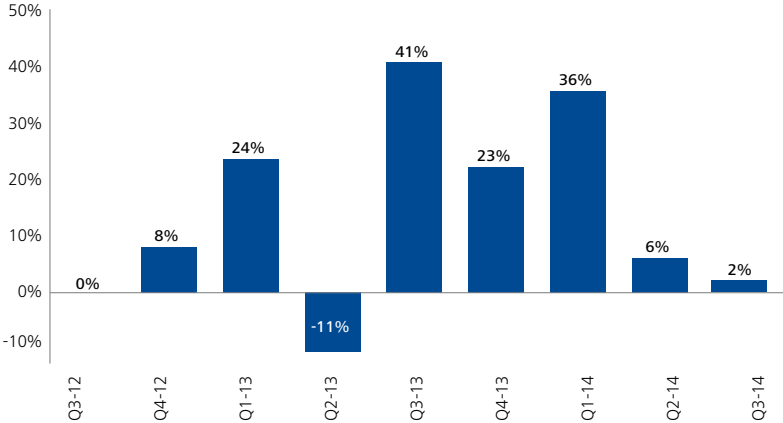
This quarter, we also looked at the relationship between WACC rates, hurdle rates and business investment decisions. Most CFOs reported their companies consider a hurdle rate at 10–12.99% or 13–15.99%. Close to a third of respondents said their hurdle rate was the same as their WACC rate, while the remaining respondents were quite evenly spread with hurdle rates 1% to 5% higher than their WACC rates. In most cases, respondents said they rarely changed their hurdle rates, if ever, indicating that while lower interest rates were having a positive impact on a number of sectors, they were less effective in stimulating capital expenditure or business investment.

# Slowdown in sentiment and appetite for risk

CFO confidence dipped slightly this quarter, with more optimistic CFOs just outnumbering those less optimistic. Some 28% of survey respondents were more optimistic about their financial prospects than they were three months ago, while 26% were less optimistic. At net 2%, this is the lowest level of optimism since June 2013.

**Chart 1**  
**Business confidence – local**

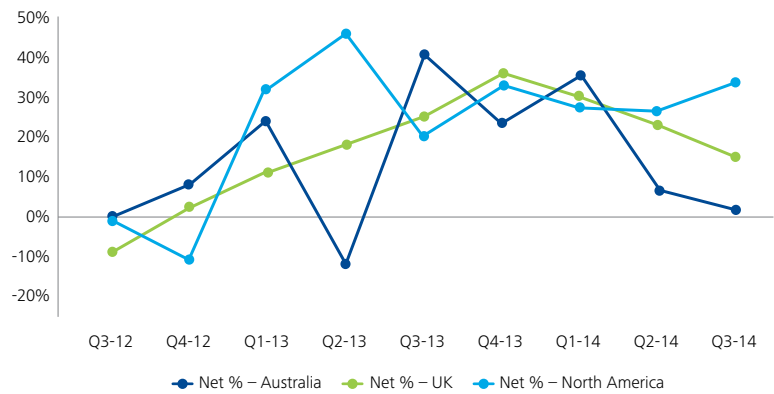
Compared to three months ago how do you feel about the financial prospects for your company?



UK and North American CFOs are still more optimistic than their Australian counterparts and this gap is getting even wider between Australian and North American CFOs. Optimism among CFOs in the United Kingdom remains above its long-term average, despite softening over the last few quarters, landing at a net 15% for Q3. Net optimism for North American CFOs came in at 32%, a continuation of the great momentum of six straight quarters of positive net optimism.

**Chart 2**  
**Business confidence – international**

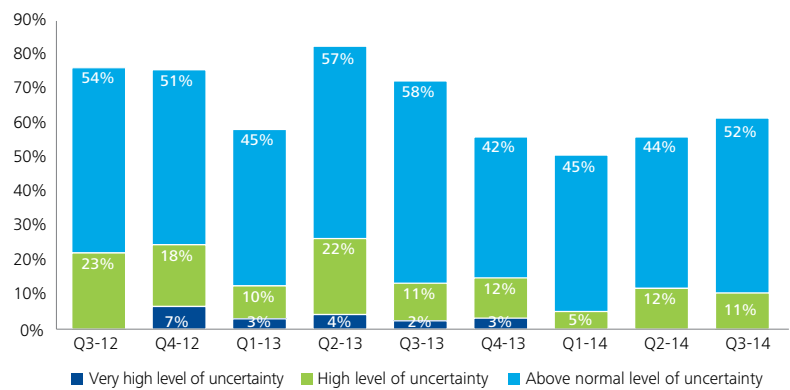
Compared to three months ago how do you feel about the financial prospects for your company?



Levels of financial and economic uncertainty continued to track upwards. While no CFOs have described the current level of uncertainty as ‘very high’ since the start of the year, the number who think it is above normal or high has risen to 63% from 56% last quarter.

**Chart 3**  
**Financial and economic uncertainty**

How would you rate the general level of external financial and economic uncertainty facing your company?

