



› CFOs focus on growth, deals and tech modernization while balancing geopolitical and inflationary risks

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Overview

Finance leaders are operating in a higher-risk environment, but their actions signal momentum, not freeze. Cost-cutting is their top priority, yet growth is back near the top of the agenda, and deal appetite is rising.

Since we last published our U.S. Bank CFO Insights Report in mid-2024, finance leaders' outlooks for both the economy and their own businesses have cooled. Even so, the longer-term view remains constructive, with 58% reporting a positive three-year outlook for the U.S. economy.

Geopolitical tension, war and high inflation have moved up the risk agenda, driving a sharper focus on risk management, pricing decisions and the ability to absorb volatility. That risk mindset is also showing up in supply chains, where finance leaders have already taken meaningful steps to strengthen resilience, including nearshoring and supplier diversification.

Technology modernization continues, with contributing to business-wide digital transformation as one of the top priorities for finance leaders. Chief financial officers (CFOs) are also making progress in tracking the ROI of AI

investments: returns are being measured across a meaningful share of investments, and nearly half of the investments measured are generating a positive outcome.

“CFOs are managing through real cross-currents right now, with elevated geopolitical and inflation concerns. It’s no surprise that those pressures are weighing on near-term sentiment. But on the ground, in investment and business activity, we’re seeing more confidence. Leaders are still pursuing growth while maintaining cost discipline and sharpening risk management,” said Stephen Philipson, U.S. Bank Head of Wealth, Corporate, Commercial and Institutional Banking.

These findings come from a U.S. Bank survey of 1,000 senior finance leaders at large and midsize U.S. firms, conducted from March 19 to April 14, 2026. U.S. Bank has tracked CFO sentiment, priorities and risks since 2021.

Key findings from our research

1 Growth priorities have moved up materially:

Driving revenue growth now ranks #2 on finance leaders' priority list (31%), up from #7 in mid-2024. Contributing to business-wide digital transformation remains a top-tier priority (30%).

2 Top risks center on geopolitics and inflation:

Geopolitical tension and war (35%) and high inflation (34%) are the top risks cited most by finance leaders. Some 71% of finance leaders say that rising global uncertainty and volatility has caused them to delay or scale down at least one major investment project in the past 12 months, while just 12% report canceling at least one major project.

3 Supply chains are being repositioned:

Among organizations with manufacturing operations overseas, 62% nearshored manufacturing activity closer to the U.S., and 37% reshored manufacturing back to the U.S. Many (51%) with domestic or international supply chains have diversified suppliers across multiple countries.

4 ROI on AI investments:

Finance leaders track ROI on 41% of AI investments on average, and where measured, 47% generate a positive return.

5 Deal appetite is rising, with bolt-ons favored:

49% say they are more likely to make acquisitions in the next 12 months compared with the last 12 months, and bolt-on deals appear more attractive than transformational moves. For transformational acquisitions, 10% say they are highly likely and 37% say they are quite likely to do a deal. For bolt-on acquisitions, 19% say they are highly likely and 32% say they are quite likely to do a deal.

6 Cost-cutting still leads the agenda:

Cutting costs and driving efficiencies across the company remains the top priority (39%), up from 33% in mid-2024.

7 Cost pressures persist and passing them through is harder:

49% say it's increasingly challenging to pass cost pressures to customers, yet businesses plan to pass through 55% of cost increases on average, up from 50% in the past 12 months.

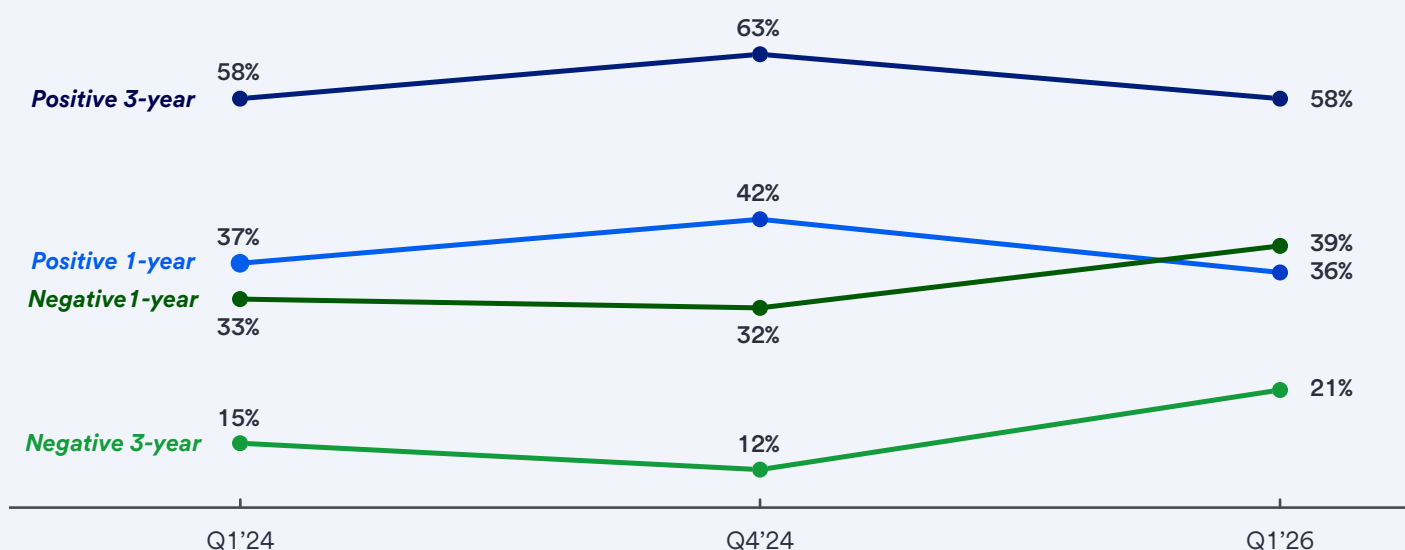
Optimism cools amid rising uncertainty.

