CFO Signals™

What North America's top finance executives are thinking – and doing

High-Level Report

3rd Quarter 2012

CFO Signals

About the CFO Signals survey

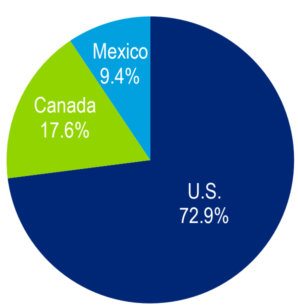
Each quarter, *CFO Signals* tracks the thinking and actions of CFOs representing many of North America's largest and most influential companies. This report summarizes CFOs' opinions in five areas: economy, industry, company, finance organization, and career.

This is the third quarter report for 2012. For more information, please see the methodology section at the end of this document or contact nacfosurvey@deloitte.com.

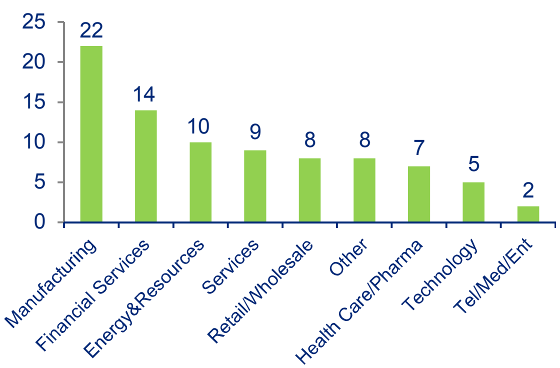
Who participated this quarter?

Eighty-five CFOs responded during the two weeks ended August 24. More than 75% are from public companies, and 80% are from companies with more than $1B in annual revenue.

Participation by Country



Participation by Industry



IMPORTANT NOTES ABOUT THIS SURVEY REPORT:

All participating CFOs have agreed to have their responses aggregated and presented.

Please note that this is a "pulse survey" intended to provide CFOs with quarterly information regarding their CFO peers' thinking across a variety of topics. It is not, nor is it intended to be, scientific in any way, including in its number of respondents, selection of respondents, or response rate, especially within individual industries. Accordingly, this report summarizes findings for the surveyed population but does not necessarily indicate economy- or industry-wide perceptions or trends. Except where noted, we do not comment on findings for segments with fewer than 5 respondents. Please see the Appendix for more information about survey methodology.

This publication contains general information only, and Deloitte is not, by means of this publication, rendering accounting, business, financial, investment, tax, legal, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decisions that may impact your business, you should consult a qualified professional advisor.

Additional findings available in full report
(please contact nacfosurvey@deloitte.com for full report)

Findings at a Glance

Risk

What high-impact risk worries you the most? Nearly 60% of all CFOs mention either U.S. or global economic conditions as their most worrisome risk (highest in the 10-quarter history of this survey), and about one third of those CFOs specifically cite European conditions. About one quarter cite government- and regulation-related issues, with frequent mention of the impending fiscal cliff, possible changes to tax and regulatory policy, and the potential impact of U.S. elections on policy and equity markets. **Page 8.**

Economy & Policy

What are your company's top economy challenges? In the U.S., social policy concerns jumped to 60%, while unemployment declined to a still-high 48%. Both Canadian and Mexican CFOs' challenges became much more widely distributed with no clearly dominant themes this quarter. **Pages 9-10.**

How do you perceive the trajectory of your home economy? In the U.S., more than 80% of CFOs believe their economy is either stalling or about to stall. The proportion is approximately 65% for both Canada and Mexico. **Page 11.**

How are you addressing uncertainty around the "fiscal cliff" of pending tax increases and spending cuts? Last quarter, two thirds of CFOs said they were not taking any new steps, and the remaining third were inconsistent in the actions they were taking. This quarter, 58% are still not taking any steps, but the companies who are acting indicate a notable rise in the delay of both hiring and investment. **Page 12.**

What tactics is your company employing to address challenges in Europe? The two thirds of CFOs who say their company is taking action cite mostly three strategies: changing treasury, FX, and hedging strategies (32%), planning for multiple European scenarios (28%), and reconfiguring relationships with European banks (24%). These CFOs say their *most important* step has been to scale back European operations and investments and to generally reduce exposure to Europe across the board. **Page 13.**

What are your plans for employer-sponsored health coverage? CFOs cited strong concerns about reforms back in 4Q10, but few expected major changes to their benefits approaches. The same is true now, with just two percent of companies considering limiting coverage to the legal minimum and none considering dropping employer-sponsored coverage altogether. **Page 14.**

If you expect your company's health care costs to rise as a result of health care reform, by how much? About 70% of U.S. CFOs expect costs to rise, down from the 90% who expected an increase in 4Q10. Across all respondents, the average expected increase is 7%. For just those who anticipate a cost increase, the average expected increase is 10%. **Page 14.**

Industry

What are your company's top three industry challenges? Pricing trends again take the top spot this quarter at 50%, with industry regulation/legislation still high at 45%. Market contraction rose substantially to 36%, and concerns about overcapacity held at 23%. **Page 15.**

*All numbers with an asterisk are averages that have been adjusted to eliminate the effects of stark outliers.

Company

What are your company's top company-specific challenges? Revenue growth from existing markets held steady at about 60%, while framing/adapting strategy resurged to 41%. Talent concerns are third at 34%. **Page 16.**

What is your company's business focus for the next 12 months? Revenue growth held steady at 51% (34% for existing markets; 17% for new markets). Indirect costs and direct costs repeated at 12% and 15%, respectively. Asset efficiency held steady at 10% for fixed assets and nine percent for working capital. **Page 17.**

Compared to the past 12 months, how do you expect your performance, spending, and hiring to change over the next 12 months? Expectations fell dramatically to the lowest levels in the history of this survey. Sales growth expectations of 4.8%* and earnings growth expectations of 8.0%* are both new survey lows. Capital investment growth expectations fell precipitously to just 4.7%*, and domestic hiring projections declined to just 0.6%* – also survey lows. **Page 18-19.**

How does your optimism regarding your company compare to last quarter? CFOs' optimism in the U.S. took another hit this quarter. Net optimism (the percent of CFOs citing rising optimism less the percent citing falling optimism) fell to zero last quarter and to -16 this quarter. Canadian and Mexican CFOs' have maintained much higher net optimism at +47 and +25, respectively. **Page 20.**

With which types of decisions does your company's executive team most struggle? CFOs say they struggle most with decisions related to strategy and growth. About 60% cite difficulties with strategic decisions, with the same proportion mentioning struggles with organic growth. One third cite struggles with inorganic growth decisions, and 45% mention cost reduction efforts. **Page 21.**

When the executive team struggles in making decisions, what barriers most often get in the way? Leading the list are differing views of strategies and goals, biases of executives, and insufficient understanding of options and outcomes. The next tier is mostly process-oriented: unclear assignment of authority, disagreement around the problem to be solved, and conflicting decision-making styles. **Page 21.**

How would you characterize your information technology capabilities? About two thirds of CFOs say their IT approaches ensure information security and facilitate compliance and reporting. About half are positive around having the information they need to effectively manage the business. About 40% are positive about enabling insight, and about one third say they get information to the right people at the right times. Flexibility is the primary issue, with nearly half saying their IT systems do not adapt well to changes in strategy, operations, and/or scale. **Page 22.**

Finance Organization

What are your finance organization's top challenges? Providing metrics/information/tools for business decisions remains the top challenge at 41%, but it has been recently giving ground to ensuring business initiatives achieve desired outcomes (now 38%). Influencing business strategy and operational priorities is third at 34%. **Page 23.**

Career

What are your top job stresses? Major change initiatives are again CFOs' dominant job stress at 54%. Pressures from poor company performance continued to grow, rising from under 30% to 40% over the past year. Strategic ambiguity, which fell to just 19% over the past two quarters, rebounded to 33% this quarter. **Page 24**.

Summary

Are we seeing the end of large companies outperforming their underlying economies?

For several quarters, North American CFOs have voiced strong and growing concerns about worsening conditions in Europe, global economic deceleration, slow growth at home, and governments' struggles to stem the fallout and promote growth. But despite their worries, CFOs have remained mostly optimistic about their companies' prospects and have expressed solid year-over-year performance expectations.

In fact, a bright spot in the aftermath of the financial crisis has been corporate performance, which has held up quite well despite volatile economic conditions. Large companies have looked under every stone for ways to bolster their performance – better focus, scaling back in lower-margin businesses, and getting more efficient in both the front- and back-office – often with remarkable success. But last quarter's survey results suggested the returns were beginning to run out. And this quarter's findings solidified this view, recording the sharpest decline in expectations we have seen in the two-and-a-half-year history of the survey.

CFOs' expectations for sales and earnings growth both dropped precipitously this quarter, and their expectations for capital investment and hiring followed suit. The presidential election and a fiscal cliff in the U.S. are clearly making CFOs nervous, but this quarter's findings suggest there may be more to their trepidation than political or policy uncertainty. It may be the case that the levers capable of allowing companies to outperform their underlying economies have mostly been pulled – or at least that the strongest levers have – and that further gains are going to be even tougher to achieve.

Economic and policy uncertainty pulls confidence lower

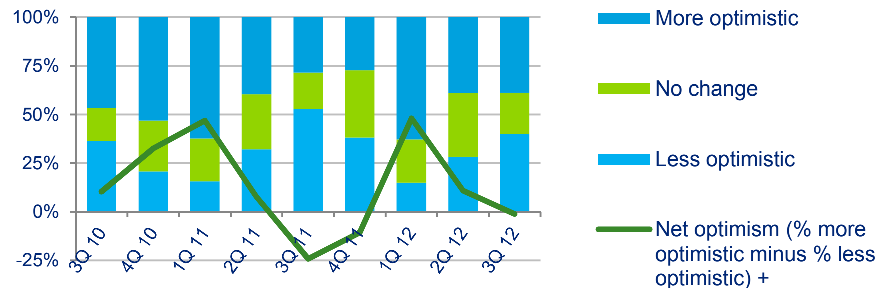
This quarter's survey results show that global economic developments have taken a large toll on CFOs' expectations for their home economies. In the U.S., more than 80% of CFOs believe their economy is either stalling or about to stall, and the proportion is about 65% for both Canada and Mexico.

This pessimism is driving the strongest economic concerns we have seen in this survey. Nearly 60% of CFOs mention U.S. or global economic conditions as their most worrisome risk, and one third of those CFOs specifically mention European conditions. About two thirds of CFOs say their companies have been working to reduce their exposure to Europe, with the most common changes involving cash levels, treasury/FX approaches, and banking relationships.

About one quarter of all CFOs name government- and regulation-related issues their most worrisome risk, with frequent mention of the impending fiscal cliff, possible changes to tax and regulatory policy, and the potential impact of U.S. elections on policy and equity markets.

Own-Company Optimism

CFO optimism relative to previous quarter



Canadian and Mexican CFOs' have mostly maintained their optimism this quarter. But in the U.S., net optimism (the percent of CFOs citing rising optimism less the percent citing falling optimism) took another major hit. After rebounding from lows of -15 and -34 at the end of 2011 to +40 in the first quarter, net optimism in the U.S. fell to zero last quarter and to -16 this quarter. The last time pessimism surged despite solid equity markets performance (the S&P index rose about 8% between the 2Q12 and 3Q12 surveys), equities markets declined markedly about a quarter later.

Historic lows for sales and earnings expectations

CFO worries also took a toll on growth projections. While there were hints of uneasiness last quarter – rising variability in projections, mostly-negative responses to questions around longer-term earnings growth – expectations for earnings, capital investment, and domestic hiring continued to trend upward.

