HPA HighPoint Associates
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Economic and Business Outlook Survey

Q2 2026

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Executive Summary

OVERVIEW

- HPA's Q2 2026 Economic and Business Outlook Survey was conducted April 17–24, 2026, in partnership with Eden McCallum, a European-based firm
- We surveyed 264 senior business leaders across the U.S., UK, and Rest of World (RoW), spanning a diverse cross-section of industries (e.g., financial services, healthcare, industrials) and company sizes/ownership structures (e.g., from small privately held firms to large multinationals)
- Nearly half of respondents hold C-suite or Executive Committee titles, and 45% represent PE-backed or publicly listed companies, lending the findings a strong signal of how decision-makers at scale are reading the current environment

ECONOMIC OUTLOOK

- Sentiment toward the global economy has become slightly more optimistic compared to six months ago, but the picture is more polarized than it may appear
- U.S. leaders have become simultaneously more pessimistic *and* more optimistic about the global economy since Q4 2025, having shed the neutral middle ground they held six months prior; in contrast, U.S. leaders feel slightly more optimistic about the domestic economy and their business performance
- Geopolitical instability remains the greatest perceived threat to domestic economies across regions, cited by 64% of U.S. leaders, 71% in UK, and 75% in RoW
- What's changed markedly over the past six months is the escalation of concern around domestic politics and volatile commodity prices in the U.S. and UK, while anxieties around tariffs and trade barriers have eased somewhat, a reversal from the prior survey in Q4 2025
- Supply chain disruption has emerged as a top-three concern in RoW, as the Middle East conflict has impacted geopolitics and commodity prices significantly
- On monetary policy, nearly half of all business leaders globally expect interest rates to rise over the next year, though U.S. leaders are notably more divided (only 27% expect increases, with a meaningful share anticipating cuts); news that the criminal investigation into Fed Chair Jerome Powell was dropped, clearing a path for the potential nomination of Kevin Warsh, who is seen as more rate-cut-friendly, likely impacted this view
- Inflation pessimism runs deep: just over half of respondents globally do not expect inflation to return to target until beyond 2028, with RoW respondents among the most skeptical of a near-term resolution

Executive Summary

BUSINESS OUTLOOK

- Despite the macroeconomic headwinds, global business leaders remain broadly resilient in their outlook for their own organizations
  - Nearly 70% express optimism about their company's performance over the next 1-2 years, an increase from six months ago
  - U.S. leaders are the most upbeat, while the UK is comparatively more subdued, reflecting more pessimistic views on both the domestic and global economy
- Changing customer demand is the most significant external factor expected to impact company performance in the U.S. (41%) and UK (54%), which is consistent with the last survey
  - Geopolitical instability concerns in the U.S. increased from 14% to 30% in the last six months, and the UK (34%) and RoW (49%) are even more concerned
  - Volatile commodity prices, which was not a significant factor in any region six months ago, is now the 2nd most significant factor in RoW and 4th in the UK
  - Interestingly, U.S. leaders perceive volatile commodity prices as more of a threat to the U.S. economy (25%) than to their own businesses (7%), while those in the UK and RoW are more likely to view prices as a threat to their economies (UK, 46% and RoW, 54%) and businesses (UK, 27% and RoW 38%)
- Internally, AI & data usage continues to be the leading strategic priority across regions, cited by 57% of U.S. leaders, 52% in the UK, and 41% in RoW
  - In the U.S. the number of leaders who consider AI & data usage a top internal issue grew from 38% in the last six months
  - Notably, leaders who are more pessimistic about their company's performance are focused on cost reduction, pricing, and cash flow management
  - Those who are optimistic about their company's performance are more focused on international expansion, a telling divide in how organizations at different confidence levels are allocating strategic attention
- The conflict in the Middle East has cast a shadow on business operations globally: at least 50% of all respondents report being at least somewhat impacted, with the U.S. less affected than the UK and RoW
  - Among those impacted, increased energy prices (50%) and lower demand for products and services (45%) are the most cited effects
  - A clear correlation emerges between degree of Middle East conflict exposure and business pessimism, as leaders most significantly affected by the conflict skew more negatively in their company performance outlook

