

COVID-19 CFO poll results
June 2020

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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.

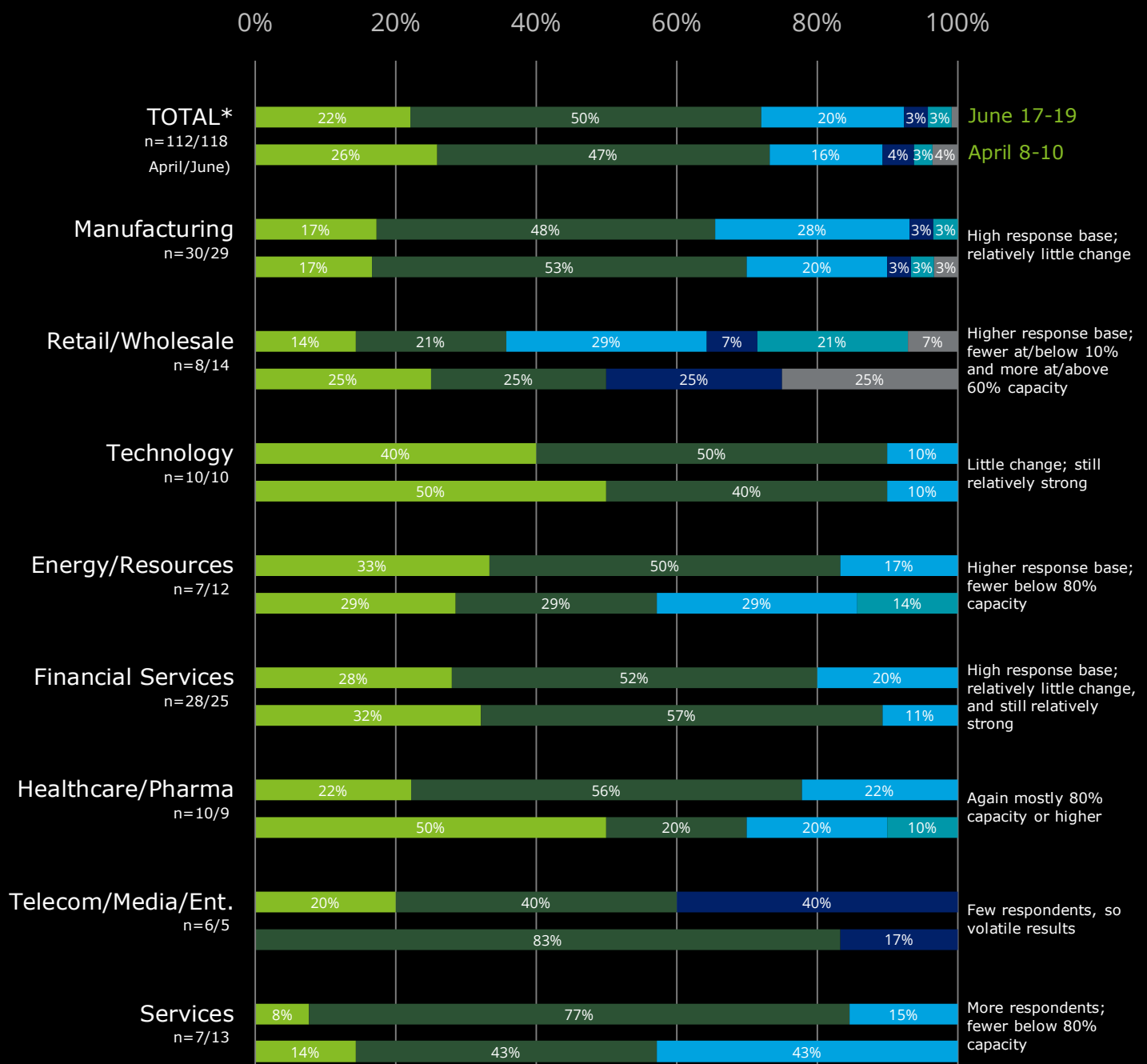
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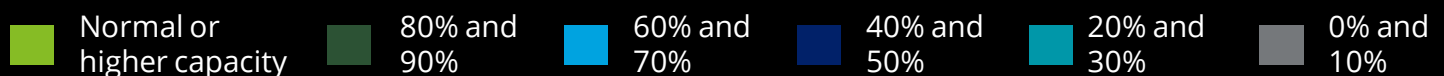
Current operating levels

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.



