

2025

# U.S. Business Leaders Outlook

Optimism rebounds, recession fears recede



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## EXECUTIVE SUMMARY

# Economic confidence snaps into focus

## Middle market leaders report strongest optimism levels since 2019, as recession concerns fade and growth outlooks improve

Nearly two-thirds of middle market executives express optimism about the national economy heading into 2025, marking an extraordinary shift in business sentiment. Our annual Business Leaders Outlook survey captures varying levels of confidence across different spheres—while only 29% are optimistic about global conditions, leaders show strong confidence in close-to-home metrics: 59% express optimism about regional economies, 60% about their industry performance, and 75% about their own companies in 2025.

This confidence is translating to improved growth outlooks. Nearly three-quarters (74%) of leaders expect revenues to increase in the coming year, while 65% project higher profits. About half (51%) plan to expand their workforce, even as 77% of businesses report rising costs.

Roughly 53% plan to introduce new products or services, 43% are planning strategic partnerships or investments, and one-third (34%) plan to expand into new domestic markets.

With 71% seeing no recession on the horizon, the focus has shifted from caution to growth.

### Economic outlook for 2025

■ Optimistic ■ Neutral ■ Pessimistic

#### Global economy



Optimistic - 29%, Neutral - 51%, Pessimistic - 20%

#### National economy



Optimistic - 65%, Neutral - 21%, Pessimistic - 14%

#### Local/regional economy



Optimistic - 59%, Neutral - 30%, Pessimistic - 11%

#### Industry performance



Optimistic - 60%, Neutral - 28%, Pessimistic - 13%

#### Company performance

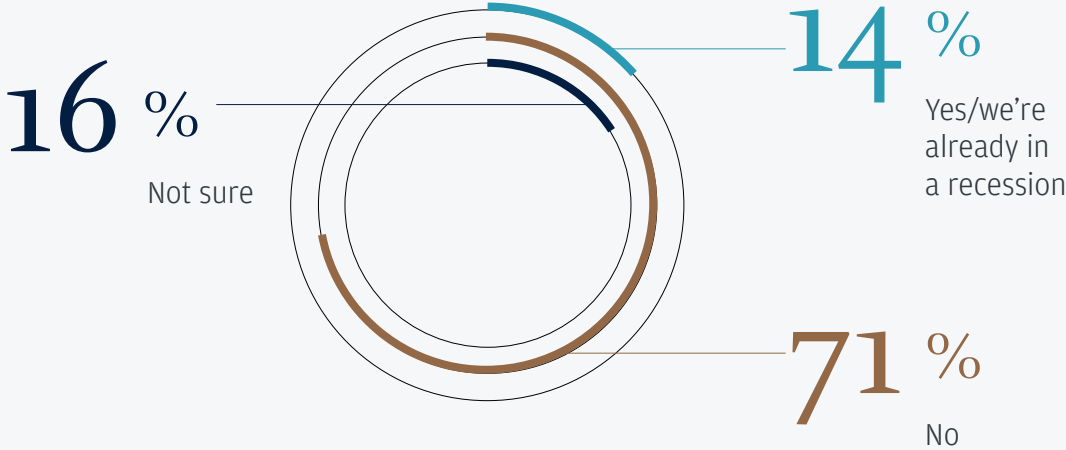


Optimistic - 75%, Neutral - 19%, Pessimistic - 6%

# Recession concerns retreat sharply

Business leaders' recession expectations have fallen dramatically since our 2024 survey. Only 14% of respondents anticipate a recession or believe we're already in one—a sharp decrease from 40% at the start of 2024. The majority (71%) do not expect a recession in 2025. The shift in sentiment comes after the Federal Reserve's rate cuts in late 2024—its first since 2020—and signals from the Federal Open Market Committee about further easing. The data suggests business leaders are moving past recession worries and focusing instead on growth opportunities.

## Recession expectations



“Leaders are optimistic and focused on growth for 2025. Recession concerns have dropped as businesses, consumers and markets have handled a period of elevated inflation and interest rates better than expected. Confidence in the soft-landing scenario has increased, and business leaders are facing forward with a positive mindset.”



