

Survey: U.S. Budget Tightening Not Hurting Business

The Associated Press

NEW YORK (AP) — Washington's budget tightening is having a minimal effect on businesses, a survey of business economists released Monday shows.

The National Association for Business Economics survey asks how higher taxes and lower government spending effected businesses in the first three months of 2013.

Ninety-three percent of respondents say the political developments had no effect on employment levels in the first quarter, and 95 percent say they had no impact on capital spending plans.

Overall, the results paint a picture of businesses feeling better than they were in the fourth quarter, but not as good as they were a year ago.

The NABE did caution, however, that businesses might have already accounted for the higher taxes and lower government spending in the fourth quarter, and adjusted their hiring and spending plans before the end of 2012.

The NABE surveyed a small sample, 58 members, between March 19 and April 2. They represent a variety of sectors, including finance, transportation, health care and manufacturing.

Among the results:

—Fifty-five percent of respondents reported rising sales — up from 37 percent in the fourth quarter, but down from 60 percent a year ago.

—Twenty-nine percent reported rising profit margins — up from 25 percent in the fourth quarter, but down from 40 percent a year ago.

—Thirty-one percent said wages and salaries are rising — up from 27 percent in the fourth quarter, but down from 44 percent a year ago.

The improving quarter hasn't translated into more jobs. Only 22 percent said they added employees. That was down from 25 percent in the fourth quarter, and 28 percent a year ago.

Expectations for the future followed a pattern similar to many of the other results — better than the fourth quarter, worse than a year ago. Sixty-five percent said they expect the economy to grow by more than 2 percent over the next year, up from 50 percent in the fourth quarter but down from 78 percent a year ago.

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Overall, they listed global economic conditions, the possibility of further government spending cuts and the "regulatory environment" as their biggest concerns for the next three months. The services industry, including retail, health care and restaurants, was most concerned with the possibility of further government spending cuts. The finance industry and goods producers, such as [manufacturing](#) [1] and construction companies, were most concerned by global economic conditions.

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