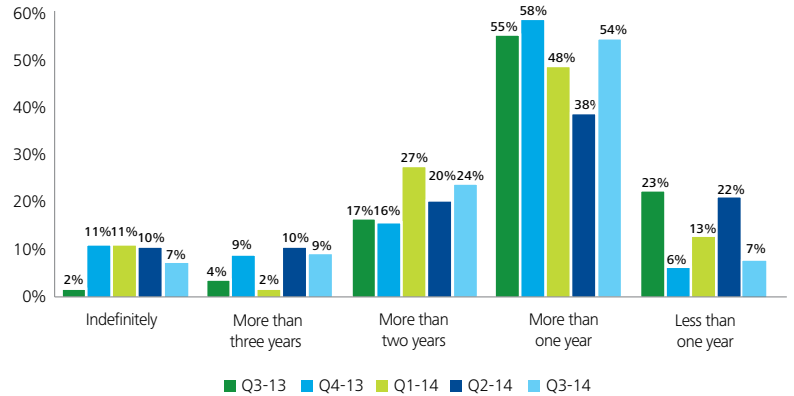




The majority of CFOs (93%) believe the current rates of uncertainty will last one year or more, up from 78% last quarter. This reverses a trend in previous reports where a growing number of CFOs expected uncertainty to last less than 12 months.

**Chart 4**  
**Timeframe for uncertainty**

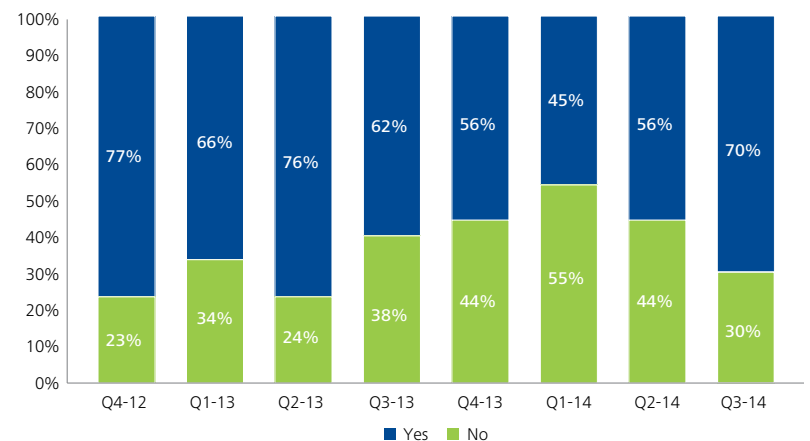
How long do you expect the current levels of uncertainty to last?



Appetite for risk has dipped again this quarter, with only 30% of CFOs believing now is a good time to take greater risk onto their balance sheets, the lowest level since Q2 2013. The number of CFOs with an appetite for risk has fallen for the past two quarters, which is in stark contrast to the UK, where the CFO survey recorded the highest risk appetite levels in seven years (72%) for the September quarter.

**Chart 5**  
**Attitudes towards risk**

Is this a good time to be taking greater risk onto your balance sheet?



# Budget standoff hampers confidence

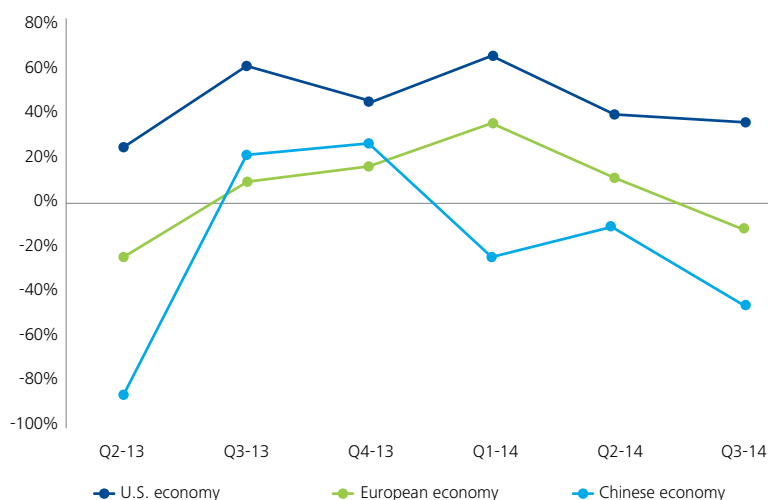
Optimism regarding the US economy remained strong among Australian CFOs this quarter, with half of all respondents citing it as a positive influence. The European economy was a concern for one quarter of respondents, but more than 70% said it was not affecting them at all.

A slowdown in growth rates in China had the most negative impact on CFO optimism. Some 58% of respondents said it was having a negative impact – the highest level since Q2 2013, when alarm bells first began to ring about Chinese growth.

**Chart 6**

## Impacts on levels of optimism – global factors

How has your level of optimism been impacted by the following factors?



## Deloitte perspective

*Corporate leaders have become more cautious in recent months as commodity prices continue to fall. This has been partly offset by the fall in the Australian dollar and the growing realisation that interest rates will stay lower for longer.*

*This confirms a trend through 2014 where modest confidence levels in Australia have fallen behind those of the UK and North America as China's economic transition has become a growing uncertainty, combined with the log jam in Canberra which has clouded the outlook and reduced risk appetite.*

Chris Richardson  
Partner, Deloitte Access Economics

Weaker commodity prices had the biggest effect on CFO confidence for Q3, with 49% of respondents stating it had a negative impact. The falling Australian dollar was seen as a positive by 40% of respondents, up from just 18% last quarter.