In spring 2026, CFOs and other senior finance leaders at U.S. businesses reported feeling less optimistic about the prospects of the economy. Some 36% said their outlook for the U.S. economy in the next 12 months was positive, down from 42% in mid-2024. Also, 58% were positive about the three-year outlook, down from 63% in mid-2024.

“Although macro risks remain elevated, CFOs are moving off the sidelines and leaning into core investment and growth decisions. We’re seeing broad-based loan growth across sectors, along with growing momentum in M&A and capital investment,” said Felicia La Forgia, head of the U.S. Bank Institutional Client Group.

Finance leaders are less positive about the U.S. economy

What is your outlook for the U.S. economy during the next 12 months and three years?

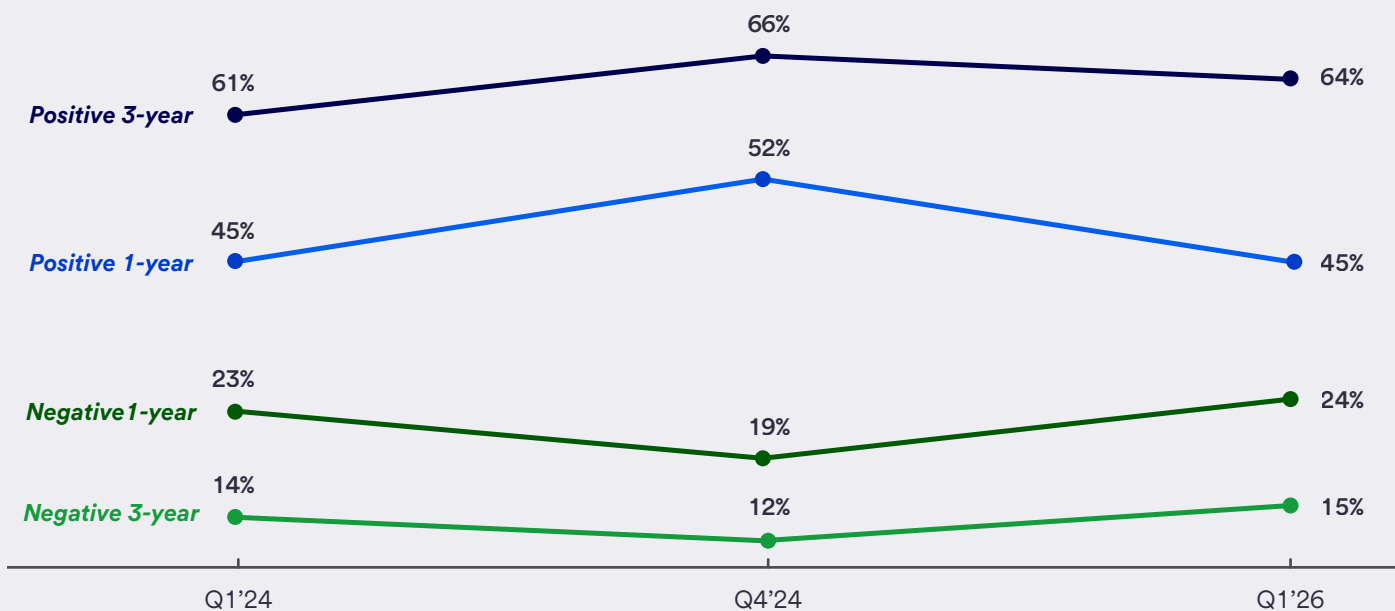


Less than half (45%) are positive about their businesses' financial prospects in the next 12 months, down from 52% in mid-2024. The

proportion that is optimistic over a three-year horizon has also decreased.

They are also less optimistic about their business's financial prospects

What is your outlook for your business' financial prospects during the next 12 months and three years?



Finance leaders at larger organizations are significantly more optimistic than their counterparts at smaller firms. More than half (57%) of those at companies generating more than \$5 billion in annual revenue (the largest in our sample) say they feel positive about the U.S. economy over the next 12 months, compared with just 24% at companies with revenue between \$100 million and \$249.9 million (the smallest in our sample).

The pattern also applies to their outlooks for their own businesses. Some 64% of finance leaders at the larger firms feel positive about their businesses' financial prospects over the next 12 months, compared with 31% at smaller firms.

“Larger companies typically have more levers to pull: larger balance sheets, deeper liquidity and more capacity to invest. So not only can they absorb disruption, but they can even sometimes capitalize on it. Many of the pressures we’re seeing, from managing input-cost swings and pricing dynamics to funding technology and strengthening risk management, can be simply harder to navigate for midsize firms with fewer resources to absorb surprises,” says Katie Simpson, Central Regional Executive, U.S. Bank Institutional Client Group.

Cost savings the focus, but growth back in the picture.

Since we began tracking CFO sentiment in 2021, cutting costs and driving efficiencies across the business has remained a focus for finance leaders. Some 39% identify this as a top priority, up from 33% in mid-2024. Driving revenue growth ranks second, up from seventh in mid-2024.

