

**FOR IMMEDIATE RELEASE**

**Media Contacts:**

**AICPA**

**William Roberts**

**202-434-9266**

[wroberts@aicpa.org](mailto:wroberts@aicpa.org)

**UNC Kenan-Flagler**

**Allison Adams**

**919-962-7235**

[aadams@unc.edu](mailto:aadams@unc.edu)

**ECONOMIC SENTIMENT FLAT AMONG CPA FINANCIAL EXECUTIVES; PESSIMISM  
REMAINS HIGH IN LATEST AICPA-UNC SURVEY**

*Outlook for Economic Recovery Pushes Back to Second Half of 2010 or 2011*

**Durham-Chapel Hill, N.C. (Nov. 16, 2009)** – After six months of improving expectations for the U.S. economy, optimism among Certified Public Accountant executives stabilized in the fourth quarter as prospects for a recovery pushed back to the second half of 2010 or later, according to a new survey conducted by the American Institute of Certified Public Accountants and the University of North Carolina’s Kenan-Flagler Business School.

“The improvement in confidence among CPA financial executives that we saw in the prior six months appears to have leveled off,” said Carol Scott, AICPA vice president for business, industry and government. “The good news is our members in business and industry -- chief financial officers, controllers and CPA financial professionals – are saying the economy hit bottom six months ago. While there is some expansion taking place, the prospects for broad-based recovery remain uncertain.”

Forty percent of CPA executives expressed pessimism about the economy while 27 percent were optimistic. These percentages were virtually unchanged from the prior survey in July. Expectations for when the economy will begin to improve have shifted once again. A majority of respondents, 61 percent, do not believe the economy will begin to improve until the second half of 2010 or beyond, up from 43 percent who held the same expectations three months ago. One in four thinks it will be 2011 before the economy begins to improve.

“The news here is mixed,” said UNC Kenan-Flagler Accounting Professor Mark Lang, Ph.D. “Executives remain pessimistic on the state of the U.S. economy as a whole. The better news is that they forecast modest expansion for their own firms, in terms of sales, profitability and spending, for the next 12 months. “

The survey introduces two new indices, a Corporate Expansion Index and Corporate Optimism Index, intended to provide consolidated expectation and optimism trends. The CEI continued the upward trend it began in April 2009 and the COI remained stable with July 2009.

-more-

Optimism remains stable at relatively low levels, expansion plans are up. Only 38 percent are optimistic about the prospects for their own organization, consistent with the third quarter. However, 45 percent, up three percentage points from 42 percent last quarter, now expect their businesses to expand in the next 12 months.

“This result reflects the hesitancy and cautiousness seen elsewhere in the survey,” Scott said. “While CPAs are seeing signs of improvement and expansion, these are small improvements and respondents are not yet confident they will continue.”

“Overall, it seems likely that the next few months will be crucial in determining whether the recovery really takes hold,” said Professor Lang, who created the two new indexes.

### **Methodology**

The fourth quarter AICPA-UNC Business and Industry Economic Outlook Survey was conducted via an online questionnaire from Oct. 21 to Nov. 9 and included 1,201 CPAs who hold leadership positions such as chief financial officers, or controllers in their companies. The overall margin of error was less than plus-or-minus 3 percentage points. More information and full poll results are available on the AICPA Financial Management Center Website at [fmcenter.aicpa.org](http://fmcenter.aicpa.org).

### **About UNC Kenan-Flagler**

The University of North Carolina at Chapel Hill’s Kenan-Flagler Business School is known for innovative research and extraordinary learning experiences. Its commitment to developing socially responsible, results driven leaders distinguishes its programs, which educate people at every stage of their careers. UNC Kenan-Flagler prepares business leaders to manage successfully in the global business environment through its Master of Accounting, MBA, MBA for Executives, undergraduate BSBA, Ph.D. and Executive Development programs. The Frank Hawkins Kenan Institute of Private Enterprise helps business and government tackle problems with impact on society. <http://www.kenan-flagler.unc.edu/>

### **About the AICPA**

The American Institute of Certified Public Accountants ([www.aicpa.org](http://www.aicpa.org)) is the national, professional association of CPAs, with more than 360,000 CPA members in business and industry, public practice, government, education, student affiliates, and international associates. It sets ethical standards for the profession and U.S. auditing standards for audits of private companies, nonprofit organizations, federal, state and local governments. It develops and grades the Uniform CPA Examination. The AICPA publishes the Web site [www.IFRS.com](http://www.IFRS.com) to inform members and the public about international accounting standards.

The AICPA maintains offices in New York, Washington, D.C., Durham, N.C., Ewing, N.J., and Lewisville, Texas.

###