4Q 2025 BUSINESS BAROMETER

A Global Economic Conditions Survey

December 2025

Executive Summary

This 4Q 2025 Business Barometer includes responses from 266 business leaders across major industry sectors who are largely based in the U.S. and includes leaders in 16 countries.

Beginning in January **2025**, rapid policy changes and global trade restructuring made long-term planning virtually impossible. However, major economic crises were avoided and, although the economy still faces significant headwinds, ***CEO confidence increased in the 4Q of 2025***.

The major driver of the global economy as we enter **2026** is the emergence of AI. During the past year, leaders have transitioned from experimentation to ***CEOs embracing AI as critical to their long-term success!***

4Q 2025 Business Barometer

266 LEADERS

16 COUNTRIES

8 SECTORS

Q4 2025 Business Barometer
Dates = December 2-16, 2025
n = 266

Introduction

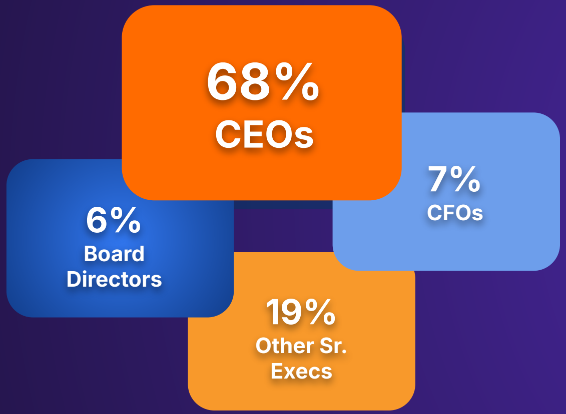
The **Business Barometer** is a collaboration of independent leadership organizations whose members share real-world insights into how economic conditions are impacting companies.

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.

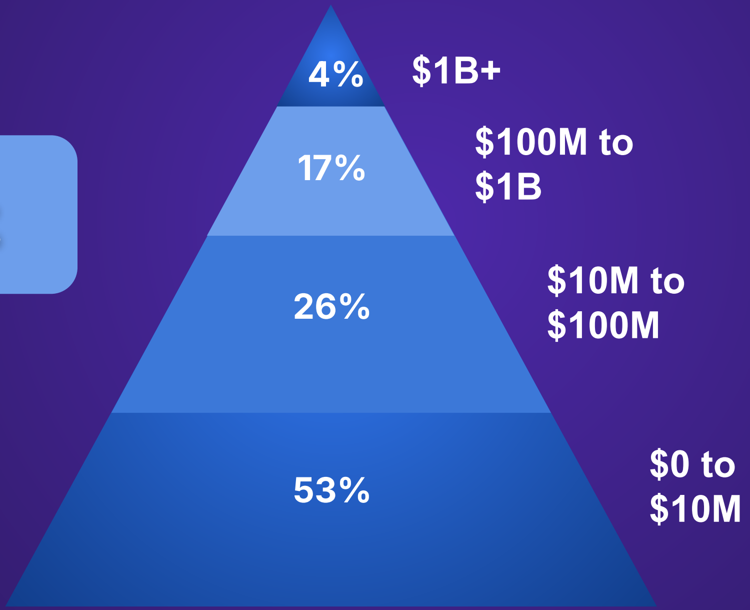
Alliance of Chief Executives
Directors Academy
Athena Alliance
Global Data Innovation
BenchBoard Cook's Playbooks
The Institute for Entrepreneurship
Board Harbor
LX Council
CEO Roundtable
Operators Guild
The CEO Roundtable
SplitX
The Circle by Founders Circle Capital
VACEOs

Demographics

ROLES



REVENUES



EMPLOYEES

# OF EMPLOYEES	RESPONDENTS %	#
0-25	43%	115
26-100	24%	64
101-1,000	23%	60
1,001-10,000	8%	22
10,000+	2%	5
TOTAL	**100%**	**266**

