



# MARCUM - HOFSTRA CEO SURVEY

The Marcum LLP-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.1, 2019

View of the Current Business Environment	pg 1
Plans to Invest in the Company	pg 5
Priority Investments	pg 8
Influences on Business Planning	pg 12
External Issues	pg 15
Difficulty of the CEO Job	pg 18
Impact of the Tax Cuts & Jobs Act	pg 22
Industry Spotlight: Professional Services	pg 25
CEO Insights	pg 31
Demographics	pg 33

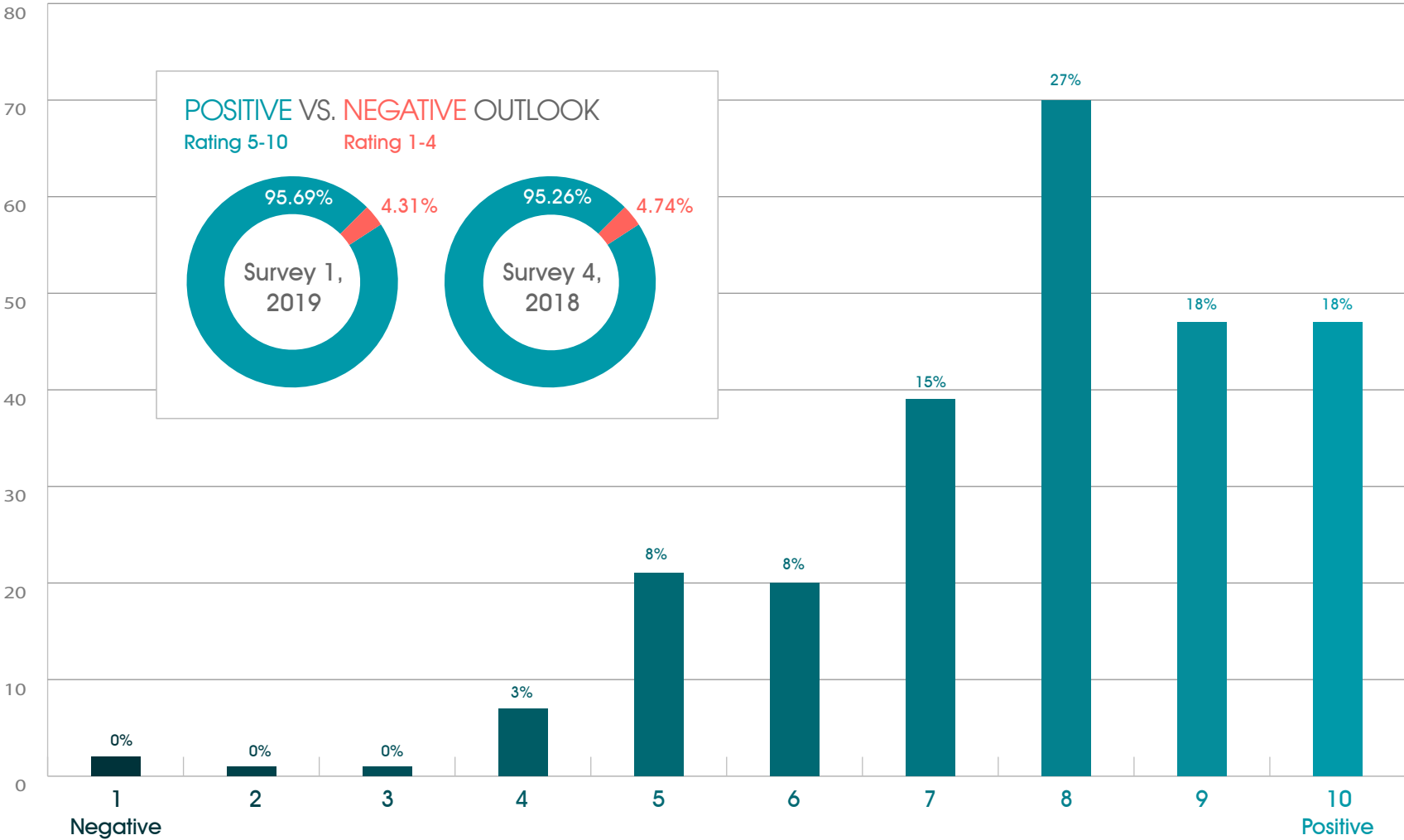
# 2019



**QUESTION**  
What is your view of the  
current business environment?



### View of the current business environment.

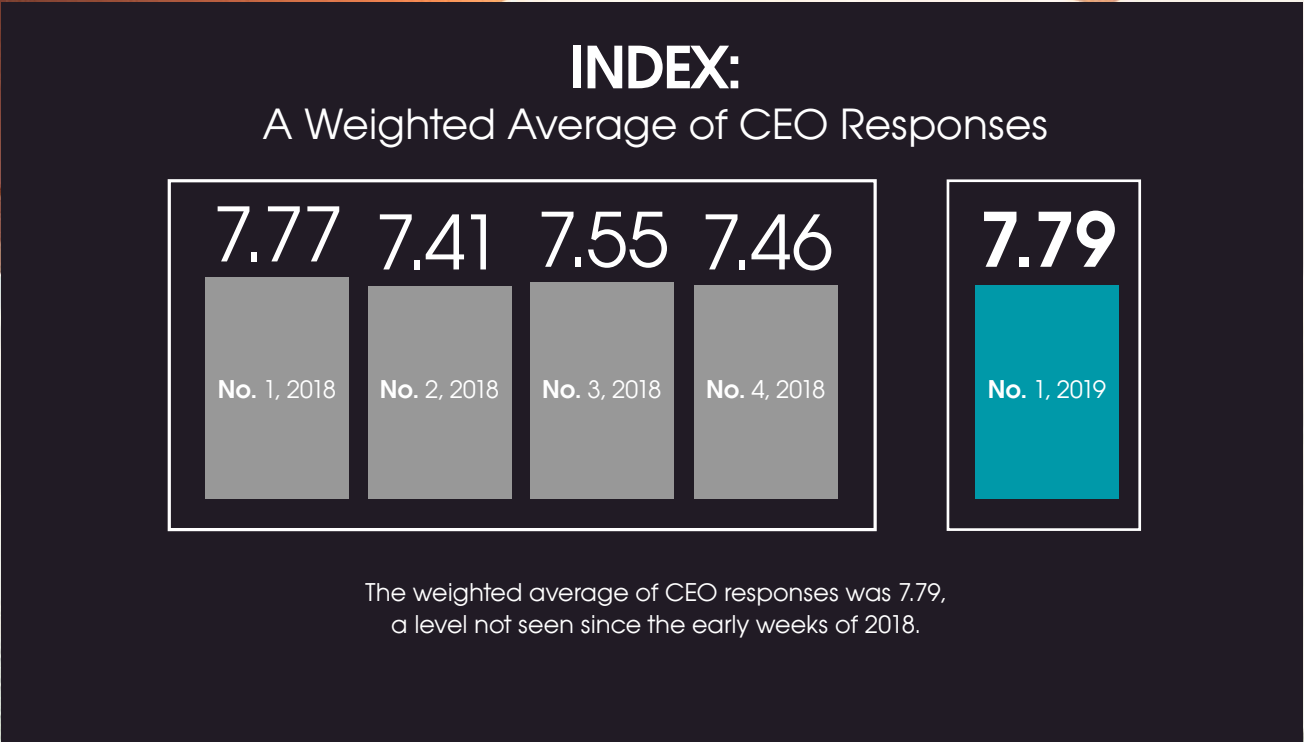


## KEY FINDINGS

CEOs across all 17 industry sectors expressed a positive view of the current business environment.

- ▶ 18% of CEOs rated their outlook for the coming year as "10." This is a substantial increase from the 7.1% who assigned a "10" rating in the previous (No. 4, 2018) survey.
- ▶ 64% of CEOs rated their outlook for the coming year as "8" or higher. This is an increase from 56.9% in the No. 4, 2018, survey.
- ▶ 95.7% assigned a rating of "5" or higher in the current survey, virtually unchanged from the previous survey (95.3%).
- ▶ INDEX: The weighted average of CEO responses, was 7.79, an increase from 7.46 in the previous (No. 4, 2018) survey and recovering to the confidence level expressed by CEOs a year earlier (7.77 in No. 1, 2018).

