1Q 2026 BUSINESS BAROMETER

A Global Economic Conditions Survey

March 2026

Executive Summary

This 1Q 2026 Business Barometer includes responses from 207 business leaders across major industry sectors who are largely based in the U.S. and includes leaders in 13 countries.

From Negative to Neutral

CEO sentiment is stabilizing, with more than *40% shifting from negative to neutral* over the last 3 months – but not to positive. This reflects reduced downside risk, not a recovery in confidence.

But Pessimism Has Doubled

At the same time, pessimism about individual businesses has doubled, despite neutral views on the global economy. Leaders see stability externally but rising pressure internally, driving a more cautious, defensive posture.

Growth to Discipline

Leaders are shifting from growth to discipline, prioritizing efficiency, cash preservation, and more defensive operations.

1Q 2026 BUSINESS BAROMETER

207 LEADERS

13 COUNTRIES

8 SECTORS

Q1 2026 Business Barometer
Dates = March 2-17, 2026
n = 207

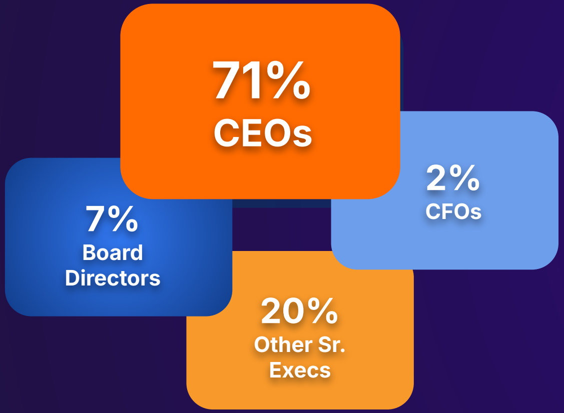
Introduction

The **Business Barometer** is a collaboration of independent leadership organizations whose members share real-world insights into how economic conditions are impacting companies.

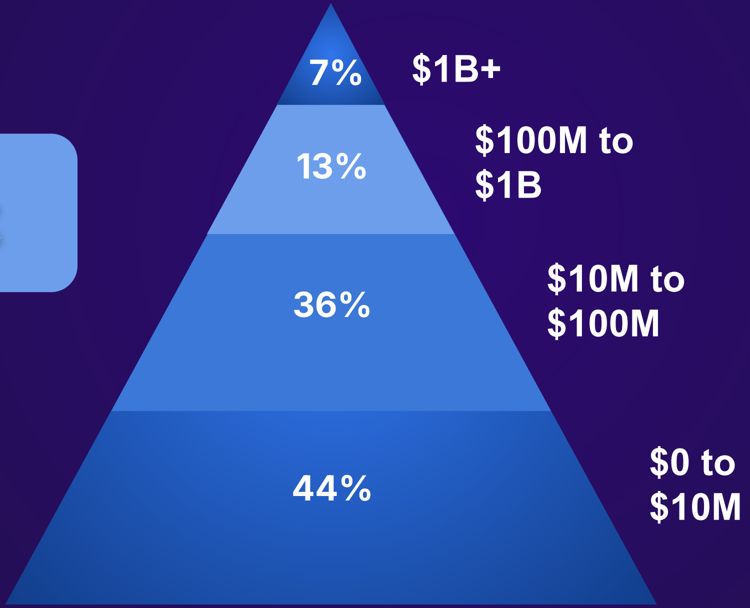
We created the **Business Barometer** to provide a quarterly real-time pulse for business leaders. At a time of acute economic and geopolitical volatility, executive decision-making requires current indicators and data.

Demographics

ROLES



REVENUES



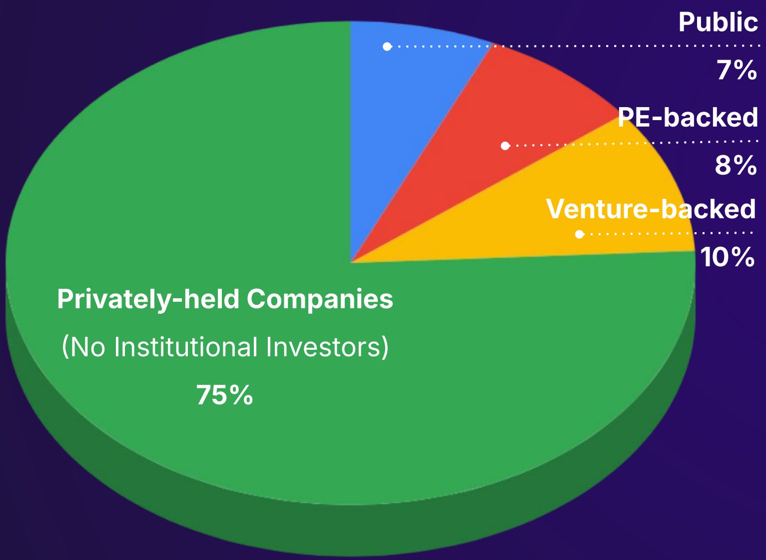
EMPLOYEES

# OF EMPLOYEES	RESPONDENTS %	#
0-25	42%	87
26-100	23%	48
101-1,000	25%	52
1,001-10,000	7%	15
10,000+	3%	5
TOTAL	**100%**	**207**