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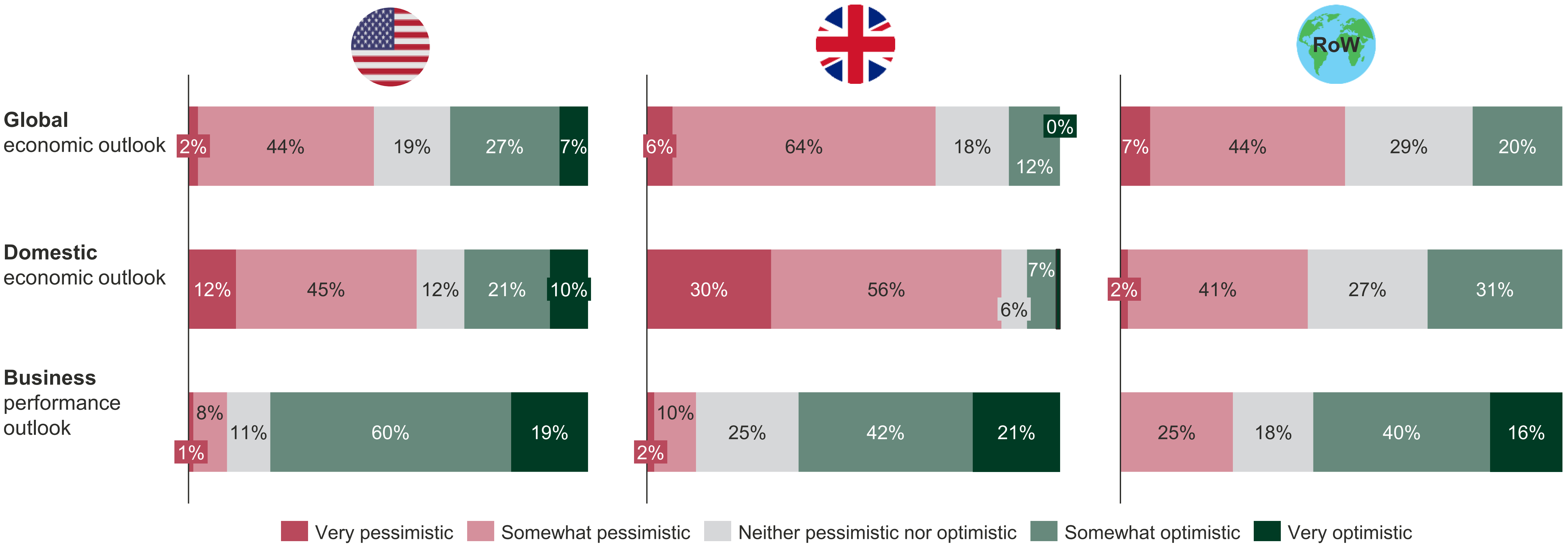
U.S. leaders are the most positive about their business outlook, while UK business leaders are particularly negative about their domestic and the global economy