But this quarter's CFO expectations appear to confirm the case for worry – especially in the U.S. Sales growth expectations of 4.8%* are a new survey low – well below the previous low of 5.9%* in the first quarter of this year. U.S. expectations are just 4.3%* (6.7%* last quarter), with Canada and Mexico both at about 6.5%* (they were 5.9% and 8.7% last quarter, respectively).

Earnings growth expectations also declined, with this quarter's 8.0%* a new survey low – well below last quarter's 10.5%*. The median expectation fell from 8.5%* to just 6.0%* (another survey low). U.S. estimates are lowest at 7.2%* (12.3%* last quarter), with Canada at 8.1%* (4.6%* last quarter) and Mexico at 8.9% (11.7%* last quarter).

* All numbers with an asterisk are averages that have been adjusted to eliminate the effects of stark outliers.
+ Note that net optimism, as calculated, does not explicitly account for the level of "no change" responses.

Summary

Investment and hiring estimates tumble

Declining optimism didn't spare investment and hiring expectations either. While companies indicated somewhat better prospects for hiring and have mostly kept the pedal down on capital investment in recent surveys, this quarter's results put an abrupt end to several positive trends.

Capital investment growth expectations, for example, fell precipitously from 11.4% to just 4.7% this quarter – well below the previous low of 8%. Just over half of CFOs expect gains at all, and the median expectation is now just 3% (also survey lows).

Hiring also took a major hit, with domestic hiring expectations falling to another survey low at just 0.6%. The median expectation is now 0%, with 40% of CFOs projecting gains and 27% projecting cuts. U.S. projections plummeted from 1.9% to 0.2%, while Canadian projections declined from 2.7%* to 1.1%*. Offshore personnel growth fell to just 1.5%* this quarter, and outsourced staffing growth fell to just 1.6%* – both additional survey lows.

"Fiscal cliff" not helping investment or hiring

What is not helping matters is the looming "fiscal cliff" in the U.S. While it has been a source of worry and frustration with CFOs, many of whom specifically mention it as their most worrisome risk and as one of their top economy-level challenges, most CFOs last quarter were not taking any actions in response. Moreover, the minority who were seemed split around the types of adjustments that were appropriate.

We are now a quarter closer to the edge, and the Congressional Budget Office has recently released a report stating that, if nothing is done to avert the impending tax hikes and spending cuts, unemployment will jump to 9.1% by the end of 2013, and the U.S. economy will sink back into recession.

This quarter's survey results show that, while the fiscal cliff is likely not the sole cause of CFOs' projections for scaled-back investment and hiring, it seems to be a contributing factor. Although 58% of companies are still not taking any steps in response to the fiscal cliff, the companies that are acting are increasingly likely to be delaying both investment and hiring.

Employer-sponsored health coverage still alive and well

U.S. CFOs have been grappling with the fallout from health care reform for two years now. To get a sense of how their thinking has changed since its enactment, we repeated one of the questions we asked back in the fourth quarter of 2010, and the answer is largely the same: employer-sponsored coverage is still very much alive and well.

CFOs again overwhelmingly say their companies will maintain current enrollment levels and/or maintain the levels and scope of benefits they provide. Just two percent say they are considering limiting coverage to the legal minimum (down from 10% in 4Q10), and none are considering dropping employer-sponsored coverage and paying the applicable penalties (down from four percent).

And when it comes to cost, about 70% of U.S. CFOs expect their company's health care costs to rise as a result of health care reform – down from the 90% who formerly expected an increase. Those who do expect a cost increase say they expect reform to cause a 10% rise in their company's health care costs.

Strains on decision-making

Decision-making under broad-based uncertainty is obviously not easy. CFOs say their executive teams struggle the most with strategy and growth decisions. About 60%,in fact, cite difficulties with strategic decisions, another 60% cite struggles with organic growth decisions, and about one third mention decisions around inorganic growth. In addition, about 45% say they are also struggling with decisions around further cost reduction efforts.

CFOs cite a very broad range of barriers to making good decisions. Leading the list are differing views of strategies and goals, biases of executives, and insufficient understanding of options and outcomes. The next tier is mostly process-oriented: inappropriate assignment of authority, lack of agreement around the problem to be solved, and conflicting decision-making styles.

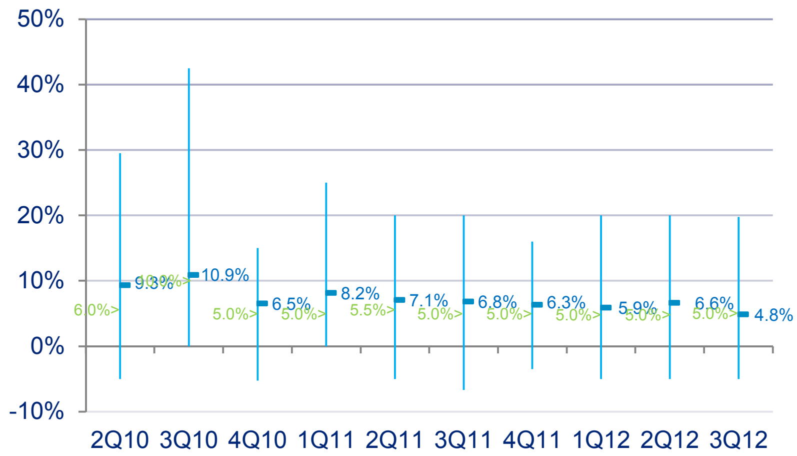
CFOs are clearly feeling the effects, reporting major change initiatives and strategic ambiguity as two of their top career-level stresses. They say finance's top challenge is providing information and analysis for business decisions, but only about half are confident they have the information they need to effectively manage the business, and the same proportion say their systems do not adapt well to changes in strategy, tactics, or scale. The good news may be that, with IT increasingly falling under the direct or indirect purview of finance, finance may be able to drive the improvements they want and need.

*All numbers with an asterisk are averages that have been adjusted to eliminate the effects of stark outliers.

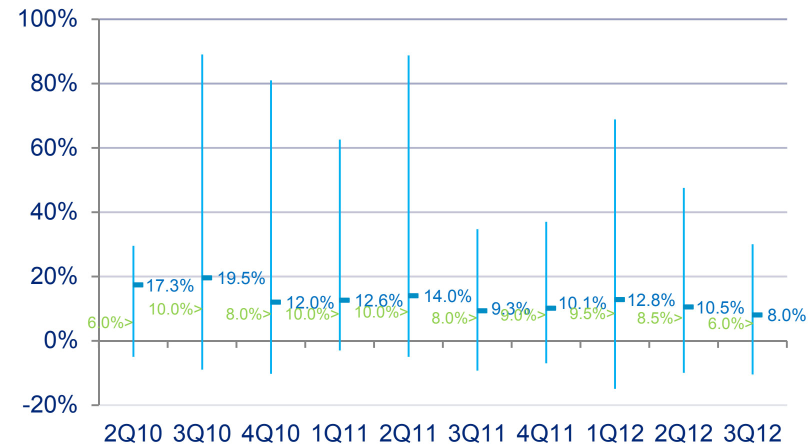
Growth Trends

CFOs’ expected year-over-year increases in growth metrics

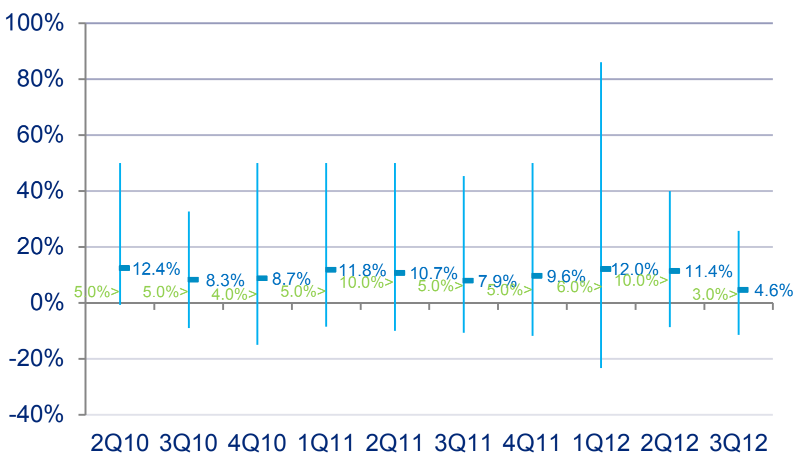
Sales Growth



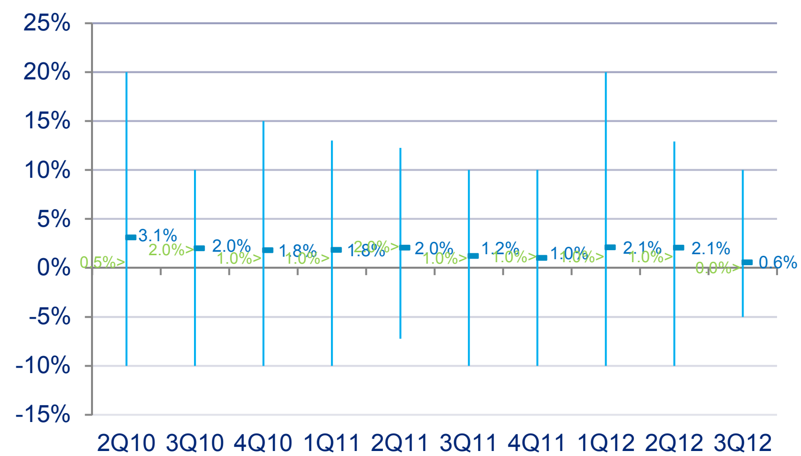
Earnings Growth



Capital Spending Growth



Domestic Employment Growth



Vertical lines indicate range for responses between 5th and 95th percentile.
Horizontal marks (–) indicate outlier-adjusted means.
Arrows (>) indicate unadjusted medians for all responses .

Operating Trends

CFOs’ expected year-over-year increases in operating metrics

Year-Over-Year Projections
(and percent of CFOs who expect year-over-year gains)

		2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12
Operating Results	Sales	9.3% 84%	10.9% 93%	6.5% 81%	8.2% 89%	7.1% 80%	6.8% 83%	6.3% 87%	5.9% 79%	6.6% 85%	4.8% 82%
	Earnings	17.3% 89%	19.5% 93%	12.0% 80%	12.6% 83%	14.0% 83%	9.3% 82%	10.1% 84%	12.8% 79%	10.5% 81%	8.0% 84%
Costs	Wages/salaries	3.1% 94%	3.3% 93%	3.2% 95%	3.1% 96%	3.3% 95%	3.2% 94%	2.9% 94%	3.2% 94%	3.0% 90%	3.2% 94%
	Employee benefits	4.1% 85%	4.7% 90%	5.3% 89%	4.5% 87%	4.7% 90%	4.3% 93%	4.3% 87%	4.3% 89%	4.5% 93%	4.3% 89%
	Non-labor input costs / commodities	2.9% 73%	2.2% 68%	2.6% 75%	3.4% 84%	5.0% 93%	4.2% 89%	3.5% 78%	2.7% 78%	2.9% 84%	2.5% 79%
Investment	Dividends	6.5% 38%	8.6% 39%	4.1% 28%	4.4% 36%	3.7% 35%	3.5% 41%	2.4% 27%	2.2% 31%	3.9% 33%	2.5% 30%
	Capital spending	12.4% 62%	8.3% 58%	8.7% 57%	11.8% 61%	10.7% 69%	7.9% 59%	9.6% 61%	12.0% 68%	11.4% 70%	4.6% 53%
	R&D spending			4.1% 54%	5.9% 51%	3.5% 43%	3.9% 47%	5.4% 53%	3.5% 38%	2.9% 40%	3.1% 40%
	Marketing and advertising					4.6% 59%	4.4% 53%	3.9% 60%	4.6% 56%	3.9% 56%	3.5% 53%
Employment	Number of domestic personnel	3.1% 50%	2.0% 60%	1.8% 48%	1.8% 61%	2.0% 64%	1.2% 52%	1.0% 51%	2.1% 51%	2.1% 52%	0.6% 40%
	Number of offshore personnel	3.5% 41%	2.8% 49%	3.6% 47%	3.7% 41%	4.1% 57%	2.9% 37%	4.8% 50%	3.7% 43%	3.8% 41%	1.5% 30%
	Use of offshore/outsourced third partie	2.9% 35%	1.4% 37%	2.8% 32%	2.2% 41%	2.2% 31%	3.1% 36%	3.7% 49%	2.5% 26%	3.6% 30%	1.6% 28%

High-Impact Risks
Global economy, government policy, and elections

CFOs' most-worrisome risks

Economic malaise, and the impact of political changes on policy

For the past year, CFOs have indicated rising worries about the future of Europe and the euro, the possible spread of European distress to North American banks and markets, and slowing economic growth across the globe. More recently, with new and resurgent economic challenges and major political events looming in Europe, the U.S., and Asia, those concerns grew understandably stronger.