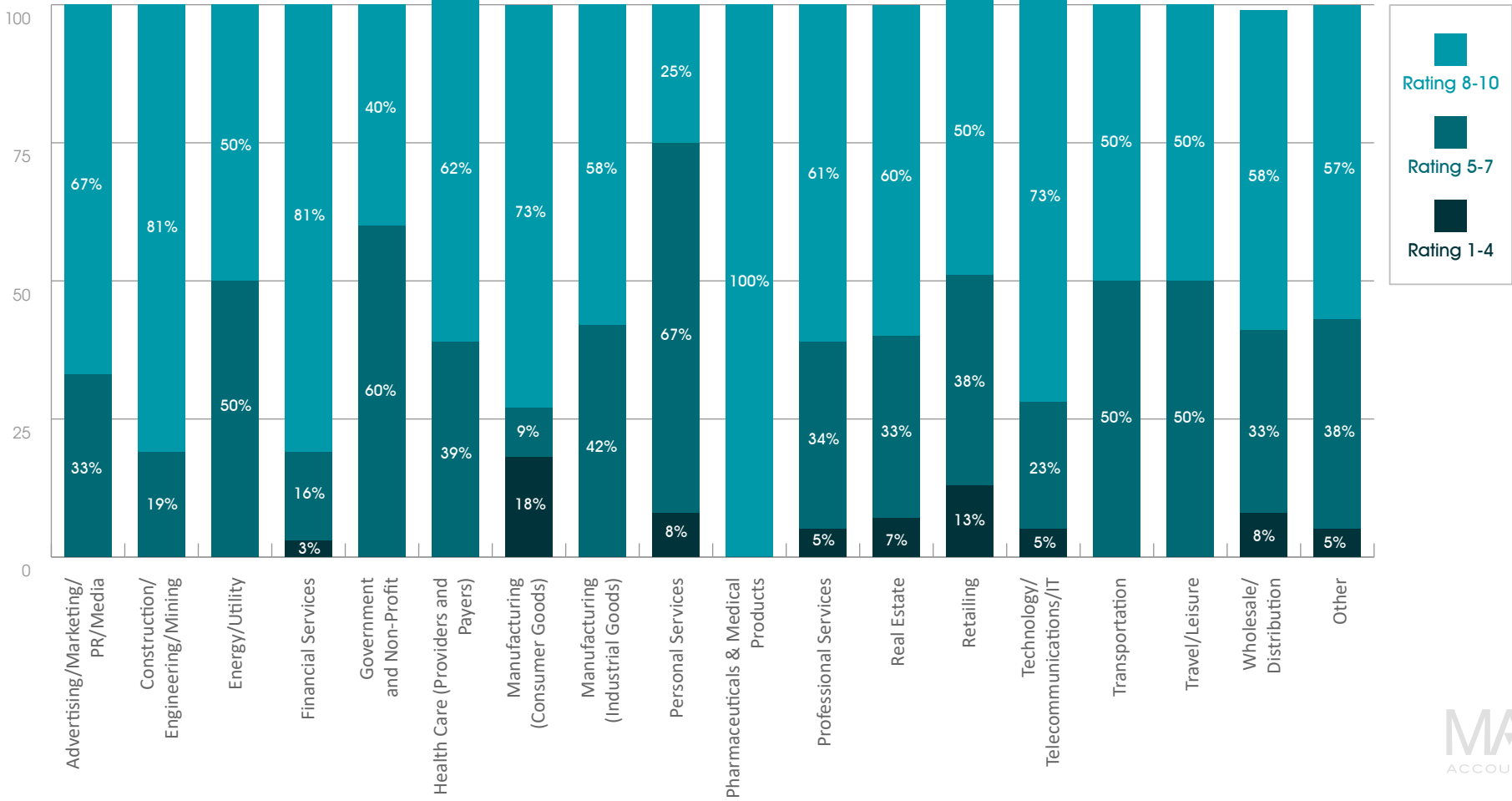
cont'd  
What is your view of the current business environment?



# RATING OF BUSINESS OUTLOOK

## by Industry

CEOs across business sectors were uniformly optimistic. With only a few exceptions, 50% or more of the CEOs within each industry sector rated their business outlook as "8" or higher.



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What is your view of the current business environment?

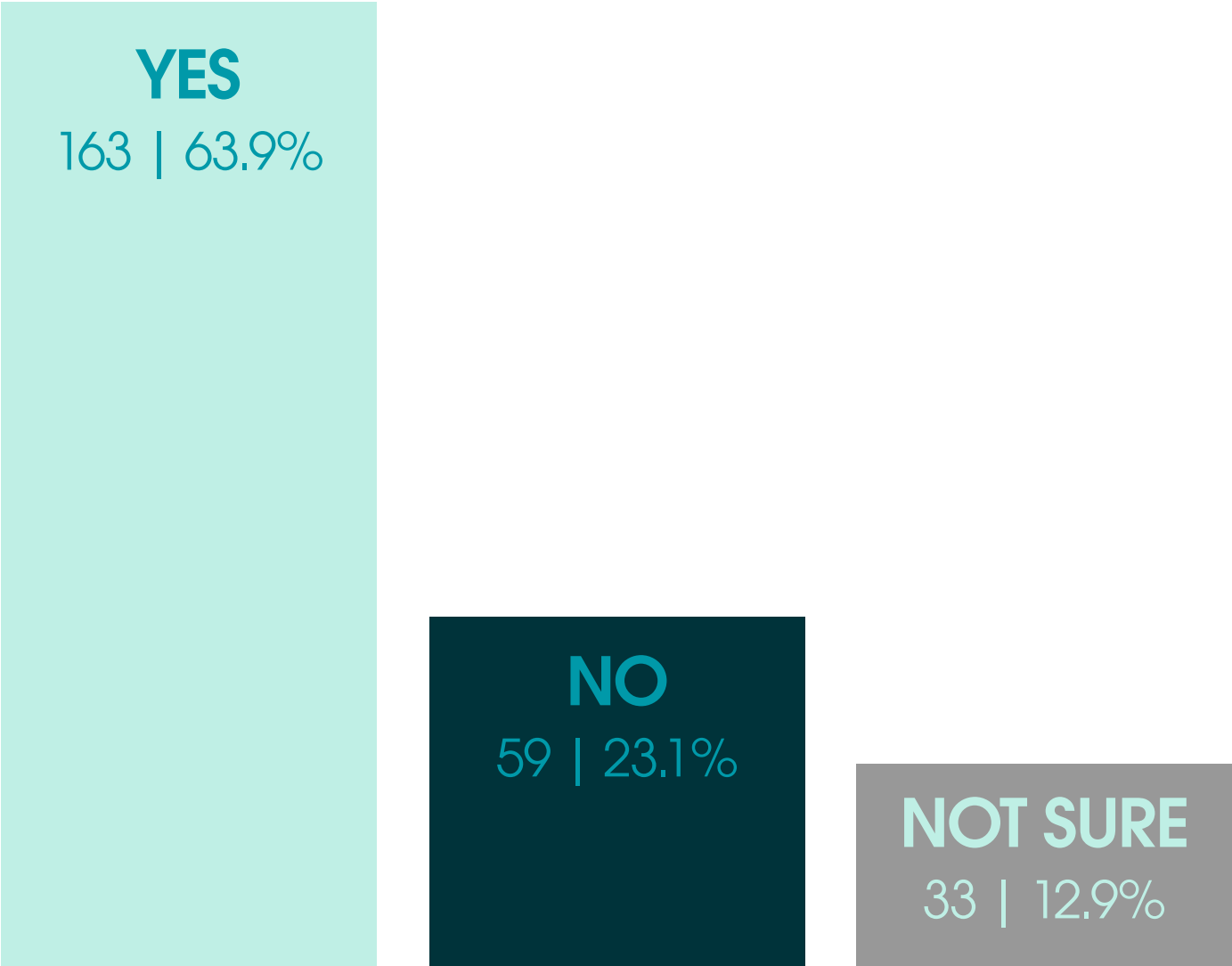


## QUESTION

Do you plan to invest in your company  
over the next 12 months?



Companies planning to invest in the next 12 months.

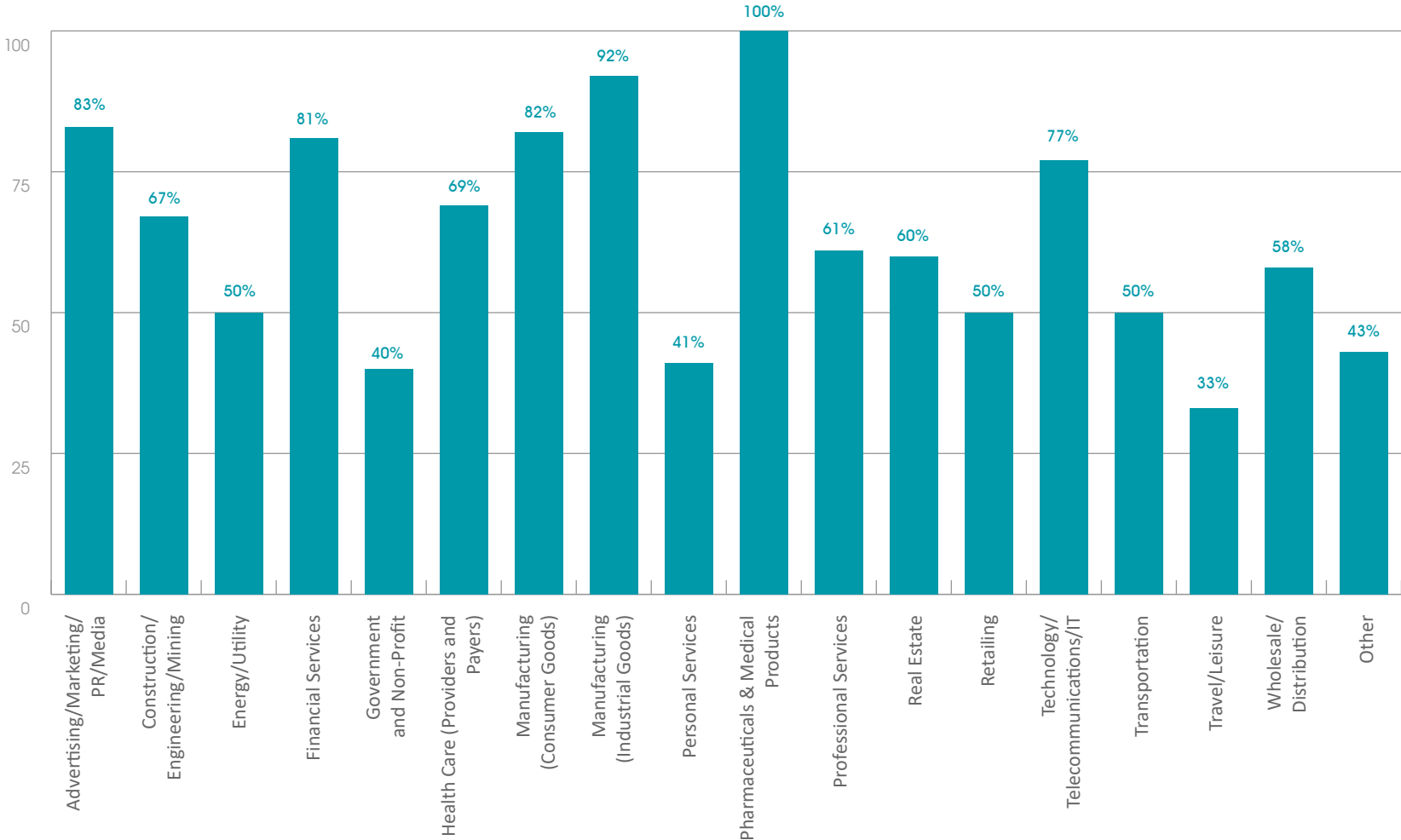


## KEY FINDINGS

64% of CEOs said they will invest in their companies in the next 12 months.

