

FEATURED TOPICS

2024 Election Cycle Policy Concerns
External Issues of Concern

Data collected during the week of September 16.

MARCUM - HOFSTRA CEO SURVEY

The Marcum-Hofstra University CEO Survey is a periodic gauge of middle-market CEOs' outlook on the current business environment and their priorities and concerns for the next 12 months.

No. 4, 2024

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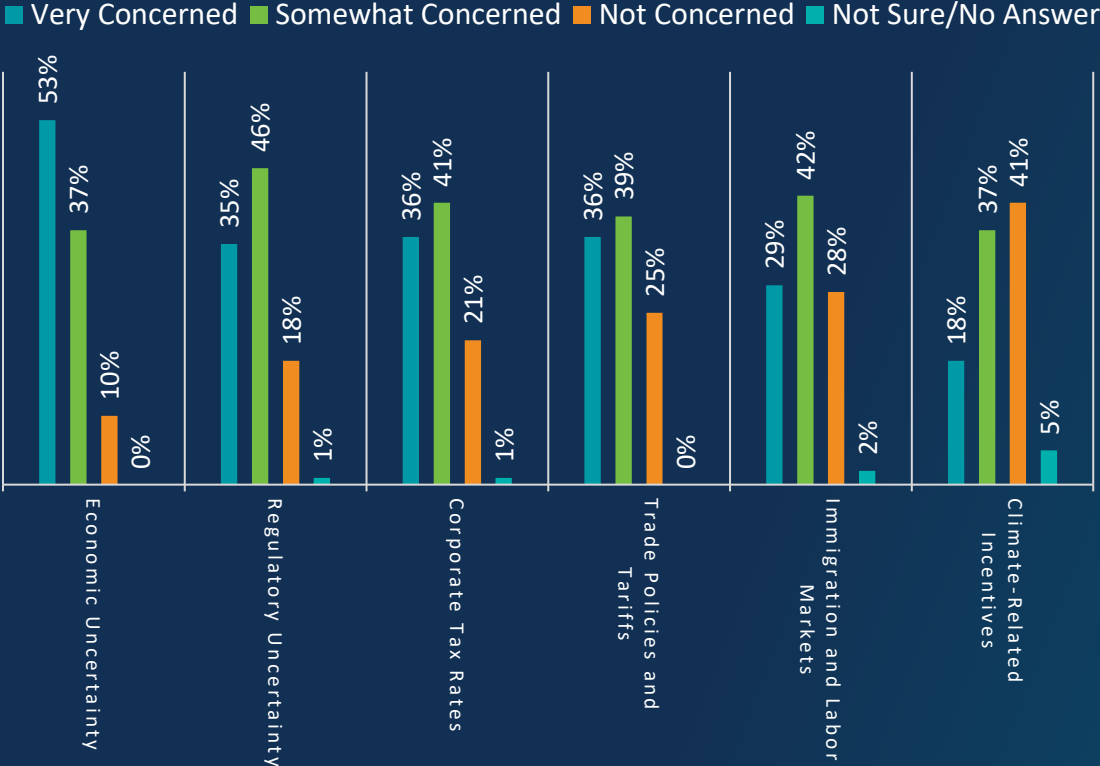




2024 ELECTION CYCLE POLICY CONCERNS

QUESTION

Thinking about the possible outcomes of the 2024 elections, how concerned are you about each of the following policy issues for your business?



Total sample (N=252)

KEY FINDINGS

Economic uncertainty weighs most heavily on CEOs heading into the 2024 election, with 90.5% indicating they were either very or somewhat concerned about the state of the economy. Regulatory uncertainty was the second most cited issue, with 80.9% expressing concern. Three-quarters of CEOs said they were concerned about corporate tax rates and about trade policies and tariffs.

“As a small business owner, I'm concerned about the tax incentives offered to large corporations vs smaller. Also about larger corporations being permitted to monopolize the market.”

“When TCJA is set to expire at the end of 2025, people aren't ready for the tax rate increase that's going to hit them, even the middle class.”

“Impact of potential tariffs on imports; increased regulation around product sustainability.”

“The change in the governance and compliance post elections and its impact on global economy.”

“The new president would pose a lot of blockades for obtaining labor is our prime concern.”

“Changes in foreign policy could affect trade agreements, tariffs and international partnerships, impacting businesses that operate globally.”