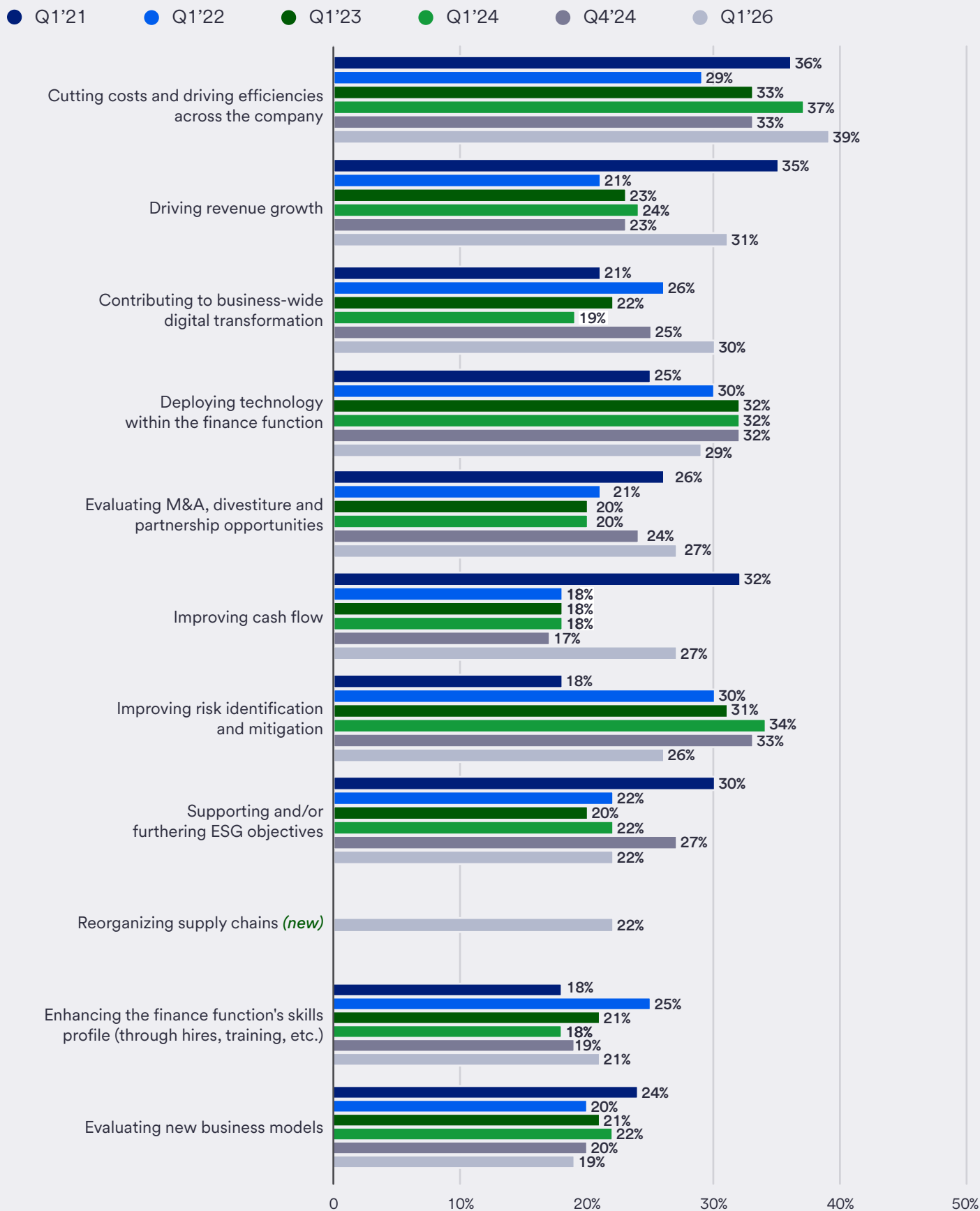
There is a notable sectoral split in terms of prioritization. The emphasis on cost savings is particularly strong in sectors such as private equity, technology, life sciences and pharmaceuticals, and chemicals and advanced materials. Finance leaders in transportation and logistics and insurance are more likely to prioritize revenue growth.

>39%

of finance leaders say that cutting costs and driving efficiencies in the finance function is a top-three priority

Cutting costs has consistently been top of the agenda since 2021

Percentages indicate those who identify each option as a top-three priority



M&A momentum builds despite headwinds.

Despite finance leaders' lower outlook for the U.S. economy, nearly half (49%) agree that they are more likely to make acquisitions in the next 12 months compared with the past 12 months.

“We’re seeing encouraging signs of active M&A across sectors. Many clients are viewing this as a favorable window to do a deal. They don’t want to wait for conditions to be ‘perfect’ if the strategic rationale is there. We’re also seeing a strong response from banks and investors as opportunities emerge, with real appetite for well-structured deals,” says Bill Mulvihill, Head of Loan Capital Markets, U.S. Bank.

Our research reflects this: 46% say that M&A activity will likely rise in their sector in the next 12 months, with finance leaders in healthcare, life sciences and pharmaceuticals, and technology among the most likely to say this. In addition, over a quarter (27%) identify M&A divestiture and partnership opportunities as a top priority, up from 24% in mid-2024.

Finance leaders say their business is most likely to pursue bolt-on acquisitions in the next 12 months, closely followed by transformational acquisitions, and divestment or spin-offs.