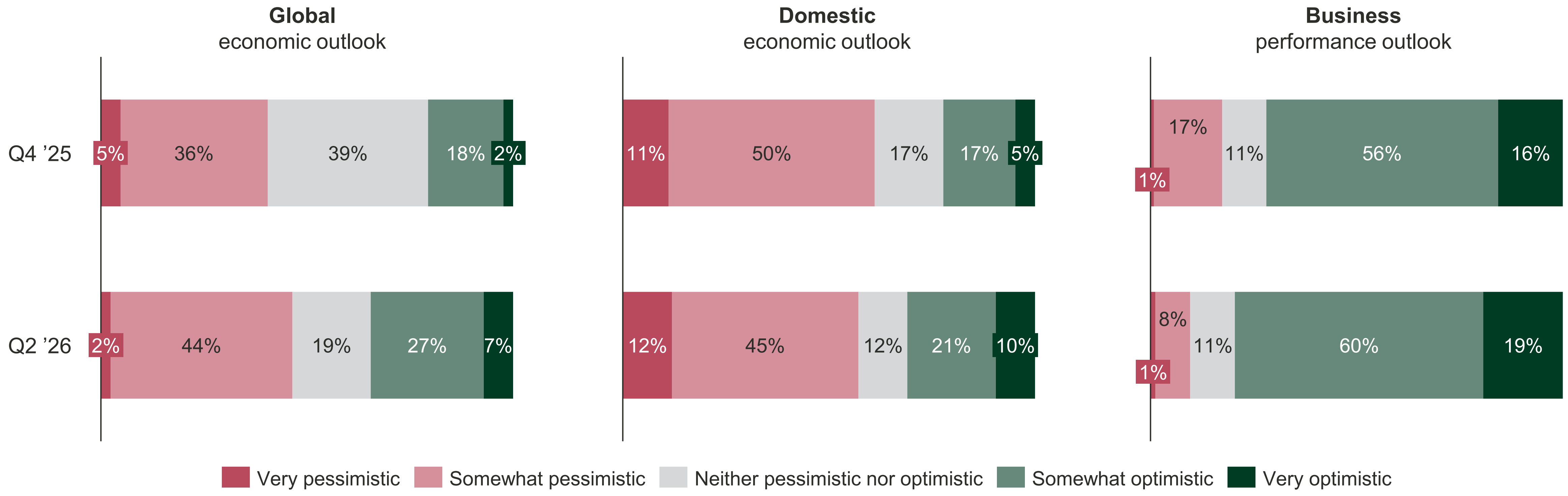
Economic outlook (Q2 '26), by country



U.S. n: 83-84; UK n: 109-113 ; RoW n: 55-59 (RoW excl. Europe n: 8)
Notes: Excludes those who answered 'Don't know'.
Source: HPA Business Outlook Survey Q2 '26: Q6 - How pessimistic or optimistic are you about the global economic outlook over the next 1-2 years?; Q7 - How pessimistic or optimistic are you about your country's economic outlook over the next 1-2 years?; Q11 - How pessimistic or optimistic are you about your company's performance over the next 1-2 years?

Optimism and pessimism around the global economy have simultaneously increased among U.S. business leaders, who were more neutral six months ago

U.S. economic and business outlook (Q4 ’25-Q2 ’26), 6-month comparison



Q4 ’25 n:121-126; Q2 ’26 n: 83-84
Notes: Excludes those who answered ‘Don’t know’.
Source: HPA Business Outlook Survey: Q6 - How pessimistic or optimistic are you about the global economic outlook over the next 1-2 years?; Q7 - How pessimistic or optimistic are you about your country's economic outlook over the next 1-2 years?; Q11 - How pessimistic or optimistic are you about your company’s performance

Geopolitical instability is the top threat across geographies; domestic politics is also a leading concern in the U.S. and UK, along with volatile commodity prices in RoW

Perceived threats to domestic economy (Q2 '26), by country

UNITED STATES	
Geopolitical instability	64%
Domestic politics	55%
Inflation	45%
Trade barriers	33%
Volatile commodity prices incl. energy	25%

UNITED KINGDOM	
Geopolitical instability	71%
Domestic politics	49%
Volatile commodity prices incl. energy	46%
Inflation	41%
Trade barriers	25%

RoW REST OF WORLD	
Geopolitical instability	75%
Volatile commodity prices incl. energy	54%
Supply chain disruption	51%
Inflation	32%
Domestic politics Trade barriers	15%

U.S. n: 84; UK n: 113; RoW n: 59
Notes: Participants could select a maximum of 3 answers. Excludes those who answered 'Don't know'. Top 5 answers shown.
Source: HPA Business Outlook Survey: Q8 - What do you see as the greatest threats to your country's economy over the next 1-2 years?