- **Global economy concerns**: Nearly 60% of all CFOs mention either U.S. or global economic conditions as their most worrisome risk (highest in the 10-quarter history of the survey), and about one third of those CFOs specifically mention European conditions. Only about 6% of all CFOs are most worried about world financial markets (interest rates, credit/liquidity constraints, equity markets, etc.), and about the same proportion are most concerned about commodity and input prices.
- **Impacts of government**: About one quarter of all CFOs name government- and regulation-related issues their most worrisome risk, with frequent mention of the impending fiscal cliff, possible changes to tax and regulatory policy, and the potential impact of the U.S. presidential election on policy and equity markets.
- **Industry/company challenges**: The scope of industry and company-level worries continues to rise this quarter, again led mostly by concerns about rising competition.
- **People/personal challenges**: CFOs cite a broad range of personal challenges, including difficulties expanding their responsibilities and skillsets, delivering major initiatives successfully, missing issues they should be catching, adapting to the working styles of CEOs and boards, and managing their career in the face of ownership changes.

Please see Appendix for industry-specific findings.

Economy

Economic concerns even stronger with broadening range of worries

Top challenges

In the U.S., policy and politics; in Canada and Mexico, shifting and diversifying sets of concerns

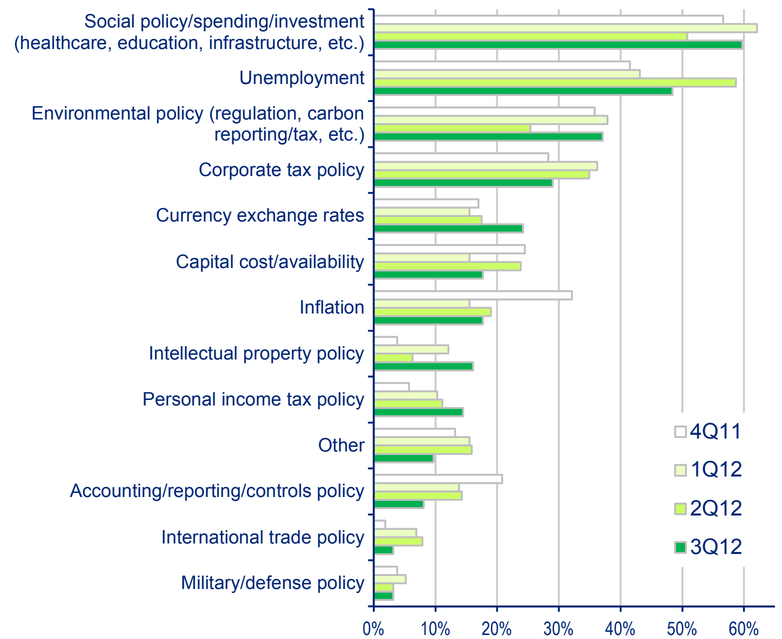
As they indicated through their "most worrisome risks"(see page 10), CFOs remain concerned about the impact of global conditions on their domestic economies. There are again strong differences across the North American regions, however, with Canada and Mexico showing particularly strong shifts.

In the U.S., the combination of a looming "fiscal cliff" and a presidential election appear to be causing greater uncertainty and frustration around government policy. And as growth everywhere slows, CFOs appear increasingly worried about the heightened effects of a stronger dollar on their exports.

- **Social policy/spending/investment** returns as the top concern this quarter, with 60% of U.S. CFOs naming it a top three concern – up from 51% last quarter and back in line with its historic levels. Based on CFOs' most worrisome risks cited previously, this heavy focus is again driven by worries about the potential policy effects of the looming "fiscal cliff" and the presidential election. (Across all geographies, it is the top challenge in Financial Services, Healthcare/Pharma, T/M/E and Services.)
- **Unemployment** topped last quarter's economy-level concerns (with a whopping 59% naming it in their top three concerns) on the heels of a surprisingly disappointing jobs report. It receded to 48% this quarter, but is still well above its levels from previous surveys. (Across all geographies, it is the top challenge for Retail/Wholesale, Technology, and T/M/E and ranks second for Financial Services.)
- **Environmental policy** concerns rebounded from 25% last quarter to 37% this quarter. (Across all geographies, they are a top challenge for Energy/Resources and a top-two challenge for Healthcare/Pharma and Manufacturing.)
- **Corporate tax policy** concerns, which began to rise at the end of last year, declined to 29% this quarter. (Across all geographies, they are the top challenge for Manufacturing and a top-two challenge for Energy/Resources.)
- **Currency exchange rates,** which have been a minor concern in the U.S. for more than a year, increased markedly to 24% this quarter. (Across all geographies, they are a top-two challenge for Manufacturing, Healthcare/Pharma and Technology.)
- **Other notable U.S. findings**: **Inflation** concerns, which have fallen notably over the past year, stayed relatively modest at 18% this quarter. **Capital cost/availability** concerns, which have risen and fallen over recent quarters, remain relatively low at 18% this quarter (with higher importance in Energy/Resources and Services). The most prevalent **write-in choices** concern interest rates and declining demand in Europe.

Economy Challenges – U.S.

Percent of respondents who place each option in their top three



Please see Appendix for industry-specific findings.

Economy

Top challenges (cont.)

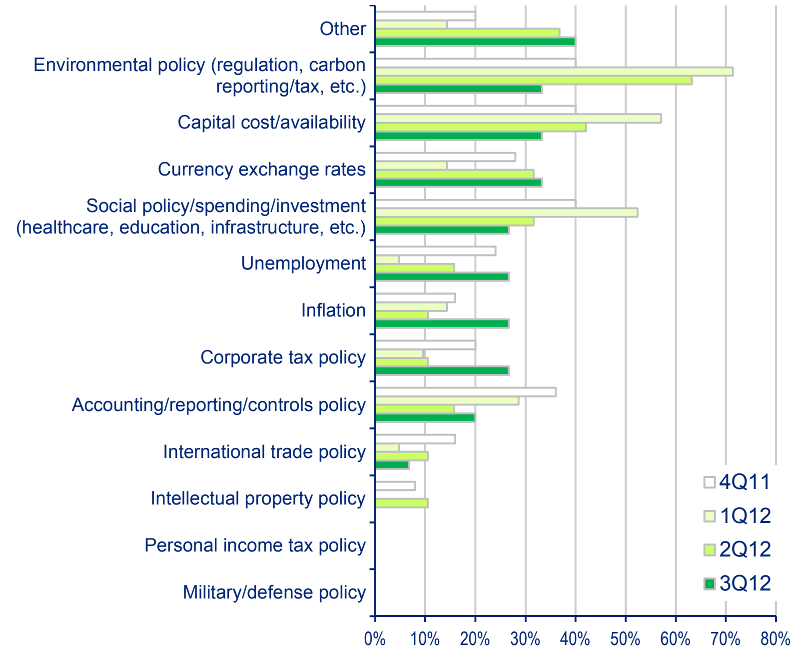
Canadian CFOs' concerns changed markedly this quarter, becoming much less concentrated on historical concerns and more broadly distributed:

- **Environmental policy** concerns fell sharply this quarter with just 33% of CFOs naming them in their top three, down from 71% and 63% over the past two quarters.
- **Capital cost/availability** concerns continued to recede this quarter and now sit at 33%.
- **Currency exchange rates** became a top concern last quarter and held steady at 33% this quarter. They were a relatively minor concern in previous quarters.
- **Social policy/spending/investment** concerns fell from their survey high of 52% two quarters ago to just 32% last quarter and 27% this quarter.
- **Unemployment** concerns, which fell to just 5% two quarters ago, bounced back to 16% last quarter and climbed to 27% this quarter.
- **Inflation** concerns more than doubled to 27% this quarter.
- **Other concerns mentioned through write-ins** focused on trade restrictions, transportation policy, weak construction activity, and poor pricing trends.

Mexican CFOs' top economic challenges mirrored Canadian CFOs sentiments in their increased breadth. This quarter, just 25% indicated a focus on social policy (down from 70% and 50% in the past two quarters). Environmental policy rebounded from 20% to 50% (closer to its normal level) while accounting/reporting/controls policy held steady at 38%. Currency exchange rate concerns and capital cost/availability both receded from 50% last quarter to 38% this quarter.

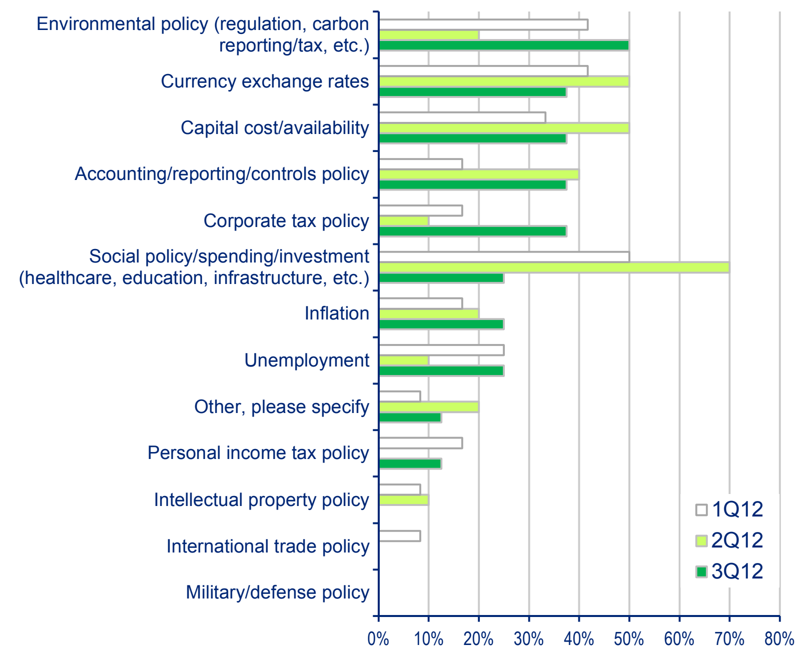
Economy Challenges – Canada

Percent of respondents who place each option in their top three



Economy Challenges – Mexico

Percent of respondents who place each option in their top three



Please see Appendix for industry-specific findings.