49% OF
**FINANCE
LEADERS**

agree that they are more likely to make acquisitions in the next 12 months compared with the past 12 months

Organizations have taken action on supply chains.

Although reorganizing supply chains ranks relatively low on the agenda, tied for eighth in order of priority, companies have already taken significant action.

In the past 12 months, 62% of finance leaders working at organizations with overseas manufacturing say they have nearshored manufacturing activity closer to the U.S. while 37% have reshored manufacturing facilities to the U.S. Many (51%) businesses with domestic or international supply chains have diversified suppliers and sourced from multiple countries.

There are signs that this shift toward more domestic operations could continue when considering new facilities. Some 81% of those with manufacturing facilities at home and abroad say they are more likely to do so than they were last year, as do 73% with U.S.-only facilities.

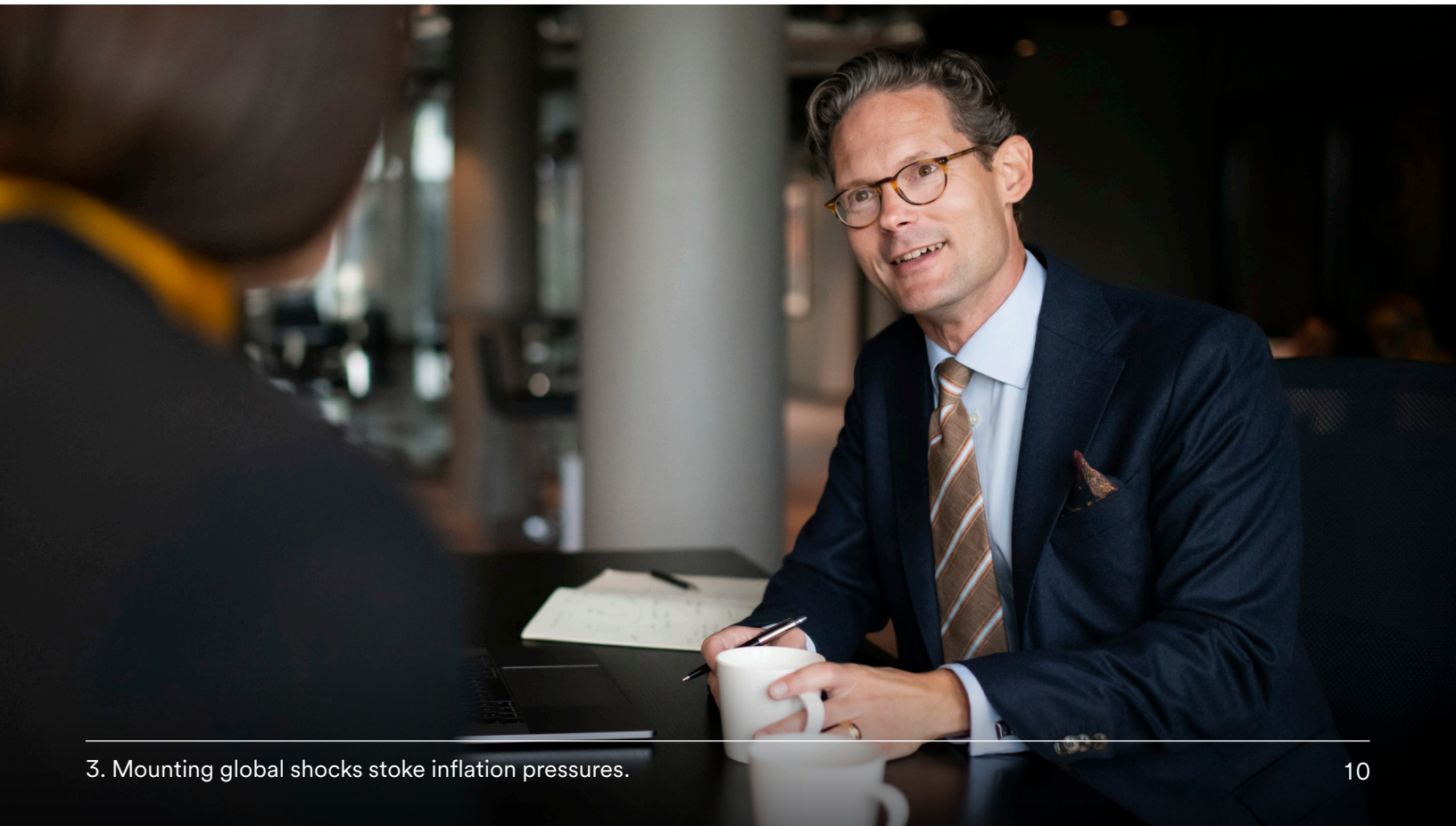
Mounting global shocks stoke inflation pressures.

Geopolitical tensions climb the risk agenda.

The ratcheting up of geopolitical tensions in recent times and the outbreak of war on several fronts since the start of 2024, severely impacting oil prices and global trade, have led 35% of finance leaders to say geopolitical tension and war is a top risk, up from 32% in mid-2024, 26% in January 2024 and 17% in 2023.