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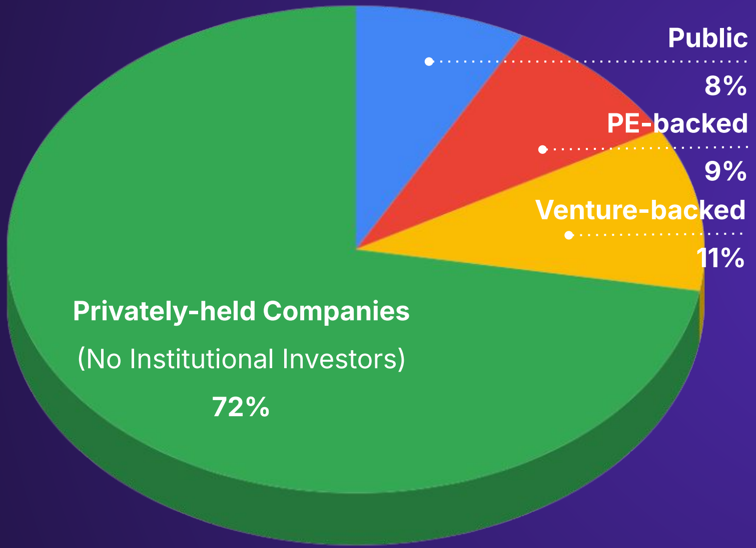
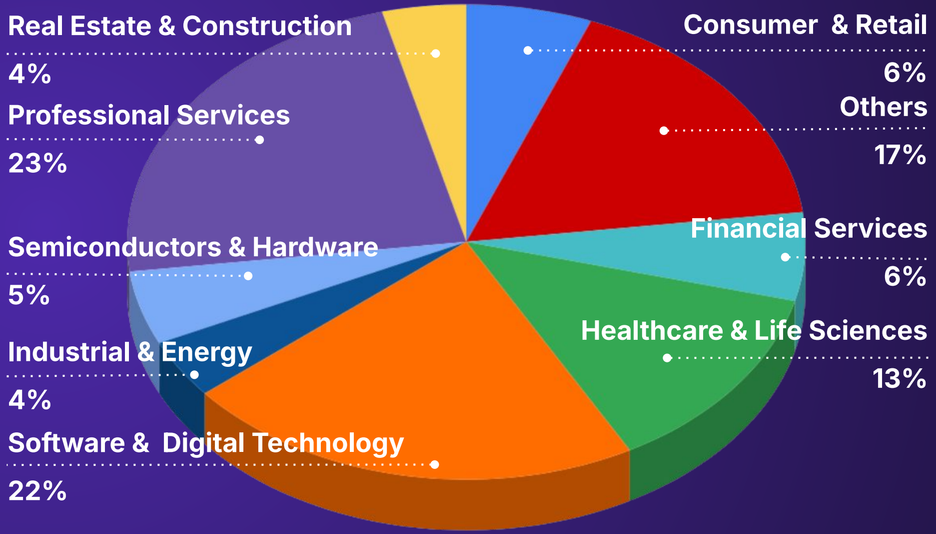
Demographics

CAPITAL STRUCTURE



INDUSTRIES



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Three Areas of Focus

SENTIMENT "HOW DO YOU FEEL?"	ECONOMIC PRESSURES "HELPING OR HURTING?"	ACTIONS "WHAT ARE YOUR PLANS?"

SENTIMENT
"HOW DO YOU FEEL?"

- 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?

ECONOMIC PRESSURES
"HELPING OR HURTING?"

- 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

ACTIONS
"WHAT ARE YOUR PLANS?"

