

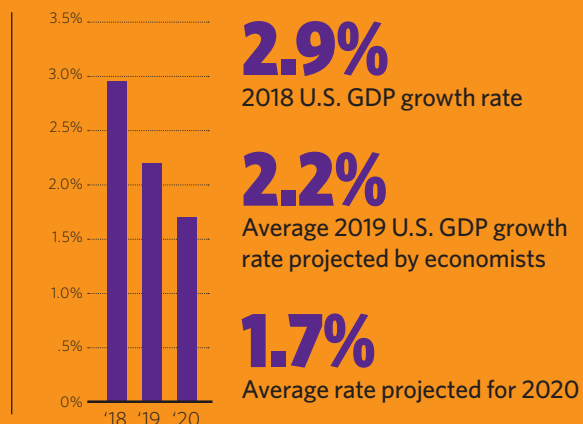
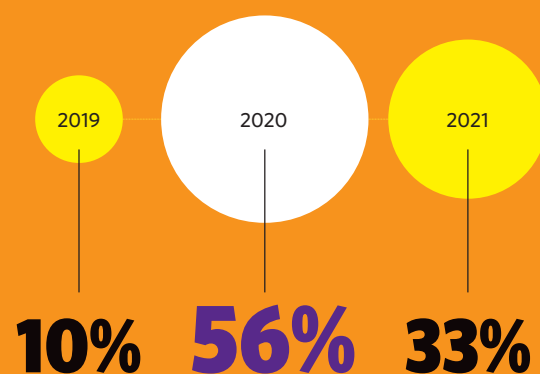
# RISE TO THE CHALLENGE

They may not agree on the when, but executives and economists do agree on the what: A downturn is around the

## 2020 Vision

Most economists do not expect a U.S. recession in 2019—but the future does not look so bright.

### Likelihood of recession starting:



## Above All Else

CEOs around the world are not so reassured about this year's economic prospects.



### Their other top 10 concerns for 2019:

- Threats to global trade systems
- Global political instability
- New competitors
- Declining trust in political and policy institutions
- Cybersecurity
- Currency volatility
- Rising interest rates
- Uncertainty in corporate tax policies
- Income inequality

