



U.S. Bank CFO Survey: Corporate Finance Leaders Tighten Belts Amid Uncertainty

4/25/2024

- *Survey of more than 2,000 U.S. corporate finance leaders reveals the top two priorities are cost control within finance function and across the business*
- *Among top risks, geopolitical tensions rise while inflation drops significantly*
- *Just 37% of finance leaders have a positive outlook for the U.S. economy for the rest of 2024, but nearly 60% are optimistic about the next three years*

MINNEAPOLIS--(BUSINESS WIRE)-- U.S. corporate finance leaders have increased focus on cutting costs to prepare their firms for potential economic and geopolitical uncertainty, according to the fourth annual [U.S. Bank CFO Insights Report](#).

The survey of more than 2,000 senior finance leaders nationwide revealed the top two priorities are cutting costs within the finance function and across the entire business. In contrast, driving revenue growth is just the fifth most prevalent priority. Cutting costs within the finance function has nearly doubled as a priority since the U.S. Bank CFO Insights Report began in 2021. Improving risk identification and mitigation also continues to climb in importance, now the third most common top priority.

For specific top risks, finance leaders continue to identify areas like talent shortages and pace of technology changes, but geopolitical tension has jumped six spots from the 10th most cited risk last year. Meanwhile, high inflation was cited less often this year as a top risk (25%) compared to last year (38%), although it remains an elevated risk for some industries, like Telecom and Media (42%).

"The CFO's job has always been a challenge. But today they face higher inflation and interest rates, political uncertainty in the U.S. and abroad, a difficult-to-forecast short-term economy and incredible pressure to make the right technology investments their firms will need to compete," said Stephen Philipson, head of Global Markets and Specialized Finance at U.S. Bank. "This year's survey showcased how finance leaders are working through this set of circumstances by focusing on cost cuts and risk management without neglecting their investment priorities."

Key survey findings:

Economic outlook vs. business prospects

- 33% of finance leaders hold a negative outlook for the economy for the rest of 2024. However, the long-term forecast is more positive, with only 15% maintaining a negative outlook for the U.S. economy over the next three years.
- Despite the challenging operating environment, 45% of finance leaders remain optimistic about their business's financial outlook over the next 12 months. This number jumps to 61% when they look to the next three years. For instance, in the automotive industry, only 37% are positive about the next 12 months, but 63% are optimistic over the next three years.

Top risks

- Talent shortages continue as the leading risk (41%), marking the third consecutive year at the top, closely followed by the challenges related to the pace of technology change/digital disruption (38%). Industrial Products/Manufacturing (47%), Hospitality and Leisure (46%) and Technology (46%) finance leaders were most likely to list talent shortages as a top risk.
- Geopolitical tension and war have jumped to become the fourth-most cited top risk (26%), climbing from 10th place last year.
- Inflation comes in fifth place (25%) as a top risk. It has decreased in urgency for finance leaders from last year's 38%. Finance leaders in Telecom and Media (42%) and Consumer and Retail (36%) were most likely to list inflation as a top risk.
- Nearly four-in-ten of finance leaders (39%) said they're not confident about their ability to manage and mitigate new risks.

Artificial Intelligence (AI) and areas for efficiencies

- Finance leaders are prioritizing investments in technology (47%) over layoffs (21%) as the primary solution for cutting costs in the next 12 months. Comparatively, in 2021 layoffs were at 40%.
- After data analytics (52%), AI is the second-highest priority for investment in the finance function (51%) and is most prioritized by finance leaders in Insurance, Oil and Gas and Life Sciences/Pharmaceutical sectors.
- Uses for AI in the finance function are primarily focused on tackling risk (42%), identifying fraud (41%) and automating processes (37%).
- While cost cuts are top of mind, this year's survey found finance leaders are more confident about balancing growth initiatives and cost cutting. 50% said they struggle to balance the need to cut costs with the need to invest in the future, down from 56% last

year.

View the full [2024 U.S. Bank CFO Insights Report](#).

About the research

The results of this research are based on a survey conducted in January and February 2024 of 2,030 senior finance leaders who work in U.S. businesses across multiple sectors. Half of the survey participants are company, regional or divisional CFOs. The remainder are senior managers within the finance function. Every surveyed finance leader works for a business that generates at least \$100 million in annual revenue, and 30% work for a business that generates at least \$2 billion.

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Source: U.S. Bancorp