- 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

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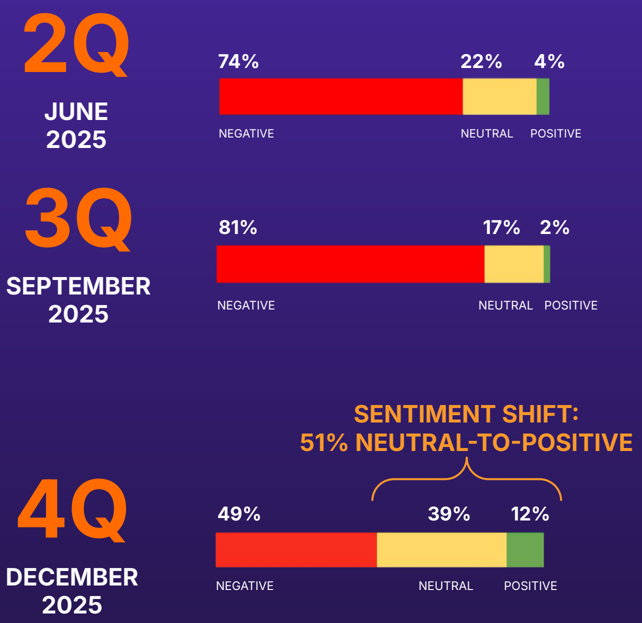
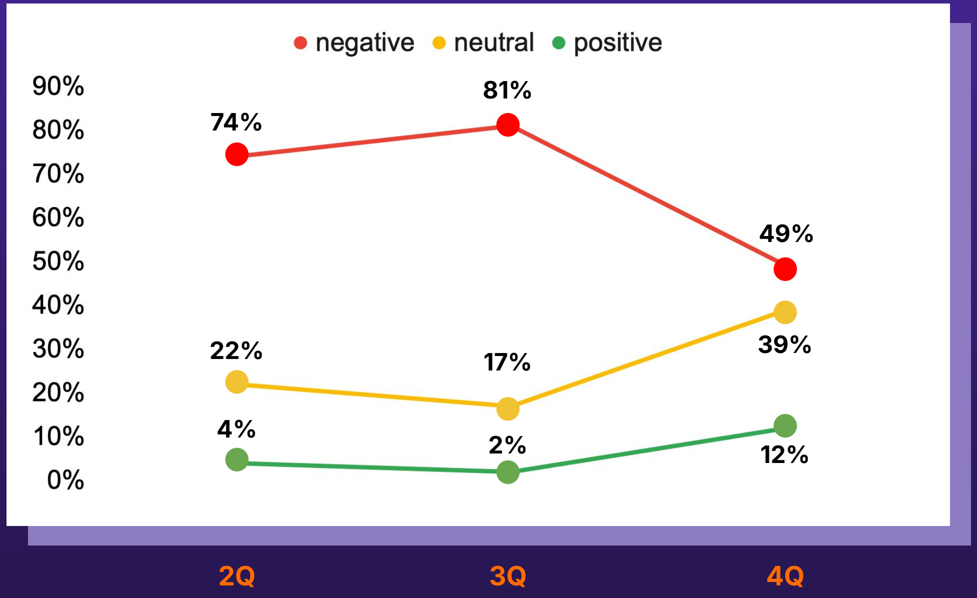
INSIGHTS

4Q 2025 BUSINESS BAROMETER

Sentiment: Trending Up



SENTIMENT CHANGE
June to December 2025



*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.*

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CEO Confidence: Improving!

CEO confidence has improved dramatically since Q2 while views on economic conditions shifted from strongly negative to nearly neutral.

12 MONTH CONFIDENCE

vs.

CONCURRENT SENTIMENT INDEX

2Q

JUNE 2025

36% PESSIMISTIC **31% OPTIMISTIC**

3Q

SEPTEMBER 2025

30% PESSIMISTIC **41% OPTIMISTIC**

4Q

DECEMBER 2025

20% PESSIMISTIC **53% OPTIMISTIC**

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4Q Unpredictability: "The Norm"

ECONOMIC PREDICTABILITY	SHORT-TERM 12 MONTHS	MID-TERM 12-36 MONTHS	LONG-TERM 36+ MONTHS
Economic conditions will become *less predictable*	63%	66%	47%
Ratio of leaders who believe economic conditions will be *more difficult* vs. easier to predict	12x	5x	1.6x

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

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Strategic Insights

INDUSTRY PERSPECTIVES

CONFIDENCE CHANGE JUNE→DECEMBER

Healthcare & Life Sciences

Life Sciences has faced strong headwinds all year due to new government policies and a continued bio funding drought. CEOs are feeling more confident with improved M&A opportunities and AI initiatives, but financing challenges continue.

Semiconductors & Hardware

Semiconductors still face major challenges for financing but 4Q was stronger and, due to changes in new trade policies, CEOs are more confident and investing in R&D and new product strategies.