What concerns you most regarding the presidential election's outcome on your business?

“My biggest concerns are probably the impact of tariffs and corporate tax hikes.”

“Rising costs of raw materials and continuing inflation.”

“Economic inflation and supply line difficulties.”

“I don't have concerns about the impact of the election on my business. I believe that with either candidate our business will continue about the same.”

“It is my hope that we as a country can get behind whomever wins and provide what the people needs, which is stability.”

“New laws, new policies. Depending on which candidate gets elected, this could change our business plans in an extreme way.”

“Tariffs causing an increase in costs.”

“Getting big corporate tax rate benefits.”

“Repeal of environmental laws.”

“The random nature of the ensuing period. It's impossible to predict the events coming from it and their effects.”

“A more comprehensive national health care program.”

“Broaden health care coverage for middle income who struggle to get comprehensive coverage at an affordable rate.”

“Ease of technological control by new Government and enhance the venues for development of technology in the country.”

“I want the next president to extend TCJA. We need to keep the corporate tax rate at 21% in order to keep American companies growing and reinvesting.”

“More opportunity to do business internationally and be able to import more technology.”

“A pro-business administration that works with companies to help them build a better economy and a better America.”

Regarding your business, what would be on the top of your “wish list” for the new presidential administration?

“Incentives for keeping business here and not taking it overseas and also incentives offered for green initiatives.”

“Maintaining a responsible fiscal policy and leaving current tax policies in effect for the long term. Do not rock the boat with changing foreign taxation/tariff.”

“Addressing World Peace policies and addressing Government Involvement in Employers Tax Laws and new domestic guidelines for Housings loans; Bank Domestic and Business Lending Policies.”

“Congress enacting tax laws that are fair to all businesses.”

“Economic revival, bringing down the high inflation and interest rates.”

“Incentivize sustainable product creation and local (American) manufacturing.”

“More regulations on big businesses for small businesses to compete.”

“Border security.”

“Cut taxes and tariffs.”

“Help with rising prices.”

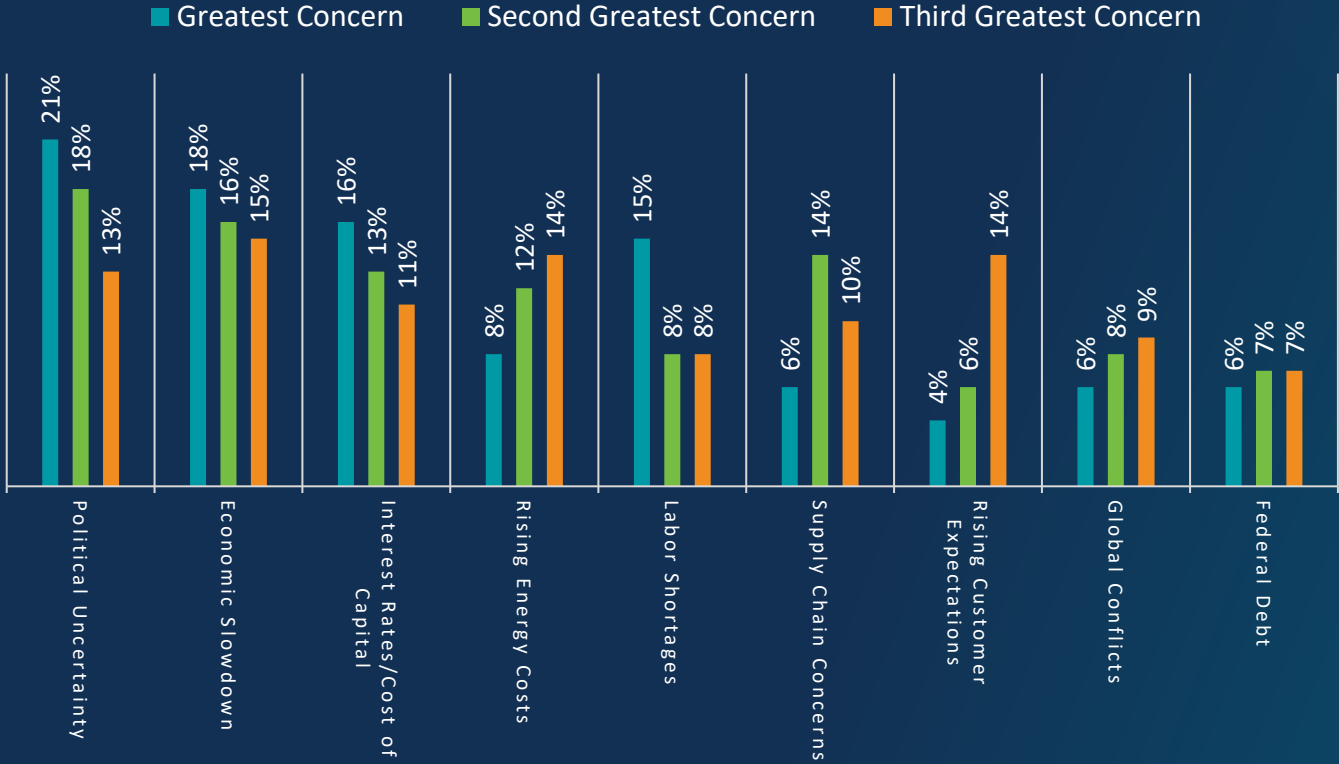
“Infrastructure upgrades.”