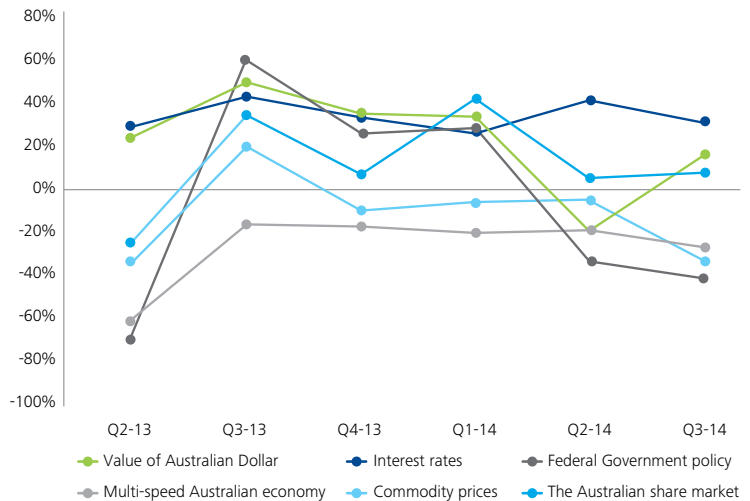
Federal government policy continues to weigh heavily on CFO confidence as the Budget struggles to find passage through the Senate. Consistent with last quarter, close to 50% of CFOs identified federal government uncertainty as having a negative impact, the highest number since before last year's federal election.

The ongoing Senate negotiations and policy compromises surrounding the May Federal Budget have negatively affected the business confidence of 74% of CFOs surveyed. Many are not letting it influence their business strategies, however, with 65% saying it had no effect at all. Close to a third (32%) claimed it was negatively affecting their investment plans.

**Chart 7**

**Impacts on levels of optimism – local factors**

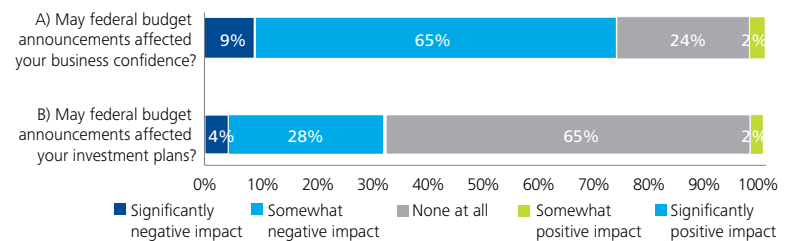
How has your level of optimism been impacted by the following factors?



**Chart 8**

**Impact of Senate Budget negotiations**

How have the ongoing Senate negotiations and policy compromises made to the May Federal Budget affected your business confidence and investment plans?

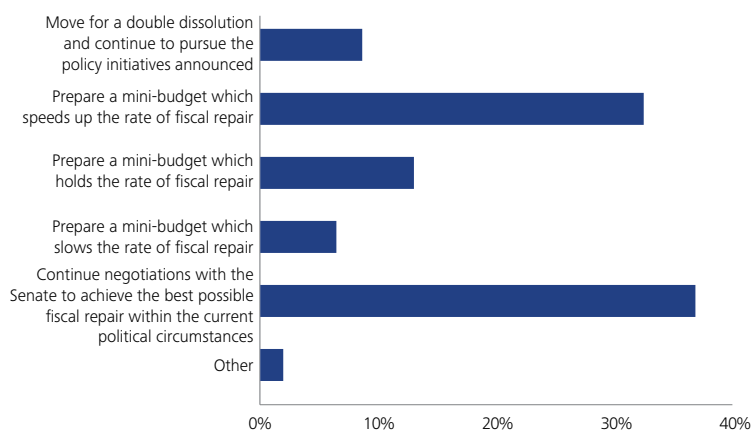


In response to the Budget stalemate in the Senate, a significant number of CFOs (53%) called for a mini-budget to speed or hold the rate of fiscal repair. Meanwhile, 37% of CFOs favoured some sort of compromise to achieve the best possible fiscal repair given the current political circumstances which gives them a greater degree of certainty.

**Chart 9**

**Government action to address fiscal repair**

If the Senate continues to block passage of the remainder of the Budget measures, what do you think the government should do to address fiscal repair?



## Deloitte perspective

*CFOs are seeking an outcome where they can have greater confidence. However, they may have to wait: reports suggest the mid-year Budget review scheduled for early December won't contain much that's new.*