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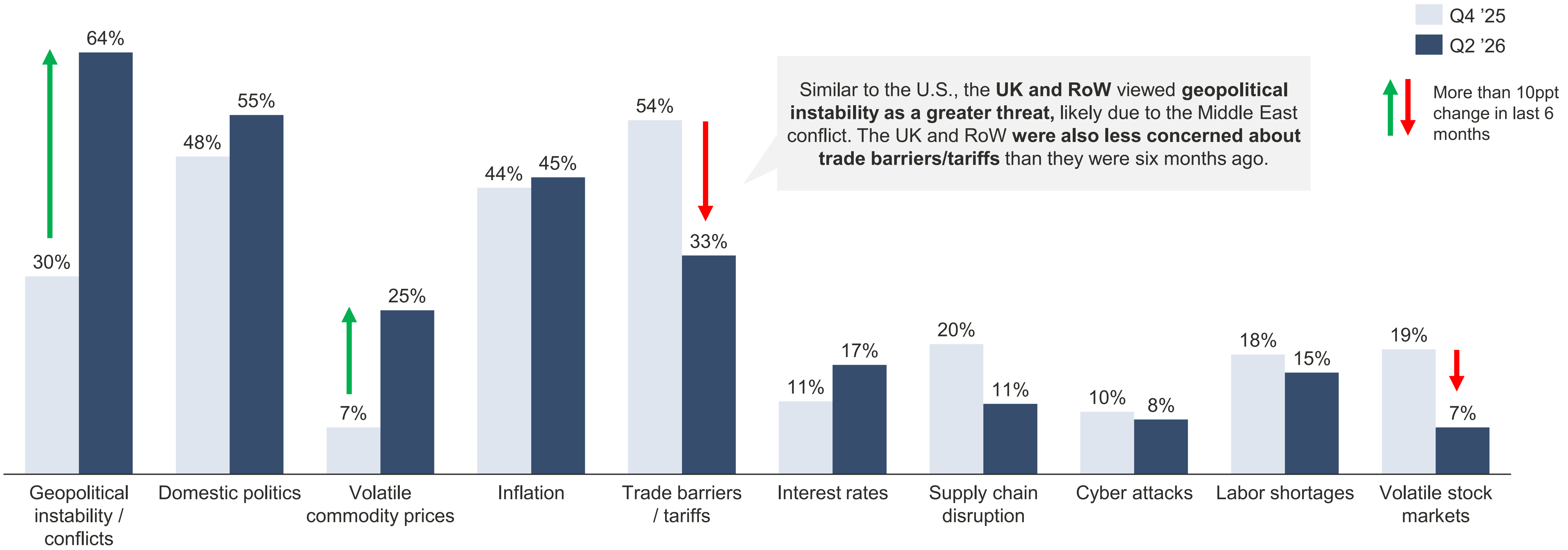
In the U.S., perceived threats around geopolitical instability & volatile commodity prices have increased significantly over the last six months