### Conflict Brewing

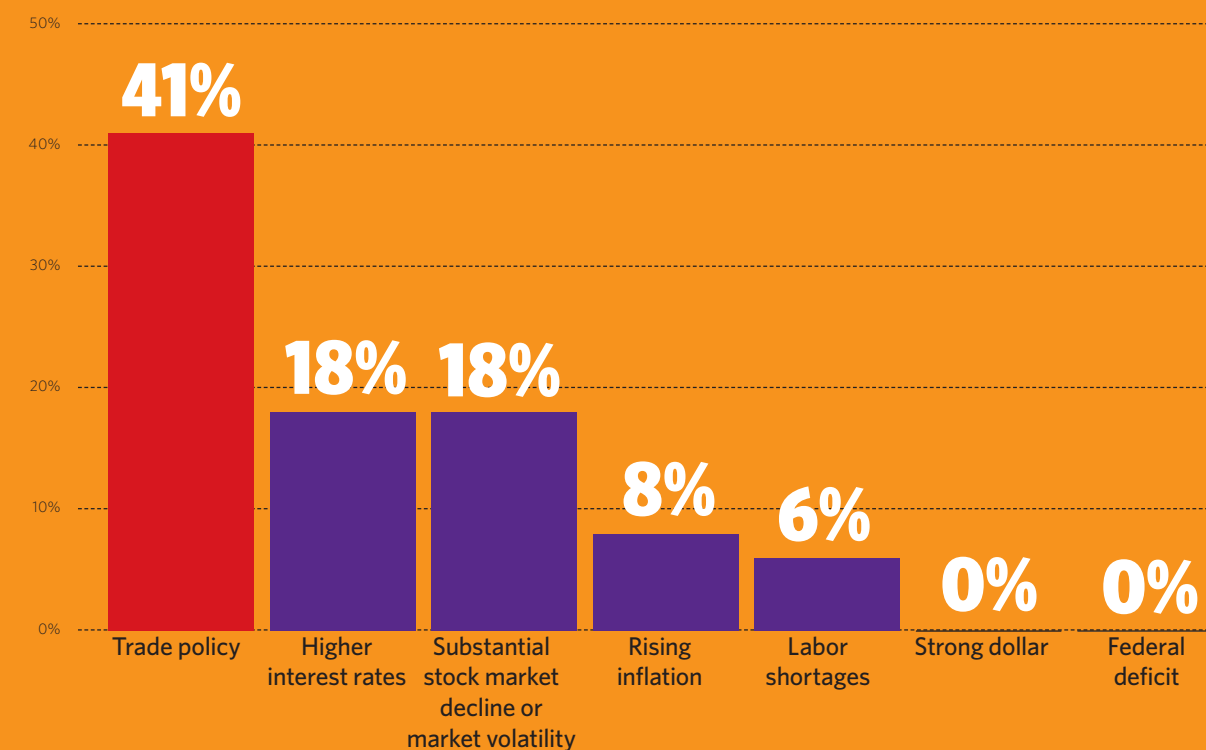
**85%**

of respondents to the World Economic Forum's *Global Risks Report 2019* said they expect intensifying political confrontations between major powers this year.

corner. Looming risks, however, can also mean opportunity.

## Biggest Downside

The greatest downside risks to the U.S. economy in 2019 cited by economists—considering both the probability of the risk event and the potential impact.



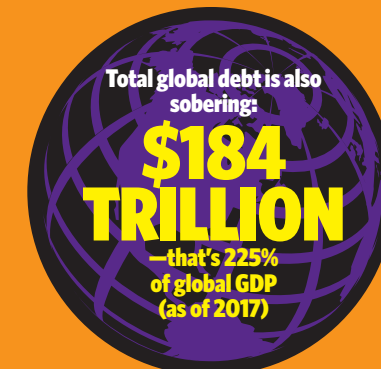
But the U.S. could find itself in a precarious position when another recession hits, as federal debt held by the public steadily increases.



**\$16.6 trillion**  
(78% of GDP): 2019 national debt projection



**\$28.7 trillion**  
(93% of GDP): 2029 debt projection

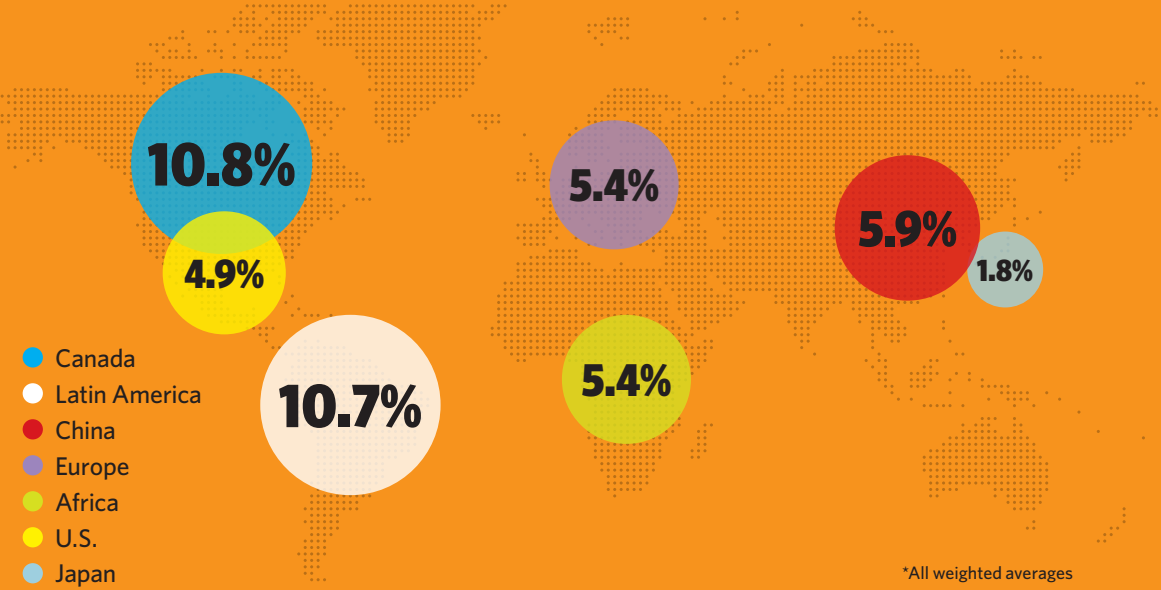


### Rays of Light

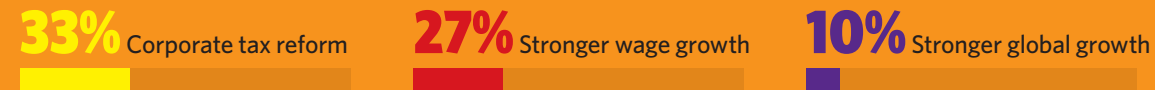
Recession worries notwithstanding, overall global GDP growth is not projected to change much during the next four years:



**CFOs still expect revenue to grow above 2018 levels this year—albeit by how much\* relates to where their company is based:**



**And economists see three main upside risks at play in the U.S. economy. One-third see tax policy changes as most promising:**



### Recession-Proof

Downturns do not necessarily spell disaster for a company's performance. A handful of stocks actually rose\* in 2008, when the S&P 500 index plunged by **38.5 percent**:



\*All percentages represent stock value gain in 2008.