“To make unions stronger.”

EXTERNAL ISSUES OF CONCERN

QUESTION

Which external issues do you envision having the most impact on your business in the year ahead?



Total sample (N=252)

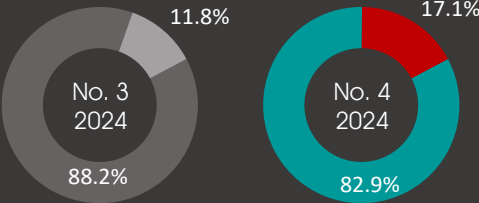
KEY FINDINGS

Political uncertainty supplanted economic concerns as the top external issue of concern for CEOs compared to our June survey. 51.6% of CEOs saw political uncertainty as a top-three concern, followed by 48.5% who said they were concerned that an economic slowdown would impact their business.

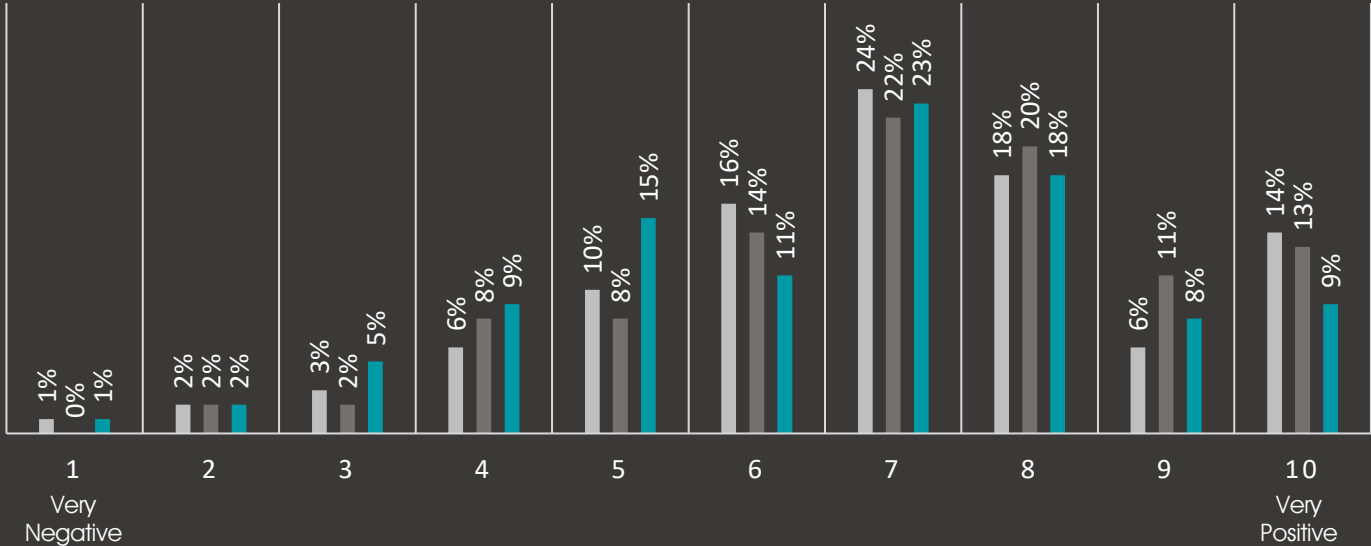
QUESTION

WHAT IS YOUR VIEW OF THE CURRENT BUSINESS ENVIRONMENT?