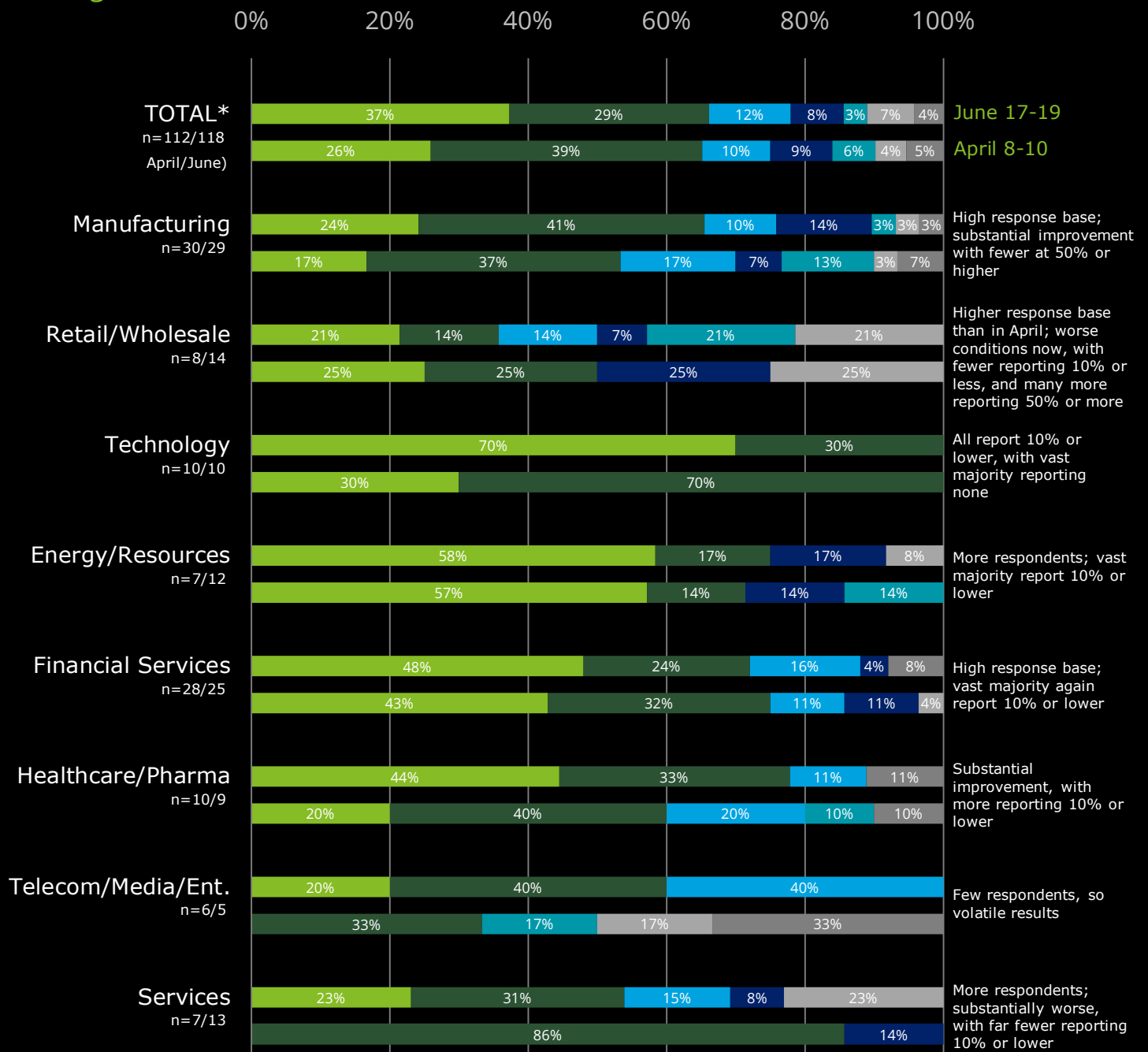
*Horizontal bar percentages may not add to 100 due to rounding.



