U.S. CEOs Plan To Hire As Outlook Brightens

Christopher S. Rugaber, AP Economics Writer

WASHINGTON (AP) — A growing number of chief executives at large U.S. companies say they are more optimistic about the economy and plan to step up hiring. The brighter view from the boardroom comes after the best three months of job growth in two years.

The Business Roundtable said Wednesday that a survey of its CEO members found that 42 percent expect to hire over the next six months. That's up from 35 percent three months ago.

Nearly half plan to spend more on machinery and other capital equipment and more than 80 percent expect their sales to rise.

The chief executives' overall outlook on the economy improved sharply from the end of last year. The group's outlook index jumped to 96.9 in the current January-March quarter. That's up from 77.9 in previous quarter and the highest reading since last spring.

The group is an association of the leaders of the 200 biggest U.S. companies.

The economy has added an average of 245,000 jobs per month since December. That has lowered the unemployment rate to 8.3 percent, the lowest in three years.

The CEO survey suggests the job gains "will continue," said Jim McNerney, chairman of the Roundtable and CEO of Boeing Co.

But plenty of concerns remain, he said. Europe's debt crisis could weigh on the U.S. recovery. Growth has slowed in China. And oil prices have spiked since the fall, driving gas prices back up to their highest level in nearly a year.

America's chief executives were nearly as confident in the economy last spring before trouble with Europe's economy and elevated energy prices lowered their outlook.

The index's current reading is the best since it was at 109.9 in the April-June quarter.

"There's hope in all our hearts that won't happen this time, but a lot of those headwinds are still there," said John Engler, president of the Roundtable and former governor of Michigan.

The CEOs also boosted their forecast for economic growth to 2.3 percent this year, up from a 2 percent projection four months ago.

Engler said that showed growth expectations are still modest. CEOs are "more optimistic but we're not ready to have a parade," he said.

The survey is based on 128 responses received between March 1 and March 19.

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