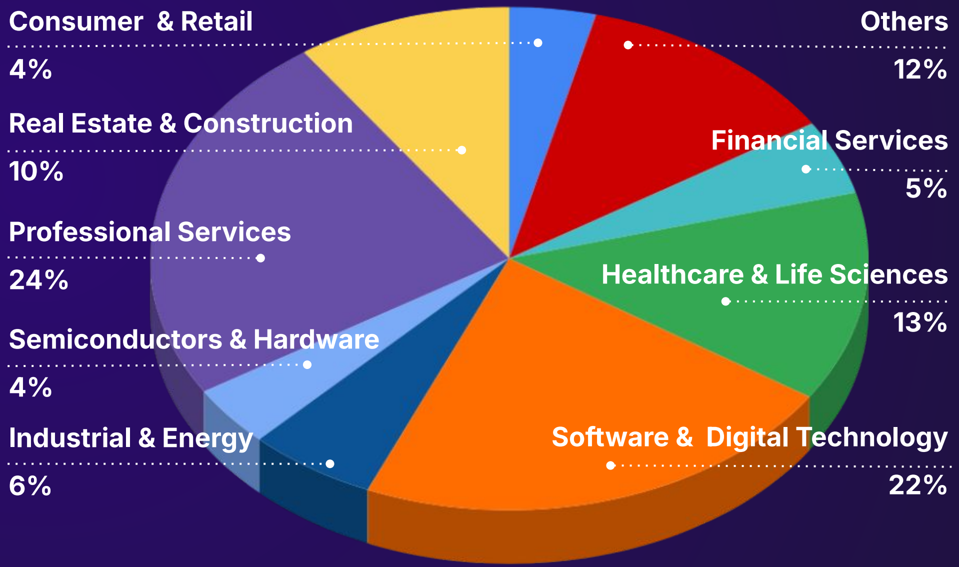
Q1 2026 Business Barometer
Dates = March 2-17, 2026
n = 207

Demographics

CAPITAL STRUCTURE



INDUSTRIES



Q1 2026 Business Barometer
Dates = March 2-17, 2026
n = 207

Three Areas of Focus

SENTIMENT "HOW DO YOU FEEL?"	ECONOMIC PRESSURES "HELPING OR HURTING?"	ACTIONS "WHAT ARE YOUR PLANS?"
• Rate your ***confidence*** for the next 12 months. • Will global economic conditions be more or less ***predictable*** in the coming years? • Do their ***comments*** reflect positivity, negativity or neutrality?	• Tariffs & Trade Dynamics • Labor & Talent Markets • Government Regulations • Consumer Spending • Inflation • Interest Rates/Fed Reserve • Global Currency Volatility • Equity Debt Fundraising • Stock Market Volatility • M&A Market Trends • Geopolitical Concerns • Technology & AI Adoption	• Employee Headcount Changes • Pricing Strategies • Marketing Expenditures • Markets (Geography/Sectors) • Product Strategies • R & D Investment • Supply Chain Changes • Raising Capital • M&A Initiatives • AI Investment