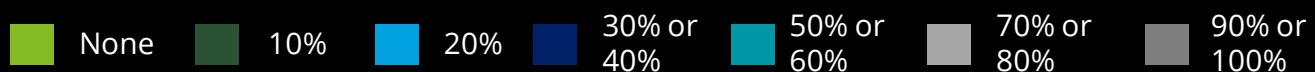
Current workforce levels

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.



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



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.



■ Very pessimistic
 ■ Pessimistic
 ■ Neutral
 ■ Optimistic
 ■ Very optimistic

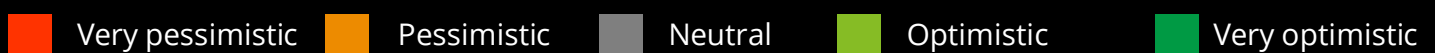
Reopening of operations

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

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.



*Sample sizes for industries may not sum to total due to responses classified as "other."



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.



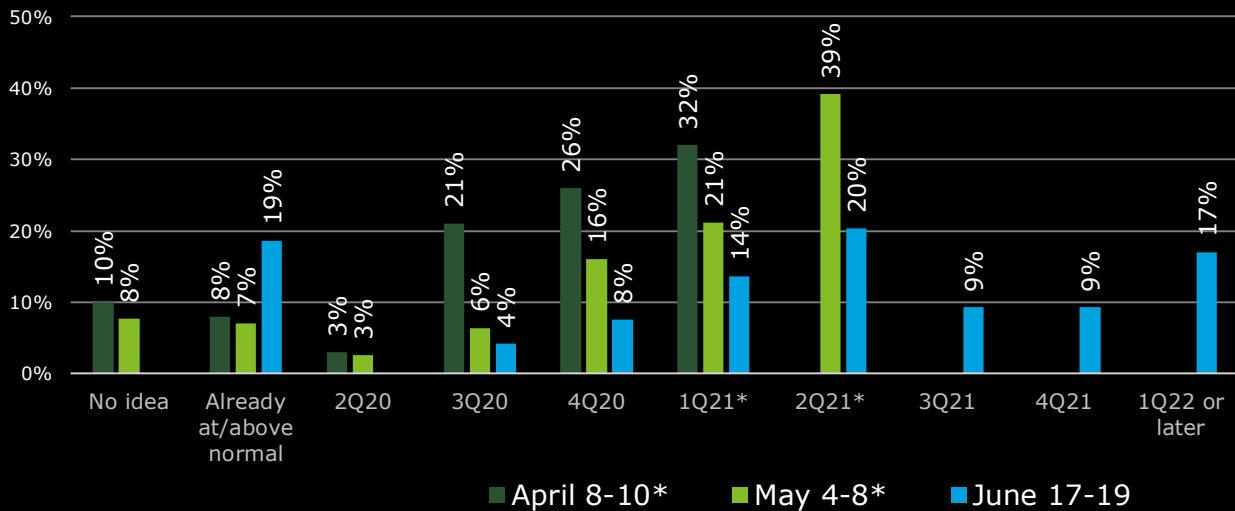
*Sample sizes for industries may not sum to total due to responses classified as "other."