- ▶ 92% of the leaders of industrial goods manufacturers and 82% of consumer goods manufacturers plan to invest in their companies.
- ▶ 77% of technology/telecommunications companies and 81% of financial services plan to invest in their business in the next 12 months.

# INVESTMENT PLANNING by Industry



cont'd  
Do you plan to invest in your company over the next 12 months?

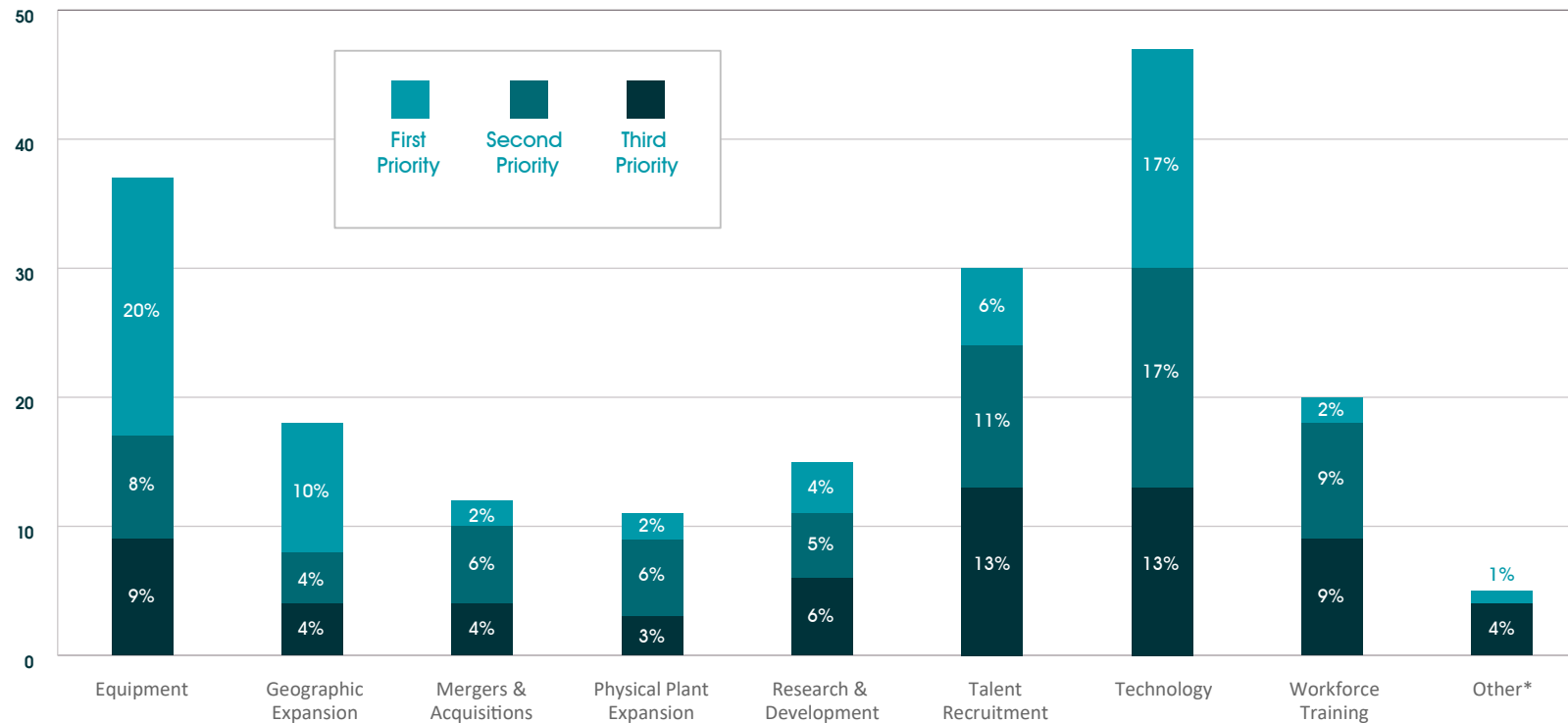


## QUESTION

In which ways do you plan to invest in your company? Please rank your top three priorities.



## Top three investment priorities.



\*Other: Advertising/Promotion/Marketing: 5 (2.0%); Inventory: 2 (0.8%) Devote More Time; Diversifying Services; Field Used Equipment; More Outreach; Product Expansion; Relocation (1 each)

## KEY FINDINGS

- ▶ When asked about their priorities for capital investment over the next 12 months, technology was the most frequent response, with 47% of CEOs indicating that this was one of their three top priorities. This was followed by equipment upgrades (37%), talent recruitment (30%), and workforce training (20%).
- ▶ Investment in equipment was the top priority for 20% of CEOs, with technology the top priority for 17% of CEOs.

cont'd  
 In which way do you plan to invest in your company?  
 Please rank your top three priorities.

### by Investment

	First Priority	Second Priority	Third Priority	Total
<i>Technology</i>	44 (17.3%)	42 (16.5%)	33 (12.9%)	<b>119 (46.7%)</b>
<i>Equipment</i>	51 (20.0%)	20 (7.8%)	22 (8.6%)	<b>93 (36.5%)</b>
<i>Talent Recruitment</i>	14 (5.5%)	27 (10.6%)	33 (12.9%)	<b>74 (29.0%)</b>
<i>Workforce Training</i>	6 (2.4%)	23 (9.0%)	23 (9.0%)	<b>52 (20.4%)</b>
<i>Geographic Expansion</i>	26 (10.2%)	9 (3.5%)	11 (4.3%)	<b>46 (18.0%)</b>
<i>Research and Development</i>	9 (3.5%)	13 (5.1%)	14 (5.5%)	<b>36 (14.1%)</b>
<i>Mergers and Acquisitions</i>	5 (2.0%)	14 (5.5%)	10 (3.9%)	<b>29 (11.4%)</b>
<i>Physical Plant Expansion</i>	6 (2.4%)	14 (5.5%)	7 (2.7%)	<b>27 (10.6%)</b>
<i>Other*</i>	2 (0.8%)	1 (0.4%)	10 (3.9%)	<b>13 (5.1%)</b>

\*Other: Advertising/Promotion/Marketing: 5 (2.0%); Inventory: 2 (0.8%) Devote More Time; Diversifying Services; Field Used Equipment; More Outreach; Product Expansion; Relocation (1 each)