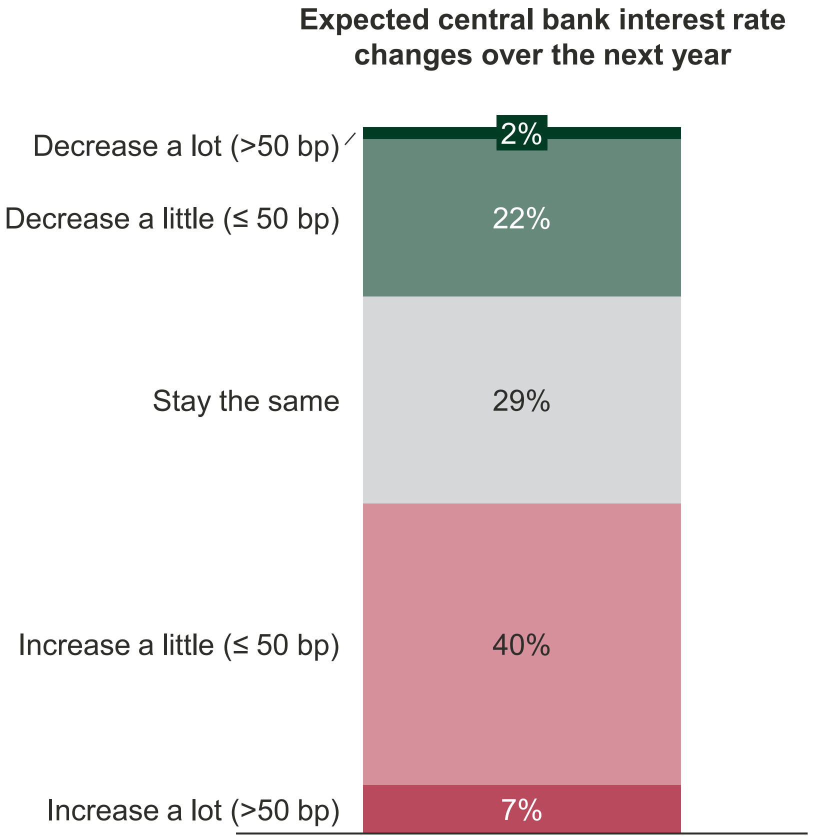
U.S. perceived threats to domestic economy, Q4 ‘25-Q2 ‘26, 6-month comparison

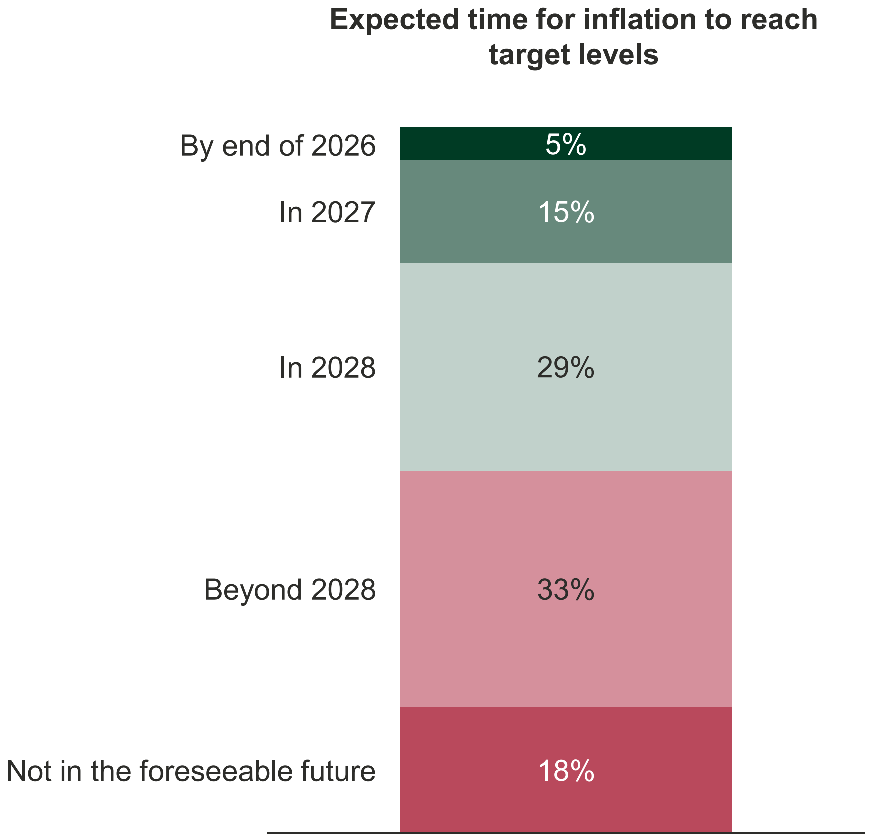


Q4 ’25 n: 126; Q2 ’26 n: 84
Notes: Participants could select a maximum of 3 answers. Excludes those who answered ‘Don’t know’. 12% and 2% responded ‘Other’ in Q4 ’25 and Q2 ’26 respectively; 0% and 1% responded ‘Environmental Issues’ in Q4 ’25 and Q2 ’26 respectively; 1% and 2% responded ‘Terrorism’ in Q4 ’25 and Q2 ’26 respectively
Source: HPA Business Outlook Survey: Q8 - What do you see as the greatest threats to your country’s economy over the next 1-2 years?