Very pessimistic Pessimistic Neutral Optimistic Very optimistic

Return to near-normal operations

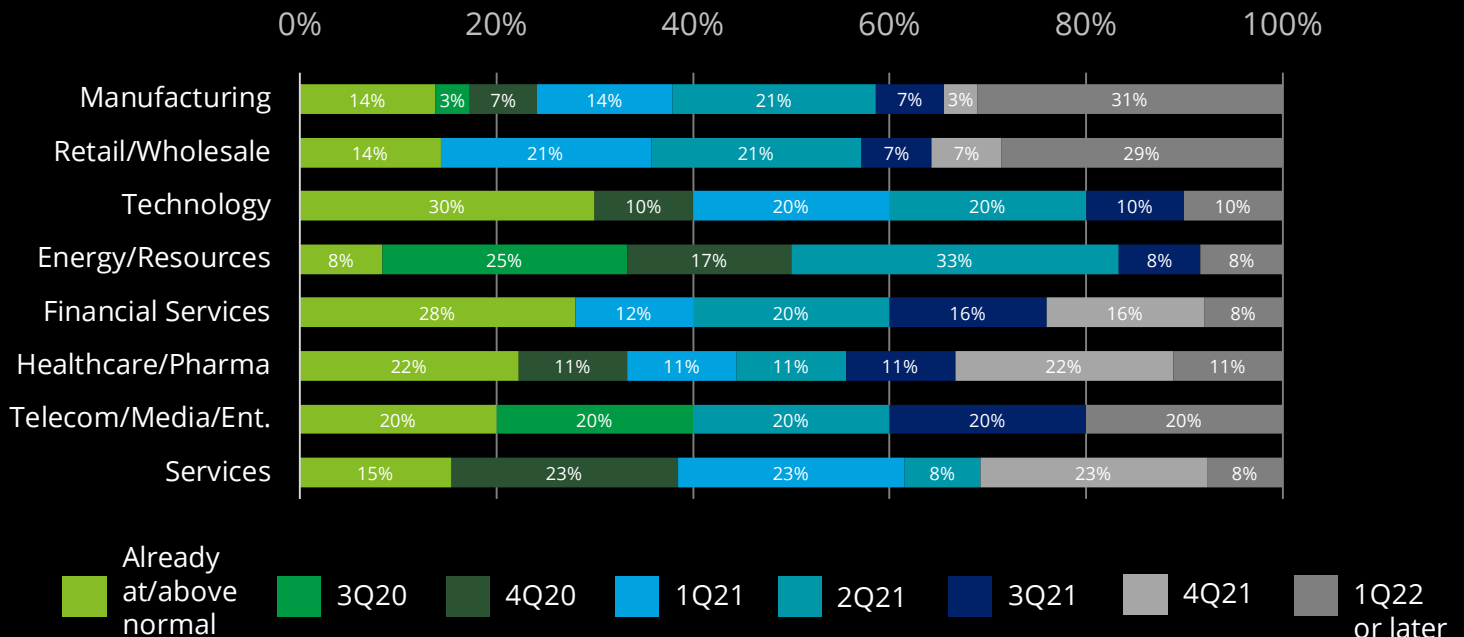
What is your best guess for when your company will return to a pre-crisis (or near-normal) level of operations?

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.



* For the April poll, respondents' options ended at 1Q21 or later; for the May survey, the options ended at 2Q21 or later.

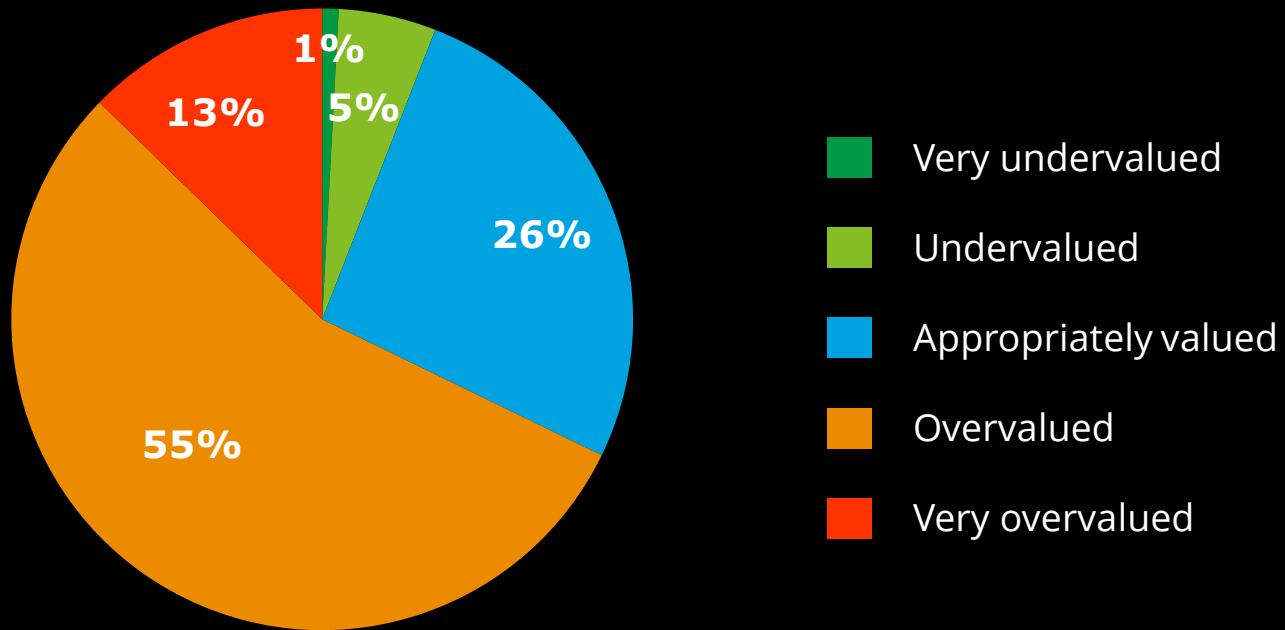
Technology and Energy/Resources CFOs expect the fastest return to pre-crisis operating levels. Manufacturing, Retail/Wholesale, Healthcare/Pharma, and Services are the most likely to expect 4Q21 or later (although the latter two are largely split, with some also expecting a faster return).