POSITIVE VS. NEGATIVE OUTLOOK



■ No 2, 2024 100% = 251 ■ No 3, 2024 100% = 254 ■ No 4, 2024 100% = 252



KEY FINDINGS

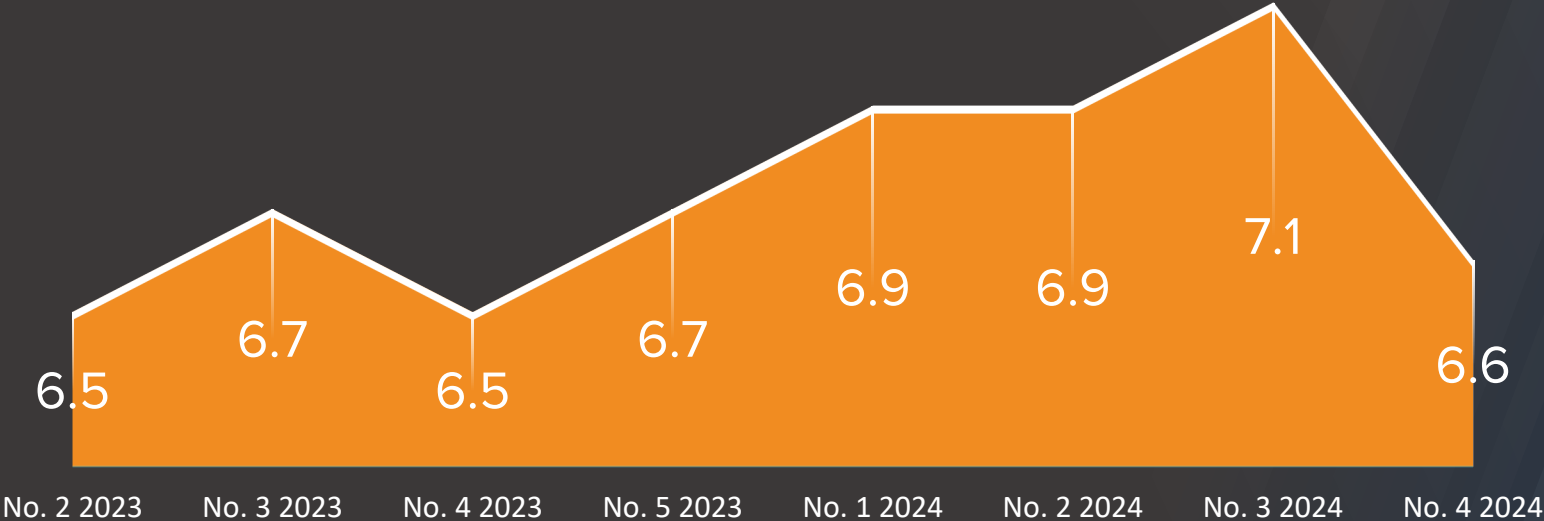
CEOs expressed less optimism about the business environment than in our June survey.

The percentage of CEOs rating their outlook as “very positive” (“10”) decreased to 9.1% from 13.9% in our June survey. We also saw a drop in CEOs who staked themselves in the upper range of 8-10 (34.5% compared to 44.1% in our June survey). At the same time, we saw increases in the mid-range (48.4% vs. 44.1% in our June survey) and in those adopting an unfavorable view (13.9% vs. 11.9%).

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What is your view of the
current business
environment?

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A Weighted Average of CEO Responses