### The Path Forward

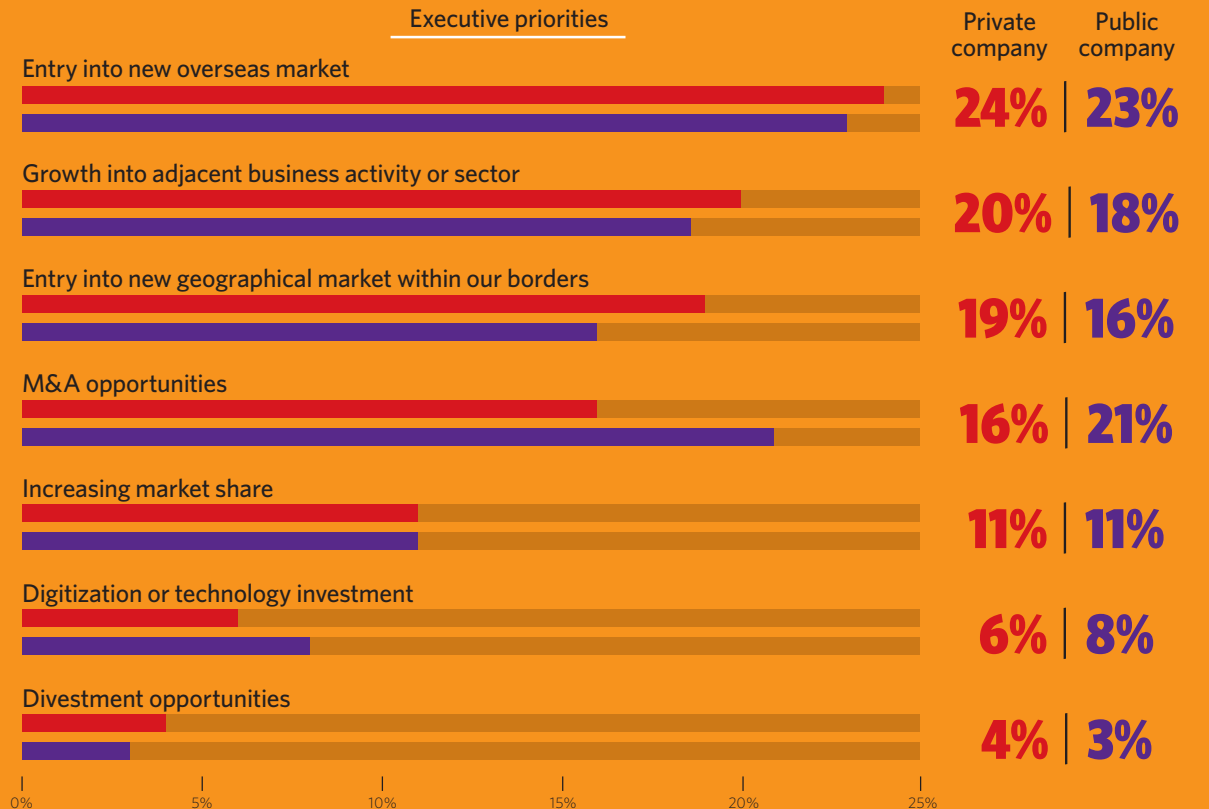
Global CEOs believe success in the future will depend on balancing long-term vision and short-term performance pressures—and on putting customers first.

#### Top five hallmarks of successful companies by 2025:



### Hope Is Not a Strategy

C-suite executives are pursuing a variety of strategies to drive growth—but private companies are more focused on organic growth.



Sources: *The Budget and Economic Outlook 2019-2029*, U.S. Congressional Budget Office, 2019; *C-Suite Challenge™ 2019: The Future-Ready Organization*, The Conference Board, 2019; *Duke CFO Global Business Outlook*, Duke University, 2019; *How Private Companies Are Driving Growth*, EY, 2018; *IMF Data Mapper*, International Monetary Fund, 2018; *NABE Outlook Survey*, National Association for Business Economics, October 2018; *7 Stocks That Soar in a Recession*, U.S. News and World Report, 2019