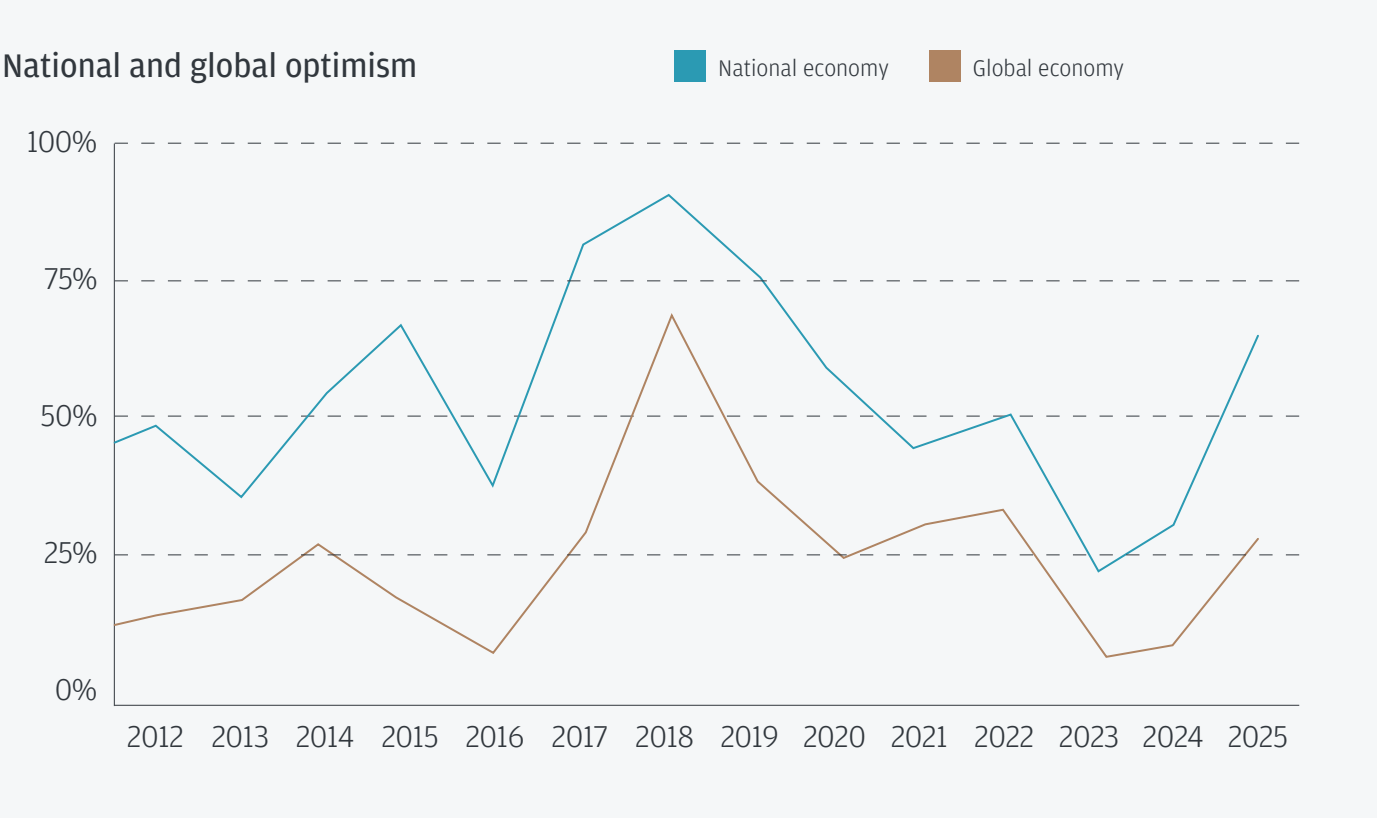
**Ginger Chambless**

Head of Research  
JPMorganChase Commerical Banking



# National confidence outpaces global outlook

National economic optimism stands at 65% among business leaders, marking a strong rebound from recent years. This increase represents the largest single-year gain since our 2017 survey, suggesting a fundamental shift in business sentiment. The global economic outlook presents a more nuanced picture. While optimism improved to 29% from last year's 10%, half of respondents remain neutral (51%), and 20% express pessimism. Against a backdrop of ongoing military conflicts in Ukraine and the Middle East and heightened geopolitical tensions, this 36-point gap between national and global optimism underscores the distinct differences between domestic and international sentiment.



