U.S. Chief Executives More Optimistic About Hiring

Christopher S. Rugaber, AP Economics Writer

WASHINGTON (AP) — Chief executives for the largest U.S. companies are more optimistic about sales over the next six months and plan to add more workers.

The Business Roundtable said Wednesday that its April-June quarterly survey found 32 percent of its members expect to expand payrolls in the next six months. That's up from 29 percent in the January-March survey. And 78 percent expect their sales to increase. That's up from 72 percent from the previous survey.

Consumers have kept spending this year, despite an increase in Social Security taxes. That's helped the economy grow at a modest pace.

Still, most of the CEOs don't expect growth to accelerate. They forecast growth of 2.2 percent this year, only slightly better than the 2.1 percent forecast in the first-quarter survey.

"CEOs see the U.S. economy still on a slow road to recovery," said Jim McNerney, chief executive of Boeing and the chairman of the Business Roundtable.

The better sales outlook reflects modest growth in the United States and "continued high growth in Asia" and other emerging markets, McNerney said, offset by continuing recession in Europe.

Small business owners are also a bit more optimistic, according to a separate survey by the National Federation of Independent Business, released Tuesday. The NFIB's small business optimism index rose for the second straight month to 94.4. That's the second-highest level since the recession began in December 2007. Greater confidence in future sales and economic growth drove the increase.

Employers added 175,000 jobs in May, the government said last week, nearly matching the average job gains of the past year. The unemployment rate ticked up to 7.6 percent, but for a good reason: More Americans were confident they could find work and began searching for a job.

The economy grew at a solid annual rate of 2.4 percent in the first three months of the year. Consumer spending rose at the fastest pace in more than two years.

Economists worry that the federal spending cuts and higher Social Security taxes, which started Jan. 1, might be slowing growth in the April-June quarter to an annual rate of 2 percent or less. But many expect growth will pick up again at the end of the year.

The Business Roundtable represents CEOs of the 200 largest U.S. corporations. The latest survey results are based on 141 responses received between May 13 and May 31.

The group surveys CEOs about sales, capital spending and hiring. The results are combined into an index which gauges their outlook for the economy. That index rose to 84.3 from 81 in March and only 65.6 in December. Any reading above 50 suggests expansion. The current reading is above its long-term average of 79.2. The survey has been conducted for 11 years.

Source URL (retrieved on *08/22/2014 - 5:59pm*):
http://www.impomag.com/news/2013/06/us-chief-executives-more-optimistic-about-hiring?qt-recent_content=0