Industrials & Energy

Due to more clarity in geopolitical trade relationships, industrials & energy was the ***most confident sector*** in December. Although tariffs and inflation are still a drag, they are investing in growth through new products and expanding into new markets.

Financial Services

Confidence rose 30% due to reduced pressure from interest rates, tariffs and geopolitics and a rising stock market. Growth is planned to come from introducing new products and services.

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Strategic Insights

INDUSTRY PERSPECTIVES

CONFIDENCE CHANGE JUNE→DECEMBER

Consumer & Retail ↑

Confidence was 14% higher than June but slipped 4% in the 4Q due to challenges from consumer spending, inflation, and labor. More companies are increasing prices and slowing down investment.

Professional Services ↑

Professional Services responded to the changes in the market sectors they serve and 4Q results showed moderate improvement after clients reduced spending in the 1H.

Real Estate & Construction ↑

The RE sector reports continuing challenges in labor, government regulations, interest rates and inflation but are the 2nd most confident sector due to a rising stock market and improved financing conditions.

Software & Digital Technology ↑

The software sector confidence improved due to slight improvements in most conditions other than government regulations. They are the most bullish sector on AI investments and interest in AI grew 27%.

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Strategic Insights

ECONOMIC FACTORS

TARIFFS & TRADE DYNAMICS

Large ($1B+) public companies are most negatively impacted by tariffs.

GOVERNMENT REGULATIONS

PE-backed companies are the most challenged by regulations.

INFLATION

Public companies are more negatively affected by inflation.

LABOR & TALENT MARKETS

VC-backed companies report labor market trends are somewhat favorable.

CONSUMER SPENDING

VC-backed and public companies are least affected by consumer spending trends.

INTEREST RATES

Public & PE-backed companies have benefited the most from declining interest rates.

Strategic Insights

ECONOMIC FACTORS

CURRENCY VOLATILITY

Public companies are the most affected from global currency volatility.

STOCK MARKET VOLATILITY

Although the market has risen, public company CEOs are challenged by the volatility.

GEOPOLITICAL CONCERNS

Geopolitical dynamics continue to pose greater challenges to large ($1B+) public companies.

EQUITY/DEBT FUNDRAISING

Financing is still difficult and small, private and VC-backed companies are most challenged.

M&A MARKET TRENDS

Current M&A environment is favorable for PE-backed companies and unfavorable for large public companies.