INSIGHTS

1Q 2026 BUSINESS BAROMETER

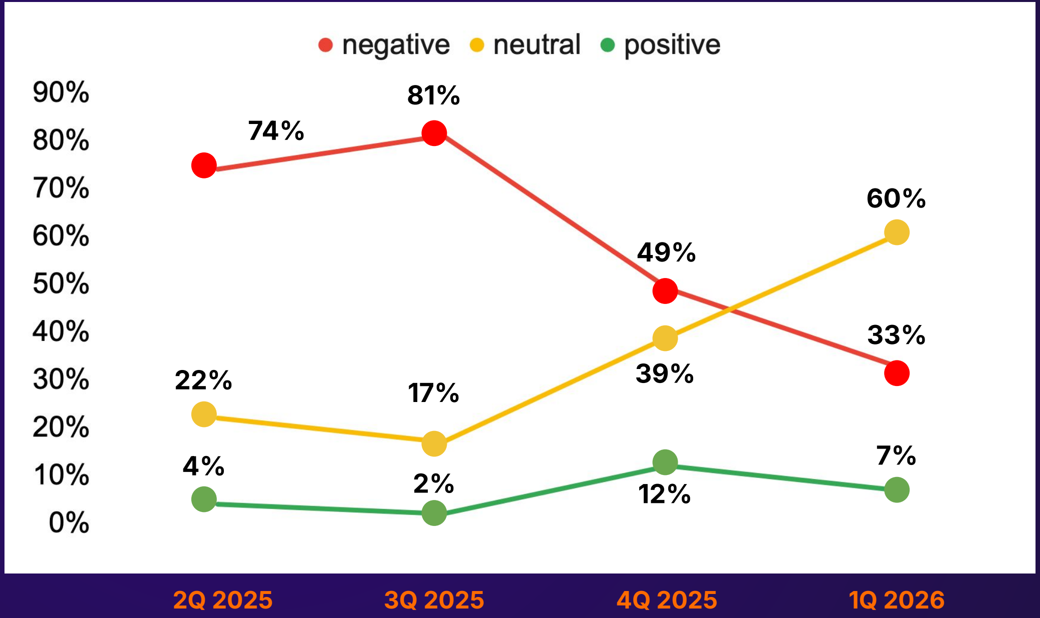
Sentiment: Shifting to Neutral

Over the last six months there has been a **48% shift from negative to neutral.**

Negativity has decreased, but it hasn't been replaced by positivity.

Will neutral become the new norm?

SENTIMENT CHANGE
June 2025 to March 2026



*The Business Barometer **Sentiment Index** is based on Survey Monkey's algorithm which uses AI to gauge the positivity or negativity of the comments provided by the survey respondents.*

Q1 2026 Business Barometer
Dates = March 2-17, 2026
n = 207

CEO Confidence vs. Sentiment

Leaders remain neutral on the broader economy but are increasingly pessimistic about their own outlook, with optimism at its lowest point and pessimism more than doubling in the past three months.

Significant single-quarter shift:
23% moved from optimistic to pessimistic

12 MONTH CONFIDENCE FOR YOUR BUSINESS

vs.

CONCURRENT ECONOMIC SENTIMENT INDEX

1Q26
MARCH
2026

43% PESSIMISTIC
20% OPTIMISTIC
37% NEUTRAL

33% NEGATIVE
60% NEUTRAL
7% POSITIVE

4Q25
DECEMBER
2025

20% PESSIMISTIC
53% OPTIMISTIC
27% NEUTRAL

49% NEGATIVE
39% NEUTRAL
12% POSITIVE

3Q25
SEPTEMBER
2025

30% PESSIMISTIC
41% OPTIMISTIC
29% NEUTRAL

81% NEGATIVE
17% NEUTRAL
2% POSITIVE

2Q25
JUNE
2025

36% PESSIMISTIC
31% OPTIMISTIC
33% NEUTRAL

74% NEGATIVE
22% NEUTRAL
4% POSITIVE

Q1 2026 Business Barometer
Dates = March 2-17, 2026
n = 207

The Business Barometer Sentiment Index is based on Survey Monkey's algorithm which uses AI to gauge the positivity or negativity of the comments provided by the survey respondents.

Unpredictability Remains "The Norm"

Short-term unpredictability reached its highest level to date, increasing 20% since Q4.

ECONOMIC PREDICTABILITY	SHORT-TERM 12 MONTHS	MID-TERM 12-36 MONTHS	LONG-TERM 36+ MONTHS
Economic conditions will become *less predictable*	83% vs. 4Q 2025: 63%	62%	39%
Ratio of leaders who believe economic conditions will be *more difficult* vs. easier to predict	16.6x	5.2x	1.1x

"However you feel about current economic conditions, do you believe global economic conditions will be more predictable or less predictable?"

Strategic Insights

INDUSTRY PERSPECTIVES

CONFIDENCE CHANGE DECEMBER →MARCH

Healthcare & Life Sciences

After rebounding from a low base in early 2025, confidence plateaued and slightly declined in March. Ongoing regulatory uncertainty, funding pressures, and long development cycles continue to affect the ability to build momentum.

Semiconductors & Hardware

Semiconductors experienced a turnaround from 2025 pessimism to strong optimism reflecting strong demand driven by AI data centers and infrastructure investment. Confidence remained high in March.

Industrials & Energy

Industrials & Energy was the most confident sector in December but a slight dip in March suggests sensitivity to geopolitical risks and volatility in input costs.

Financial Services

Confidence rose steadily through late 2025 but softened in March. CEOs are likely reacting to renewed uncertainty around interest rates, credit quality and market volatility.

Strategic Insights

INDUSTRY PERSPECTIVES

CONFIDENCE CHANGE
DECEMBER →MARCH

Consumer & Retail

Confidence improved from mid-2025 and is holding steady due to sustained demand but concerns about inflation and energy costs restrain any excess optimism.

