

# Survey Shows CEOs Plan To Boost Payrolls

NEW YORK (AP) — The number of CEOs planning to ramp up hiring is at the highest level since mid-2007, according to a survey that suggests big U.S. companies are growing more confident about the economic recovery.

The Business Roundtable, an association of CEOs of big U.S. companies, said Wednesday its survey shows 39 percent of chief executives expect to boost their payrolls in the second half of 2010. Only 17 percent say jobs will drop, while 43 percent expect no change in their current workforce.

The proportion of those planning to hire is at the highest level since the second quarter of 2007, when it was at 42 percent.

During the recession that began in December 2007, companies slashed their payrolls to cut costs as revenue tumbled. About 8 million jobs were lost. The unemployment rate peaked at 10.1 percent in October 2009, and was 9.7 percent in May.

Companies are adding jobs as sales recover. Software maker Adobe Systems Inc. said Tuesday that it was once again hiring. The company cut 9 percent of its work force last November, or 680 jobs. But in the three months through May, it added 190 positions as revenue rose 34 percent. The CFO said Adobe would continue to hire more people.

Despite renewed market fears of a hit to global growth because of economic trouble in Europe, 79 percent of CEOs say they expect sales to rise in the second half — the highest amount since the second quarter of 2006. In the first quarter, 73 percent said they expected higher sales.

The survey suggested that CEOs were optimistic, but that they remained very cautious, said Ivan Seidenberg, the CEO of Verizon Communications Inc. and chairman of Business Roundtable. He said uncertainty over the global economy and expectations for new taxes and regulations were having a "dampening effect" on plans for growth.

CEOs remained somewhat tentative about capital spending, with half saying they would not change current levels and 43 percent expecting to increase purchases of equipment, factories and other assets. That's almost unchanged from the March survey.

A bounce back in corporate spending has helped sales of computer providers, chipmakers and other technology companies. Computer networking equipment maker Cisco Systems Inc. said in mid-May that its revenue had risen 27 percent during its February-April quarter, recovering to late 2008 levels. Cisco expects

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Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

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revenue to grow at a similar pace during its summer quarter.

FedEx Corp., the international shipping company, issued a full-year earnings forecast earlier this month for the first time since before the recession. That suggests more confidence in a worldwide recovery in trade.

Executives said they expect the economy to grow 2.7 percent this year, up from a forecast of 2.3 percent in late March.

The Federal Reserve expects the economy to grow from 3.2 percent to 3.7 percent in 2010.

The survey, taken from May 24 to June 14, involved 106 CEOs.

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