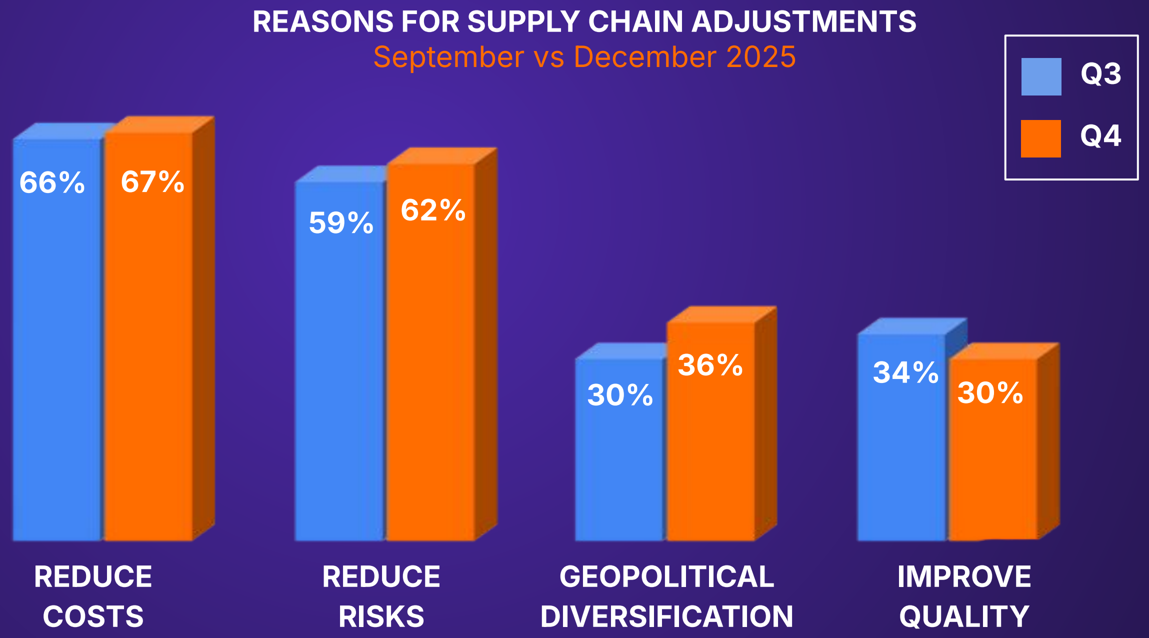
TECHNOLOGY & AI ADOPTION

VC-backed companies are the most bullish on Technology & AI disruption.

Supply Chain Adjustments

CEOs continue to make changes to their supply chains.

In Q4 86% of manufacturers are making changes to their supply chains vs 63% in Q3



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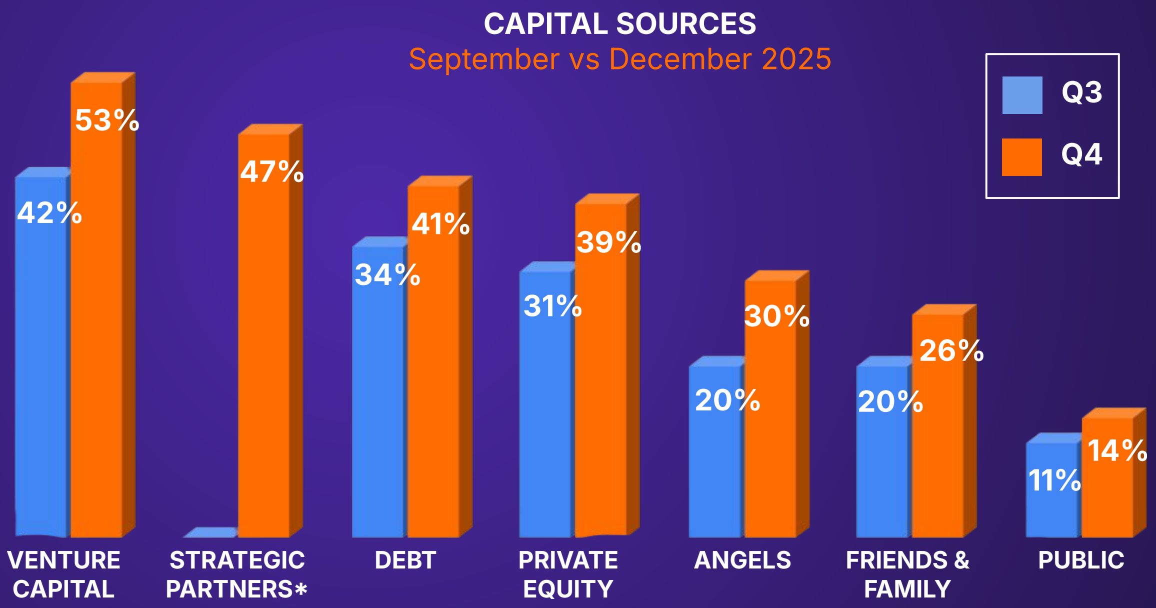
Raising Capital is Still Challenging

Fundraising remained challenging in December.

In Q4 only 23% of respondents plan to raise capital during the next 6 months, vs 30% in Q3



