COVID-19 CFO poll results
June 2020
powered by The CFO Program
COVID-19 CFO Survey
June 2020

About the poll
For this poll (our second COVID-19 poll), CFOs from 118 large North American companies responded between June 17 and June 19. For the first poll, CFOs from 113 companies responded between April 8 and April 10. Respondent demographics are included at the end of this report.

Participating CFOs have agreed to have their responses aggregated and presented.

This poll is intended to provide information regarding CFOs’ thinking across a variety of pandemic-related 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 polled population, but does not necessarily indicate economy- or industry-wide perceptions or trends.

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More information
For additional information about the polling results and methodology, please contact: nacfosurvey@deloitte.com.

For information about how CFOs and other C-suite executives can respond to the current crisis, please visit the dedicated COVID-19 site on Deloitte.com.
CFOs largely optimistic following substantial reopening of the US economy, but Retail/Wholesale and Services remain stressed.

**Summary**

- Seventy-two percent of CFOs say they are currently operating at or above 80% capacity—essentially even with the 73% who said so in April. Retail/Wholesale, Energy/Resources, and Services appear better off than in April.

- The proportion of CFOs who say none of their workers are working at less than half capacity rose substantially from 26% in April to 37% now, but one-third again say at least 20% are at less than half capacity. Retail/Wholesale and Services CFOs indicate the strongest challenges.

- CFOs are mostly optimistic about their ability to operate effectively, safely, and profitably as the US economy continues to reopen. They are least optimistic about the ability of the US economy and their companies to reattain pre-crisis performance levels, and they are mixed when it comes to staffing and liquidity.

- Nearly 20% of CFOs say they are already at or above pre-crisis operating levels, and another 12% expect to reach this milestone by the end of this year. Just over half say 2021, and 17% say 2022 or later. Technology and Energy/Resources CFOs expect the fastest return to pre-crisis operating levels; Manufacturing, Retail/Wholesale, Services, and Healthcare/Pharma expect the slowest return.

- Nearly 70% of CFOs believe US equity markets are overvalued, and only 6% say they are undervalued (the S&P 500 value at the polling period midpoint was 3,115).

- Fifty-five percent of CFOs say the US Congress should provide further assistance to workers, families, and small businesses, while just 19% disagree. Forty-two percent say the US Federal Reserve should take further steps to bolster liquidity, with 24% disagreeing. The proportions expressing a neutral view were high for both statements.
Current operating levels

At roughly what capacity is your company currently operating (total company revenue generation)?

Seventy-two percent of CFOs say they are currently operating at or above 80% capacity—essentially even with the 73% who said so in April. Retail/Wholesale, Energy/Resources, and Services appear better off than in April.

*Horizontal bar percentages may not add to 100 due to rounding.
**Current workforce levels**

**What percentage of your pre-crisis workforce is working at less than half capacity (including those laid off or furloughed)?**

The proportion of CFOs who say none of their workers are working at less than half capacity rose substantially from 26% in April to 37% now—but one-third again say at least 20% are at less than half capacity. Retail/Wholesale and Services are the most challenged.

![Bar chart showing workforce levels across various industries](chart)

<table>
<thead>
<tr>
<th>Industry</th>
<th>None</th>
<th>10%</th>
<th>20%</th>
<th>30% or 40%</th>
<th>50% or 60%</th>
<th>70% or 80%</th>
<th>90% or 100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL*</td>
<td>37%</td>
<td>29%</td>
<td>12%</td>
<td>8%</td>
<td>3%</td>
<td>7%</td>
<td>4%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>24%</td>
<td>41%</td>
<td>10%</td>
<td>14%</td>
<td>3%</td>
<td>9%</td>
<td>5%</td>
</tr>
<tr>
<td>Retail/Wholesale</td>
<td>21%</td>
<td>14%</td>
<td>14%</td>
<td>7%</td>
<td>21%</td>
<td>21%</td>
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<tr>
<td>Technology</td>
<td></td>
<td>70%</td>
<td>30%</td>
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<tr>
<td>Energy/Resources</td>
<td></td>
<td>58%</td>
<td>17%</td>
<td>17%</td>
<td>8%</td>
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<tr>
<td>Financial Services</td>
<td>48%</td>
<td>24%</td>
<td>16%</td>
<td>4%</td>
<td>8%</td>
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</tr>
<tr>
<td>Healthcare/Pharma</td>
<td>44%</td>
<td>33%</td>
<td>11%</td>
<td>11%</td>
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</tr>
<tr>
<td>Telecom/Media/Ent.</td>
<td>20%</td>
<td>40%</td>
<td>20%</td>
<td>10%</td>
<td>10%</td>
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</tr>
<tr>
<td>Services</td>
<td>23%</td>
<td>66%</td>
<td>15%</td>
<td>8%</td>
<td>23%</td>
<td>14%</td>
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</tbody>
</table>

*Horizontal bar percentages may not add to 100 due to rounding.*

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COVID-19 CFO Poll 5
Reopening of operations

Based on what you have seen as the reopening of the US economy has accelerated, how do you feel now about the following?