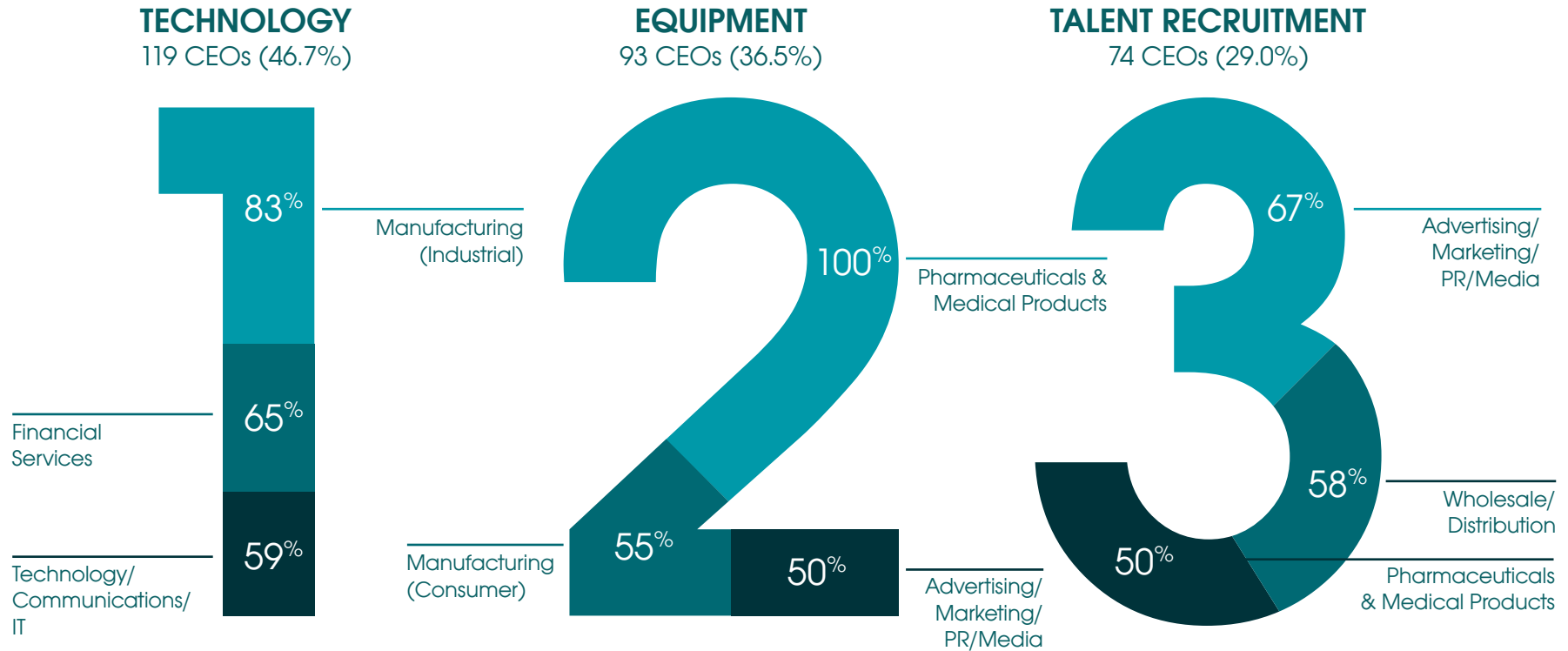
### by Industry

	Equipment	Geographic Expansion	Mergers & Acquisitions	Physical Plant Expansion	Research & Development	Talent Recruitment	Technology	Workforce Training
<i>Advertising/Marketing/PR/Media</i>	50%	17%	33%	0%	0%	67%	17%	17%
<i>Construction/Engineering/Mining</i>	41%	19%	11%	11%	7%	22%	44%	37%
<i>Energy/Utility</i>	0%	50%	0%	0%	0%	0%	50%	50%
<i>Financial Services</i>	39%	26%	13%	10%	32%	39%	65%	16%
<i>Government/Non-Profit/Education</i>	40%	0%	0%	0%	0%	20%	0%	20%
<i>Healthcare (Providers and Payers)</i>	46%	15%	8%	15%	0%	46%	40%	13%
<i>Manufacturing (Consumer)</i>	55%	18%	18%	27%	18%	27%	55%	27%
<i>Manufacturing (Industrial)</i>	33%	0%	8%	25%	50%	42%	83%	9%
<i>Pharmaceuticals &amp; Medical Products</i>	100%	0%	50%	0%	50%	50%	50%	0%
<i>Professional Services</i>	21%	18%	13%	11%	24%	24%	47%	18%
<i>Real Estate</i>	47%	27%	20%	13%	0%	18%	40%	20%
<i>Retailing</i>	18%	18%	9%	0%	0%	0%	27%	0%
<i>Technology/Telecommunication/IT</i>	45%	14%	18%	9%	23%	41%	59%	14%
<i>Transportation</i>	25%	25%	13%	13%	0%	13%	38%	25%
<i>Travel/Leisure (Hotels)</i>	0%	33%	0%	33%	0%	17%	17%	0%
<i>Wholesale/Distribution</i>	33%	17%	0%	8%	0%	58%	43%	17%

## PRIORITY INVESTMENTS

### Top 3 industries selecting each answer

cont'd  
 In which way do you plan to invest in your company?  
 Please rank your top three priorities.

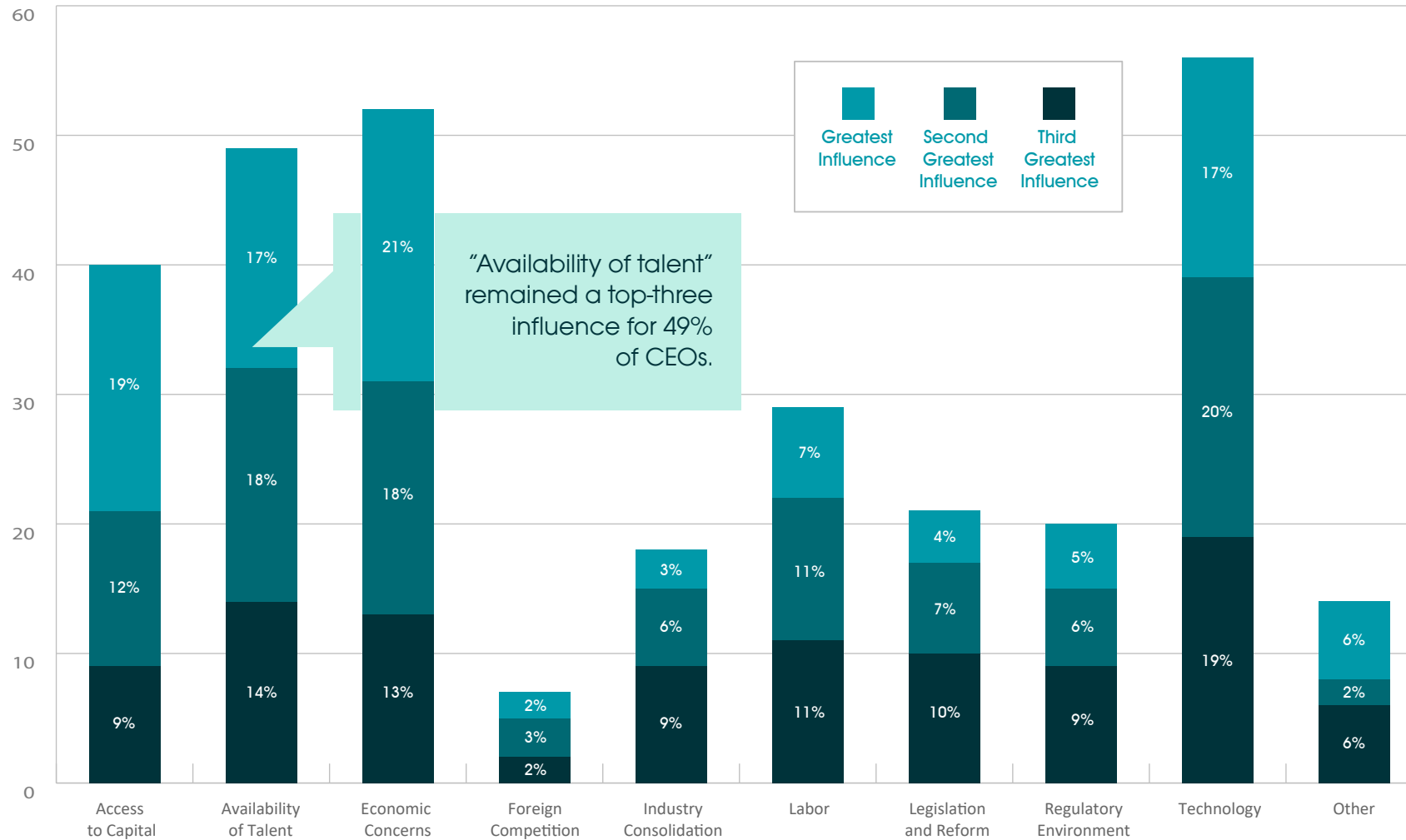


## QUESTION

What are the most important influences for your business planning in the next 12 months? Please rank your top three influences.



## Top influences on business planning.



## KEY FINDINGS

- ▶ Issues related to technology and concerns regarding the economy were the most commonly expressed influences on business planning for the coming 12 months, with more than 52% of CEOs rating one or both of these as one of their top three influences. These supplanted "availability of talent" as the top influence most commonly cited in 2018 surveys.

cont'd  
 What are the most important influences for your business planning in the next 12 months? Please rank your top three influences.

### by Influence

<i>Technology</i>	43 (16.9%)	45 (17.6%)	47 (18.4%)	<b>135 (52.9%)</b>
<i>Economic Concerns</i>	54 (21.2%)	47 (18.4%)	33 (12.9%)	<b>134 (52.5%)</b>
<i>Availability of Talent</i>	43 (16.9%)	45 (17.6%)	36 (14.1%)	<b>124 (48.6%)</b>
<i>Access to Capital</i>	48 (18.8%)	30 (11.8%)	22 (8.6%)	<b>100 (39.2%)</b>
<i>Labor</i>	18 (7.1%)	29 (11.4%)	28 (11.0%)	<b>75 (29.4%)</b>
<i>Legislation and Reform</i>	9 (3.5%)	18 (7.1%)	25 (9.8%)	<b>52 (20.4%)</b>
<i>Regulatory Environment</i>	12 (4.7%)	14 (5.5%)	22 (8.6%)	<b>52 (20.4%)</b>
<i>Industry Consolidation</i>	7 (2.7%)	14 (5.5%)	22 (8.6%)	<b>43 (16.9%)</b>
<i>Foreign Competition</i>	5 (2.0%)	8 (3.1%)	6 (2.4%)	<b>19 (7.5%)</b>
<i>Other*</i>	16 (6.3%)	5 (2.0%)	14 (5.5%)	<b>35 (13.7%)</b>
	<b>Greatest Influence</b>	<b>Second Greatest Influence</b>	<b>Third Greatest Influence</b>	<b>Total</b>

### by Industry

<i>Advertising/Marketing/PR/Media</i>	50%	83%	33%	0%	17%	50%	17%	0%	33%
<i>Construction/Engineering/Mining</i>	44%	48%	41%	7%	4%	48%	7%	0%	59%
<i>Energy/Utility</i>	50%	100%	50%	0%	50%	0%	0%	0%	50%
<i>Financial Services</i>	42%	45%	52%	10%	19%	19%	29%	29%	52%
<i>Government/Non-profit/Education</i>	40%	40%	80%	0%	0%	40%	0%	0%	80%
<i>Healthcare (Providers and Payers)</i>	23%	54%	38%	23%	23%	23%	23%	31%	62%
<i>Manufacturing (Consumer)</i>	27%	64%	45%	9%	27%	36%	36%	18%	36%
<i>Manufacturing (Industrial)</i>	33%	75%	50%	0%	25%	17%	8%	17%	75%
<i>Professional Services</i>	47%	45%	53%	8%	13%	21%	26%	21%	53%
<i>Real Estate</i>	53%	40%	67%	7%	13%	12%	33%	7%	47%
<i>Retailing</i>	27%	18%	45%	0%	0%	18%	18%	18%	55%
<i>Technology/Telecommunication/IT</i>	18%	68%	45%	5%	27%	18%	23%	18%	73%
<i>Transportation</i>	25%	50%	63%	13%	38%	13%	13%	25%	5%
<i>Travel/Leisure</i>	17%	83%	67%	0%	0%	67%	0%	33%	17%
<i>Wholesale/Distribution</i>	33%	33%	58%	17%	17%	33%	50%	17%	25%

\* Other includes: Access to Available Inventory; Access to Customers/Clients; Availability; Cash Flow; Changes in the Industry; Clients/Customers (6); Company Incompetence; Labor; Local Competition; Local Employment; Location; Market Capture; Market Conditions; Retirement; Stock Market; Suppliers; Time Management; Unexpected Events/Unforeseen Expenses; Misc.