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

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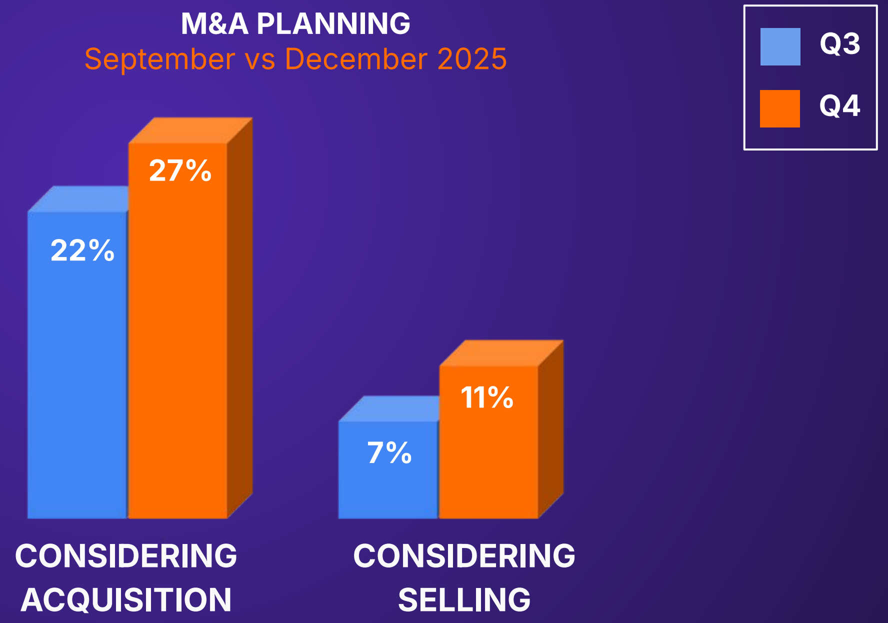
M&A: It's a Buyer's Market

The M&A environment has improved from moderately negative to "normal" and is still more attractive for buyers vs sellers.

56% of acquirers consider it's a good time to buy in 4Q

23% of sellers consider it a good time to sell in 4Q



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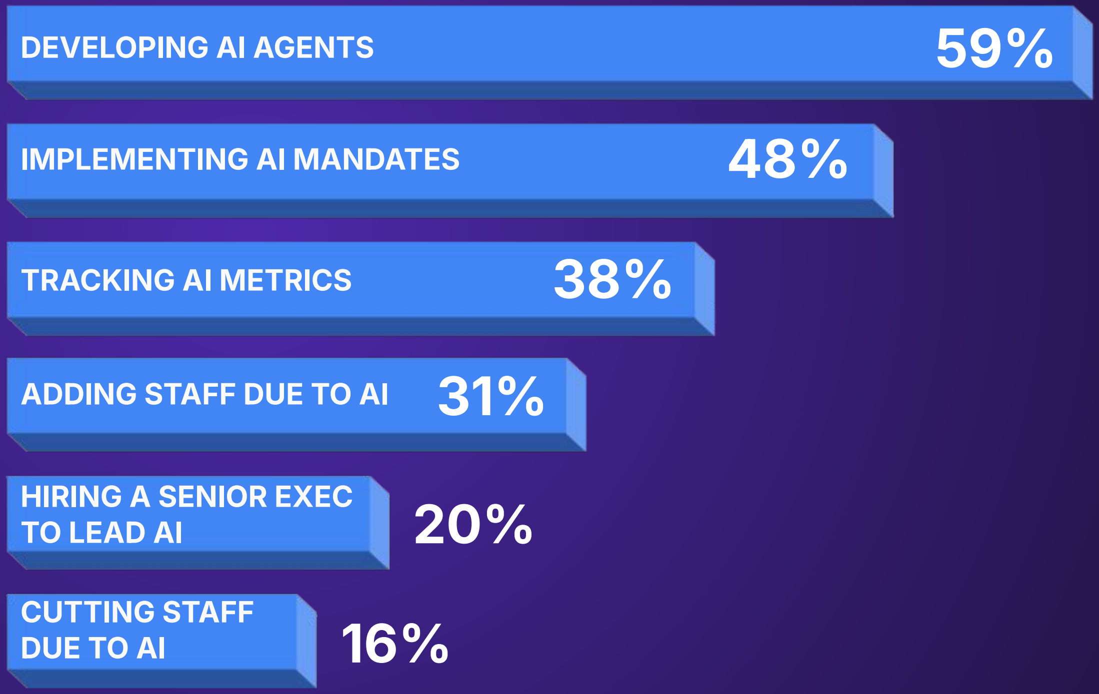
2026: AI Is The Big Story

As we enter 2026, AI is on the minds of every CEO.

After experimenting for the past 18 months, 82% of CEOs are now integrating AI tools, using AI in multiple processes or using AI as a core strategy.