“The contrast between national and global economic optimism reflects an expectation that U.S. exceptionalism will continue. Uncertainty around shifts in global trading patterns, potential tariff impacts and geopolitical tensions are likely weighing on global sentiment.”



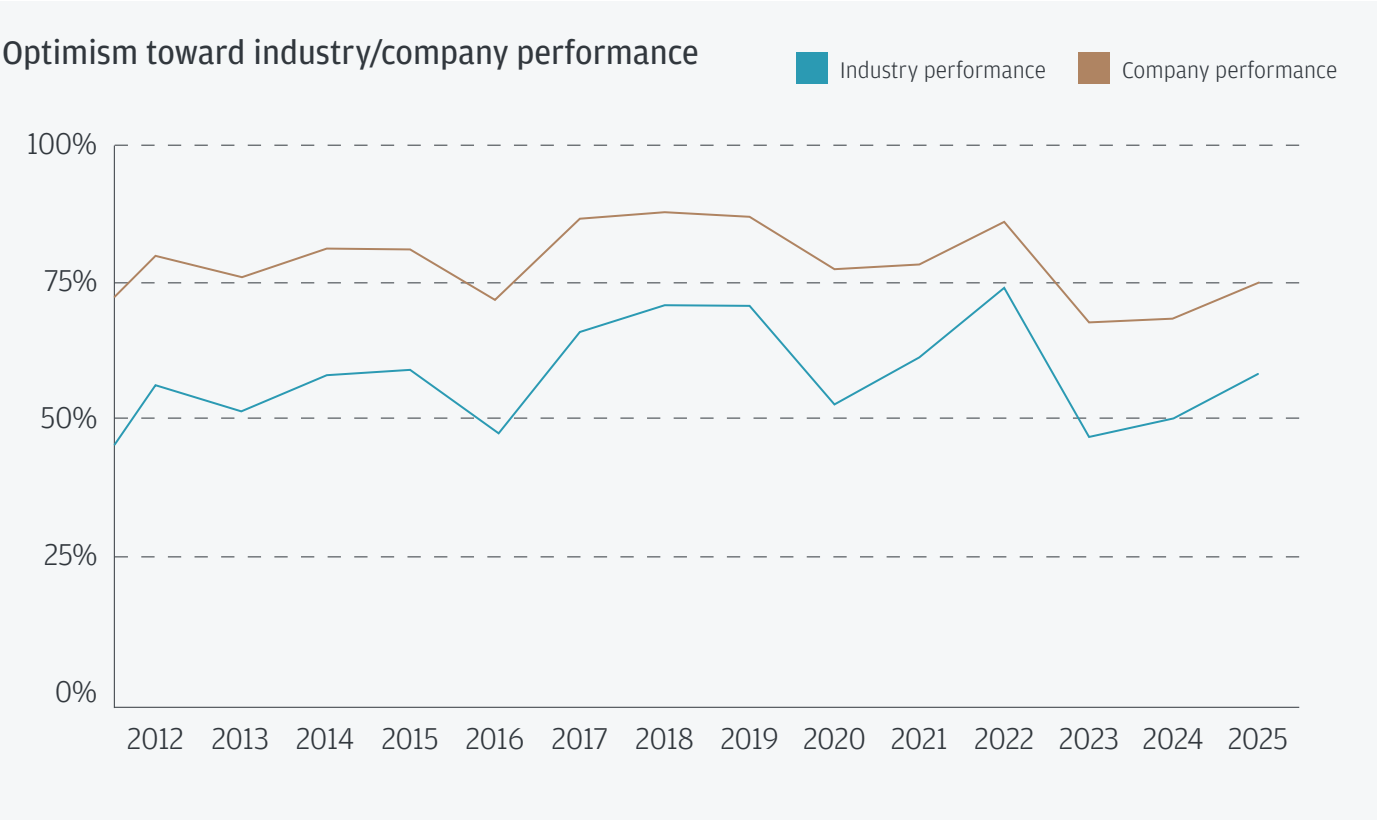
**Ginger Chambless**

Head of Research  
JPMorganChase Commerical Banking



# Bullish where it counts the most

The pattern of stronger sentiment in closer-to-home metrics continues at the industry and company level. Three-quarters of business leaders express optimism about their own company's performance, while 60% feel positive about their broader industry. Industry sentiment shows particular momentum, rising 10 percentage points from last year. This continues a long-observed trend where leaders consistently express the most optimism in areas where they have the most direct influence and insight.





# Leaders' optimism fuels growth outlook

The positive sentiment of business leaders also extends to outlooks for business growth. Nearly three-quarters (74%) expect revenue to increase in the coming year, with just 6% projecting decreases and 20% maintaining current levels. Profit expectations follow a similar