

CEOs Less Optimistic About The U.S. Economy

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NEW YORK (AP) — U.S. chief executives are less optimistic about the economy, according to a survey released Wednesday. The survey also indicates that disagreements over the 2014 budget and raising the debt ceiling in Washington are making them cautious about hiring.

The Business Roundtable said that its quarterly index, which measures the economic outlook of CEOs from the largest U.S. companies, fell to 79.1 in the third quarter from 84.3 in the previous quarter. Any reading above 50 suggests expansion.

The group said that 50 percent of the CEOs surveyed said the stalemate in Washington is having a negative impact on their plans for hiring additional employees over the next six months.

Of the CEOs surveyed, 32 percent said that they expect to increase hiring in the next six months. That's unchanged from the survey in the previous quarter. Forty-four percent said that there will be no change in their hiring plans, up from 42 percent in the second quarter. And 24 percent said that they expect to decrease hiring, down from 26 percent in the previous quarter.

"While U.S. business performance remains strong, as evidenced by robust recovery in the automotive sector, business leaders still see headwinds preventing a more sustained, robust recovery," said Jim McNerney, chairman of the Business Roundtable, in a statement. McNerney is also president, chairman and CEO of The Boeing Co., the aircraft manufacturer.

The CEOs surveyed said that they expect 2013 gross domestic product to grow at a 2.2 percent annual rate, matching expectations reported in last quarter's survey.

A smaller percentage of CEOs expect an increase in sales. Seventy-one percent of respondents said they expect an increase in their company's sales in the next six months, down from 78 percent in the last survey. Eight percent expect a sales decrease, up from 7 percent, while 21 percent expect no change, up from 15 percent in the previous quarter.

The Business Roundtable is an association that represents over 200 CEOs. The survey results are based on 134 responses received between Aug. 16 and Sept. 6. The survey has been conducted for the past 11 years.

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