Chris Richardson  
Partner, Deloitte Access Economics

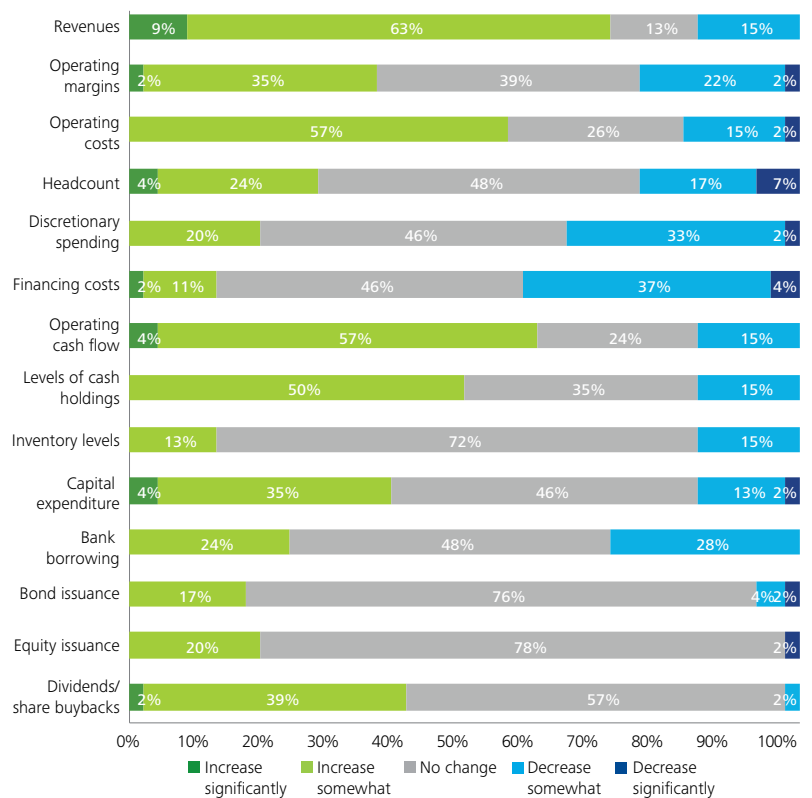
# Pursuing growth strategies

Overall, CFOs remain positive regarding key business performance indicators such as revenue, margins, headcount and cash flow, but not as confident as they were last quarter.

On a more positive note, close to 40% of CFOs are looking to increase capital expenditure while a similar number expect an increase in dividends and share buybacks. This follows calls over the past 12 months from institutions, the media and analysts for companies to either optimise capital through growth initiatives or return free cash to shareholders.

**Chart 10**  
**Australian business metrics**

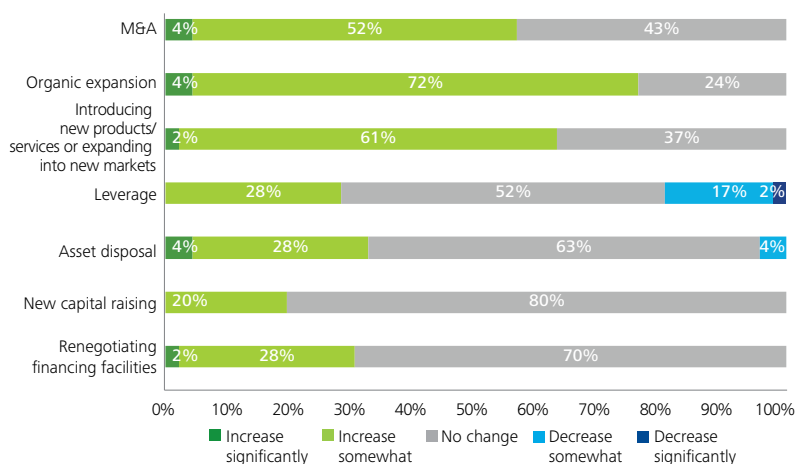
How are the following key metrics likely to change for your company over the next 12 months?



CFO growth plans for the next 12 months remain strong, despite the environmental factors. Plans for M&A activity remain consistent with last quarter, with more than half of surveyed CFOs planning to increase activity. Similarly, the number of CFOs planning organic growth and introducing new products and services are as high as they have been for the past two years. CFOs have also indicated increased interest in new capital raisings and renegotiating financing facilities compared with last quarter.

**Chart 11**  
**Business strategies**

Which of the following business strategies is your company likely to pursue over the next 12 months?



## Deloitte perspective

*The continued focus on M&A is a function of pressure from institutional investors to slowly but surely change the focus of Boards and CEOs to earnings growth. Many top-end corporates are realising that their organic growth strategies are not going to be enough to meet growth expectations and that they may need to increase M&A activity. However, the execution record from most domestic companies is still very weak.*

*Asia is slightly different - the K10 (largest conglomerates in Korea) and Japanese trading houses know that domestic demand will never deliver enough growth so they are actively looking for deals all the time. In Korea, the government is looking at stimulus measures such as taxing surplus reserves that are not actively deployed. China has a keen long-term eye on energy and food security that leads to active outbound M&A activity.*

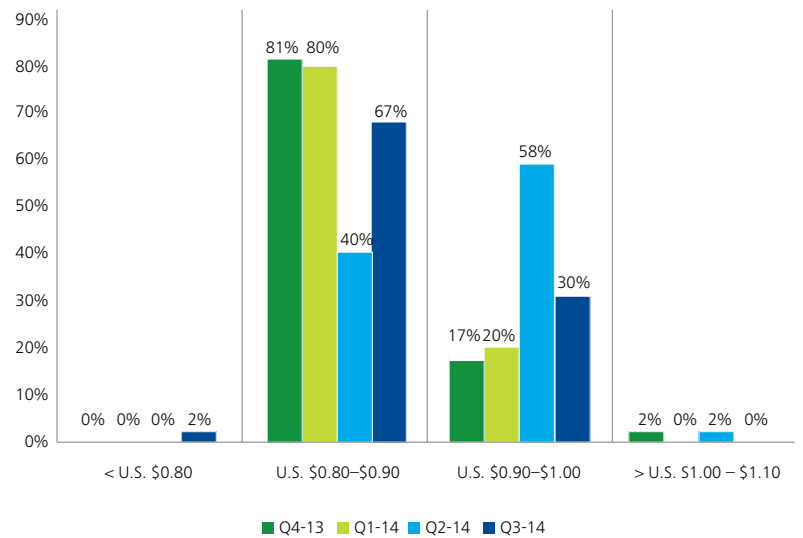
Ian Thatcher  
Partner, Asia Pacific Financial Advisory Leader, Deloitte

# Australian dollar and interest rates

Following the recent slide of the Australian dollar, two-thirds (67%) of CFOs surveyed estimated it would land between U.S. \$0.80 and \$0.90 in 12 months, up from 40% three months ago. However, close to a third expect it to bounce back to over \$0.90.