pattern, with 65% forecasting increases, 26% expecting stability and 9% anticipating declines. Investment plans are slightly higher than the past two years, with 38% of leaders planning to increase capital expenditures compared to 31% in 2024 and 33% in 2023.

## Business expectations

■ Increase   ■ Remain the same   ■ Decrease

### Revenue/sales



Increase - 74%, Remain the same - 20%, Decrease - 6%

### Profits



Increase - 65%, Remain the same - 26%, Decrease - 9%

### Capital expenditures

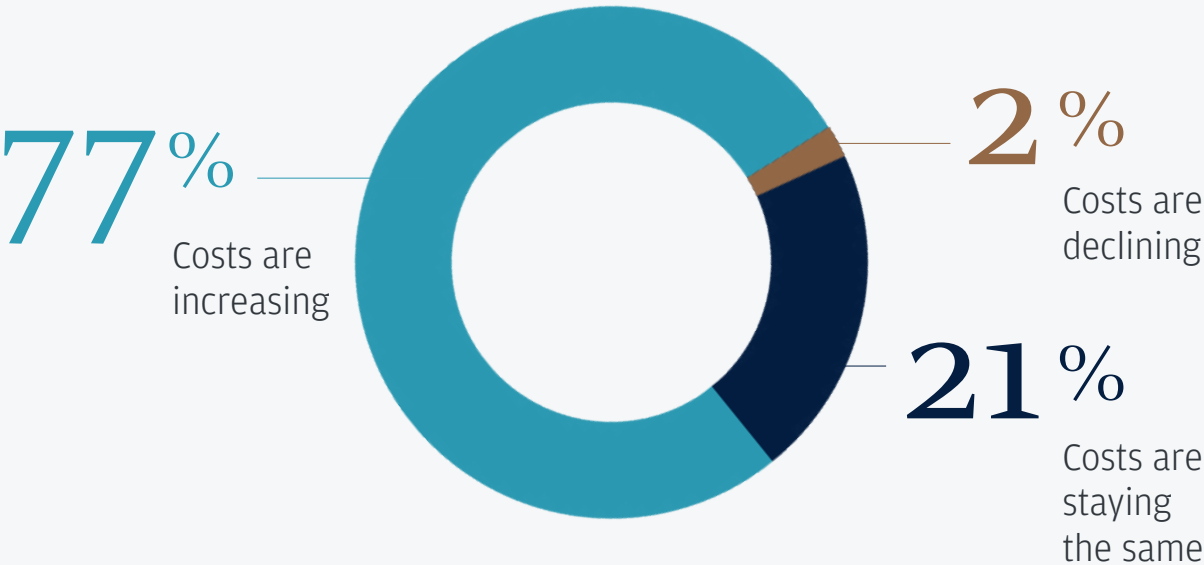


Increase - 38%, Remain the same - 46%, Decrease - 16%

# Labor and cost headwinds persist

Even as leaders pursue growth strategies, familiar challenges remain. Labor issues dominate business concerns, with 46% of leaders citing workforce challenges including shortages, retention and hiring. Revenue and sales growth ranks second at 39%, followed by uncertain economic conditions at 37%. While still significant, interest rates have become relatively less pressing: 26% list them among their top concerns, down from 36% last year. The cost environment continues to challenge businesses, with 77% of leaders reporting rising expenses, though that has moved down from its peak (91%) in 2023.