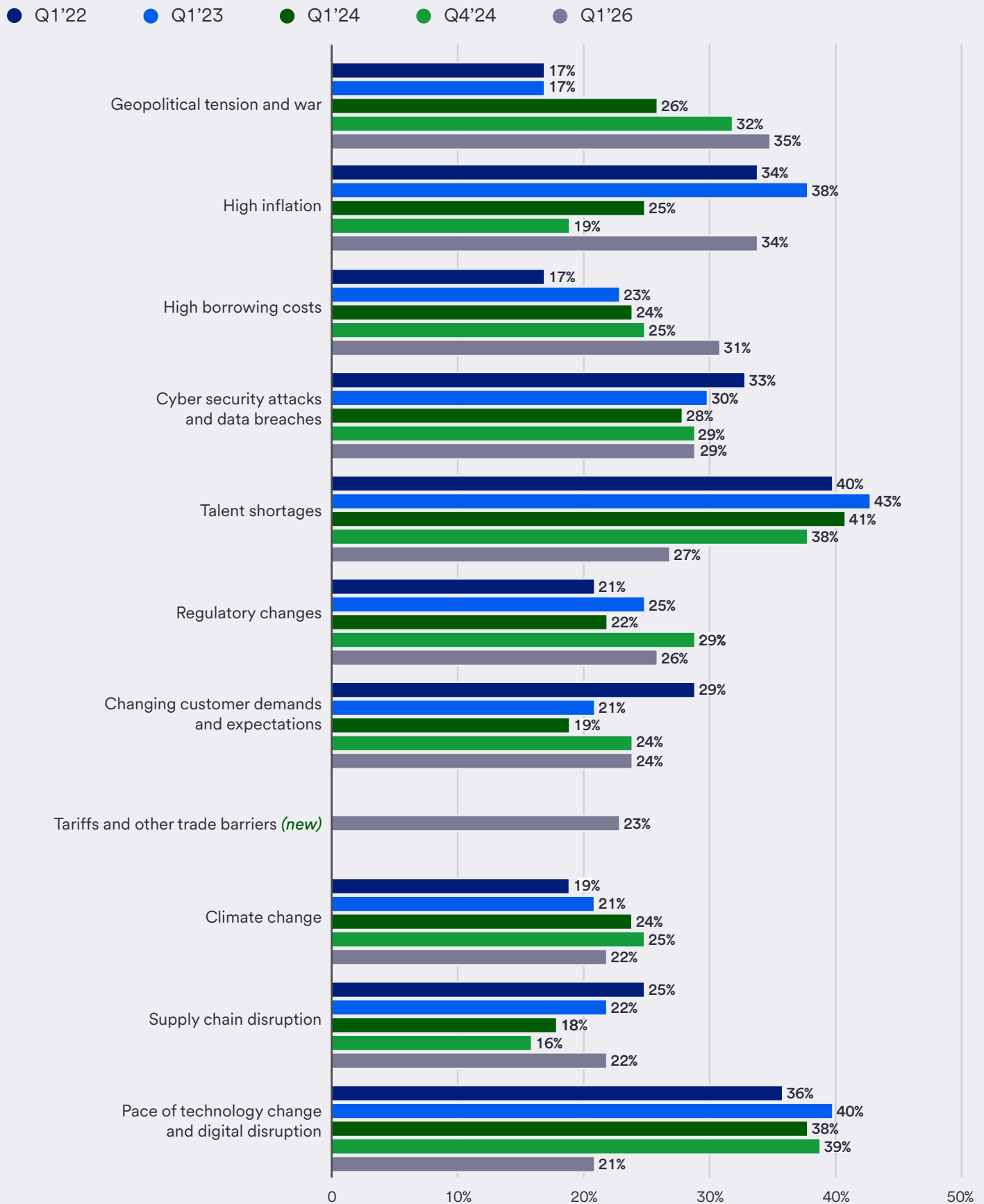
>35%

of finance leaders rank geopolitical tension and war in their top three risks



Geopolitical tension and war is now the top risk

Which risks are currently top of the agenda for your business?





Some 71% of finance leaders say that rising global uncertainty and volatility has caused them to delay or scale down at least one major investment project in the past 12 months, while a notable minority (12%) report canceling at least one major project. Cancellations are most pronounced in higher education (20%), healthcare (19%), investment management (17%), aerospace and defense (17%), and commercial real estate (17%).

“This is a clear reminder of how geopolitical volatility can have a direct, tangible impact on investment decisions and growth,” says F.H. Alborn, Head of Specialized Industries, U.S. Bank Institutional Client Group. “For finance leaders, it reinforces the importance of actively monitoring the external environment and putting practical risk-management measures in place.”

Inflation rises on risk list again.

Some 34% of finance leaders cite high inflation as a top risk, just behind geopolitical tension and war (in mid-2024, inflation ranked ninth). This renewed economic focus may reflect a sense of limited preparedness. Most (58%) say their business is underhedged against commodity price risks, leaving them exposed to rising input costs and inflationary pressures.

Cost pressures are already building. Six in 10 (60%) finance leaders say business costs have increased in the past 12 months, and 70% expect further increases in the year ahead. Almost half (49%) say it is increasingly challenging to pass cost pressures on to customers. Yet, on average, they still plan to raise the share of costs passed on to customers, from 50% in the past 12 months to 55% in the next 12 months.

Digital transformation brings rich data rewards but heightens fraud risk.

Three in 10 finance leaders identify contributing to business-wide digital transformation among their function's top three priorities for the next 12 months. Central to the finance function's role is ensuring that investments in new technologies deliver value, particularly as AI capabilities continue to evolve at pace.

Measuring AI ROI is a challenge.