Economy

The trajectory of North American economies

Disagreement about where we are; mostly agreement about where we are headed

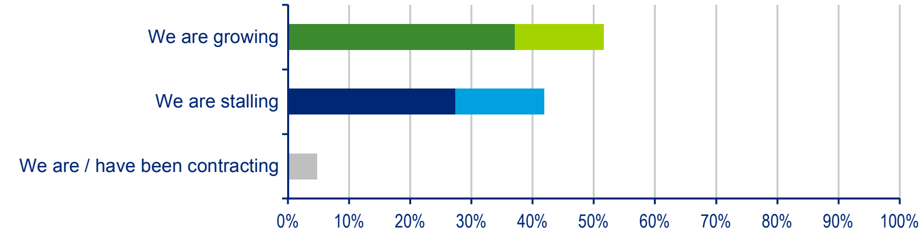
With erratic and often conflicting economic indicators over the past several quarters, it can be hard to tell how domestic economies are actually faring. This quarter’s survey results show that large company CFOs do not always agree on where their home economy is headed – or even on where it currently stands. But there is a widespread belief in all regions that stalling or contraction is in the near future.

Just over half of U.S. CFOs believe the economy is still growing, but nearly three quarters of those CFOs believe it is beginning to stall. Moreover, about 45% believe the economy is already stalling, and just under one third of those CFOs believe a contraction is next. Together, this means that more than 80% of U.S. CFOs expect their economy to stall or contract.

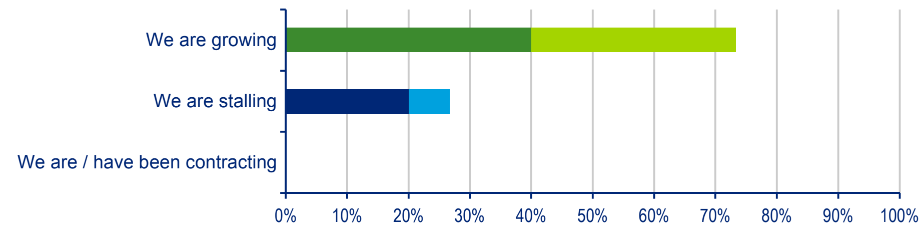
More than 70% of Canadian CFOs believe their economy is still growing, but about 55% of those CFOs believe it is stalling. About 27% believe the economy is already stalling, and about one quarter of those CFOs believe a contraction is next. Overall, about two thirds of Canadian CFOs expect their economy to stall or contract.

All Mexican CFOs believe their economy is growing, but nearly two thirds believe it is stalling.

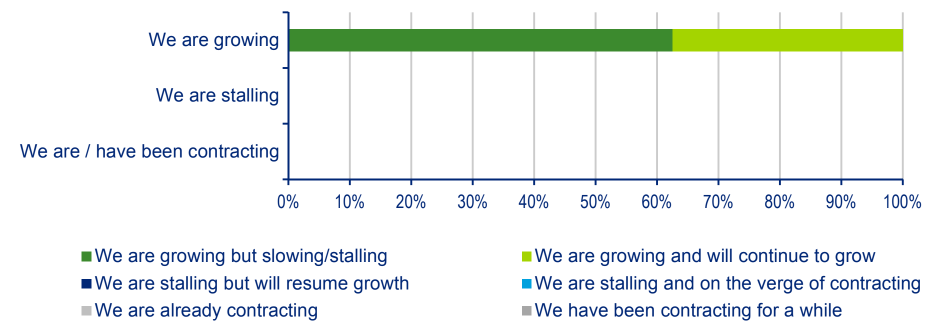
Perception of the Home Economy – U.S.



Perception of the Home Economy – Canada



Perception of the Home Economy – Mexico



Please see Appendix for industry-specific findings.

Economy

Response to the "fiscal cliff" – a step closer to the edge

More delaying of investment and hiring – but mostly no action

In the U.S., the looming "fiscal cliff" of year-end tax increases and spending cuts has been a source of worry and frustration for CFOs. Both last quarter and this one, a substantial proportion of CFOs have specifically mentioned the fiscal cliff as their most worrisome risk and as one of their top economy-level challenges.

But despite these strong concerns, last quarter's survey results showed that most companies were doing little in response. More than two thirds of U.S. CFOs said the "fiscal cliff" was not causing their companies to alter their approaches to investments, hiring, or transactions. And the remaining third was largely split around the types of adjustments they were making.

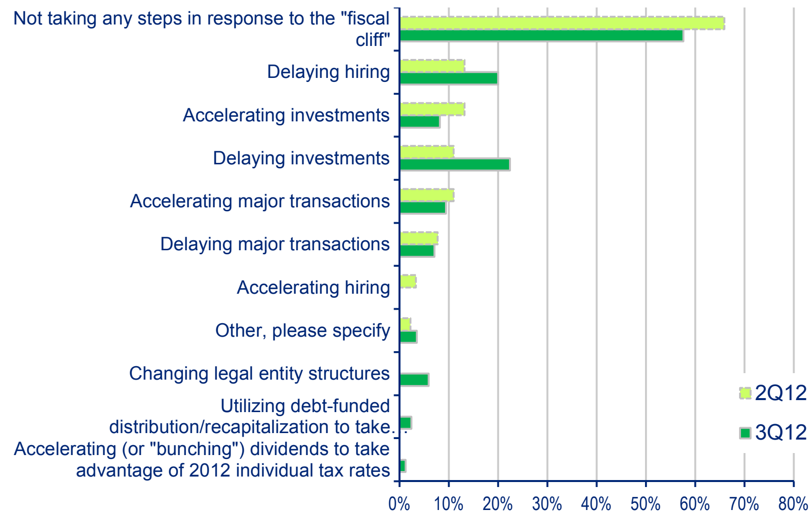
We are now a quarter closer to the edge, and little has changed on the policy front. As reported in *The Wall Street Journal's* "CFO Journal," the Congressional Budget Office recently released a report stating that, if nothing is done to avert the impending tax hikes and spending cuts, the unemployment rate will jump to 9.1% by the end of 2013, and the U.S. economy will sink back into recession. And CBO Director Doug Elmendorf has argued that, "Economic growth right now is being held back by the anticipation of this fiscal tightening."

This quarter's survey results show that, although 58% of companies are still not taking any steps in response to the fiscal cliff, the companies who are acting are doing so in a more consistent way. In particular, there is a notable rise in delaying both hiring and investment – especially in Healthcare/Pharma and Retail/Wholesale, where more than 40% of CFOs report these delays.

Highly proactive steps involving changes to legal structures and taking advantage of 2012 tax rates (new choices added for this quarter's survey question) are all relatively uncommon. The most common write-in responses involve changing the timing of tax deductible investments based on potential corporate tax rates changes.

How Companies are Addressing Fiscal Uncertainty

Percent of respondents indicating each action (multiple answers permitted)



Please see Appendix for industry-specific findings.

Economy

What companies are doing about Europe

Changing treasury and banking strategies, and reducing European exposure

Business activity in the eurozone continued to shrink this quarter, increasing the region's likelihood of entering recession within the next few months. Accordingly, nearly two thirds of CFOs say their company is taking actions specifically to address a European slowdown and financial crisis.

Those who are taking action are employing predominantly three strategies: changing their treasury, FX, and hedging strategies (32%), planning for multiple European scenarios (28%), and revisiting/reconfiguring relationships with European banks (24%). About 20% say they are scaling back on investments in current European operations.

While changes to cash levels, treasury/FX approaches, and banking relationships appear to be the most common responses, many CFOs say their most important step has been to scale back European operations and investments and to generally reduce exposure to Europe across the board.

Steps Taken in Response to European Distress

Percent of respondents citing each tactic

Please see Appendix for industry-specific findings.

Most Important Steps Companies Have Taken in Response to European Crisis

Respondents' descriptions of steps taken

AVOIDING EURO AND EUROPEAN BANKS
- Repatriated most of our Europe cash
- Changed banking relationships
- Reduced exposure to European banks
- Changed debt to non European banks
- Reduced Euro cash holdings
- Reconfigured Europe banking group
- Evaluated risks associated with European banks and revised relationships accordingly
- Realigned banking relationships
- Limited Euro bank exposure of cash holdings
- Managed our banking syndicate

BEING OPPORTUNISTIC
- Took share with a newer brand to offset declining demand for legacy brand
- Expanded our business
- Increased efforts to identify investment opportunities
- Pursued limited expansion
- Strengthened relationships with key business partners in the region

CHANGING TREASURY/CASH APPROACHES
- Built cash reserves
- Increased cash reserves
- New treasury strategy
- Extended low rate protection
- Hedged foreign currency
- Reduced Euro cash holdings
- Performed analysis of bond portfolio exposure by country
- Hedged FX and secured cash reserves
- Hedged currencies
- Changed treasury currency (despite no direct European exposure)
- Restructured schedule of Euro purchases and added contractual and treasury safeguards

REDUCING CREDIT EXPOSURE
- Changed our credit policies to reduce risk.
- Strengthened working capital management with focus on credit and collections

MANAGING EUROPEAN EXPOSURE
- Started evaluating exposure more frequently
- Increased monitoring of credit exposure to banks
- Limited financial exposure to PIGS
- Reduced direct and indirect exposures
- Reduced all exposures
- Increased assessment of risks
- Avoided the PIGS
- Developed plans to protect European assets
- Reevaluated European growth opportunities and related investments
- Allocated less resources to trade with Europe

ADJUSTING PLANS/EXPECTATIONS
- Employed scenario planning
- Planned for every scenario
- Conducted contingency planning and full evaluation of exposure in Greece and other key European markets
- Employed scenario planning and tighter cash management
- Accepted a more cautious outlook
- Adopted a conservative outlook
- Planned for a long-term flat/contracting economy
- Diversified into Asian markets

CONTRACTING EUROPEAN OPERATIONS
- Closed a factory and lowered budgets
- Reduced capacity/exposure in Europe
- Closed capacity
- Shut down manufacturing facilities in Europe
- Downsized
- Scaled back and cut costs
- Managed head count by using agency workers
- Reduced capital spending plans
- Reduced our cost structure in-line with market changes
- Better aligned costs to current revenue expectations
- Adjusted to more conservative budget for the next year
- Reconfigured the investment portfolio
- Financed self through asset sales

Economy

Business response to health care reform

Expected cost increases not enough to threaten employer-sponsored health coverage

The business impacts of the Patient Protection and Affordable Care Act have been hotly debated since well before its enactment in March 2010. When we asked CFOs about health care reform impacts in our 4Q10 survey, the message was fairly clear: although there were strong concerns about the reforms, most CFOs anticipated few major changes to their benefits approaches – and employer-sponsored health coverage was far from dead.

Much has happened since then. Most notably, constitutional challenges to the act have failed, and companies have had more than a year to digest what health care reform means. So to get a take on how thinking has changed (if at all), we repeated some of our 4Q10 questions this time.

Employer-sponsored coverage is still very much alive and well. U.S. CFOs again overwhelmingly say their companies will maintain current enrollment levels and/or maintain the levels and scope of benefits they provide. Just 2% say they are considering limiting coverage to the legal minimum (down from 10% in 4Q10), and none are considering dropping employer-sponsored coverage altogether and paying the applicable penalties (down from 4%).

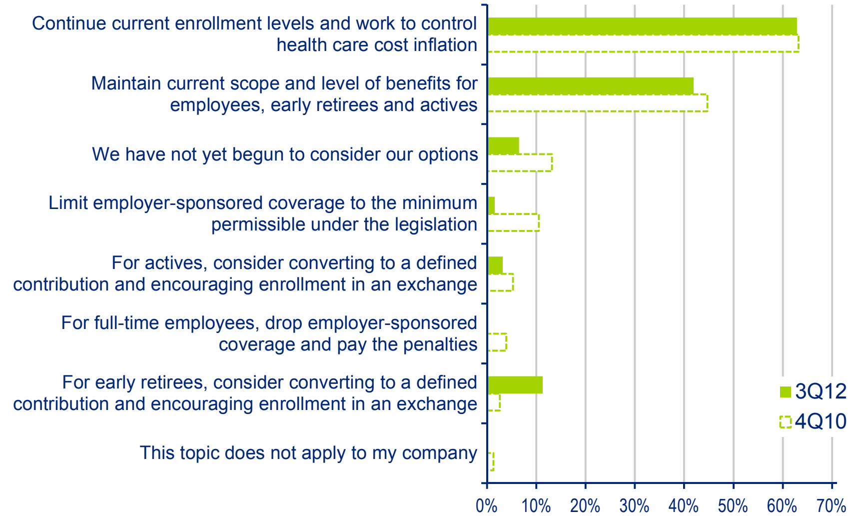
The most notable change is around how companies plan to handle early retirees. While only about 3% of CFOs said say they were considering converting to a defined contribution and encouraging enrollment in an exchange in 4Q10, that number jumped to 11% this quarter.