Access to Capital  
 Availability of Talent  
 Economic Concerns  
 Foreign Competition  
 Industry Consolidation  
 Labor  
 Legislation and Reform  
 Regulatory Environment  
 Technology



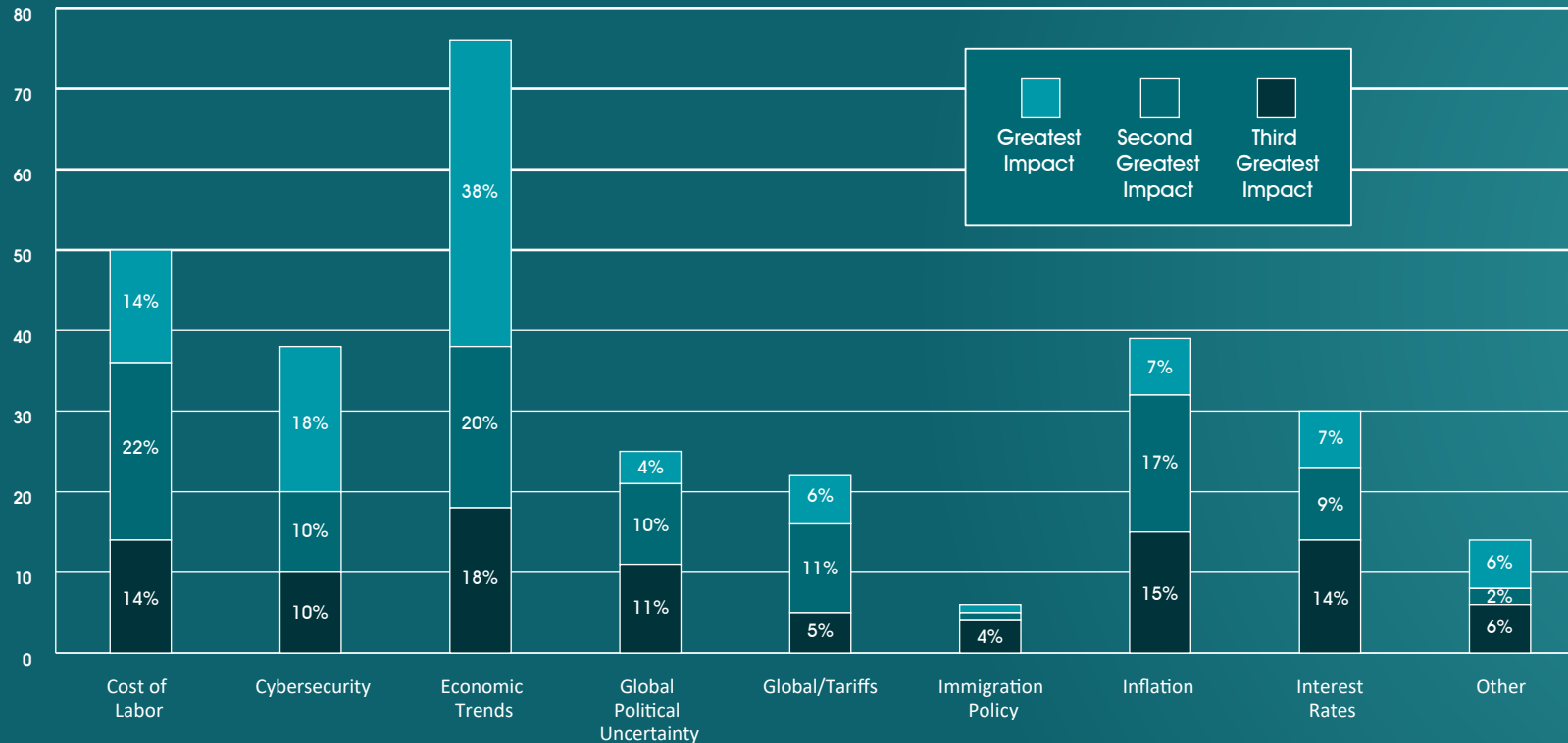
## QUESTION

What external issues have the greatest impact on your business?





## External issues having the greatest impact on business.



## KEY FINDINGS

- ▶ 76% of CEOs cited “economic trends” as one of the top three issues. An additional 49% indicated “cost of labor,” a possible extension of these economic concerns.
- ▶ “Cybersecurity” and “inflation” each were cited by 38% of the respondents.

cont'd  
 What external issues have the greatest impact on your business? Please select 3 in order of priority.

### by Issue

	Greatest Impact	Second Greatest Impact	Third Greatest Impact	Total
<i>Economic Trends</i>	97 (38.0%)	51 (20.0%)	46 (18.0%)	<b>194 (76.1%)</b>
<i>Cost of Labor</i>	35 (13.7%)	55 (21.6%)	36 (14.1%)	<b>126 (49.4%)</b>
<i>Cybersecurity</i>	47 (18.4%)	25 (9.8%)	26 (10.2%)	<b>98 (38.4%)</b>
<i>Inflation</i>	17 (6.7%)	43 (16.9%)	38 (14.9%)	<b>98 (38.4%)</b>
<i>Interest Rates</i>	18 (7.1%)	23 (9.0%)	35 (13.7%)	<b>76 (29.8%)</b>
<i>Global Political Uncertainty</i>	11 (4.3%)	26 (10.2%)	29 (11.4%)	<b>66 (25.9%)</b>
<i>Global Trade/Tariffs</i>	16 (6.3%)	27 (10.6%)	13 (5.1%)	<b>56 (22.0%)</b>
<i>Immigration Policy</i>	2 (0.8%)	3 (1.2%)	10 (3.9%)	<b>15 (5.9%)</b>
<i>Other*</i>	16 (6.3%)	5 (2.0%)	14 (5.5%)	<b>35 (13.7%)</b>

### by Industry

<i>Advertising/Marketing/PR/Media</i>	17%	100%	17%	17%	50%	67%	0%	0%
<i>Construction/Engineering/Mining</i>	22%	74%	15%	22%	70%	41%	37%	15%
<i>Energy/Utility</i>	50%	100%	0%	0%	50%	0%	50%	0%
<i>Financial Services</i>	52%	65%	32%	39%	23%	32%	45%	0%
<i>Government/Non-Profit/Education</i>	40%	100%	20%	20%	40%	20%	20%	0%
<i>Healthcare (Providers and Payers)</i>	31%	62%	38%	31%	54%	31%	19%	8%
<i>Manufacturing (Consumer)</i>	36%	82%	18%	36%	45%	27%	45%	9%
<i>Manufacturing (Industrial)</i>	75%	67%	25%	50%	58%	25%	0%	0%
<i>Pharmaceuticals &amp; Medical Products</i>	50%	50%	0%	0%	100%	50%	50%	0%
<i>Professional Services</i>	45%	71%	26%	16%	47%	42%	26%	13%
<i>Real Estate</i>	7%	80%	20%	0%	40%	47%	87%	0%
<i>Retailing</i>	9%	64%	0%	0%	36%	55%	9%	0%
<i>Technology/Telecommunication/IT</i>	59%	68%	50%	18%	45%	32%	14%	9%
<i>Transportation</i>	38%	88%	38%	50%	25%	38%	0%	25%
<i>Travel/Leisure</i>	17%	67%	67%	17%	50%	67%	33%	17%
<i>Wholesale/Distribution</i>	8%	92%	50%	33%	58%	42%	8%	0%

Cyber Security  
 Economic Trends  
 Global Political Uncertainty  
 Global Trade/Tariffs  
 Labor  
 Inflation  
 Interest Rates  
 Immigration Policy

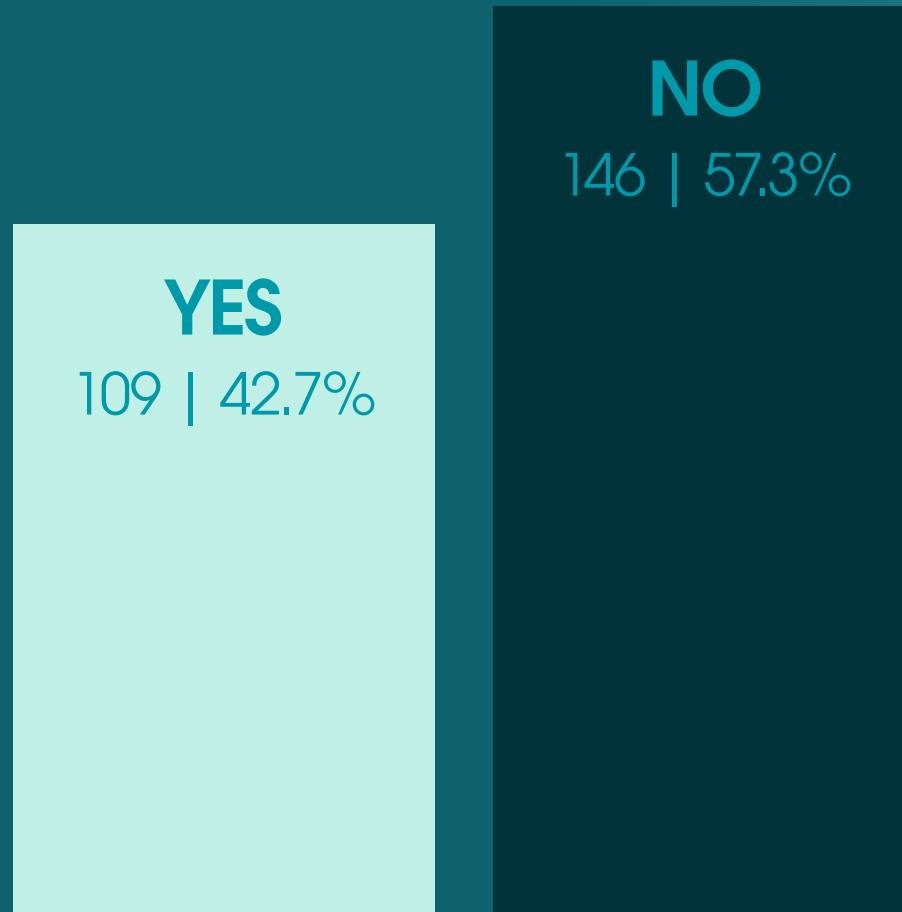
\* Other: Advertising Rates; Clients (3); Competent Managers; Competition (2); Downsizing; Federal Tax Increases; Finding New Location; Generating Business (3); Laws/Regulations; Labor; Market; Politicians; Public Attitude; Rising Cost of Merchandise; Technology; Utility Costs; Weather; Misc.