**Chart 12**  
**Value of the Australian dollar**

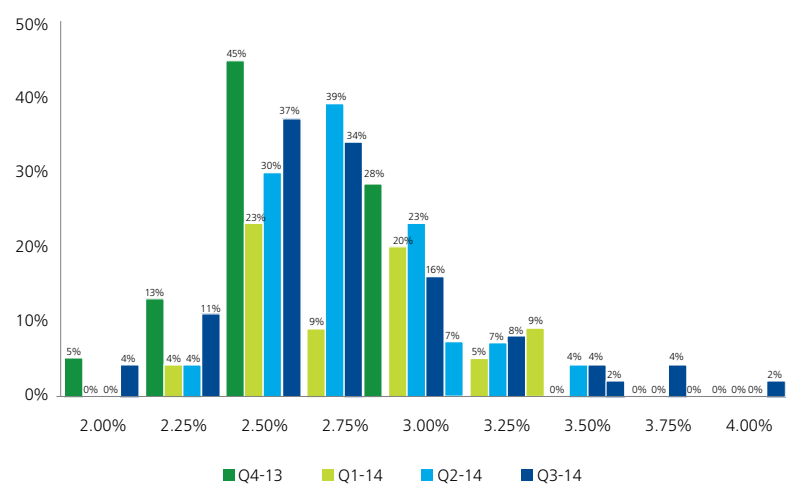
Where do you see the value of Australian dollar in 12 months' time?



CFOs are beginning to realise that interest rates will stay lower for longer. Some 37% expect the RBA's official cash rate to be the same in 12 months' time as it is today, while another 28% expect it to nudge up to 2.75% and 20% expect it to go to 3% or higher. Only 15% expect further cuts.

**Chart 13**  
**RBA's official cash interest rate**

Where do you see the RBA's official cash interest rate in 12 months' time?

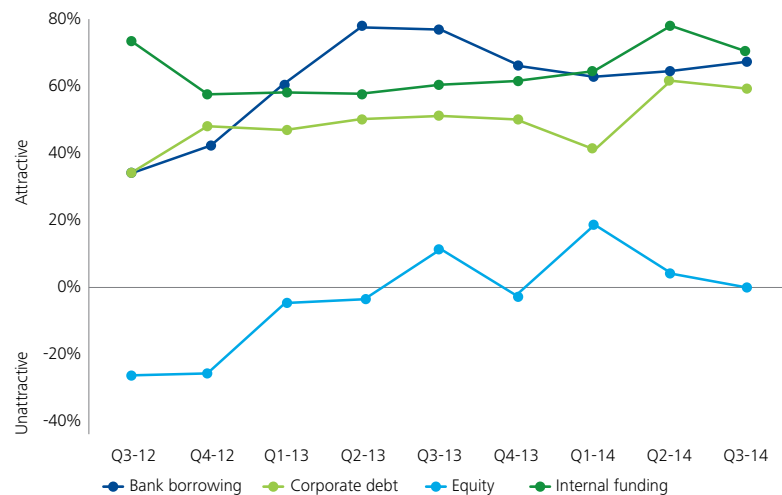


# Gearing on hold despite cheap and available credit

The attractiveness of bank debt and internal funding remained strong in the quarter, continuing the trend of 2013 and 2014. Equity funding continues to be the least favoured source of funding for CFOs.

**Chart 14**  
**Favoured sources of corporate funding**

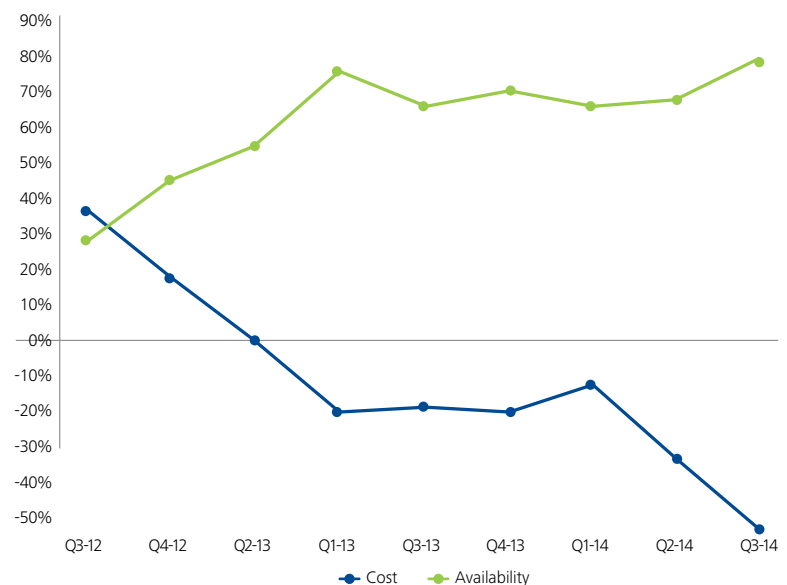
How do you currently rate the following sources of funding for Australian corporates?