Net of their respective plans, about 70% of U.S. CFOs expect their company's health care costs to rise as a result of the Act – down from the 90% who expected a cost increase back in 4Q10. Across all respondents, the average expected increase is 7%. For just those who anticipate a cost increase, the average expectation is 10%. Only 15% of these CFOs expect an increase of more than 10%.

*__Note:__ Only U.S. CFO responses are included for health reform questions

Health Care Reform – U.S. Company Responses

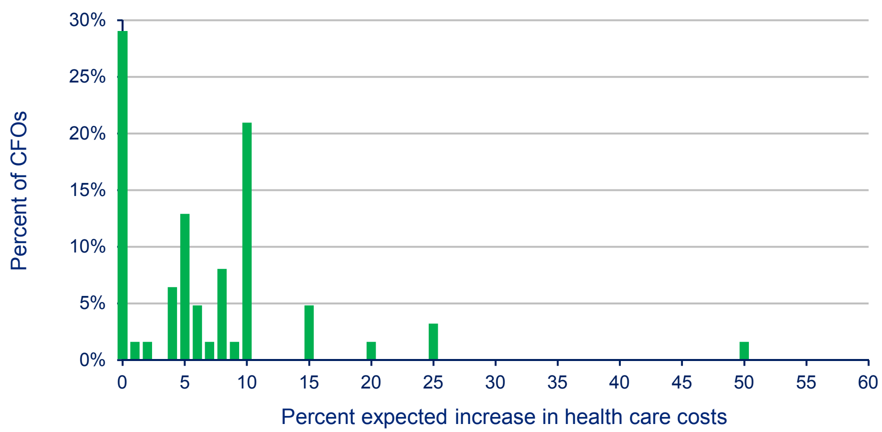
Percent of respondents who are considering each alternative



Please see Appendix for industry-specific findings.

Health Care Reform – Expected Cost Increase

Percent of respondents expecting each level of health care cost increase



Industry

Signs of contraction, negative pricing trends, and overcapacity

Top challenges

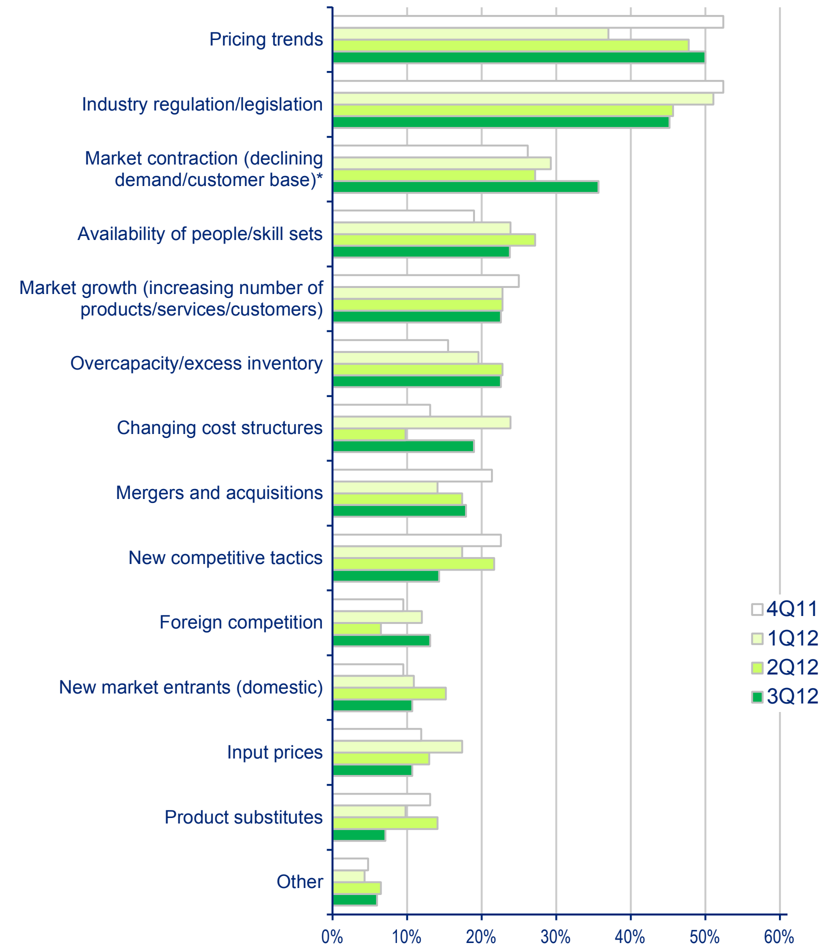
Strength of core markets and regulation

Consistent with the past several quarters, CFOs' are expressing strong concerns about the health and competitiveness of their core markets and the potential impact of regulation.

- **Pricing trends** maintained the top spot this quarter, continuing its three-quarter rise to 50%. They are a top-two concern in all sectors except Financial Services.
- **Industry regulation/legislation** held steady at 45% this quarter after being the dominant industry challenge in seven previous quarters. It is again top-two concern for Energy/Resources, Financial Services, Healthcare/Pharma, and Services.
- **Market contraction** concerns rose to 36% (driven mostly by high importance in Manufacturing and Technology), and **overcapacity and excess inventory** concerns held steady at 23% (with high importance in Manufacturing). **Market growth** challenges held steady at 23% and are a top-two challenge for Financial Services.
- **Availability of talent** held steady at 24% this quarter and is again a top challenge for Energy/Resources.
- **Other notable findings**: **Changing cost structure** concerns rebounded strongly to 19%; concerns about **new competitive tactics** are their lowest in over a year; **mergers and acquisitions** challenges are substantial for Technology.

Industry Challenges

Percent of respondents who place each option in their top three



Please see Appendix for industry-specific findings.

Company

Diminishing returns evident in drastically lower expectations

Top challenges

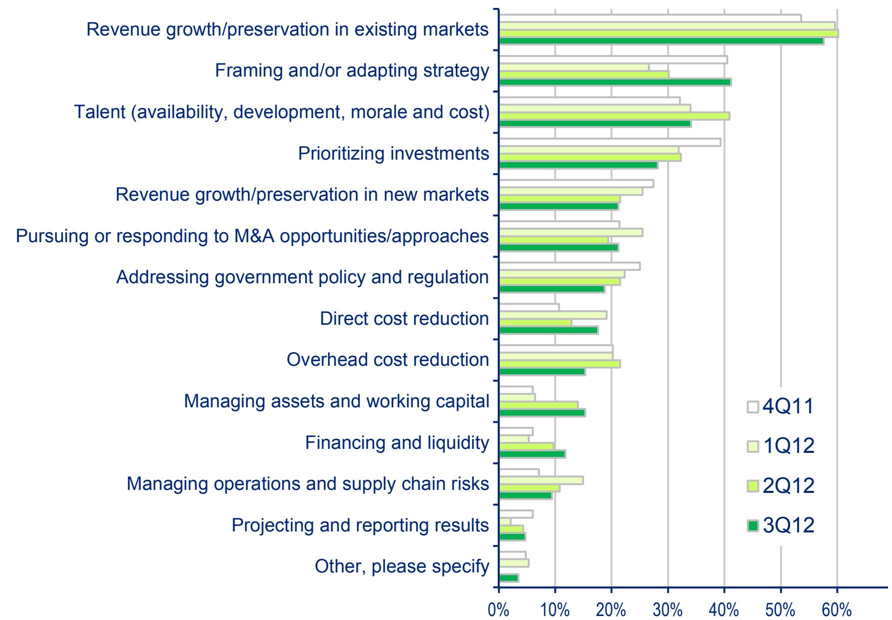
Current markets and strategy

Since indicating a strong focus on business planning and growth near the end of 2011, companies have appeared more focused on execution and defending current markets. But widespread uncertainty may be necessitating a return to strategy.

- **Revenue from existing markets** again tops this quarter's list with 58% of all CFOs naming it a top challenge – roughly the same percentage as last quarter. It is again the top company challenge for all industries – a phenomenon that occurred for the first time last quarter. **Revenue from new markets** held steady at a survey-low 21%, consistent with a possible scaling back of geographic expansion in response to conditions in Europe and Asia.
- **Talent availability** concerns slipped from last quarter's survey high of 40% to 34% this quarter but are still near historic highs. Concerns are strongest in Manufacturing, Retail/Wholesale, and Healthcare/Pharma.
- **Framing and/or adapting strategy** is a top challenge for 41% of CFOs, bouncing back after two quarters of notable declines. This may signify a resurgence of strategy revision/formulation as companies work to address heavy uncertainty as we head toward the end of 2012. Effects are particularly strong for Technology, Energy/Resources, and Financial Services.
- **Prioritization of investments** slid from 32% to 28% but is still a top challenge for Manufacturing and Healthcare/Pharma.

Company Challenges

Percent of respondents who place each option in their top three



Please see Appendix for industry-specific findings.

Company

Business focus

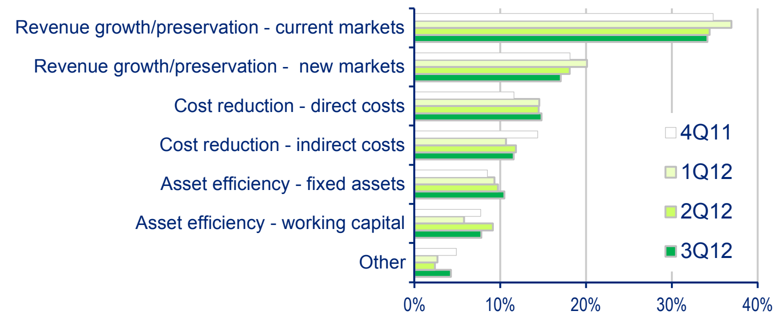
Little change from last quarter; comparatively low focus on new markets

Consistent with last quarter and most quarters, about half of companies' strategic focus this quarter is on revenue growth and preservation. Retail/Wholesale and Technology again lead at 60% or more, joined this time by Healthcare/Pharma. Energy/Resources, Financial Services, and Services indicate the strongest focus on cost cutting.

- **Growth:** Across all companies, CFOs again cite a 34% focus on revenue growth/preservation in **existing markets.** Retail/Wholesale, Technology, and T/M/E are all above 40%, and Energy/Resources again trails at 15%. CFOs cite a 17% (18% last quarter) focus on growth in **new markets** with Technology and Healthcare/Pharma above 23%, and Energy/Resources trailing at just 12%.
- **Costs**: The focus on **indirect costs** and **direct costs** both held steady at 12% and 15%, respectively. All industries are close to the mean for indirect costs except for Retail/Wholesale, which comes in at just 7%. Retail/Wholesale is also low for direct costs at 12%, and Services is again highest at about 18%.
- **Asset efficiency**: The focus on fixed assets held steady at about 10% for fixed assets and at 8% for working capital. Energy/Resources is again high for fixed assets 19%, and Services unexpectedly rose to 19%. Manufacturing is again high for working capital at 13%.

Company Business Focus

Distribution of company focus among respondents



Please see Appendix for industry-specific findings.