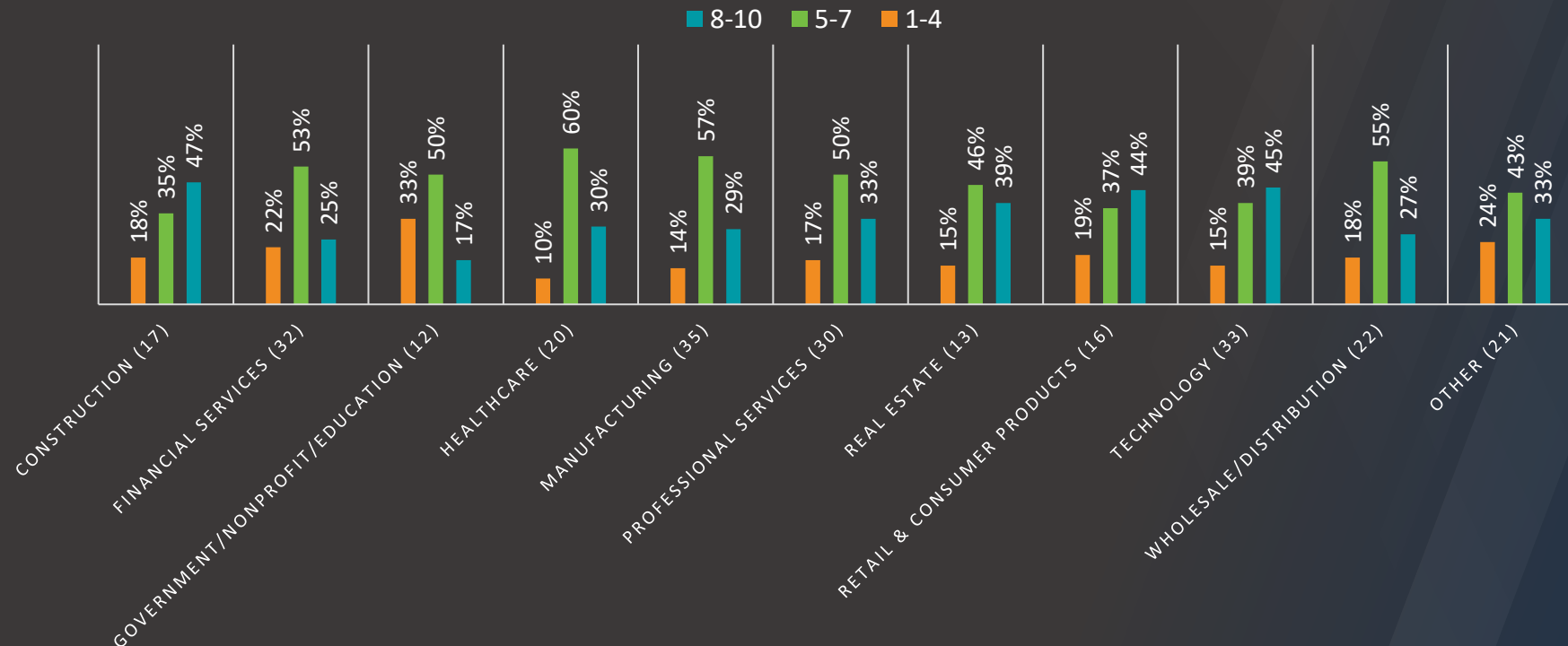
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What is your view of the current business environment?

