U.S. CEOs Optimistic About Economy, Wary Of Hiring

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WASHINGTON (AP) — Chief executives at the largest U.S. companies are much more optimistic about their sales prospects than they were three months ago, though many remain cautious about hiring.

The Business Roundtable said Wednesday that 72 percent of its members expect sales will increase in the next six months. That's up from 58 percent at the end of last year. And 38 percent plan to invest more in plant and equipment, up from 30 percent in October-December quarter, when the Roundtable released its last report.

Still, the better outlook hasn't made the group more optimistic about hiring. Twenty-nine percent of CEOs plan to increase hiring over the next six months, the same percentage as the last two surveys.

The executives are more comfortable with their current staffing levels and are less inclined to lay off workers. The percentage of CEOs planning to cut jobs fell to 25 percent from 29 percent, the second straight drop.

Even so, employers added 236,000 jobs in February, the government said last week. That capped a four-month hiring spree in which job gains averaged more than 200,000 per month. And it drove down the unemployment rate to a four-year low of 7.7 percent from 7.9 percent in January.

Some of the net gains in hiring reflect a drop in layoffs rather than more overall hiring.

Jim McNerney, chief executive of the Boeing Co. and chairman of the Roundtable, said the more cautious outlook among CEOs "may reflect ongoing uncertainty and a wait-and-see attitude about the business climate in the United States."

The Roundtable surveys CEOs about sales, capital spending and hiring. The results are combined into an index which gauges their outlook for the economy. That index jumped to 81 from 65.6 in December, the first increase in a year and higher the index's long-run average of 79.2.

The Business Roundtable represents CEOs of the 200 largest U.S. corporations. The survey results are based on 144 responses received between Feb. 11 and March 1.

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