Company

Expected sales and earnings

New lows for both sales and earnings with relatively little variability

Last quarter's expectations for year-over-year growth for earnings, capital investment, and domestic hiring were trending upward, but rising variability in CFOs' projections and their mostly-negative responses to questions about longer-term earnings growth suggested underlying concern. This quarter's CFO expectations appear to confirm the case for worry – at least in the U.S.

- **Sales growth** expectations of 4.8%* are below last quarter's 6.6%* and a new survey low – well below the previous low of 5.9%* in the first quarter of this year. U.S. expectations are just 4.3%* (6.7%* last quarter), with Canada and Mexico at about 6.5%* (they were 5.9%* and 8.7%* last quarter, respectively). Retail/Wholesale and Technology are the most optimistic at about 6.5%* expected growth, and about 80% of all CFOs expect year-over-year gains.
- **Earnings growth** expectations have been in double digits every quarter except 3Q11. But this quarter's 8.0%* expectation (versus 10.5%* last quarter) breaks that streak and is a new survey low. The median expectation fell from 8.5% to just 6.0% (another survey low) and the upper range of the middle 90% of responses contracted sharply. Mexican estimates lead at 8.9%* (11.7%* last quarter). Canadian and U.S. estimates trail at 8.1%* (4.6%* last quarter) and 7.2%* (12.3%* last quarter), respectively. Technology and Manufacturing are again the most optimistic at about 17%* and 11%*, respectively, and Energy/Resources is least optimistic at about 2%*.
- **Non-labor input cost growth** expectations declined to 2.5%* this quarter – a new survey low. **Wage/salary projections** are consistent with their long-term average at around 3%, and expected **employee benefits cost** increases of 4.3%* are about the same as those we have seen over the past year.

Expected dividends and investment

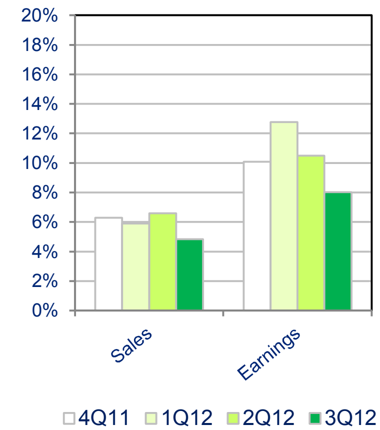
Sharp decline in investment plans

Despite strong economic concerns and moderating expectations for sales and revenue, companies have kept the pedal down on capital investments – until now.

- **Dividend increases** of 2.5%* are among the lowest we have seen in this survey – possibly signaling rising worries around earnings and/or cash. The median expectation is again 0%, and just 30% of CFOs project dividend increases. Manufacturing is highest at roughly 4%* dividend growth, and Healthcare/Pharma is lowest at 0%*.

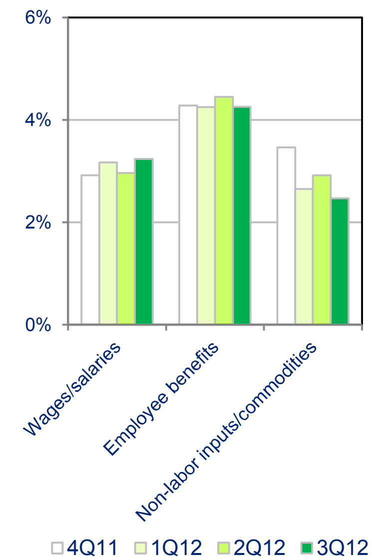
Operating Results*

Expected change year-over-year



Costs*

Expected change year-over-year



**Averages have been adjusted to eliminate the effects of stark outliers. Please see Appendix for industry-specific findings.*

Company

- **Capital investment growth** expectations fell precipitously from 11.4%* to just 4.7%* this quarter – well below the previous low of about 8%. Just 53% of CFOs expect gains at all, and the median expectation is now just 3%, both of which represent additional survey lows. Similar to the case for sales and earnings, the range of the middle 90% of responses contracted sharply – mostly due to a sharp reduction in the higher-end estimates. Financial Services, Retail/Wholesale, and Healthcare/Pharma are highest at around 7%*, while Energy/Resources is lowest at -4%* (driven by a few very negative estimates in this sector).
- **R&D spending** is expected to rise 3.1%*, just above last quarter's survey low of 2.9%*. Technology and Healthcare/Pharma are highest at about 11%* and 5%*, respectively. **Marketing spend** is expected to rise 3.5% - another survey low, with Financial Services highest at about 5%*.

Employment

Already-slow growth turns much worse

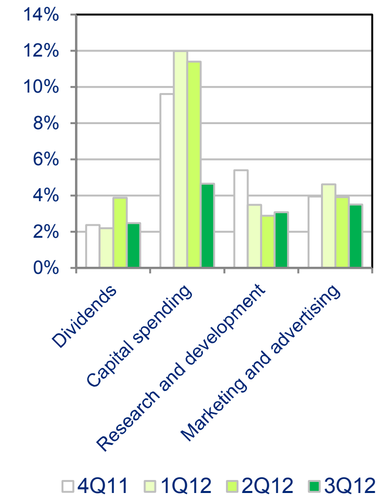
Last quarter, despite their flattening performance estimates, CFOs' hiring estimates remained relatively strong. But we noted that rapidly increasing variability in expectations may have been a sign of weakening, and this quarter's results appear to confirm this.

- **Domestic hiring** expectations are now just 0.6%*, well below last quarter's 2.1%* expectation and are another survey low. The median expectation is now 0%, with 40% of CFOs projecting gains and 27% projecting cuts. U.S. projections plummeted from 1.9%* to 0.2%. Canadian projections declined from 2.7%* to 1.1%*, and Mexico rose from 1.9%* to 2.7%*. Healthcare/Pharma and Retail/Wholesale are the most optimistic at just 1.8%* and 1.2%*, respectively, while Manufacturing and Services are lowest at about 0%*.
- **Offshore personnel growth,** which peaked in 4Q11 at 4.5%*, fell to just 1.5%* this quarter – well below the previous survey low. U.S. projections are highest at 1.8%* growth, down from 4.2%* last quarter. Canada fell from 2.7%* last quarter to just 0.8%* this quarter, and Mexico came in at just 0.3%*, down from 3.6%*. Technology and Manufacturing are highest at about 4%* and 2%*, respectively.
- **Outsourced staffing** growth fell from 3.6%* last quarter to just 1.6%* this quarter – yet another survey low – led by Mexico at 2.9%* (down from 3.8%*). U.S. estimates declined from 4.4%* to just 1.7%*, and Canada held relatively steady at 0.5%*. Financial Services and Technology are highest at about 5%* and 3%*, respectively, while Services and Retail/Wholesale both expect losses of about 1%*.

** Numbers with asterisks have been adjusted to eliminate the effects of stark outliers.*

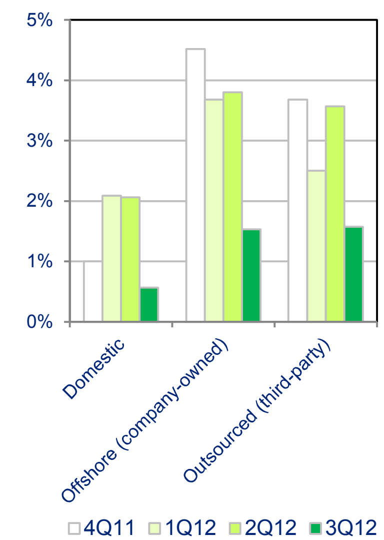
Investments*

Expected change year-over-year



Employment*

Expected change year-over-year



**Averages have been adjusted to eliminate the effects of stark outliers. Please see Appendix for industry-specific findings.*

Company

Own-company optimism

External factors driving rising anxiety in the U.S.; Canada and Mexico still optimistic

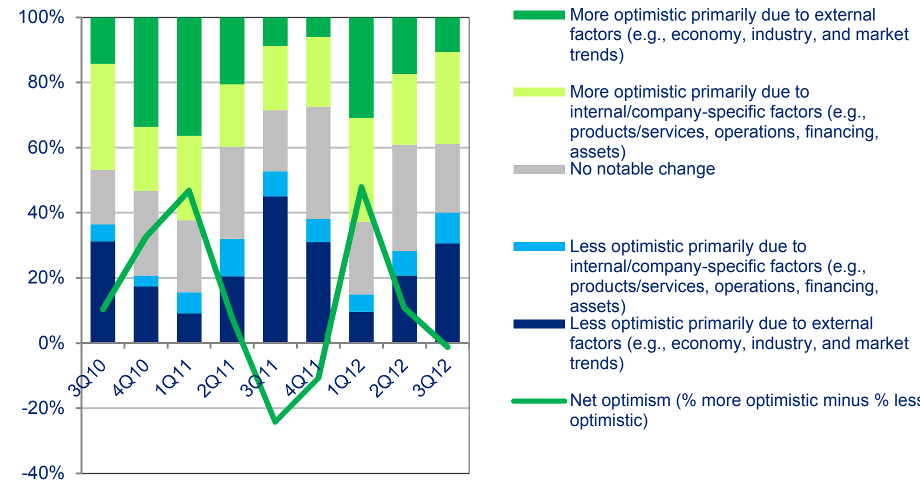
Last quarter, CFO sentiment (especially in the U.S.) took a turn for the worse. Europe appeared even closer to the brink, elections and political stalemates in the U.S. were causing worries about regulation and the looming “fiscal cliff,” and the S&P index had fallen about 4% since our previous survey.

With the exception of S&P 500 index (whose value has risen nearly 8% since our last survey), little has changed over the past three months. The substantial rise in equities has not been enough to slow U.S. CFOs’ growing pessimism, but Canada and Mexico remain mostly optimistic. Note that the last time overall pessimism surged despite solid equity markets performance, the equities markets declined markedly about a quarter later.

- **Optimism fading on the whole:** After two quarters in negative territory, net optimism rebounded sharply in the first quarter of this year. But last quarter’s net optimism was more muted at +11, and this quarter it fell further to -1 – in both cases dragged down by declining sentiment among U.S. CFOs. Roughly 40% of CFOs again say they are more optimistic this quarter than last quarter, but there was a shift from neutral to negative sentiment that left pessimism this quarter at 40% (up from 28%). External factors drive 77% of the total pessimism and just 27% of the optimism.
- **U.S. sentiment still declining:** Net optimism in the U.S. rose markedly from lows of -15 and -34 at the end of 2011 to +40 in the first quarter of this year. Last quarter it fell to zero, and this quarter it retreated to -16. Reflecting strong concerns about the external business environment, more than 80% of the rise in pessimism was fueled by external factors. Overall, 47% of CFOs are less optimistic this quarter and just 31% more optimistic.
- **Canada and Mexico still optimistic:** Continuing the optimism evident over the past five quarters, Canadian CFOs’ report net optimism of +47 (up from +42 last quarter). Some 20% express declining optimism, up from 16%. About 60% of the optimism is driven by improving assessments of external factors. Similar to last quarter, half of Mexican CFOs indicate rising optimism and 25% are less optimistic.