Professional Services

Confidence in professional service firms is volatile due to changes in discretionary spending by corporate clients. Confidence declined in March as economic and geopolitical uncertainty increased.

Real Estate & Construction

Confidence levels strengthened in 2025 and remain strong supported by improving capital flows. However, cost pressures and uncertain demand are restraining a more bullish outlook.

Software & Digital Technology

Confidence improved through 2025 but declined in March. The growth of AI has created concerns for SaaS software companies and spending is concentrated in AI infrastructure.

Strategic Insights

ECONOMIC FACTORS

TARIFFS & TRADE DYNAMICS

Trade is becoming a manageable constraint as supply chains stabilize but is still not a strength.

GOVERNMENT REGULATIONS

CEOs dealt with government policy uncertainty in 2025 and, although is still a drag, it's not getting worse.

INFLATION

Inflation pressures declined slightly in 2025 but reversed in March.

LABOR & TALENT MARKETS

Labor remains a challenge due to skills mismatch, wage pressures and hiring friction.

CONSUMER SPENDING

Consumer spending has slowly improved but is still below par. Cautious demand but not strong growth.

INTEREST RATES

Interest rates were improving in 2025 but are still a constraint in 2026

Strategic Insights

ECONOMIC FACTORS

CURRENCY VOLATILITY

Currency volatility was stabilizing in 2025 but destabilized somewhat in March.

STOCK MARKET VOLATILITY

Markets improved through 2025 but had a noticeable drop in March due to renewed uncertainty.

GEOPOLITICAL CONCERNS

Geopolitics is clearly the primary confidence disrupter. It improved in 2025 before dropping in March.

EQUITY/DEBT FUNDRAISING

Financing is still difficult but capital availability is gradually improving.

M&A MARKET TRENDS

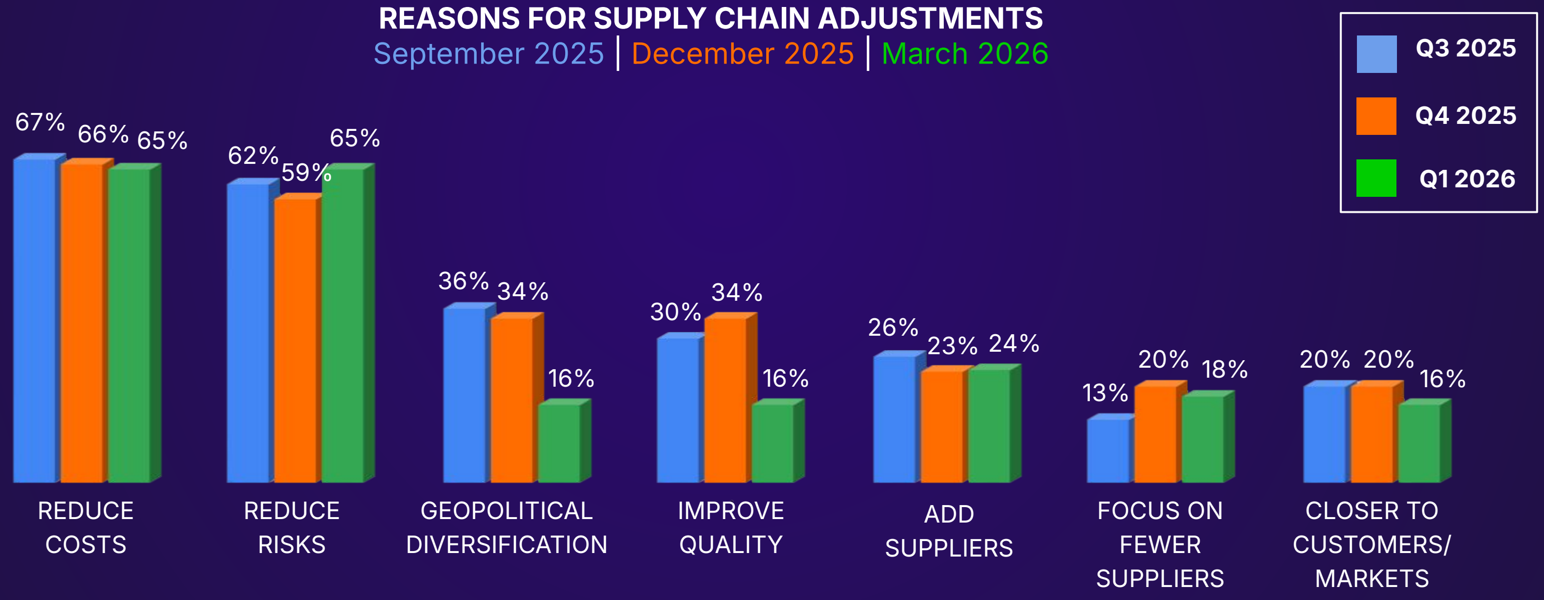
M&A trends have moved into positive territory and although still not strong, it could be a positive signal for the future.