RATING OF BUSINESS OUTLOOK by Industry

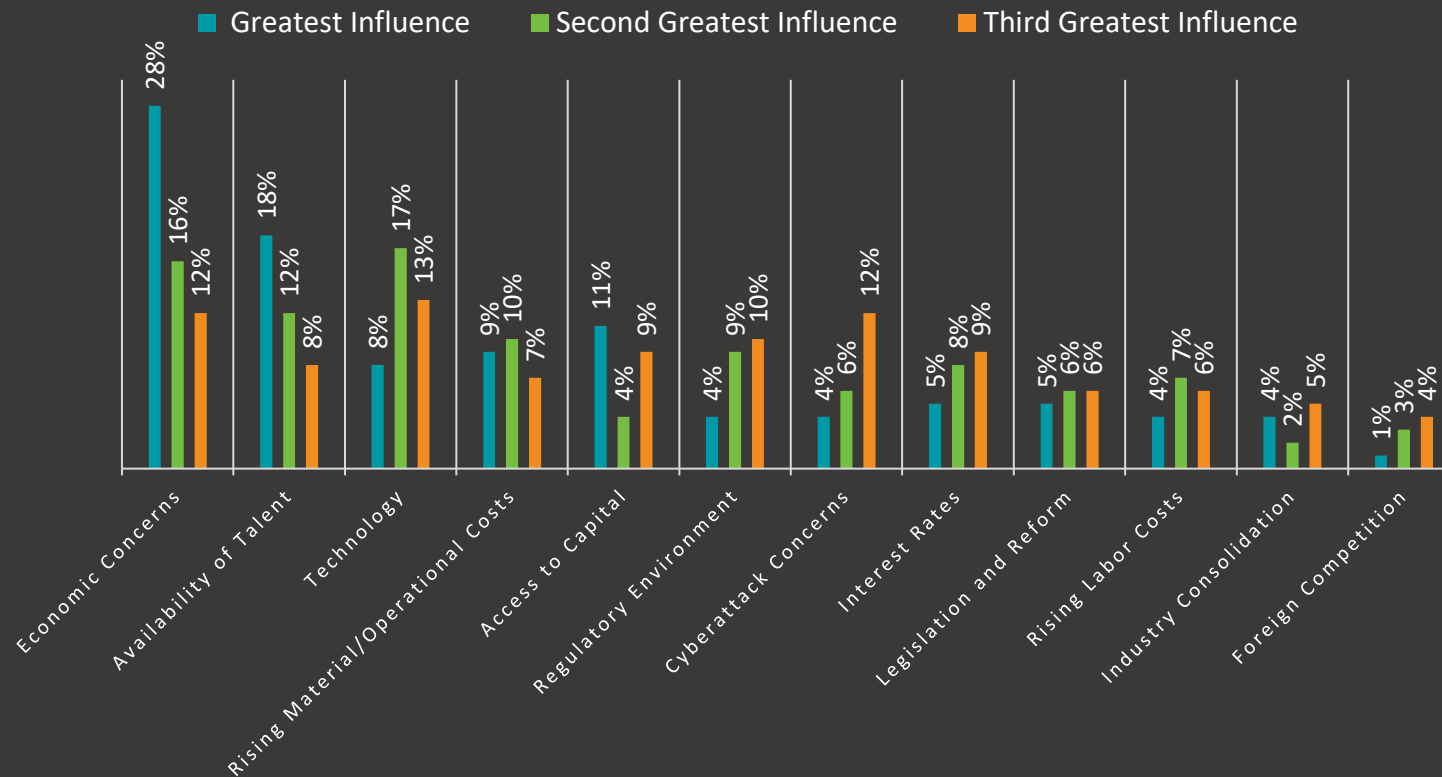
The percentage of CEOs expressing the highest levels of optimism (rating of “8” or higher) increased in the manufacturing sector (29% in the current survey vs. 18% in our June survey) while decreasing across several sectors, including financial services (25% vs. 38% in June), healthcare (30% vs. 58%), technology (45% vs. 63%), and wholesale/distribution (27% vs. 62%).

In most sectors where we saw an erosion in optimism, CEOs moved to the midrange rather than a negative outlook. A case in point is the wholesale/distribution sector, where the percentage of CEOs who expressed a negative view increased only slightly from 15% to 18%.



QUESTION

WHAT ARE THE MOST IMPORTANT INFLUENCES FOR YOUR BUSINESS PLANNING IN THE NEXT 12 MONTHS?



KEY FINDINGS

- “Economic concerns” continue to be the most cited influence on business planning, with the percentage of CEOs indicating it was a top-three concern increasing to 55.6% from 50.4% in the June 2024 survey.
- 37.7% of CEOs cited “availability of talent” and “rising material/operational costs” as the next two most significant influences on business planning (representing an increase from 34.6% for availability of talent and from 33.5% for rising material/operational costs from the previous survey).

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What are the most important influences for your business planning in the next 12 months?

