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CFOs offer gloomy outlook for 2009

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Most top corporate financial executives believe the U.S. economy won't begin to recover for another 14 months, according to the latest quarterly survey by Duke University and CFO Magazine.

The survey, released this morning, puts optimism among chief financial officers at an all-time low. About 35 percent of CFOs say the economic recovery will begin this year. Most expect the country won't rebound until well into 2010.

"This is very troubling," said Kate O'Sullivan, senior writer at CFO Magazine. "Given the CFOs' track record, the historic pessimism CFOs are currently expressing certainly indicates a tough road ahead in 2009."

CFOs expect declines in earnings, technology spending and marketing this year. They also expect to cut more jobs and take other steps to reduce costs.

Nearly 60 percent of U.S. companies plan to institute a hiring freeze for the next year and 57 percent will have a wage freeze or reduction.

Only about 32 percent of CFOs say the economic stimulus actions taken so far have helped the economy.

"Even with the stimulus plan, CFOs expect to lay off nearly 6 percent of their workforces. This represents a staggering 7.6 million job losses," Campbell Harvey said. The Fuqua international finance professor is founding director of the survey.

The survey, which concluded Feb. 27, generated responses from 1,268 CFOs, including 543 from the United States.

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