## QUESTION

Is your job harder now  
than in the past?

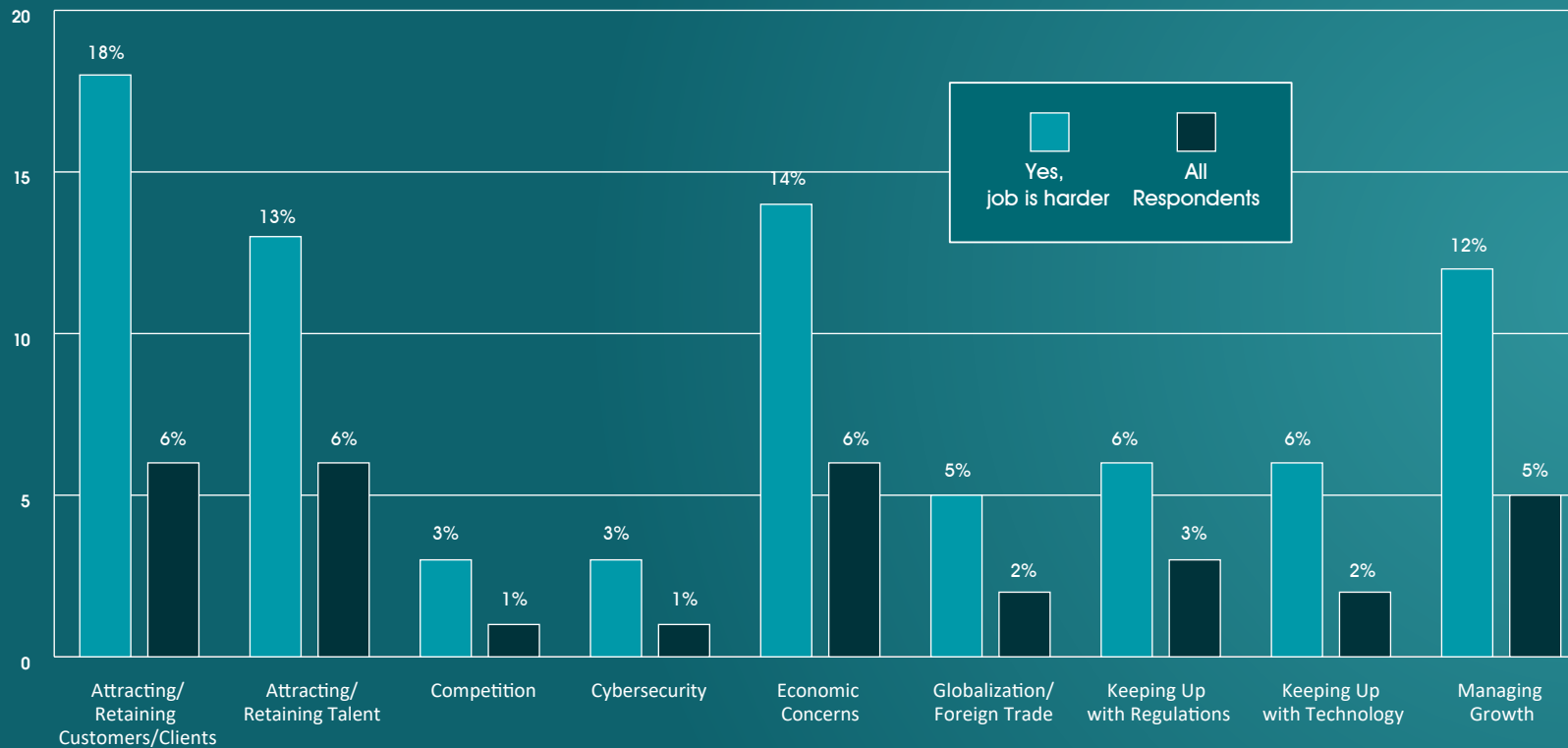
## CEO Job More Difficult



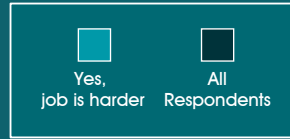
## KEY FINDINGS

- ▶ 43% of CEOs indicated that their jobs are more difficult now than in the past. Of those who indicated it is more difficult now, 18% said this was due to challenges in attracting and retaining customers or clients, in an unprompted (“open-ended”) question.
- ▶ More than 10% of the respondents also cited economic concerns, the ability to attract and retain talent, and managing growth as factors that contributed to the increase in difficulty.

## In what ways is your job harder?



cont'd  
Is your job harder now than in the past?



	#	Retaining customers	Economic Concerns	Attracting/Retaining Talent	Managing Growth	Keeping up with Regulations	Keeping up with Technology	Globalization/Foreign Trade	Competition	Cybersecurity	Other
Advertising/Marketing/PR/Media	3	33%	33%	0%	0%	0%	0%	0%	0%	0%	33%
	6	17%	17%	0%	0%	0%	0%	0%	0%	0%	17%
Construction/Engineering/Mining)	9	0%	0%	22%	0%	0%	0%	0%	0%	0%	55%
	27	0%	0%	7%	0%	0%	0%	0%	0%	0%	19%
Energy/Utility	0	--	--	--	--	--	--	--	--	--	--
	2	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Financial Services	20	10%	5%	15%	15%	10%	5%	0%	0%	0%	35%
	31	6%	3%	10%	10%	6%	3%	0%	0%	0%	23%
Government/Non-Profit/Education	3	0%	0%	33%	0%	0%	0%	0%	0%	0%	67%
	5	0%	0%	20%	0%	0%	0%	0%	0%	0%	40%
Healthcare (Providers and Payers)	4	0%	0%	0%	0%	25%	25%	0%	0%	50%	0%
	13	0%	0%	0%	0%	8%	8%	0%	0%	15%	0%
Manufacturing (Consumer)	6	33%	17%	0%	33%	17%	0%	0%	0%	0%	0%
	11	18%	9%	0%	18%	9%	0%	0%	0%	0%	0%
Manufacturing (Industrial)	6	17%	0%	17%	33%	0%	17%	0%	17%	0%	0%
	12	8%	0%	8%	17%	0%	8%	0%	8%	0%	0%
Pharmaceuticals & Medical Products	2	0%	0%	0%	0%	0%	0%	0%	0%	50%	50%
	2	0%	0%	0%	0%	0%	0%	0%	0%	50%	50%
Personal Services	4	25%	0%	0%	25%	0%	0%	0%	0%	0%	50%
	12	8%	0%	0%	8%	0%	0%	0%	0%	0%	17%
Professional Services	18	17%	17%	22%	6%	6%	6%	11%	6%	0%	9%
	38	8%	8%	11%	3%	3%	3%	5%	3%	0%	5%
Real Estate	5	20%	0%	0%	0%	20%	0%	0%	0%	0%	60%
	15	7%	0%	0%	0%	7%	0%	0%	0%	0%	20%
Retailing	1	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
	8	0%	0%	0%	0%	0%	0%	0%	0%	0%	13%
Technology/Telecommunication/IT	8	0%	13%	13%	13%	13%	0%	13%	0%	0%	38%
	22	0%	5%	5%	5%	5%	0%	5%	0%	0%	14%
Transportation	3	0%	33%	0%	33%	0%	0%	33%	0%	0%	0%
	8	0%	13%	0%	13%	0%	0%	13%	0%	0%	0%
Travel/Leisure	3	0%	0%	0%	33%	0%	0%	0%	33%	0%	33%
	6	0%	0%	0%	17%	0%	0%	0%	17%	0%	17%
Wholesale/Distribution	7	43%	0%	0%	14%	14%	0%	14%	0%	0%	14%
	12	25%	0%	0%	8%	8%	0%	8%	0%	0%	8%

