

CEO Confidence Tumbled in Q2 2026

Updated: Thursday, May 28, 2026

Confidence retreated into negative territory as business risks rise

The Conference Board Measure of CEO Confidence™ in collaboration with The Business Council fell to 47 in Q2 2026 from 59 in Q1, as optimism among leaders of large firms plunged. (A reading below 50 reflects more negative than positive responses). A total of 141 CEOs participated in the Q2 survey, which was fielded from May 4 through 18.

“CEO confidence fell back into negative territory in Q2 2026, reversing the surge in optimism in the first quarter,” said Dana M Peterson, Chief Economist, The Conference Board. “CEOs reported that the economy is materially worse now than it was six months ago and expected economic conditions to weaken further over the next six months. Regarding their own industries, CEO assessments about current conditions and expectations in six months deteriorated since last quarter.”

“Planned business investment stayed the course in Q2, as most CEOs cited no revisions to capital investment plans. However, the share anticipating increases to capital spending plans in the next 12 months rose further, while fewer CEOs expect to reduce capex compared to Q1,” said Roger W. Ferguson, Jr., Vice Chairman of The Business Council and Chair Emeritus of The Conference Board. “Additionally, the ‘low-hire, low-fire’ economy remains in place. The share of CEOs planning to increase the size of their workforce over the next 12 months edged down, while those expecting job cuts rose slightly. Plans for wage increases were overall little changed. Hiring qualified people was generally easier in Q2, but there was an uptick in CEOs who reported having ‘some difficulty in some areas.’”

Ferguson continued: “Among top business risks impacting their industries, CEOs became more worried about cyber risks, with nearly two thirds ranking it a top risk in Q2.

Geopolitical and AI & new technology risks also remained top concerns. Risks associated with supply chains and energy rose in importance and intensity in Q2.”

In a set of special questions on AI adoption, the majority of CEOs (56%) felt that AI would not fundamentally transform their industry and have only a moderate impact. Most CEOs anticipated having to upskill part of their workforce for AI adoption. Nearly 1 out of 4 CEOs felt that over 50% of their workforce would need to be upskilled within two years.

Current Conditions

CEOs' assessment of general economic conditions fell significantly in Q2 2026:

15% of CEOs said economic conditions were better than six months ago, down from 39% in Q1 2026.

47% said economic conditions were worse, up from just 8% last quarter.

CEOs' assessments of conditions in their own industries also declined in Q2, but to a lesser extent:

33% of CEOs said conditions in their own industries were better than six months ago, down from 42% in Q1.

33% said conditions in their own industries were worse, up from 14% last quarter.

Future Conditions

CEOs' expectations about the short-term economic outlook turned negative in Q2 2026.

24% of CEOs expected economic conditions to improve over the next six months, down from 43% in Q1 2026.

40% expected economic conditions to worsen, up from 13% last quarter.

CEOs' expectations for short-term prospects in their own industries remained optimistic in Q2, but less so than Q1:

38% of CEOs expected conditions in their own industry to improve over the next six months, down from 51%.

22% expected conditions in their own industry to worsen over the next six months, up from 14%.

Employment, Recruiting, Wages, and Capital Spending

Employment: 31% of CEOs expected to reduce their workforce, up from 27% in Q1 2026.

This was higher than the share expecting to expand their workforce (28%, down from 31%).

40% of CEOs anticipated no change in their workforce.

Hiring Qualified People: Hiring qualified people was generally easier in Q2, but there was an uptick in CEOs reporting “Overall no problem but some problems in some areas” (53% in Q2 versus 43% in Q1).

Wages: The distribution of planned wage hikes concentrated in the 3-4% range, pulling from higher and lower ranges.

Capital Spending: The share of CEOs expecting to increase capital spending rose again—to 37% in Q2 2026 from 35% in Q1. Meanwhile, only 8% of CEOs expected to revise spending plans downward. Most CEOs (55%) indicated no plans to revise capital spending.

Industry Risks:

CEOs were more worried about cyber risks for their industry in Q2 2026 relative to Q1; Geopolitical and AI & new technology risks remained top concerns.

AI Impact on Business:

Most CEOs said that AI would have a moderate impact on their industry but not fundamentally transform their firms.

Most CEOs anticipated having to upskill a part of their workforce for AI adoption in the next two years.