As AI tools become more sophisticated and widely adopted, organizations increasingly focus on scaling the use cases they expect to deliver meaningful returns. At the same time, most (59%) say it is very challenging to calculate the ROI of AI investments. Faced with such challenges, it's noteworthy that, on average, finance leaders are still managing to measure ROI for 41% of AI investments. This is particularly notable given that many companies don't track ROI at the development stage. Of investments where ROI is measured, an average of 47% generate a positive return.

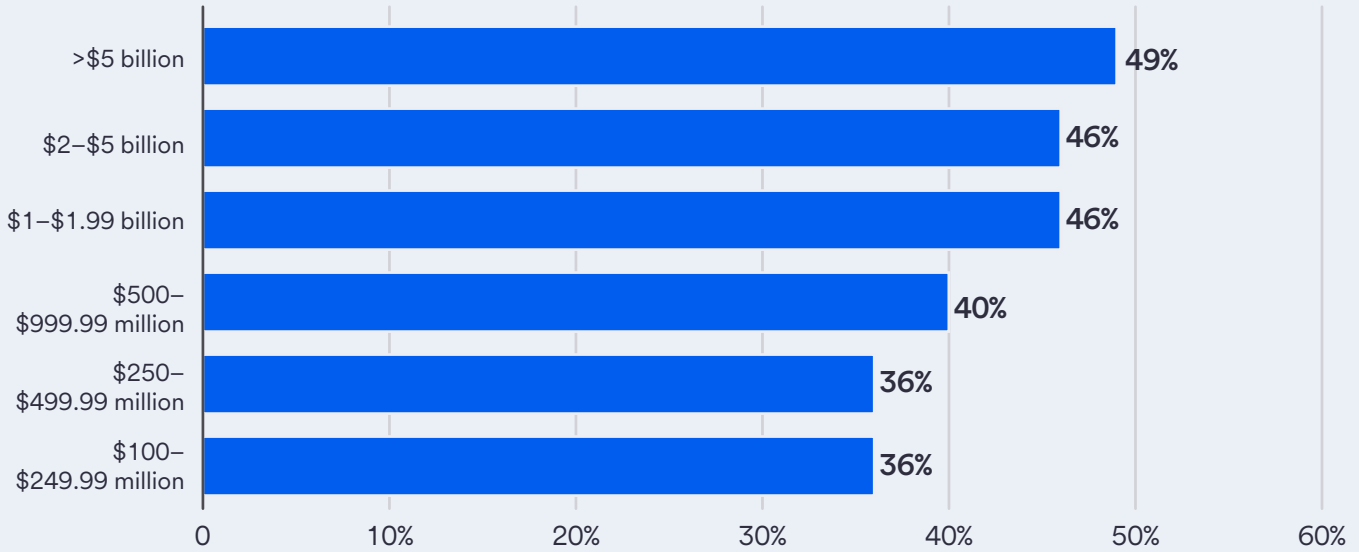
The data suggests that building the necessary capabilities to track ROI is uneven across the market. Organizations with more than \$5 billion in annual revenue measure ROI across 49% of AI investments, on average, compared with 36% on average among those with revenue between \$100 million and \$249.9 million. They are also more likely to generate positive ROI, with 56% of measured investments delivering value at larger firms, compared with 39% at those with revenue between \$100 million and \$249.9 million.



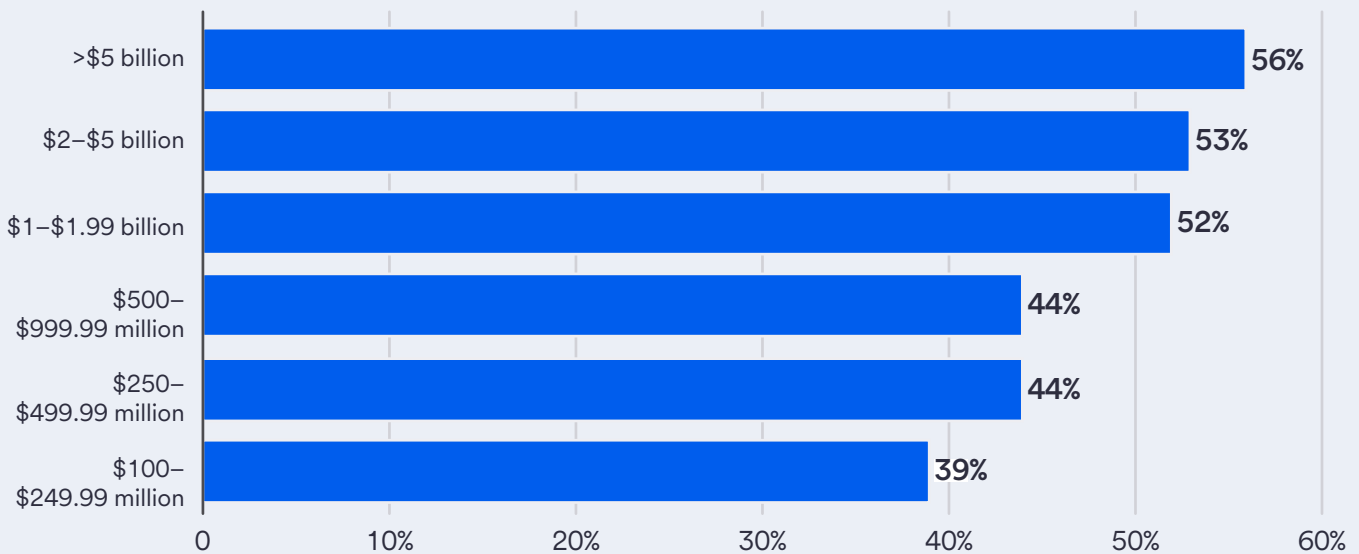
of finance leaders are managing to measure ROI for 41% of investments – 47% of these generate a positive return