TECHNOLOGY & AI ADOPTION

AI is a positive driving force but a drop in March indicates some CEOs are challenged with AI execution and ROI results.

Supply Chain Adjustments

In the first quarter of 2026, 88% of manufacturers continued to refine their supply chains.



Q1 2026 Business Barometer
Dates = March 2-17, 2026
n = 207

Raising Capital is Still Challenging

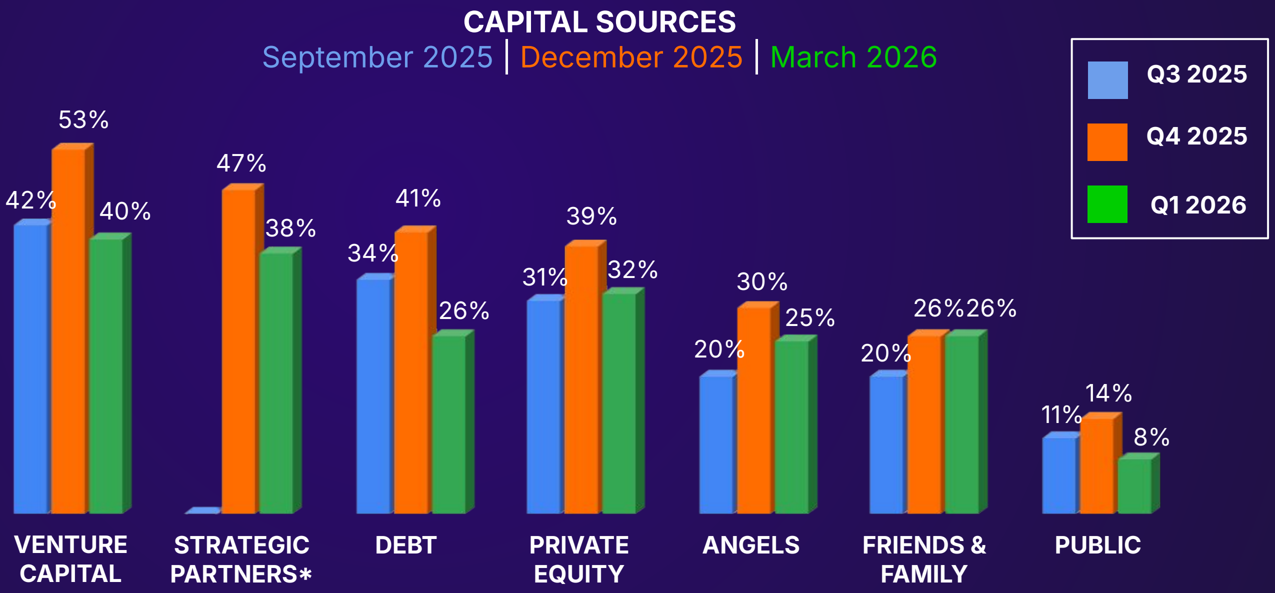
In the first quarter of 2026, 27% of respondents plan to raise capital/debt in the next 6 months.

The conditions for raising capital are improving but still difficult.

3Q 2025: 81% negative

4Q 2025: 72% negative

1Q 2026: 61% negative



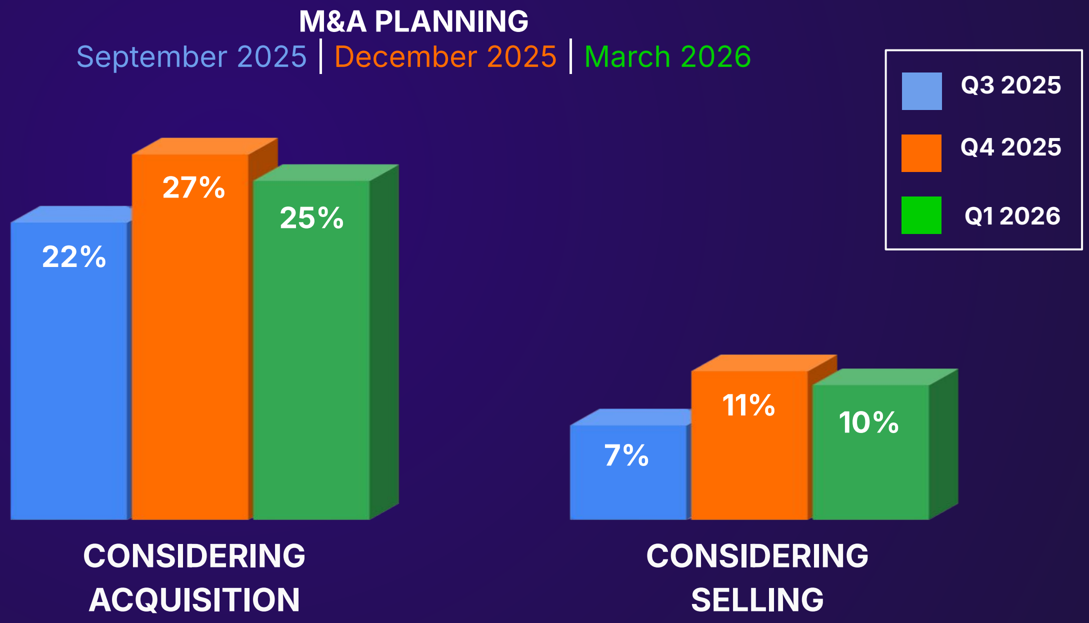
**Note: "Strategic Partners" was added as an option in Q4 2025*