## How costs of business are changing



## Largest challenges for companies



“Business leaders are charging forward with optimistic outlooks and ambitious growth expectations for 2025. Against the backdrop of a potentially more favorable business environment, they feel well positioned to weather headwinds around labor and global markets.”



**John Simmons**  
Head of Commercial Banking  
JPMorganChase



# Mapping multiple paths to growth

Business leaders are pursuing a range of growth strategies in 2025. More than half (53%) plan to introduce new products or services, while 43% are exploring strategic partnerships and investments. About one-third of companies are focusing on optimizing their existing portfolio (35%), expanding into new domestic markets (34%), or pursuing mergers and acquisitions (31%). The growth mindset extends to staffing, where roughly half (51%) plan to expand their workforce, 41% will maintain current headcount, and only 8% expect reductions.

## Growth strategies for the next 12 months

Introduction of new products/services



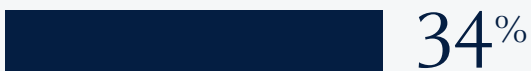
Strategic partnerships and/or investments



Prioritization of most profitable products



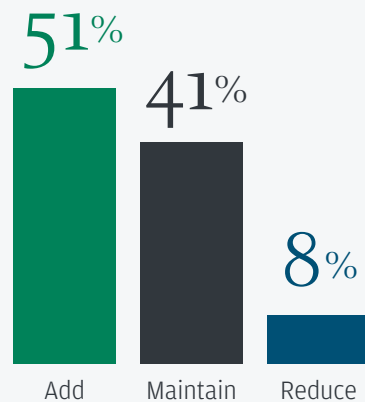
Expansion into new geographical markets (domestic)



Mergers and/or acquisitions



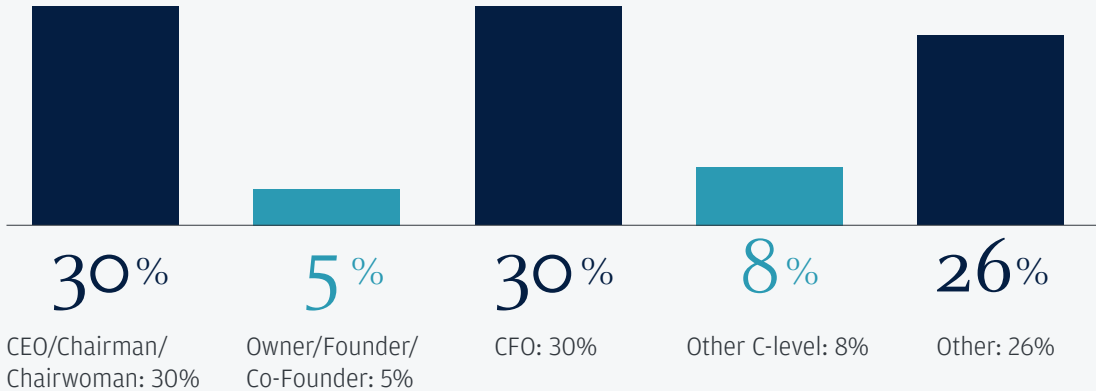
## Employee headcount plans



# About the survey

Now in its 14th year, the annual Business Leaders Outlook survey series provides snapshots of the challenges and opportunities facing executives of midsize companies in the United States. These companies, with annual revenues between \$20 million and \$500 million, span a variety of industries and business types, from family-run businesses to seed-stage and high-growth startups. This year, 1,641 respondents completed the online survey between Nov. 12 and Dec. 4, 2024. Results are within statistical parameters for validity; the error rate is plus or minus 3.6% at the 95% confidence interval. With a No. 1 ranking in overall middle market client satisfaction\* and a presence in more than 135 U.S. markets and worldwide, our middle market bankers and specialists deliver proactive, local support combined with global expertise.

## Who took the survey



\*2023 Coalition Greenwich Excellence Awards