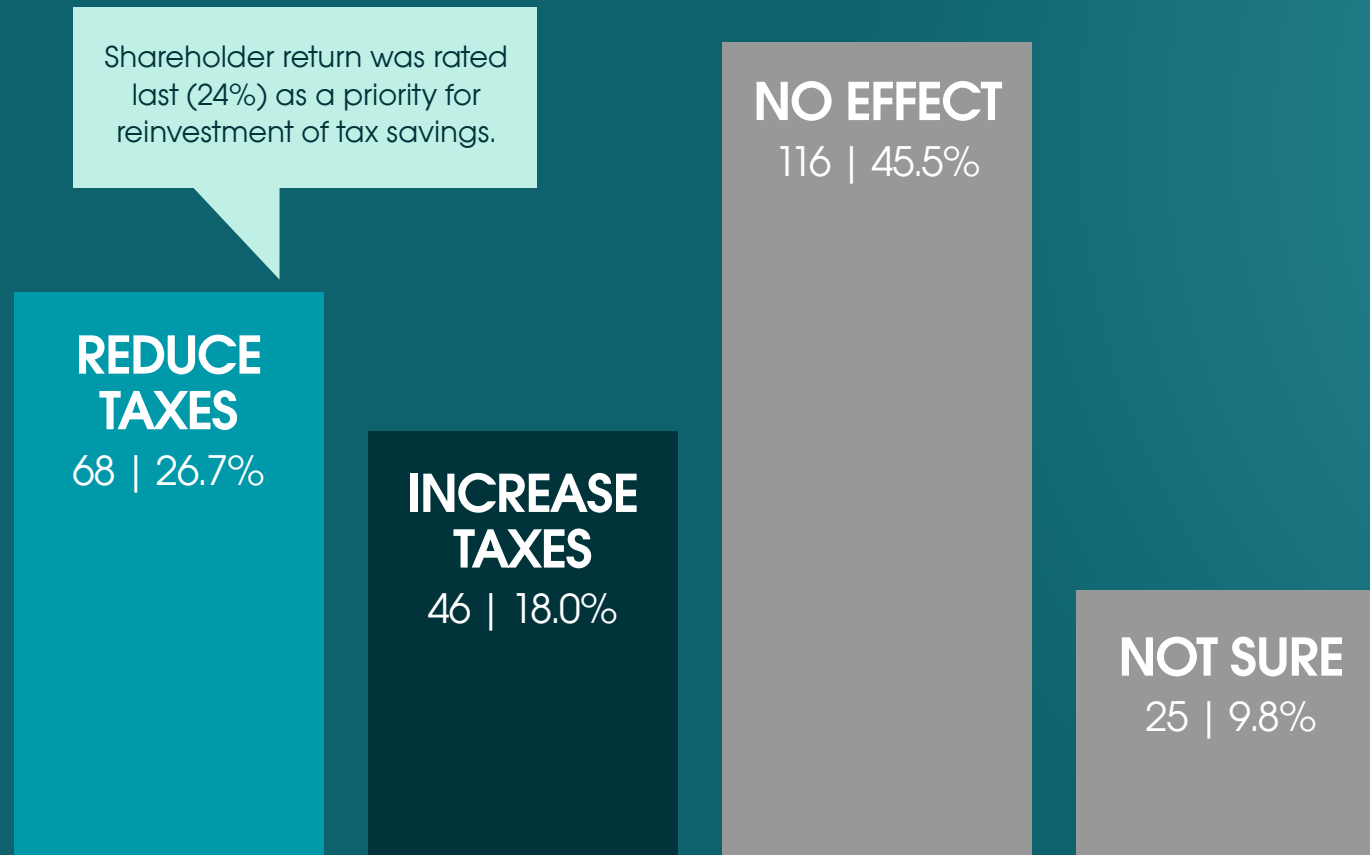
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Is your job harder now than in the past?



## QUESTION

Did the 2017 Tax Cuts & Jobs Act  
reduce or increase your business's  
tax liability in 2018?

## Impact of the Tax Act.

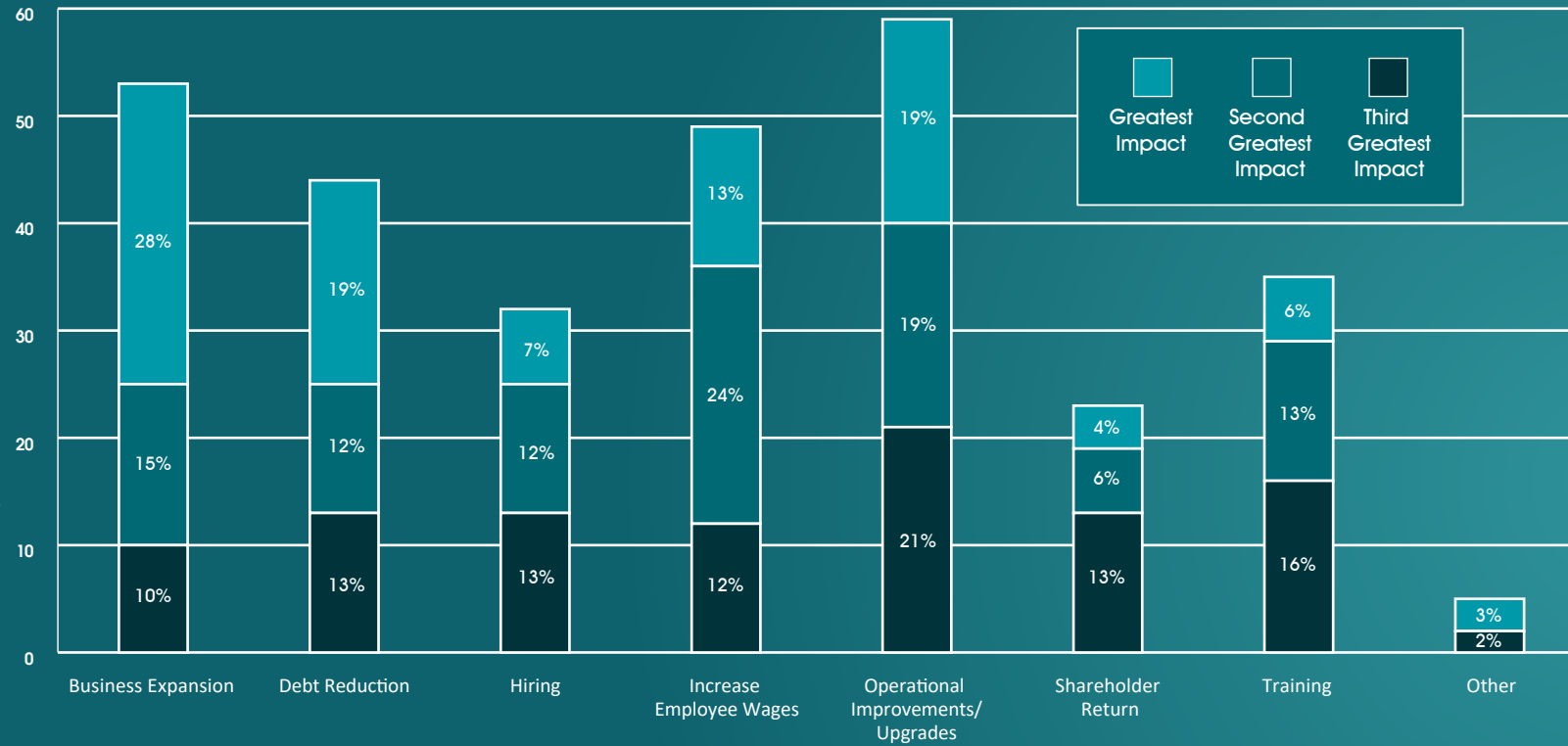


## KEY FINDINGS

- ▶ 27% of CEOs indicated their company realized a decrease in its tax obligation as result of the 2017 Tax Cut & Jobs Act, while 18% said the Act led to an increase in taxes. 46% saw no effect.
- ▶ A substantial majority of companies that saw tax savings said the top three priorities for its use included operational improvements (59%), business expansion (53%), and/or increases in employee wages (49%).
- ▶ Debt reduction was also listed as a top priority by 44% of CEOs.



## How will you invest your tax savings?



cont'd  
Did the 2017 Tax Cuts & Jobs Act reduce or increase your business's tax liability in 2018?

<i>Operational Improvements/Upgrades</i>	13 (19.1%)	13 (19.1%)	14 (20.6%)	<b>40 (58.8%)</b>
<i>Business Expansion</i>	19 (27.9%)	10 (14.7%)	7 (10.3%)	<b>36 (52.9%)</b>
<i>Increase Employee Wages</i>	9 (13.2%)	16 (23.5%)	8 (11.8%)	<b>33 (48.5%)</b>
<i>Debt Reduction</i>	13 (19.1%)	8 (11.8%)	9 (13.2%)	<b>30 (44.1%)</b>
<i>Training</i>	4 (5.9%)	9 (13.2%)	11 (16.2%)	<b>24 (35.3%)</b>
<i>Hiring</i>	5 (7.4%)	8 (11.8%)	9 (13.2%)	<b>22 (32.4%)</b>
<i>Shareholder Return</i>	3 (4.4%)	4 (5.9%)	9 (13.2%)	<b>16 (23.5%)</b>
<i>Other</i>	2 (2.9%)	0 (0.0%)	1 (1.5%)	<b>3 (4.4%)</b>
	<b>First Priority</b>	<b>Second Priority</b>	<b>Third Priority</b>	<b>Total</b>

## INDUSTRY SPOTLIGHT

### PROFESSIONAL SERVICES

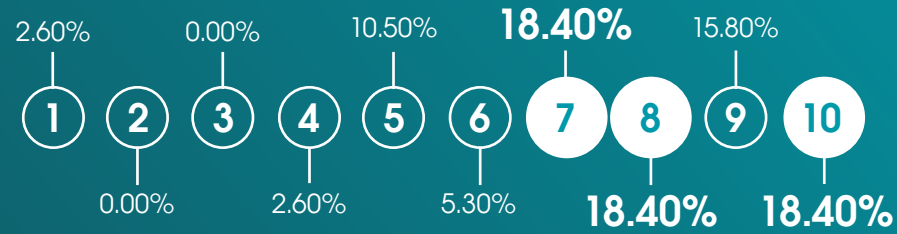
The U.S. professional services industry encompasses approximately 1.18 million firms, employs about nine million people, and generates annual revenues of nearly \$1.8 trillion<sup>1</sup>. The industry includes accounting, advertising and marketing, architectural, consulting, engineering, IT, legal, and scientific research services<sup>2</sup>. Professional services is an intrinsically entrepreneurial field, as providers may be solo practitioners in the “gig economy,” sole proprietorships, partnerships, or corporations. Professional services firm CEOs constituted the largest percentage of respondents to this Marcum-Hofstra survey (15%).

<sup>1</sup> <https://www.selectusa.gov/professional-services-industry-united-states>

<sup>2</sup> <http://www.hoovers.com/industry-facts.professional-services-sector.1958.html>

## INDUSTRY SPOTLIGHT: PROFESSIONAL SERVICES

What is your view of the current business environment?