US equity market valuations

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

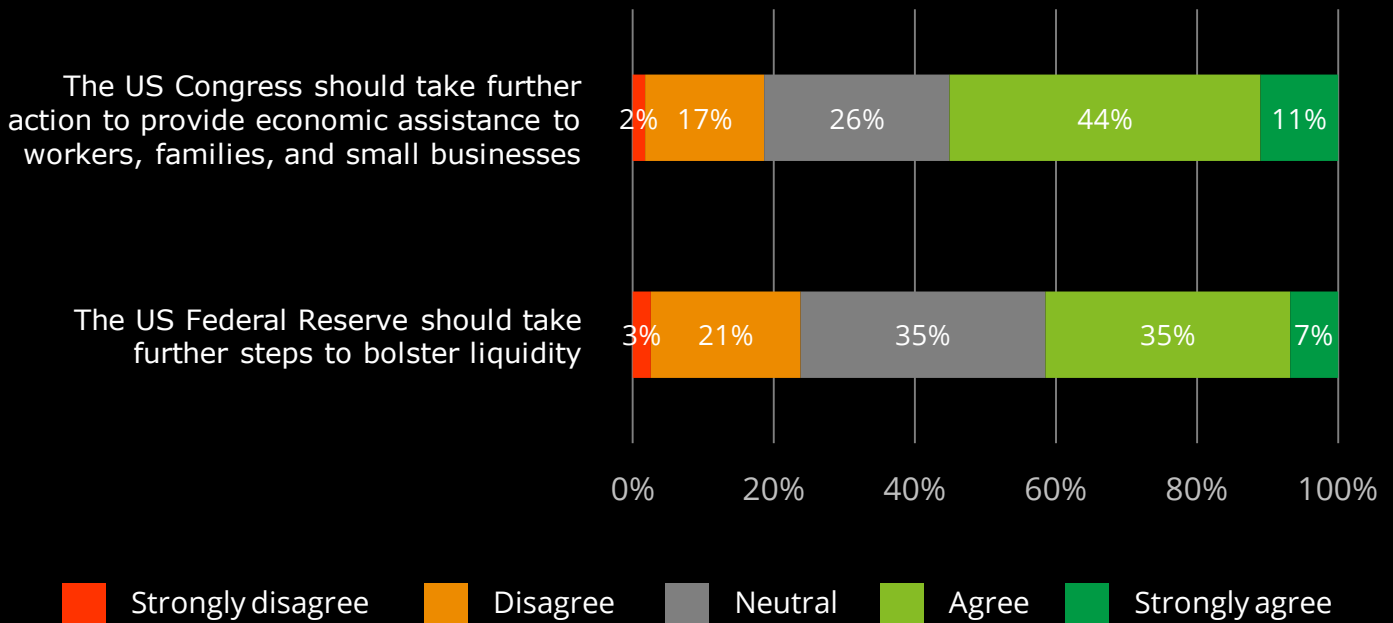
Nearly 70% of CFOs believe US equity markets are overvalued, and only 6% say they are undervalued (the S&P 500 value at the polling period midpoint was 3,115).