CFOs in Q3 said credit was cheaper and more easily available in net terms than at any time since the survey began in 2009. Over 60% of respondents rated credit as either somewhat or very cheap, up from 48% in Q2 while 86% described it as somewhat or very available, up from 78% last quarter.

**Chart 15**  
**Cost and availability of credit**

How would you rate the overall cost and availability of new credit for Australian corporates?





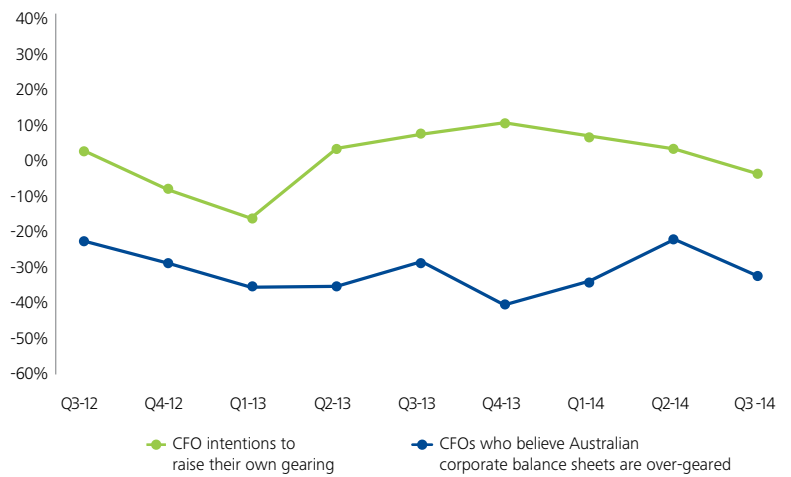
Australian corporate balance sheets are under-gearred, according to 41% of CFOs, up from 32% in Q2. However, 50% of those surveyed felt they were optimally geared.

More CFOs expect their own gearing to fall as opposed to rise in the next 12 months, the first time since the beginning of 2013. This reflects the ongoing resistance of CFOs to take on risk and is a reminder that any growth expectations could well be modest.

**Chart 16**

**Level of gearing on Australian corporate balance sheets**

What do you think of the level of gearing on Australian corporate balance sheets and what is the aim for your company's level of gearing over the next 12 months?



# Investment hurdle rates stay high

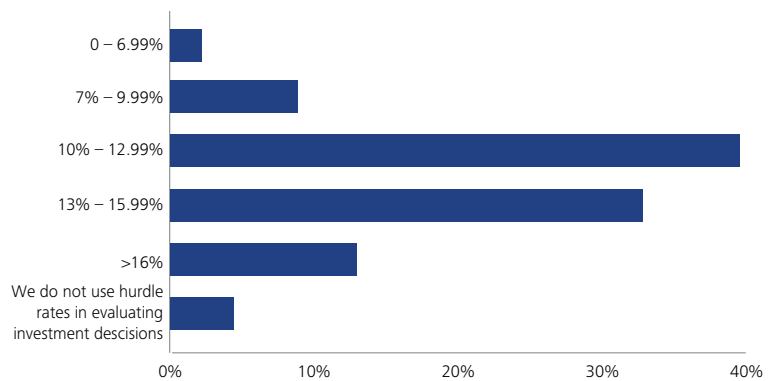
This quarter we examined the internal rate of return firms use when evaluating capital expenditure decisions, if this has changed over the past five years, and firms' estimates of the weighted average cost of capital (WACC).

When considering plans for investment or capital expenditure, most CFOs reported that their companies consider a hurdle rate of 10%-12.99% (39%) or 13%-15.99% (33%).

**Chart 17**

## Hurdle rates used to assess investment and capital expenditure

In making decisions about whether to proceed with proposed plans for investment/capital expenditure, what hurdle rate do you use?

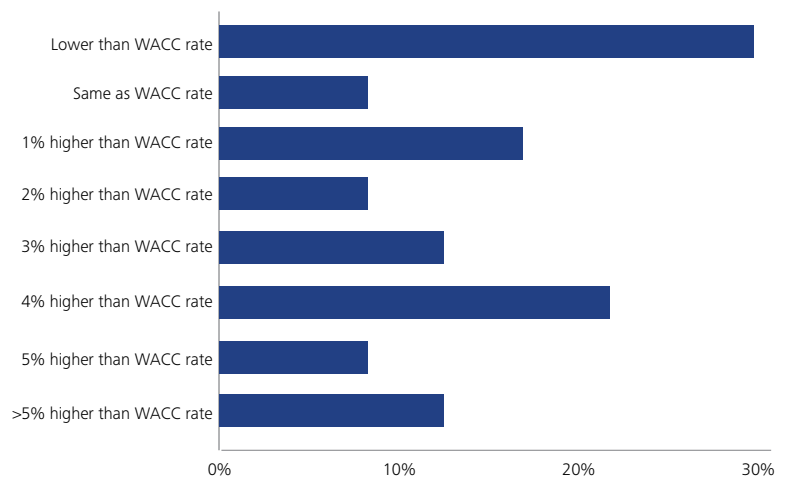


Close to a third of respondents said that their hurdle rate was the same as their WACC rate while the remaining respondents were quite evenly spread from 1% higher to more than 5% higher.