M&A: It's Still a Buyer's Market

The M&A environment has strengthened, with 2X as many CEOs who are considering selling their companies viewing it as a good time to sell.

66% of acquirers consider it's a good time to buy in 1Q 2026, vs. 56% in 4Q 2025

47% of sellers consider it a good time to sell in 1Q 2026, vs. 23% in 4Q 2025

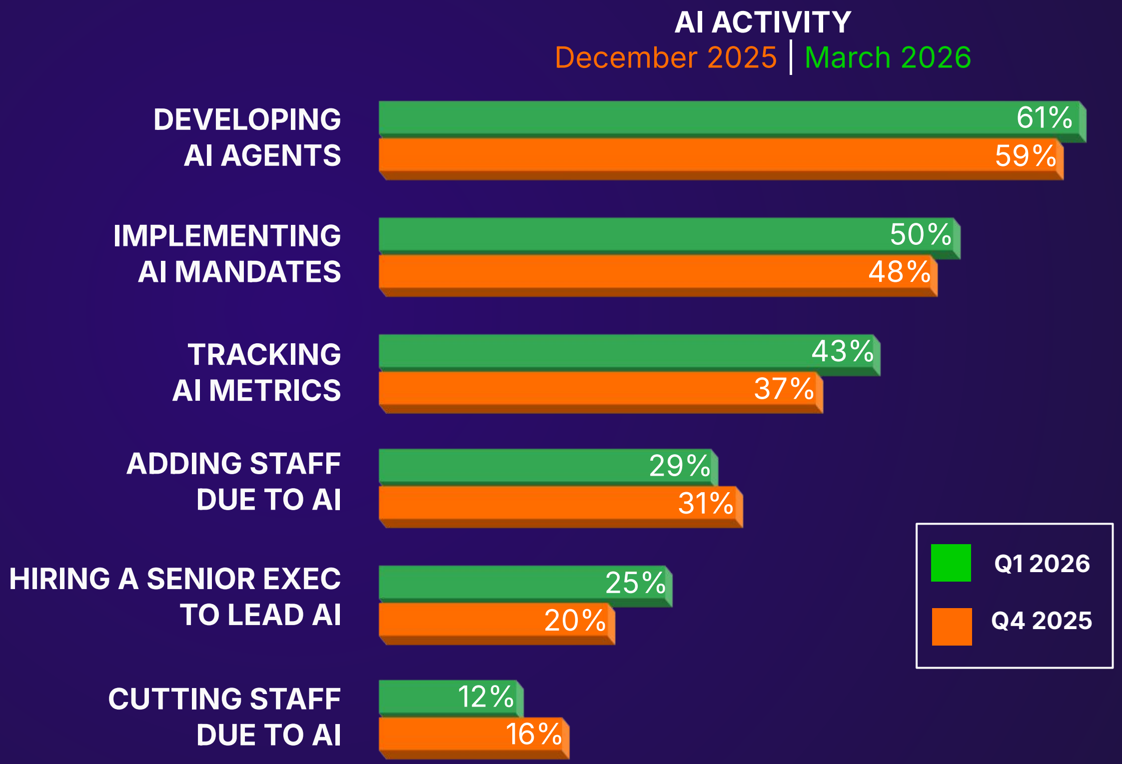


Q1 2026 Business Barometer
Dates = March 2-17, 2026
n = 207

2026: AI Is The Big Story

Holding steady at 82% from Q4, the majority of CEOs are integrating AI tools, using AI in multiple processes or using AI as a core strategy.