Fiscal and monetary action

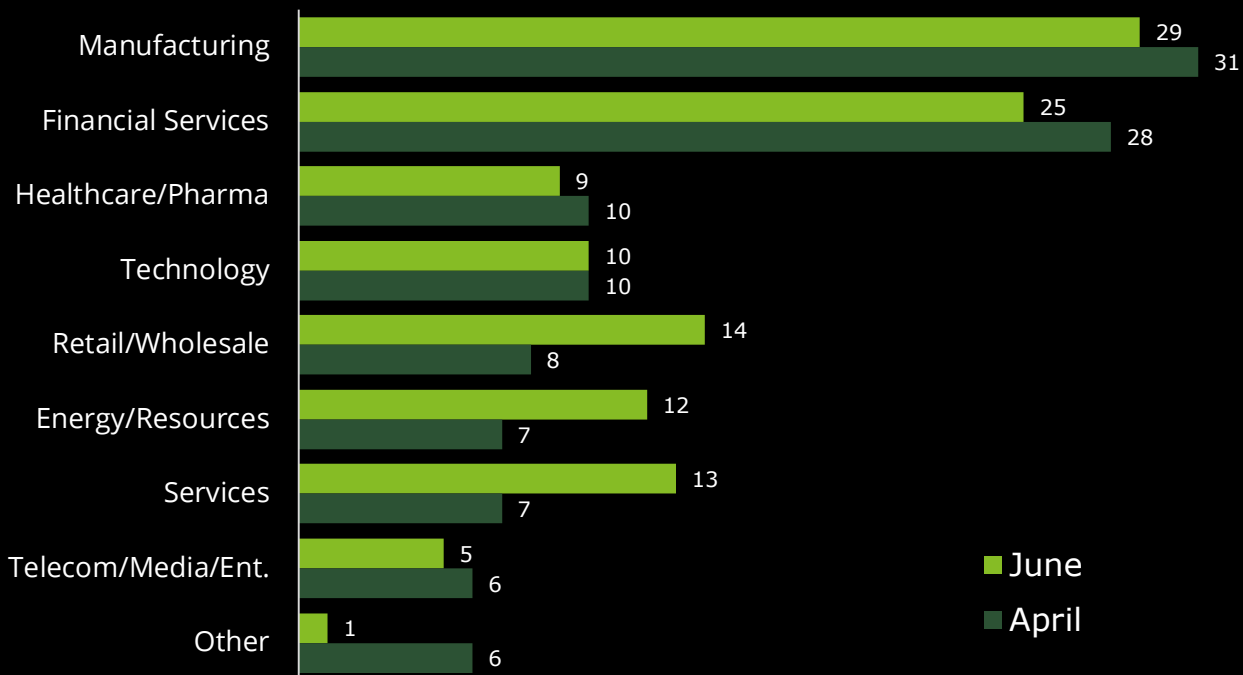
What is your view on whether or not further fiscal or monetary action is necessary?

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.