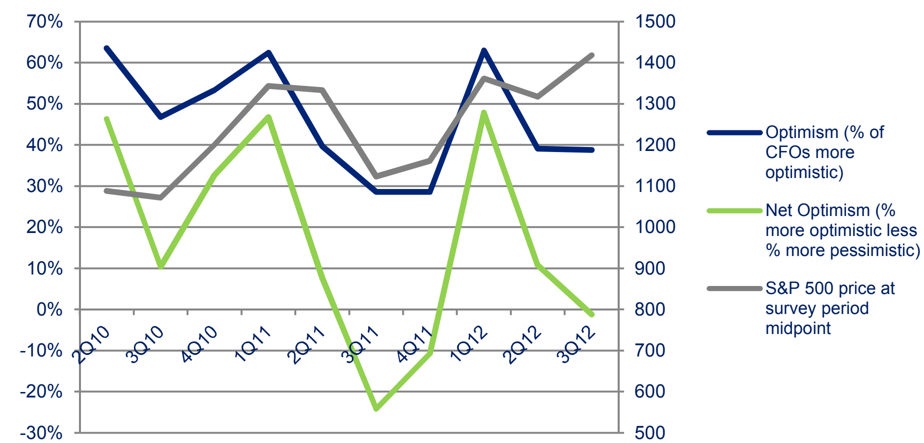
Company Optimism

Net optimism and causes of rising/falling optimism



Company Optimism

Optimism and net optimism relative to S&P500 price



Please see Appendix for industry-specific findings.

Company

Toughest executive team decisions

Big-ticket decisions the toughest, and the reasons vary considerably

It is perhaps not surprising that CFOs say their executive teams struggle the most with decisions that typically involve high uncertainty and financial cost. About 60% of CFOs cite difficulties with decisions related to business strategy (what to provide, to whom, on what competitive basis). Another 60% cite struggles with organic growth decisions (R&D funding, geographic expansion, product/service expansion, etc.), and about one third struggle with decisions around inorganic growth (identifying, targeting, executing, shutdown/disposition, etc.).

It may be a bit more surprising that executive teams also struggle with cost reduction efforts – which typically involve less uncertainty and with which many companies have extensive experience. About 45% of CFOs say cost reduction/efficiency efforts (consolidations, redesigns, streamlining, outsourcing/offshoring, etc.) are a top challenge.

Rounding out the top five struggles are decisions around executive leadership, with just over 20% of CFOs citing challenges with decisions around executive hiring and succession planning. Capex and opex budgeting are comparatively minor challenges at 18% and 12%, respectively.

Perhaps more surprising is the very broad range of barriers CFOs encounter in their struggles to make good decisions. In fact, a total of nine different barriers each received votes from at least 20% of CFOs.

Leading the list are three diverse barriers that each garnered roughly 30% or more of CFOs responses: differing views of overarching strategies and goals (36%), biases of particular executives (35%), and insufficient understanding of options and their expected outcomes (29%). The next tier contains barriers that are mostly process-oriented: unclear/inappropriate assignment of decision-making authority (26%), lack of clarity/agreement around the problem to be solved (25%), conflicting decision-making styles of team members (23%), and insufficient input/perspective (21%). And a noteworthy 19% cite general resistance to change.

The most notable industry differences relate to the presence of the biases of executive team members – both Technology and Energy/Resources are well above-average. Technology and Services are well above the norm when it comes to differing views of overarching strategies and goals.

Please see Appendix for industry-specific findings.

Company

Satisfaction with information systems

Dissatisfaction with performance in core areas

CFOs in this survey are from some of the most sophisticated and well-resourced companies in the world, so it may be a bit surprising that several CFOs have specifically suggested that we poll their peers about IT systems capabilities and limitations. This quarter's results suggest that, despite IT capabilities that may be relatively advanced, CFOs see substantial room for improvement in core areas.

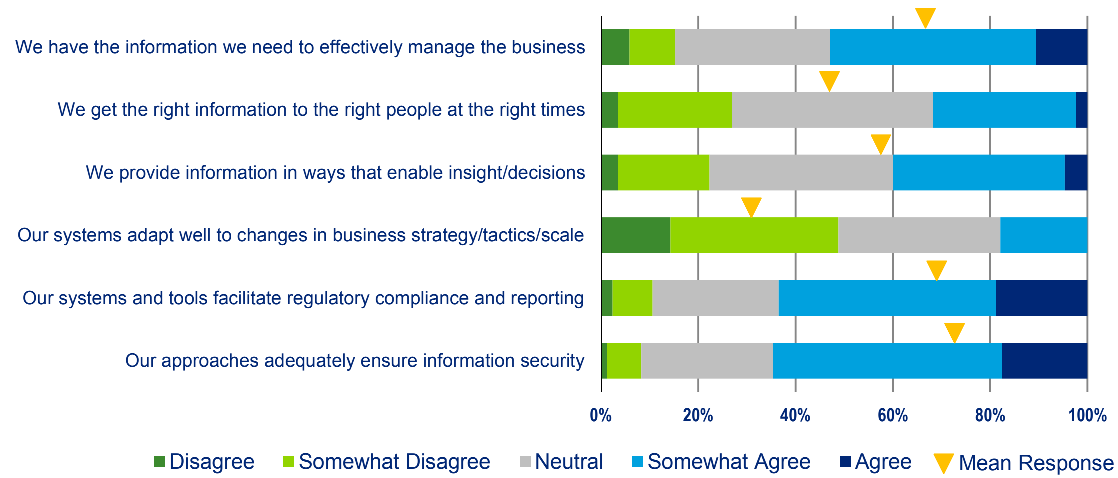
First, the relatively good news. About two thirds of CFOs say their IT approaches adequately ensure information security. About one quarter express a neutral opinion, and about 18% express strong confidence in this area. The proportions are about the same when it comes to IT systems' facilitation of regulatory compliance and reporting.

The story is more mixed when it comes to supplying and effectively utilizing important information. Just over half of CFOs say they have the information they need to effectively manage the business, and about one third express a neutral opinion. About 40% of CFOs are positive around the provision of information in ways that enable insights/decisions (22% are negative), and about one third say they get the right information to the right people at the right times (27% are negative).

By a wide margin, CFOs say the most problematic IT issue relates to flexibility and adaptability. Nearly half say their systems do not adapt well to changes in business strategy, tactics, and/or scale, and only 18% express positive sentiment.

Cross-industry differences are relatively minor, but Services sector CFOs generally tend to be more optimistic on these issues.

Information Technology Capabilities



Please see Appendix for industry-specific findings.

Finance Organization

Broadening demands as companies face broadening challenges

Top challenges

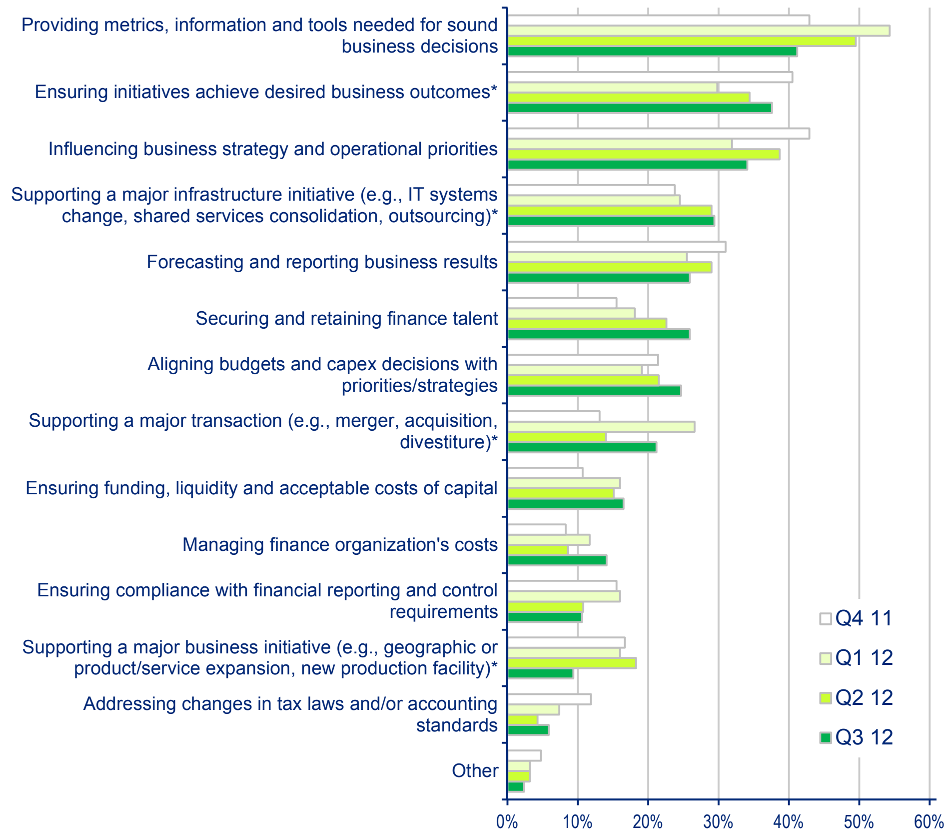
Setting priorities and executing well

Similar to previous quarters, this quarter's findings appear to indicate a mostly tactical focus on operational execution and getting the most out of already-decided investments. Talent concerns continue to rise.

- **Providing information, analysis, and metrics** repeats as the top challenge but has declined from 54% to 41% over the past three quarters. It is a top-two challenge for six of the eight industries (the exceptions are Retail/Wholesale and T/M/E).
- **Ensuring initiatives achieve desired business outcomes** rose to second at 38% and is the top concern for Retail/Wholesale, Financial Services, and Services.
- **Influencing strategy and operational priorities** remains a top priority at 34%. It is the dominant challenge for Energy/Resources.
- **Supporting major infrastructure initiatives** held holds steady at 29% and is a top challenge for Financial Services and Services.
- **Forecasting and reporting business results** is cited by 26% of CFOs and is a top-two challenge for Technology.
- **Securing and retaining finance talent** continued continues its rise and now sits at 26%. It is a top challenge for Retail/Wholesale, Technology, and Healthcare/Pharma.
- **Supporting a major transaction** is a top challenge for 21% of CFOs, with particularly strong effects in Manufacturing.

Finance Organization Challenges

Percent of respondents who place each option in their top three



Please see Appendix for industry-specific findings.

CFO Career

Facing poor company performance and another look at strategic choices

Top job stresses

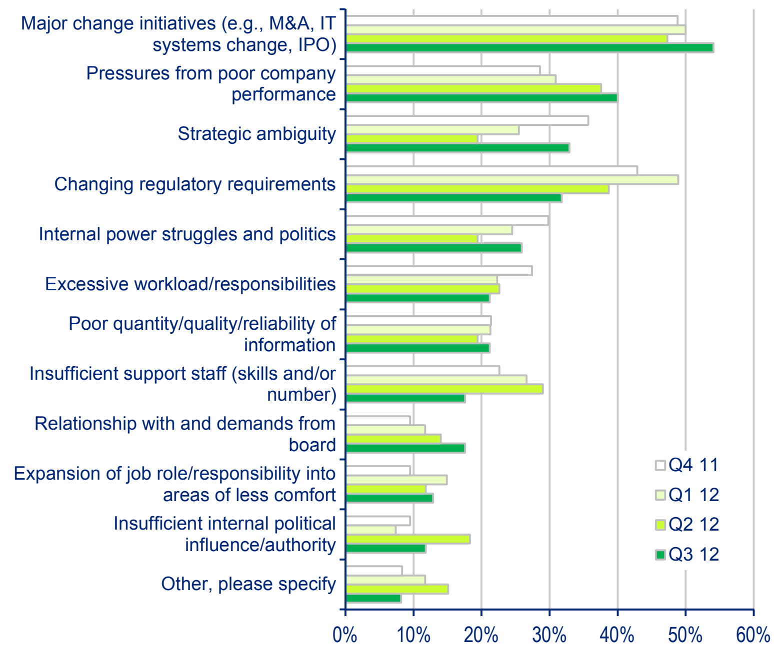
Change initiatives and poor performance – plus a return of strategic ambiguity

Strategic ambiguity, which has been a declining job stress of late, rebounded substantially this quarter – perhaps the product of growing uncertainty as companies look ahead to 2013. Concerns about major change initiatives and poor company performance continue unabated.