INFLUENCES ON BUSINESS PLANNING by industry

	Access to Capital	Availability of Talent	Economic Concerns	Cybersecurity Concerns	Industry Consolidation	Interest Rates	Rising Labor Costs	Legislation and Reform	Regulatory Environment	Rising Material/Operational Costs	Technology
Construction	11.8%	23.5%	23.5%	5.9%	11.8%	5.9%	5.9%	5.6%	0.0%	5.9%	0.0%
	23.5%	47.1%	58.8%	11.8%	29.4%	11.8%	29.4%	5.6%	20.0%	47.1%	17.6%
Financial Services	9.3%	15.6%	21.9%	12.5%	0.0%	6.3%	3.1%	9.4%	9.4%	9.4%	0.0%
	18.8%	37.5%	43.8%	21.9%	12.5%	43.8%	6.3%	21.9%	40.6%	25.0%	12.5%
Government/Nonprofit/ Education	16.6%	25.0%	25.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.3%	8.3%	16.7%
	25.0%	50.0%	25.0%	25.0%	0.0%	16.7%	25.0%	41.7%	25.0%	33.3%	33.4%
Healthcare	5.0%	35.0%	10.0%	5.0%	5.0%	5.3%	10.0%	10.0%	5.0%	0.0%	10.0%
	35.0%	65.0%	30.0%	20.0%	10.0%	10.5%	20.0%	25.0%	40.0%	15.0%	30.0%
Manufacturing	11.4%	14.3%	40.0%	8.7%	0.0%	5.0%	2.9%	2.9%	0.0%	8.6%	8.6%
	25.7%	25.7%	62.9%	17.1%	2.9%	10.0%	34.3%	22.9%	8.6%	57.1%	17.1%
Professional Services	10.0%	20.0%	36.7%	0.0%	3.3%	0.0%	6.7%	3.3%	3.3%	6.7%	10.0%
	20.0%	43.3%	76.7%	16.7%	3.3%	23.0%	10.0%	16.6%	23.3%	26.7%	26.7%
Real Estate	23.1%	7.8%	23.1%	0.0%	7.8%	15.4%	7.7%	0.0%	0.0%	7.7%	7.7%
	38.5%	30.8%	61.5%	0.0%	7.8%	61.5%	23.1%	0.0%	7.7%	46.2%	15.4%
Retail & Consumer Products	6.3%	12.5%	18.8%	0.0%	0.0%	6.3%	7.7%	6.3%	0.0%	18.8%	12.5%
	18.8%	18.8%	68.8%	18.8%	12.5%	50.0%	37.5%	25.0%	6.3%	50.0%	25.0%
Technology	9.1%	12.1%	30.3%	3.0%	9.1%	0.0%	3.0%	0.0%	6.1%	0.0%	21.2%
	15.2%	39.4%	66.7%	24.2%	18.2%	9.1%	6.1%	6.1%	24.2%	21.2%	51.5%
Wholesale/Distribution	13.6%	18.2%	27.3%	4.5%	9.1%	4.5%	0.0%	4.5%	0.0%	9.1%	9.1%
	21.2%	36.4%	50.0%	13.6%	18.2%	18.2%	22.7%	4.5%	22.7%	59.1%	18.2%

Upper figure: highest priority
Lower figure: one of three highest priorities

DEMOGRAPHICS

Which of the following best describes your company's industry?

Construction	17	6.7%
Financial Services	32	12.7%
Government/Nonprofit/Education	12	4.8%
Healthcare	20	7.9%
Manufacturing	35	13.9%
Professional Services	30	11.9%
Real Estate	13	5.2%
Retail & Consumer Products	16	6.3%
Technology	33	13.1%
Wholesale/Distribution	22	8.7%
Other*	21	11.9%
Total	252	100.0%

*Other: Energy/Utilities (8); Real Estate (7); Personal Services (4); Pharmaceutical/Medical Products (2); Restaurants/Catering (2); Travel/Leisure (2); Life Science (1)

What best describes your title?

CEO	30	11.9%
Director	107	42.5%
Divisional President	2	0.8%
Managing Partner	3	1.2%
President	7	2.8%
Vice President	35	13.9%
Owner	22	8.7%
Other C-Level Executive	46	18.3%
Total	252	100.0%

What is the total number of permanent employees in your company?

Less than 50	28	11.1%
50 to 99	24	9.5%
100 to 499	45	17.9%
500 to 999	31	12.2%
1,000 to 2,499	52	20.6%
2,500 to 4,999	25	9.9%
5,000 or more	43	17.1%
Unsure/unable to determine	4	1.6%
Total	252	100.0%

In which revenue size range was your company last year?

\$5 million to \$9.9 million	34	13.5%
\$10 million to \$24.9 million	25	9.9%
\$25 million to \$49.9 million	23	9.1%
\$50 million to \$99.9 million	27	10.7%
\$100 million to \$249.9 million	30	11.9%
\$250 million to \$499.9 million	19	7.5%
\$500 million to \$999.9 million	29	11.5%
\$1 Billion or more	48	19.0%
Not sure/Decline to say	17	6.7%
Total	252	100.0%



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