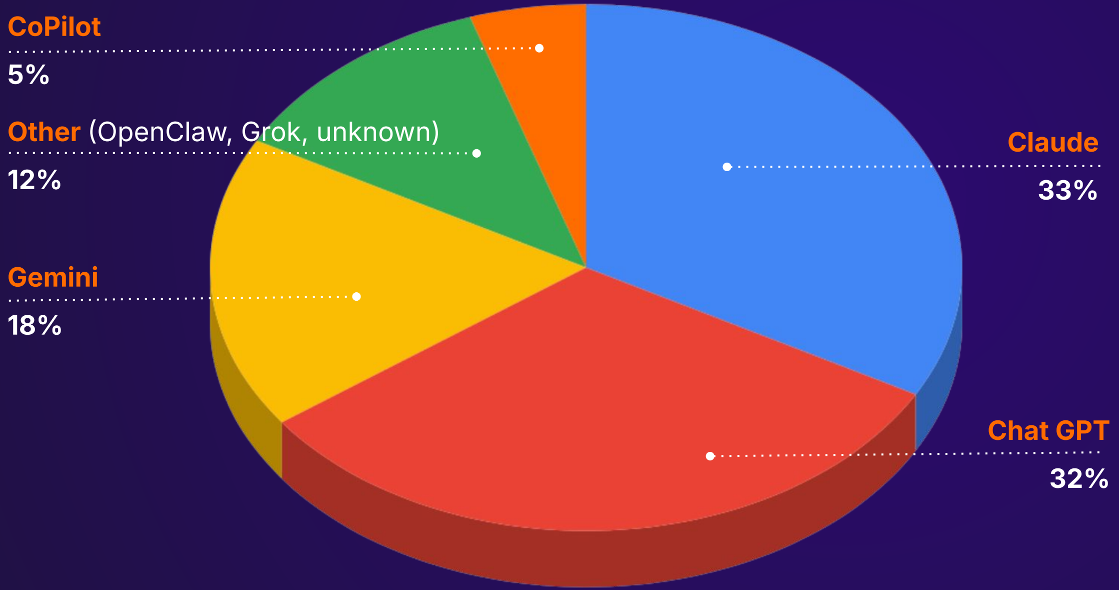
AI related activity continues to grow quarter over quarter, with the exception of fewer respondents reducing or adding staff due to AI.



Q1 2026 Business Barometer
Dates = March 2-17, 2026
n = 207

Question of the Quarter: 1Q 2026

PREDICTION: WHICH AI ASSISTANT WILL BE THE LEADER AS OF DECEMBER 31, 2026



WHY?	
Accuracy	59%
Privacy/Trust/ Security	41%
Ease of Use	36%
Best for Enterprises	32%
Speed	18%
Market Share	17%
Best for Individuals	15%
Costs	13%
Other	12%

Q1 2026 Business Barometer
Dates = March 2-17, 2026
n = 207

IN THEIR OWN WORDS

1Q 2026 BUSINESS BAROMETER

VOICES FROM THE C-SUITE

“What Leaders Are Saying”

Following is a curated set of anonymous, direct quotes from CEOs, CFOs, and Board Directors that capture the current mindset and the evolving playbook of those steering diverse enterprises through these uncertain times.

*The Business Barometer **Sentiment Index** is based on Survey Monkey's algorithm which uses AI to gauge the positivity or negativity of the comments provided by the survey respondents.*

AI & Technology Disruption

Focus: AI is essential yet disruptive – reshaping work and adding uncertainty.

"AI is costly yet is a must for success."

"AI takes on two distinct forms: defensive and offensive. To survive, all of us must make defensive responses to keep our business relevant. Those of us who want to thrive will find ways to use AI to be offensive and move ahead of our competitors by innovating in new ways that create efficiency, drive revenue, and save costs."

"AI is at the core of our new product release and service offering. The telecom industry is consolidating. Those who resist AI and do not incorporate it into their networks will be obsolete. We are already seeing our competitors closing down and market consolidation. We hope to be at the top of that consolidation."

"AI is not going to end knowledge work ... Users will become more effective and non-users will become obsolete. "

Q1 2026 Business Barometer
Dates = March 2-17, 2026
n = 207

Financial Impact of War & Conflict

Focus: War-driven volatility is increasing costs, disrupting markets, and dampening customer spending and investment.

"War influences customer confidence in the economy."

"War in Iran with no certainty around the length it will go, the impact on oil prices, and any inflationary impact in turn will affect the ability of the Federal Open Market Committee (FOMC) to lower interest rates."

"It is difficult to know how the world dynamics will change depending upon and as a result of the outcomes of the war in Iran. "

"War in the middle east will create cost increases and uncertainty with key agricultural input providers."

"Hard to gauge financial impact on our customers of tariffs and war."

Cautious Customers & Slow Decisions

Focus: Customers are delaying decisions and pulling back demand, slowing growth.

"The overall economy and its impact on our customers is a big unknown right now."

"I think growth will be slower and lower than years before so our team will have to be very tight in the controls."