**Chart 18**

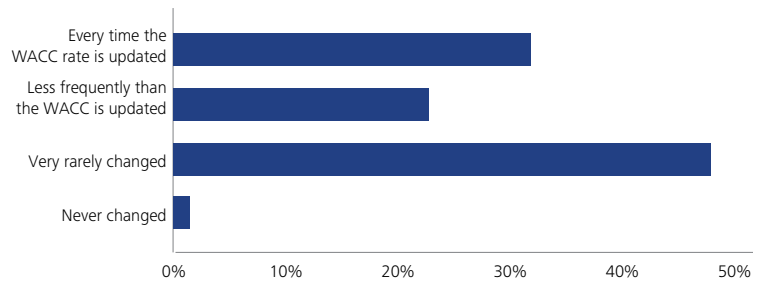
## Hurdle rate compared to WACC rate

How does this hurdle rate compare to your company's WACC rate?



Close to 50% of CFOs surveyed said they very rarely changed their hurdle rate, if ever. Only 30% change their hurdle rate whenever the WACC rate is updated, while just over 20% change it less frequently.

**Chart 17**  
**Frequency of hurdle rate updates**  
How often do you change the hurdle rate?



## Deloitte perspective

*These results shed an interesting light on the role that interest rates play in influencing business investment. While WACC rates may have softened, these changes do not appear to be influencing companies' hurdle rates. Close to half of the companies surveyed change their hurdle rates very rarely or never and these rates could well have been set many years ago in very different economic conditions to now.*

*Whatever the case, it appears that while lower interest rates are having a positive impact on a number of sectors, they may well be less effective in stimulating capital expenditure or business investment.*

Stephen Gustafson  
Partner, Assurance and Advisory

# Appendix

## A note on methodology

Many of the charts in the Deloitte CFO Survey show the results in the form of a net balance. For example, this net balance could represent the percentage of respondents reporting that bank credit is attractive, less the percentage saying bank credit is unattractive. This is a standard way of presenting survey data. To aid interpretation of the results, this table contains a full breakdown of responses to some of the questions covered in this report which have historical significance. Due to rounding, responses to the questions covered in this report may not sum to 100.

	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
<b>Chart 1: Compared to three months ago how do you feel about the financial prospects for your company?</b>																	
Significantly more optimistic	4%	4%	2%	0%	2%	0%	3%	7%	6%	0%	5%	4%	6%	3%	9%	6%	7%
Somewhat more optimistic	24%	26%	41%	38%	47%	19%	32%	26%	17%	16%	33%	22%	17%	20%	45%	42%	48%
Broadly unchanged	46%	46%	50%	48%	43%	52%	53%	42%	55%	63%	50%	42%	45%	58%	33%	48%	34%
Somewhat less optimistic	24%	24%	7%	13%	8%	26%	11%	22%	21%	21%	13%	29%	29%	19%	12%	2%	11%
Significantly less optimistic	2%	0%	0%	2%	0%	4%	0%	3%	1%	0%	0%	3%	4%	0%	1%	2%	0%
<b>Chart 3: How would you rate the general level of external financial and economic uncertainty facing your business?</b>																	
Very high level of uncertainty	0%	0%	0%	3%	2%	4%	3%	7%	0%	6%	1%	7%	6%	6%	–	–	–
High level of uncertainty	11%	12%	5%	13%	11%	22%	10%	18%	23%	28%	25%	34%	27%	13%	–	–	–
Above normal level of uncertainty	62%	44%	45%	42%	58%	57%	45%	51%	54%	53%	43%	38%	44%	49%	–	–	–
Normal level of uncertainty	28%	40%	50%	42%	28%	17%	42%	25%	24%	13%	26%	19%	20%	33%	–	–	–
Below normal level of uncertainty	9%	4%	0%	0%	0%	0%	0%	0%	0%	1%	5%	1%	2%	0%	–	–	–
<b>Chart 5: Is this a good time to be taking greater risk onto your balance sheet?</b>																	
Yes	30%	44%	55%	44%	38%	24%	34%	23%	14%	23%	46%	25%	45%	49%	52%	45%	35%
No	70%	56%	45%	56%	62%	76%	66%	77%	84%	78%	54%	67%	55%	51%	48%	55%	60%
N/A	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	5%
<b>Chart 14: How do you currently rate bank borrowing as a source of funding for Australian corporates?</b>																	
Very attractive	26%	20%	16%	19%	32%	20%	15%	8%	6%	4%	5%	4%	0%	8%	6%	8%	2%
Somewhat attractive	48%	52%	52%	52%	49%	59%	52%	49%	44%	46%	39%	36%	51%	49%	34%	34%	35%
Neutral	20%	20%	29%	25%	15%	19%	27%	26%	35%	35%	35%	38%	31%	36%	47%	44%	42%
Somewhat unattractive	7%	8%	4%	5%	0%	2%	5%	12%	11%	13%	20%	22%	15%	8%	12%	15%	19%
Very unattractive	0%	0%	0%	0%	4%	0%	2%	4%	4%	3%	1%	0%	2%	0%	1%	0%	1%
<b>Chart 14: How do you currently rate corporate debt as a source of funding for Australian corporates?</b>																	
Very attractive	11%	12%	4%	5%	2%	7%	6%	4%	1%	0%	4%	3%	2%	8%	7%	5%	5%
Somewhat attractive	50%	52%	45%	50%	53%	52%	47%	53%	42%	29%	41%	27%	24%	41%	29%	26%	31%
Neutral	35%	34%	45%	41%	42%	31%	40%	33%	46%	51%	35%	41%	51%	38%	42%	50%	41%
Somewhat unattractive	2%	2%	7%	5%	4%	9%	5%	10%	7%	16%	19%	27%	21%	13%	20%	16%	21%
Very unattractive	2%	0%	0%	0%	0%	0%	2%	0%	3%	4%	1%	1%	1%	1%	1%	3%	2%
<b>Chart 14: How do you currently rate equity issuance as a source of funding for Australian corporates?</b>																	
Very attractive	2%	2%	4%	2%	0%	0%	8%	1%	1%	0%	4%	0%	1%	2%	6%	6%	4%
Somewhat attractive	26%	34%	38%	23%	34%	24%	24%	18%	20%	16%	20%	12%	17%	30%	41%	42%	42%
Neutral	43%	16%	36%	47%	43%	48%	31%	36%	31%	18%	34%	30%	26%	34%	24%	31%	22%
Somewhat unattractive	26%	22%	18%	19%	19%	15%	26%	38%	31%	45%	30%	37%	35%	31%	28%	18%	24%
Very unattractive	2%	10%	5%	9%	4%	13%	11%	7%	17%	21%	13%	21%	21%	4%	1%	3%	8%
<b>Chart 14: How do you currently rate internal funding (from profits) as a source of funding for Australian corporates?</b>																	
Very attractive	30%	34%	14%	13%	26%	17%	29%	26%	15%	29%	23%	27%	33%	–	–	–	–
Somewhat attractive	41%	46%	50%	48%	38%	43%	34%	36%	61%	44%	43%	47%	39%	–	–	–	–
Neutral	26%	18%	36%	39%	32%	39%	32%	34%	21%	23%	30%	19%	21%	–	–	–	–
Somewhat unattractive	2%	0%	0%	0%	4%	2%	3%	4%	1%	0%	3%	5%	4%	–	–	–	–
Very unattractive	0%	2%	0%	0%	0%	0%	2%	0%	1%	5%	3%	1%	2%	–	–	–	–