CFOs are mostly optimistic about their ability to operate effectively, safely, and profitably as the US economy continues to reopen. They are least optimistic about the ability of the US economy and their companies to reattain pre-crisis performance levels, and they are mixed when it comes to staffing and liquidity.
Reopening of operations

Based on what you have seen as the reopening of the US economy has accelerated, how do you feel now about the following?

Manufacturing, Retail/Wholesale, and Energy/Resources are particularly pessimistic about their timing for reaching pre-crisis revenue levels (Technology and Financial Services are relatively optimistic). Retail/Wholesale is relatively pessimistic about operating profitably and also about employee layoffs and furloughs.

<table>
<thead>
<tr>
<th>Metric</th>
<th>Total* (n=117)</th>
<th>Manufacturing (n=29)</th>
<th>Retail/Wholesale (n=14)</th>
<th>Technology (n=10)</th>
<th>Energy/Resources (n=12)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Speed with which US economic activity will recover to pre-crisis levels</td>
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<tr>
<td>Speed with which my company can reach or exceed pre-crisis revenue levels</td>
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<tr>
<td>Our ability to operate profitably under current conditions/limitations</td>
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<tr>
<td>Our ability to avoid new layoffs and/or furloughs</td>
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<tr>
<td>Our ability to bring back furloughed employees</td>
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<tr>
<td>Our ability to maintain sufficient liquidity during the economic recovery</td>
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<tr>
<td>Financial markets’ ability to avoid a broader financial crisis</td>
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<tr>
<td>Our ability to adequately protect employees for on-site work (no in-person customer contact)</td>
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<tr>
<td>Our ability to adequately protect customers/employees for in-person transactions/svcs.</td>
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<tr>
<td>Our ability to operate effectively in the event of a fall COVID-19 resurgence</td>
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*Sample sizes for industries may not sum to total due to responses classified as "other."

Very pessimistic  Pessimistic  Neutral  Optimistic  Very optimistic
Reopening of operations

Based on what you have seen as the reopening of the US economy has accelerated, how do you feel now about the following?

*Telecom/Media/Entertainment CFOs are relatively pessimistic in most areas, but the sample size is low. Healthcare/Pharma and Services are relatively optimistic about bringing back furloughed workers.*

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Total* (n=117)</th>
<th>Financial Services (n=25)</th>
<th>Healthcare/ Pharma (n=9)</th>
<th>Telecom/ Media/Ent. (n=5)</th>
<th>Services (n=13)</th>
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Very pessimistic Pessimistic Neutral Optimistic Very optimistic
Return to near-normal operations

What is your best guess for when your company will return to a pre-crisis (or near-normal) level of operations?

Nearly 20% of CFOs say they are already at or above pre-crisis operating levels, and another 12% expect to reach this milestone by the end of this year. Just over half say 2021, and 17% say 2022 or later.

Technology and Energy/Resources CFOs expect the fastest return to pre-crisis operating levels. Manufacturing, Retail/Wholesale, Healthcare/Pharma, and Services are the most likely to expect 4Q21 or later (although the latter two are largely split, with some also expecting a faster return).
US equity market valuations

What is your perception of today’s US equity markets?

Nearly 70% of CFOs believe US equity markets are overvalued, and only 6% say they are undervalued (the S&P 500 value at the polling period midpoint was 3,115).
Fiscal and monetary action

What is your view on whether or not further fiscal or monetary action is necessary?

Fifty-five percent of CFOs say the US Congress should provide further assistance to workers, families, and small businesses, while just 19% disagree. Forty-two percent say the US Fed should take further steps to bolster liquidity, with 24% disagreeing. The proportions expressing a neutral view were high for both statements.
Poll respondant demographics

Poll responses by industry

- Manufacturing: 29% (June), 31% (April)
- Financial Services: 28% (June), 25% (April)
- Healthcare/Pharma: 9% (June), 10% (April)
- Technology: 10% (June), 10% (April)
- Retail/Wholesale: 8% (June), 14% (April)
- Energy/Resources: 12% (June), 7% (April)
- Services: 13% (June), 7% (April)
- Telecom/Media/Ent.: 5% (June), 6% (April)
- Other: 1% (June), 6% (April)

Ownership type
- Private: 27%
- Public: 73%

Revenue level
- More than $10B: 14%
- $5.1B – $10B: 14%
- $1B – $5B: 48%
- Less than $1B: 24%

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Which of the following best describes the dominant current focus of your management team?

Overall, 11% of CFOs say their management team’s dominant focus is ensuring survival/viability, while 47% say their dominant focus is adapting to maximize current performance. Thirty-four percent say the dominant focus is evolving business models for the post-crisis future, and just 8% cite planning/making fundamental business shifts.

Based on what we are seeing since the US economy began to open more rapidly around Memorial Day (May 25, 2020), my confidence in a rapid US economic recovery is _______

Overall, 22% of CFOs say their confidence is now higher, with 36% saying lower. Forty-two percent say their reopening experience so far has not changed their level of confidence.
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