Nearly 50% of business leaders expect interest rates to increase over the next year, while just over half expect inflation to reach target in more than 3 years' time

Expectations for interest rates and inflation (Q2 '26)



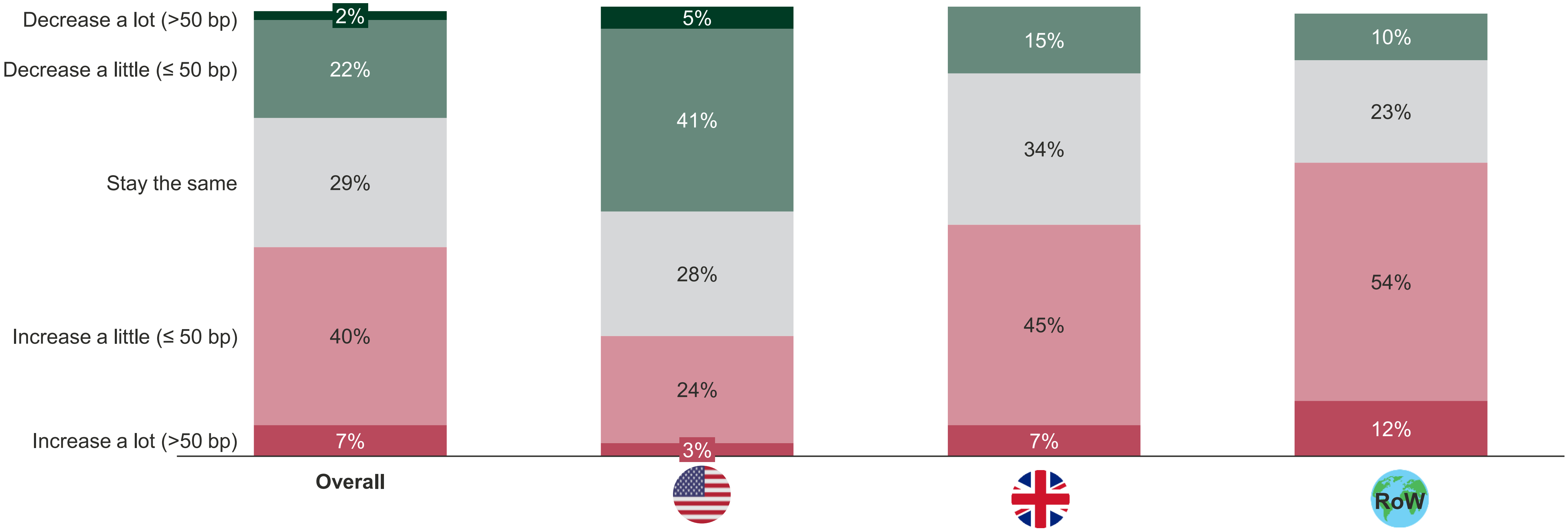


Total n Interest rates: 246; Total n Inflation: 234
Note: Excludes those who answered 'Don't know'.
Source: HPA Business Outlook Survey: Q9 – Over the next year, what do you think will happen to central bank interest rates in your country / economic zone? Q10 - How long do you think it will take for inflation to reach target levels (c. 2%) in your country / economic zone?