	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
<b>Chart 15: How would you rate the overall cost of new credit for Australian corporates?</b>																	
Very costly	0%	0%	0%	2%	4%	0%	5%	5%	7%	8%	13%	8%	7%	2%	7%	11%	8%
Somewhat costly	11%	14%	30%	22%	19%	20%	26%	36%	42%	50%	55%	56%	51%	49%	59%	56%	73%
Neutral	28%	38%	27%	33%	36%	39%	39%	36%	38%	30%	24%	25%	37%	42%	33%	32%	18%
Somewhat cheap	57%	36%	38%	41%	34%	39%	26%	15%	11%	11%	8%	10%	4%	8%	1%	0%	1%
Very cheap	4%	12%	5%	3%	8%	2%	5%	8%	1%	1%	1%	1%	1%	0%	0%	0%	0%
<b>Chart 15: How would you rate the overall availability of new credit for Australian corporates?</b>																	
Very available	33%	28%	29%	22%	19%	13%	6%	15%	8%	3%	8%	5%	7%	5%	13%	15%	8%
Somewhat available	52%	50%	45%	56%	57%	72%	61%	45%	46%	61%	59%	45%	60%	53%	41%	52%	48%
Neutral	11%	12%	20%	14%	15%	6%	19%	25%	18%	11%	18%	14%	15%	17%	20%	15%	11%
Somewhat hard to get	4%	10%	7%	8%	6%	9%	10%	12%	25%	20%	14%	30%	17%	15%	25%	16%	31%
Very hard to get	0%	0%	0%	0%	4%	0%	3%	3%	1%	5%	3%	5%	1%	0%	1%	3%	2%
<b>Chart 16: What do you think of the level of gearing on Australian Corporate Balance Sheets?</b>																	
Over-gearred	9%	10%	4%	6%	8%	7%	3%	10%	15%	6%	9%	5%	2%	8%	5%	6%	5%
Optimally geared	50%	58%	59%	47%	57%	50%	58%	52%	46%	54%	48%	53%	49%	50%	47%	48%	53%
Under-gearred	41%	32%	38%	47%	36%	43%	39%	38%	38%	40%	44%	41%	49%	42%	48%	45%	42%
<b>Chart 16: What is your aim for your level of gearing over the next 12 months?</b>																	
Raise significantly	0%	2%	5%	3%	2%	2%	2%	1%	7%	4%	8%	10%	12%	8%	8%	3%	6%
Raise somewhat	30%	28%	25%	31%	28%	26%	19%	21%	25%	28%	38%	26%	33%	29%	31%	34%	44%
No change	35%	40%	46%	39%	43%	46%	40%	42%	31%	41%	30%	33%	36%	40%	34%	39%	27%
Reduce somewhat	30%	22%	21%	20%	19%	22%	29%	23%	24%	21%	19%	22%	14%	16%	19%	15%	18%
Reduce significantly	4%	4%	2%	3%	4%	2%	8%	7%	6%	3%	6%	5%	4%	5%	4%	3%	5%
N/A	0%	4%	0%	3%	0%	2%	2%	5%	7%	4%	0%	4%	1%	2%	4%	6%	1%

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# The CFO Program.

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