"Global economic uncertainty increases the need for our customers to scramble and respond, reducing the focus on growth and fundamentals."

Economic Volatility, Growth Constraints

Focus: Volatility weakens demand, constraints growth and rewards adaptability.

"There is a very strong possibility of extended disruption of the energy markets and additional regional vs. superpower conflicts arising. These will continue to destroy trust and confidence."

"The solar industry is driven by economics. The current economy is unpredictable. Few people buy solar as a discretionary expense."

"Uncertainty and ongoing / unanticipated change is now the new normal. This provides huge advantages to those who are quick to adapt and implement resiliency strategies into their business model."

"Our strategy is dependent upon growth, which is difficult during times of economic uncertainty."

Q1 2026 Business Barometer
Dates = March 2-17, 2026
n = 207

Conservative, Disciplined & Efficient

Focus: Leaders are shifting to agile, scenario-driven strategies.

"We will be conservative going forward for planning and hiring."

"We're focused on progressing every day, increasing margins, cash reserves and growing sustainably, no risky moves that can flip the carriage, laser focus on efficiency and infrastructure that negates the need for hiring up to 3x growth."

"We are implementing more tools and more experienced team members that have the experience to drive growth, more robust planning and data capabilities."

"We are not expanding our asset base beyond what we need currently. We are expanding into new markets that are labor-based to utilize our existing headcount."

Agility & Scenario-Based Planning

Focus: Leaders are shifting to agile, scenario-driven strategies.

"Because the environment changes faster and faster. This means that strategic thinking is more important than strategic planning. Contingencies more important than any plan. Agility over rigidity."

"We are utilizing a proven, robust, agile strategic planning process."

"Have a really refined strategic planning process!"

"Change is the only constant."

"Planning is identical in all scenarios."

CONCLUSIONS

1Q 2026 BUSINESS BAROMETER

1Q 2026 Barometer Summary

Neutral Feels Normal In Chaos

Economic conditions have stabilized since Q4, but momentum has stalled. The shift from negative to neutral sentiment signals reduced downside risk, yet optimism has not followed. Neutral is holding, not improving.

Pessimism More Than Doubled

In contrast to Q4's modest rebound in confidence, CEO pessimism about their own businesses has sharply increased, more than doubling in a single quarter. Leaders now view risk as internal – driven by demand, margins, and execution – not just external conditions.

Defensive Operations

As a result, behavior has shifted. Compared to Q4's cautious optimism, leaders are now operating more defensively, prioritizing efficiency, limiting investment, and preparing for sustained uncertainty without a clear growth catalyst.

Looking Ahead

We welcome your feedback, participation and ideas for how the Business Barometer can become a trusted resource for leaders to navigate a noisy, shifting world.

Our 2Q 2026 survey will begin *June 2, 2026*.

Please be ready to respond so we have real-time, real-world data to make smart decisions!

Contact: info@allianceofceos.com

Our **Business Barometer** is designed to illuminate the conditions facing business leaders and learn how they are shaping today's economy.

Together, we can all gain deeper insights to enable each of us to successfully navigate through current turbulence and identify opportunities to lead our companies towards fulfilling our unique missions.

Participating Organizations & Members

This Business Barometer includes insights from the members of the following leadership organizations. To learn more, feel free to check them out at:

- Alliance of Chief Executives
- Athena Alliance
- BenchBoard CEO-CFO Coaching
- Board Harbor Foundation
- CEO Roundtable (Minneapolis)
- Directors Academy
- Global Data Innovation
- Institute of Entrepreneurship (Atlanta)
- LXCouncil
- Quade

Survey Preparation

Jim Cook
BenchBoard Executive Coaching and Advisory
Founder
www.benchboard.com/
www.linkedin.com/in/cookflix/

Jim Cook is a seasoned strategic and operational executive with over three decades experience as CFO & COO with iconic companies such as Netflix where he built their financial and operational infrastructure from ground up. At Intuit, Jim was a key player in their IPO and M&A strategy. As Mozilla's CFO, Jim scaled global operations during a critical growth phase. Today, Jim is the Founder of BenchBoard Executive Coaching and Advisory, and the author of Cook's PlayBooks - a weekly newsletter on Substack.

Paul Witkay
Alliance of Chief Executives
Founder & CEO
www.allianceofceos.com/
www.linkedin.com/in/paulwitkay/

Paul Witkay founded the Alliance of CEOs in 1996 to create high-impact, confidential environments where business leaders who lead companies in every industry from small, private companies to global public enterprises can openly discuss their most critical strategic challenges and impactful opportunities. Launched in the SF Bay Area, the Alliance's distinctive culture now brings leaders from around the world together to cross-pollinate insights, generate breakthrough ideas and drive enduring success.

THANK YOU

1Q 2026 BUSINESS BAROMETER