Larger firms are more likely to measure and generate positive ROI

Following implementation, for what proportion of AI investments have you measured the ROI in the past 12 months? (Mean score)



Of the AI investments where ROI was measured, how many generated a positive ROI? (Mean score)





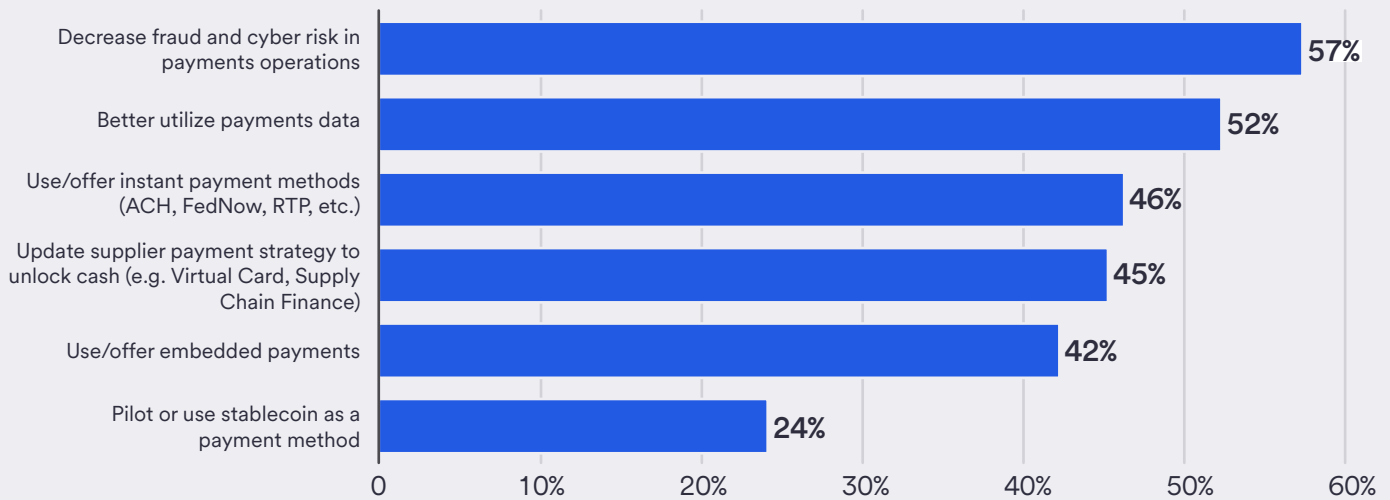
A more mixed picture emerges across sectors regarding the share of AI investments generating positive ROI. Even so, some differences stand out: some service industries tend to lag, with just 40% of tracked AI investments in business and professional services and 39% in investment management delivering positive returns. In contrast, more operational sectors seem to perform better, including transportation (57%) and industrial products (56%).

Risk mitigation drives payments modernization.

Reducing fraud and cyber risk in payments operations was the most commonly reported payments modernization step, cited by 57% of respondents. Finance leaders in higher education, investment management and commercial real estate are the most likely to have modernized payments in this way.

Fraud, cyber risk and data drove payments modernization last year

Which of the following have you done to modernize payments at your business in the past 12 months?



At the same time, modern payment systems are generating increasingly rich data. Real-time payments and new data standards provide more detailed transaction information, which companies can use to their advantage. Reflecting this, over half (52%) say they have focused on better utilizing payments data in the past 12 months.

In addition, 42% of finance leaders say they have used or offered embedded payments in the past 12 months, with adoption highest in banking, chemicals and advanced manufacturing, and transportation.

Adoption of newer payment technologies is also emerging. A quarter (24%) say they have piloted or used stablecoins as a payment method in the past 12 months, with uptake concentrated among larger organizations. Just 15% of finance leaders at companies with annual revenue between \$100 million and \$249.9 million report having done so, compared with 41% at those with more than \$5 billion in revenue.

About the research

The results of this research are based on a survey conducted between March 19 and April 14, 2026, of 1,000 senior finance leaders who work in U.S. businesses across multiple sectors.

Half of the survey participants are company, regional or divisional CFOs. The remainder are senior managers within the finance function. Every finance leader surveyed works for a business that generates at least \$100 million in annual revenue, and 30% work for a business that generates at least \$2 billion.

Previous editions of our research include:

» [Leading the return to growth \(2024\)](#)

» [Leading the transformation \(2023\)](#)