- **Major change initiatives** (e.g., M&A, systems changes, IPOs) are again CFOs' dominant career stress, cited by 54% of all CFOs. It is a top-two stress in all reporting industries.
- **Pressures from poor company performance** continue to grow this quarter, rising from under 30% to 40% over the past year. They are a top-two job stress in Technology, Energy/Resources, and Services.
- **Strategic ambiguity** topped out as a top job stress for 42% of CFOs in 3Q11 and spent seven straight quarters in the top three. But it fell to just 19% over the past two quarters (at the same time **framing/adapting strategy** declined as a company-level challenge), suggesting that CFO worries about obsolete and unclear strategies may have largely subsided. But strategic ambiguity concerns rebounded to 33% this quarter, (driven largely by Manufacturing and Financial Services), consistent with this quarter's bounce-back of framing/adapting strategy as a company-level challenge.
- **Changing regulatory requirements** are a top career stress for 32% of CFOs, down from 49% over the past three quarters. They are again the dominant stress for Financial Services and Healthcare/Pharma.
- **Internal power struggles** are a challenge for 26% of CFOs, with much higher prevalence in Retail/Wholesale.
- **Excessive workloads and responsibilities** and **poor quantity/quality/ reliability of information** are both a top concern for 21% of CFOs.

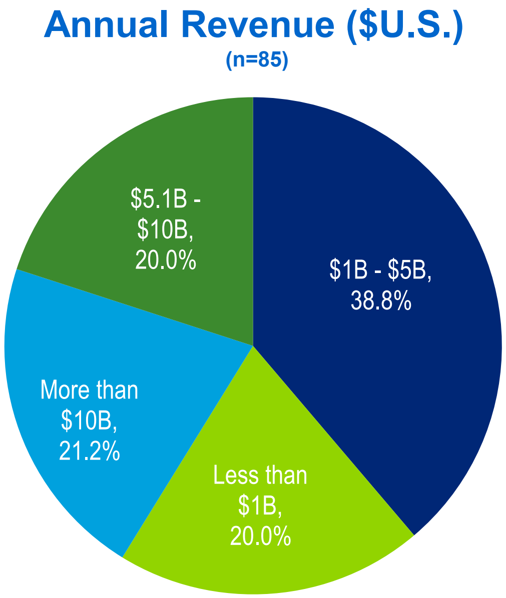
Job Stresses

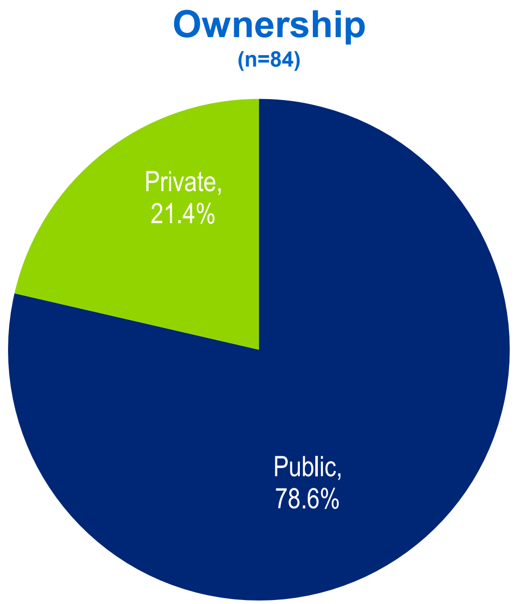
Percent of respondents who place each option in their top three

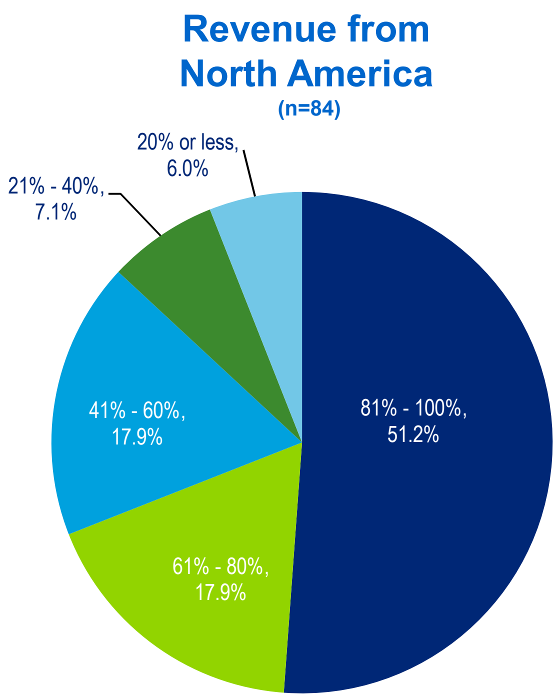


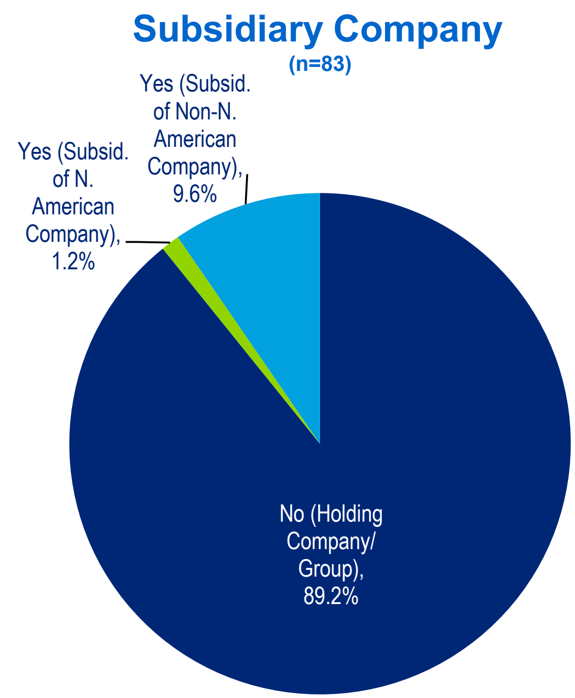
Please see Appendix for industry-specific findings.

Demographics



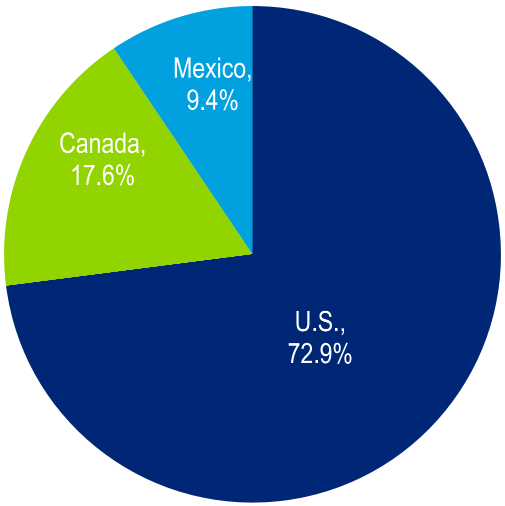




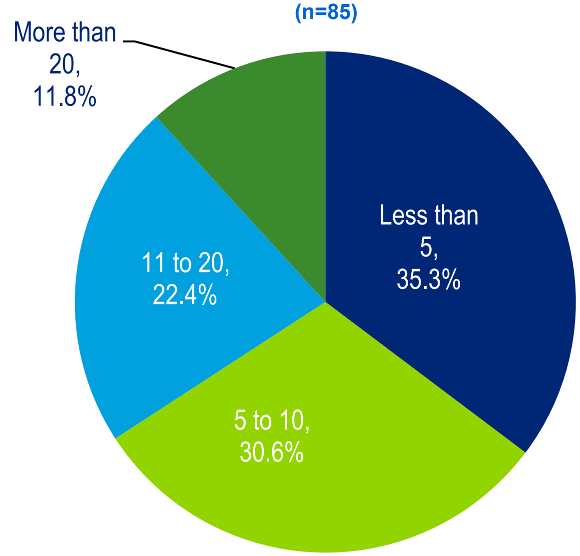


Demographics

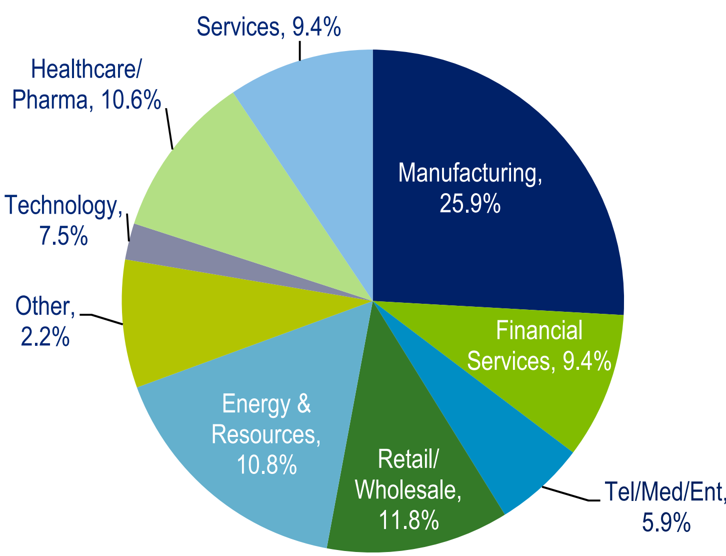
Country
(n=85)



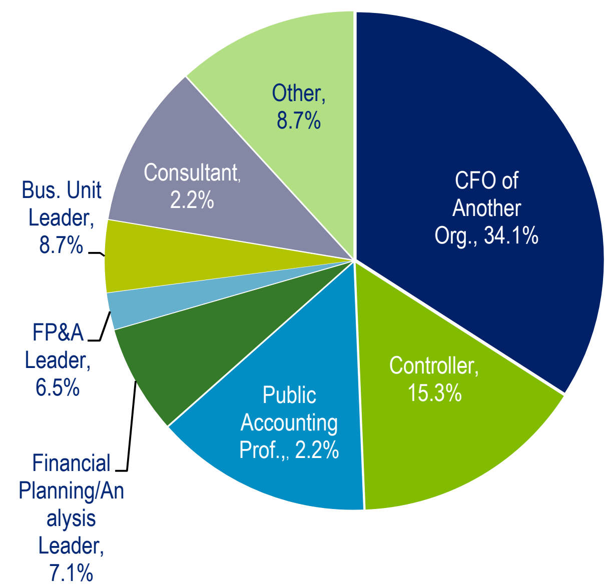
CFO Experience (Years)
(n=85)



Industry
(n=85)



Previous CFO Role
(n=85)



Methodology

Background

The Deloitte North American CFO Survey is a quarterly survey of CFOs from large, influential companies across North America. The purpose of the survey is to provide these CFOs with quarterly information regarding the perspectives and actions of their CFO peers across five areas: CFO career, finance organization, company, industry, and economy.

Participation

This survey seeks responses from client CFOs across the United States, Canada, and Mexico. The sample includes CFOs from public and private companies that are predominantly over $3B in annual revenue. Respondents are nearly exclusively CFOs. Participation is open to all sectors except for government.

Survey Execution

At the opening of each survey period, CFOs receive an email containing a link to an online survey hosted by a third-party service provider. The response period is typically two weeks, and CFOs receive a summary report approximately two weeks after the survey closes. Only CFOs who respond to the survey receive the summary report for the first two weeks after the report is released.

Nature of Results

This survey is a “pulse survey” intended to provide CFOs with information regarding their CFO peers’ thinking across a variety of topics; it is not, nor is it intended to be, scientific in any way, including in its number of respondents, selection of respondents, or response rate – especially within individual industries. Accordingly, this report summarizes findings for the surveyed population but does not necessarily indicate economy- or industry-wide perceptions or trends.

Deloitte.