CEOs in all industries

**8**  
**27%**

Do you plan to invest in your company over the next 12 months?



CEOs in all industries

**YES** 63.9% **NO** 23.1% **NOT SURE** 12.9%

## INDUSTRY SPOTLIGHT: PROFESSIONAL SERVICES

In which way do you plan to invest in your company? Please rank your top three priorities.

	First Priority	Second Priority	Third Priority
<i>Technology</i>	7 (18.4%)	8 (21.1%)	3 (7.9%)
<i>Talent Recruitment</i>	1 (2.6%)	3 (7.9%)	5 (13.2%)
<i>Research and Development</i>	2 (5.3%)	2 (5.3%)	5 (13.2%)
<i>Equipment</i>	5 (13.2%)	1 (2.6%)	2 (5.3%)
<i>Workforce Training</i>	3 (7.9%)	4 (10.5%)	0 (0.0%)
<i>Geographic Expansion</i>	3 (7.9%)	1 (2.6%)	3 (7.9%)
<i>Mergers and Acquisitions</i>	1 (2.6%)	2 (5.3%)	2 (5.3%)
<i>Physical Plant Expansion</i>	1 (2.6%)	2 (5.3%)	1 (2.6%)
<i>Other*</i>	0 (0.0%)	0 (0.0%)	2 (5.3%)

CEOs in all industries:  
**Equipment**  
**20%**

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

	Highest Influence	Second Highest Influence	Third Highest Influence
<i>Technology</i>	5 (13.2%)	7 (18.4%)	8 (21.1%)
<i>Economic Concerns</i>	8 (21.1%)	9 (23.7%)	3 (7.9%)
<i>Access to Capital</i>	9 (23.7%)	5 (13.2%)	4 (10.5%)
<i>Availability of Talent</i>	7 (18.4%)	7 (18.4%)	3 (7.9%)
<i>Legislation and Reform</i>	3 (7.9%)	3 (7.9%)	4 (10.5%)
<i>Labor</i>	2 (5.3%)	0 (0.0%)	6 (15.8%)
<i>Regulatory Environment</i>	2 (5.3%)	3 (7.9%)	3 (7.9%)
<i>Industry Consolidation</i>	0 (0.0%)	1 (2.6%)	4 (10.5%)
<i>Foreign Competition</i>	1 (2.6%)	2 (5.3%)	0 (0.0%)
<i>Other*</i>	1 (2.6%)	1 (2.6%)	3 (7.9%)

CEOs in all industries:  
**Economic Concerns**  
**64%**

## INDUSTRY SPOTLIGHT: PROFESSIONAL SERVICES

What external issues have the greatest impact on your business?

	Greatest Impact	Second Greatest Impact	Third Greatest Impact
<i>Economic Trends</i>	13 (34.2%)	8 (21.1%)	6 (15.8%)
<i>Global Political Uncertainty</i>	2 (5.3%)	4 (10.5%)	4 (10.5%)
<i>Cost of Labor</i>	5 (13.2%)	8 (21.1%)	5 (13.2%)
<i>Cybersecurity</i>	9 (23.7%)	4 (10.5%)	4 (10.5%)
<i>Inflation</i>	3 (7.9%)	4 (10.5%)	9 (23.7%)
<i>Interest Rates</i>	2 (5.3%)	5 (13.2%)	3 (7.9%)
<i>Global Trade/Tariffs</i>	1 (2.6%)	3 (7.9%)	2 (5.3%)
<i>Immigration Policy</i>	1 (2.6%)	1 (2.6%)	3 (13.2%)
<i>Other*</i>	2 (5.3%)	1 (2.6%)	2 (5.3%)

CEOs in all industries:  
**Economic Trends**  
**38%**

Is your job harder now than it was in the past 12 months?

YES  
47.4%

NO  
52.6%

CEOs in all industries:  
 YES  
42.7%

NO  
57.3%

## INDUSTRY SPOTLIGHT: PROFESSIONAL SERVICES

**In what ways  
is your job harder?**

	All CEOs / Answered "Yes"	
Attracting/Retaining Talent	4	10.5% / 22.2%
Economic Concerns	3	7.9% / 38.9%
Attracting/Retaining Clients	3	7.9% / 16.7%
Keeping up with Regulations	1	2.6% / 5.6%
Keeping up with Technology	1	2.6% / 5.6%
Globalization/Foreign Trade	1	2.6% / 5.6%
Managing Growth	1	2.6% / 5.6%
Competition	1	2.6% / 5.6%
Managing Growth	1	2.6% / 5.6%
Other	2	5.3% / 11.1%

CEOs in all  
industries:

**Attracting/Retaining  
Clients**  
**6.3% / 17.9%**

**Did the 2017  
Tax Cuts & Jobs Act  
reduce or increase your  
business's tax liability in 2018?**

**REDUCE**  
**28.9%**

**INCREASE**  
**7.9%**

**NO  
EFFECT**  
**57.9%**

**NOT  
SURE**  
**5.3%**

CEOs in all industries:

**REDUCE**  
**26.7%**

**INCREASE**  
**18.0%**

**NO EFFECT**  
**45.5%**

## INDUSTRY SPOTLIGHT: PROFESSIONAL SERVICES

How will you invest your tax savings?

	First Priority	Second Priority	Third Priority
<i>Increase Employee Wages</i>	1 (9.0%)	3 (27.3%)	3 (27.3%)
<i>Operational Improvements/Upgrades</i>	1 (9.0%)	36.4	1 (9.0%)
<i>Debt Reduction</i>	3 (27.3%)	1 (10.5%)	1 (10.5%)
<i>Training</i>	1 (9.0%)	1 (9.0%)	2 (5.3%)
<i>Hiring</i>	0 (0.0%)	1 (9.0%)	1 (9.0%)
<i>Shareholder Return</i>	0 (0.0%)	1 (9.0%)	1 (9.0%)
<i>Business Expansion</i>	1 (9.0%)	0 (0.0%)	0 (0.0%)
<i>Other *</i>	1 (9.0%)	0 (0.0%)	0 (0.0%)

CEOs in all industries:  
Business Expansion  
**27.9%**

# CEO INSIGHTS

"We are constantly asked to **do more with less.**"

"With **constant upgrades in technology**, I am constantly researching, evaluating and purchasing new equipment."

"We are seeing an overall pulling back on lots of projects and foresee that the economic environment will make things harder to succeed. We have lots of clients and competitors saying similar things, that we **expect an upcoming slowdown** due to all the financial and economic unrest caused by the political infighting and uncertainty..."

"We are working more with the same number of employees because we **can't find talented workers.**"

"(There is) **more competition** in the market and **pressure to launch products** sooner than before."

"Our inability to attract and retain the talent with the requisite skills results in me needing to learn those skills and perform all of those tasks. **Cybersecurity risk** is at an all-time high and the consequences are dire, yet there is no way to prepare to mitigate all of it. In general, I have to do a lot more with a lot less than ever."

"**Uncertainty** related to foreign trade, higher costs for everything."



# CEO INSIGHTS

"Extreme **market fluctuations** due to political instability, especially in the USA, makes it a bit harder to count on any form of consistency/stability."

" **More time (is) required** to accomplish the same goals."

"(There are) too many (companies) chasing the same dollars. We were a very good niche marketplace for many decades, now we are an **open market place**... with manufacturers competing with distributors."

"Working digitally in a field that is technology reliant, we are competing globally. We are **often undercut** on contract costs by (developing) countries that can produce the work cheaper."

"Lack of **access to capital**."

# DEMOGRAPHICS

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

Professional Services	38	14.9%
Financial Services	31	12.2%
Construction/Engineering/Mining	27	10.6%
Technology/Telecommunications/Information Technology	22	8.6%
Real Estate	15	5.9%
Health Care (Providers and Payers)	13	5.1%
Manufacturing (Industrial Goods)	12	4.7%
Wholesale/Distribution	12	4.7%
Personal/Consumer Services	12	4.7%
Manufacturing (Consumer Goods)	11	4.3%
Retailing	11	4.3%
Transportation	8	3.1%
Advertising/Marketing/PR/Media/Entertainment	6	2.4%
Travel and Leisure	6	2.4%
Government and Non-Profit	5	2.0%
Energy	2	0.8%
Pharmaceuticals & Medical Products	2	0.8%
Other *	19	5.5%
Not Sure/Decline to Say	3	1.2%
<b>Total</b>	<b>255</b>	<b>100.0%</b>

\* Other: Art field; Automotive; Barcode industry sales; Cleaning service; Farm; Fashion; Game development; Holding company; Home improvement; Owner; Property management; Signs and awning company; Truck repair)

## What best describes your title?

Owner	102	40.0%
CEO	53	20.8%
Divisional President	37	14.5%
Managing Partner	35	13.7%
President	21	8.2%
Founder	4	1.5%
Chairman	3	1.2%
<b>Total</b>	<b>255</b>	<b>100.0%</b>

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

Less than 50	129	50.6%
50 to 99	15	5.9%
100 to 499	29	11.4%
500 to 999	30	11.8%
1,000 to 2,499	21	8.2%
2,500 to 4,999	14	5.5%
5,000 or more	16	6.3%
Not Sure/Decline to Say	1	0.4%
<b>Total</b>	<b>255</b>	<b>100.0%</b>

## In which revenue size range was your company last year?

Less than \$5 million	120	47.1%
\$5 million to \$9.9 million	28	11.0%
\$10 million to \$24.9 million	12	4.7%
\$25 million to \$49.9 million	11	4.3%
\$50 million to \$99.9 million	17	6.7%
\$100 million to \$249.9 million	14	5.5%
\$250 million to \$499.9 million	13	5.1%
\$500 million to \$999.9 million	19	7.5%
\$1 billion or more	17	6.7%
Not Sure/Decline to Say	4	1.6%
<b>Total</b>	<b>255</b>	<b>100.0%</b>



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