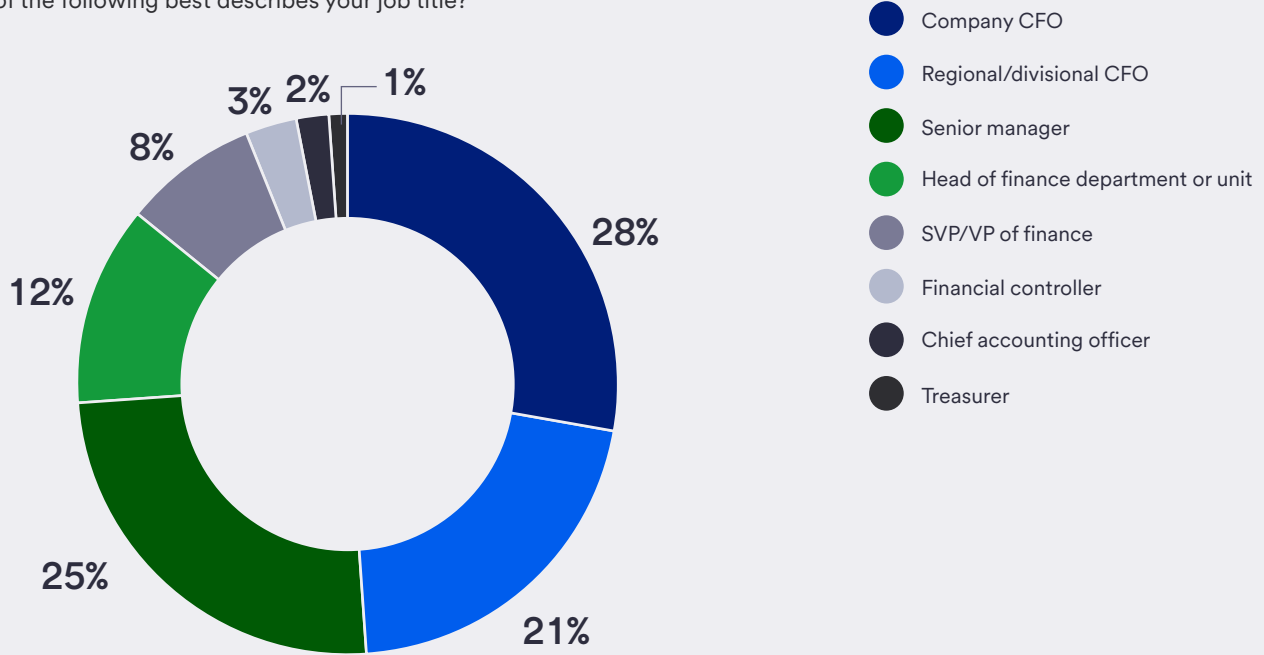
» [Leading through uncertainty \(2022\)](#)

» [Leading the recovery \(2021\)](#)

We repeated several of the questions this year to allow for an accurate assessment of how sentiment has changed.

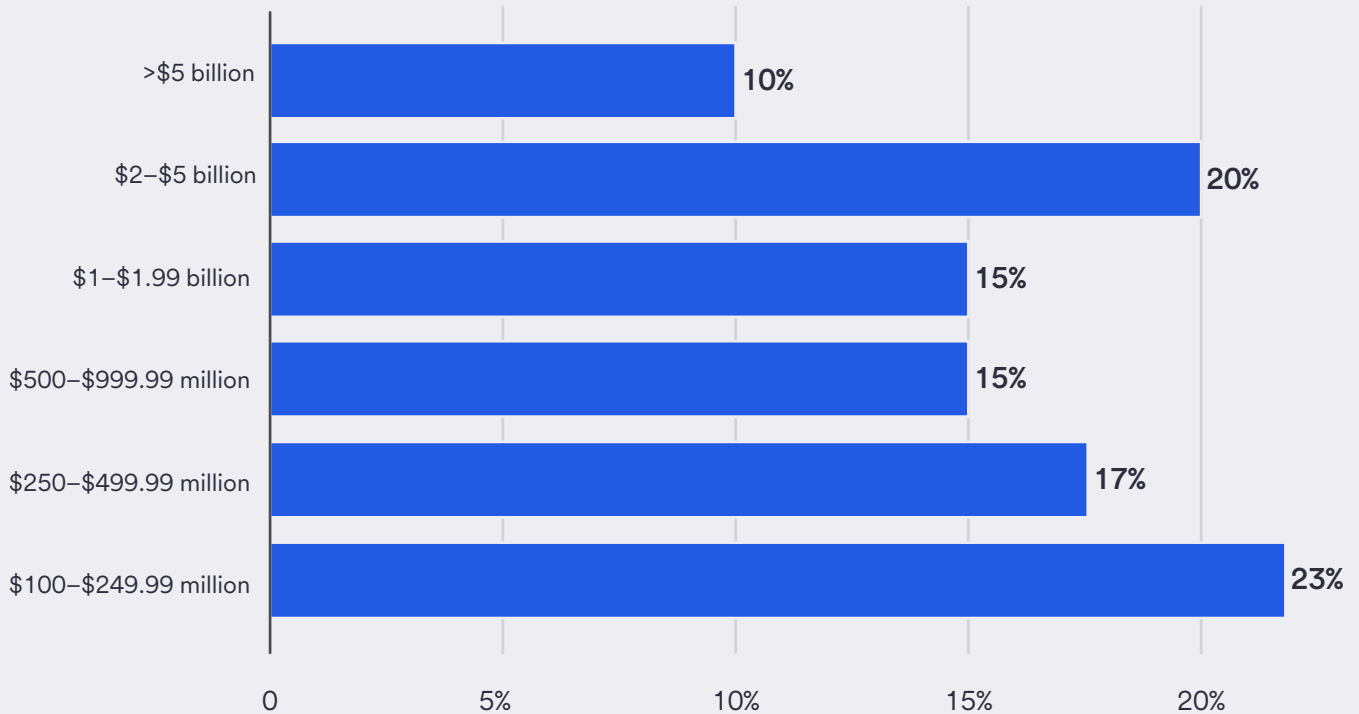
Breakdown of respondent numbers by job title

Which of the following best describes your job title?



Breakdown of respondents' companies by annual revenue

What was your organization's annual revenue in the last financial year?





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