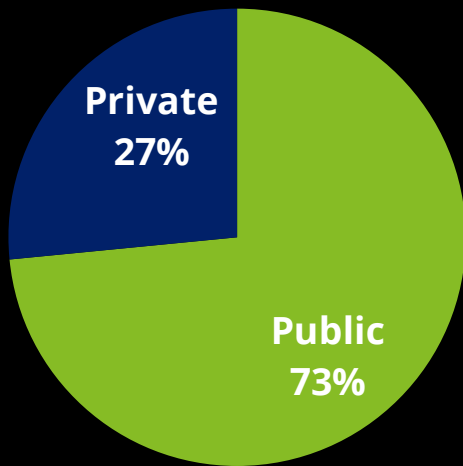


Poll respondent demographics

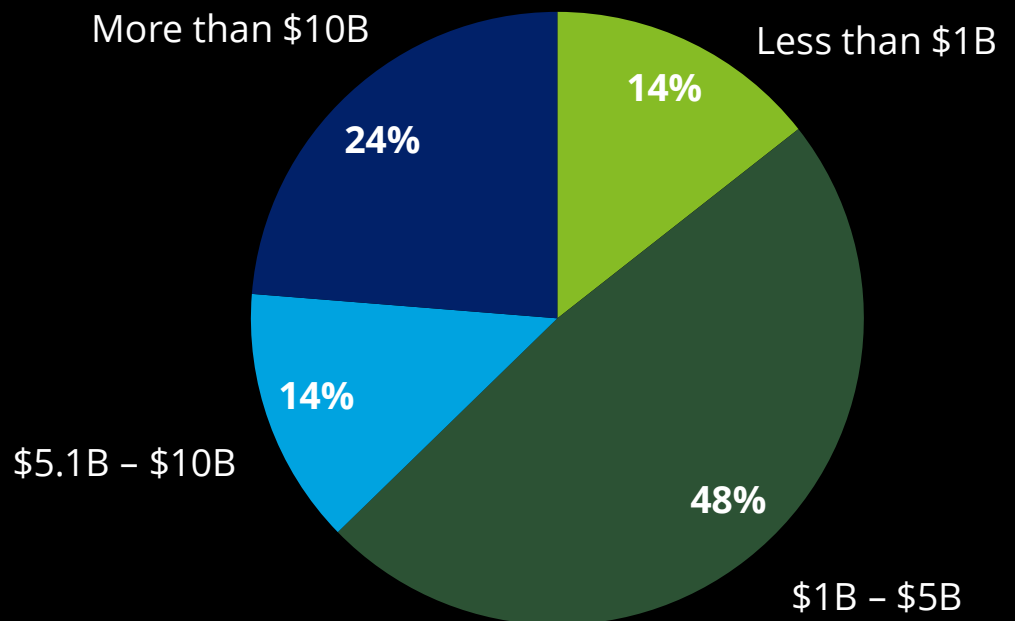
Poll responses by industry



Ownership type



Revenue level



CFO FORUMS POLL: Focus areas and confidence

On June 23, 2020, a webcast entitled “Leading through unprecedented times” was held for members of Deloitte’s CFO Forums. More than 100 CFO attendees answered a series of polling questions, including those featured here. Respondents represented a variety of industries and were 51% public; 51% also had revenues of more than \$1 billion.

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.

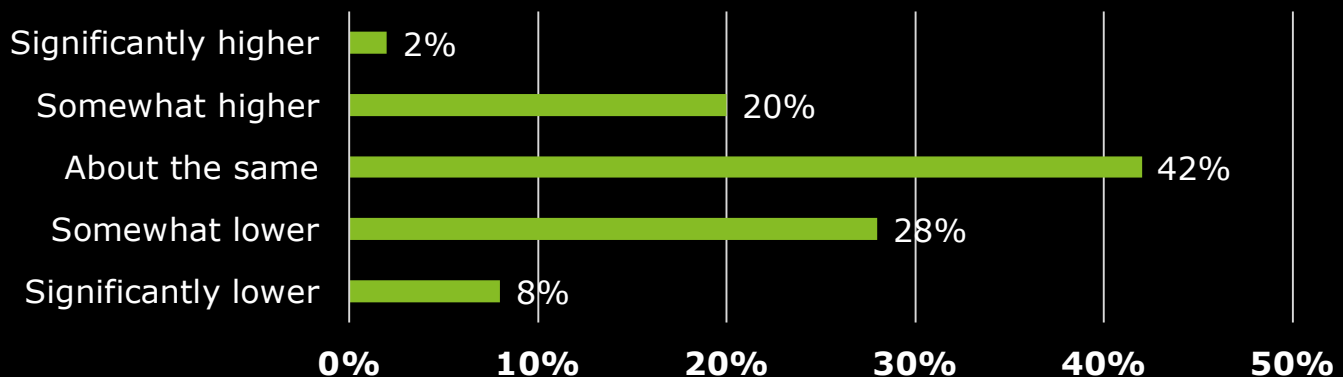
n= 99



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.

n= 100





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