Inside their own organizations, they report the following actions:



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IN THEIR OWN WORDS

4Q 2025 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.

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AI & Technology Disruption

Focus: AI is accelerating competitive change while blurring signal vs. hype.

“We’re more confident because we’ve dealt with the inconsistencies of this year. Agentic is not a buzzword anymore and AI is becoming more embedded into process.”

“AI impact limits long-term visibility. Things are moving too quickly, including assumptions that were once unshakable.”

“The rate of change with AI is the primary driver. As this continues to develop, we're only beginning to understand how to use it.”

“AI is rapidly disrupting industries. It’s hard to determine where this all lands.”

Cautious Customers & Slower Decision Cycles

Focus: Demand remains, but buyers are more cautious and slower to decide.

“In professional services, it's a trickle-down effect. The global economic conditions shape the budgets and temperatures of our clients, who in turn shape ours.”

“If business outlook is hazy then our ability to predict customer demand is even more hazy.”

“Uncertainty makes people cautious on purchasing decisions and investment.”

“The changing economic environment makes customers hesitant to engage in professional services firms like mine.”

“Clients and investors are generally optimistic, or at least certainly not pessimistic.”

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Cost, Inflation & Margin Pressure

Focus: Elevated costs keep efficiency and pricing discipline front and center.

"Cost of capital and market volatility has created strategic uncertainty."

"We are somewhat less confident due to the whimsical nature of the priorities and plans related to inflation, trade and the pressure on customers."

"The constant rising of cost-of-living will continue to have a negative impact on business."

"Companies in the consumer products space are struggling due to increases across many, if not all, aspects of production and distribution, along with rising customer acquisition costs (often exceeding anticipated consumer LTV)."

Talent & Workforce Friction

Focus: Hiring and labor dynamics remain key planning constraints.

"The overall focus on AI productivity vs. employee retention has a massive impact on our space. I expect this to turn back at some point, but not this year."

"Team assumptions are reasonable, but often rely on factors outside their control, like market growth, vendor stability, funding cycles, hiring pipelines and tech implementation timelines."

"I find that for my particular segment, manufacturing in the U.S. is key, but the pool of available talent to perform the work is sketchy or not there."

Adaptation & Scenario-Based Execution

Focus: Organizations are narrowing focus and building flexibility across scenarios.

"Our team is planning for the good and bad, and focusing on what we can control."

"I feel extremely confident as we don't plan around precise forecasts. We plan around adaptability and we always plan long-term."

"We have narrowed our strategic focus areas and target sectors, and make informed decisions and take calculated risks."

"We are trying to develop and execute strategies that are possible in multiple scenarios."

"No one can predict anything with any great certainty. The most important strategy for a startup, and any business, is dynamic adaptation."

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CONCLUSIONS

4Q 2025 BUSINESS BAROMETER

4Q 2025 Barometer Summary

Our initial Business Barometers in June & September reflected how new tariffs and other economic factors created immediate challenges for many companies and disrupted CEO confidence and planning.

In December, our data indicated mild headwinds still exist but no major economic crises occurred. As a result, CEOs are more confident in their ability to navigate the emerging "new normal."

As we enter 2026 the 4th year since the launch of ChatGPT, our data indicate more CEOs are taking specific actions to use AI to build competitive advantages and adapt more quickly to the unpredictable future challenges and opportunities ahead.

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 1Q 2026 survey will begin the *1st week in March*.

Please be ready to respond so we have real-time, real-world data to make smart decisions for 2026!

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 (Boston)
- CEO Roundtable (Minneapolis)
- The Circle by Founders Circle Capital
- Directors Academy
- Global Data Innovation
- Institute of Entrepreneurship (Atlanta)
- LXCouncil
- Operators Guild
- SplitX
- Virginia Council of CEOs

4Q 2025 Holiday Donation

In the spirit of the season, and with a goal of gathering as many responses as possible, we added an extra incentive this quarter.

A donation of $10 was made to Feeding America for every completed survey.

It's a small gesture, but an important one: our members' participation helped feed families in need while contributing valuable insights for the global business community.

Every $1 donated helps secure at least 10 meals through the Feeding America network of food banks.

Survey Preparation

Jim Cook
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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
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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

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