U.S leaders are most likely to expect interest rates to decrease slightly, while the UK and RoW generally believe they will increase slightly over the next year

EXPECTED central bank interest rate changes over the subsequent year (Q2 '26), by geography

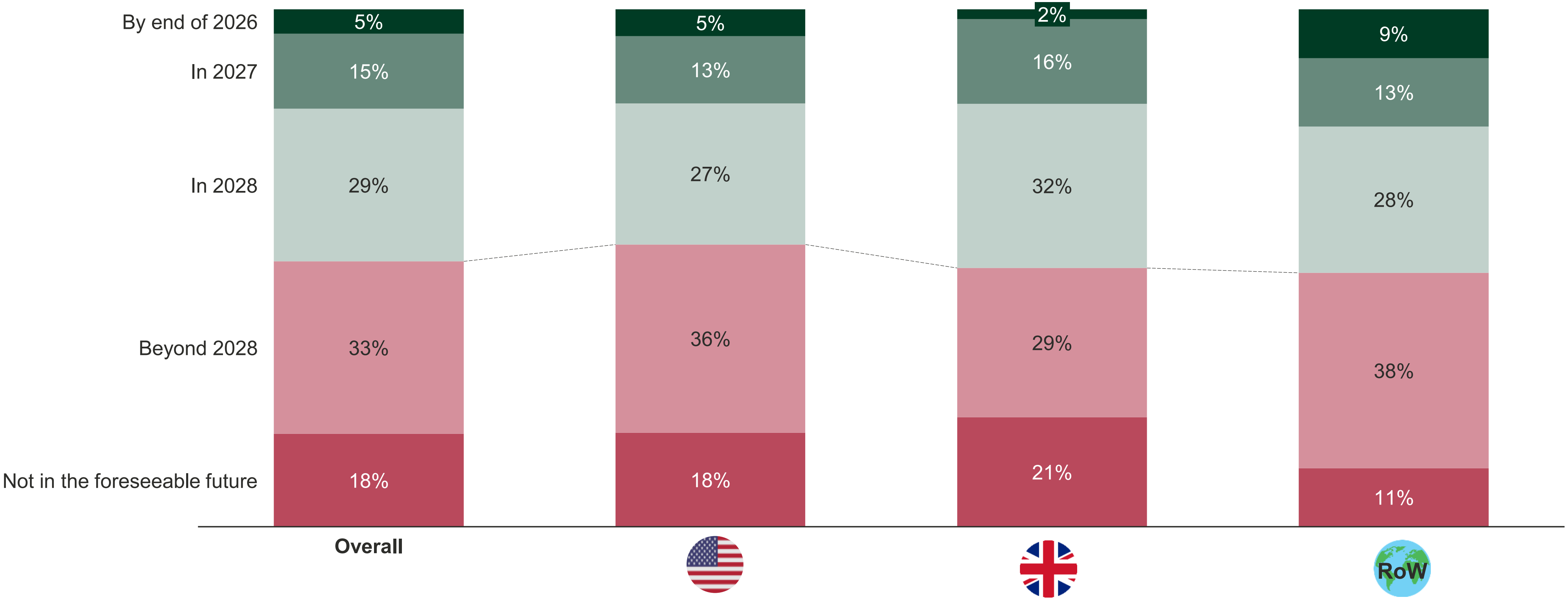
On April 24, 2026, the **U.S. criminal investigation into Fed chair Jerome Powell** was dropped, removing a key hurdle to Kevin Warsh's nomination as the next chair; Warsh is expected to be more open to cutting rates than Powell. **Post the news, there was a slight uptick in 'decrease'** responses, from 44% to 50%



Total n: 246; U.S. n: 80; UK n: 110; RoW n: 56
Note: Excludes those who answered 'Don't know'.
Source: HPA Business Outlook Survey: Q9 – Over the next year, what do you think will happen to central bank interest rates in your country / economic zone?

Only 20% of business leaders globally expect inflation to reach target levels sometime in 2027, and only 5% expect it by the end of this year

EXPECTED time for inflation to reach target levels (Q2 ’26), by geography



Total n: 234 (U.S. n: 77; UK n: 104; RoW n: 53)
Note: Excludes those who answered ‘Don’t know’.
Source: HPA Business Outlook Survey: Q10 - How long do you think it will take for inflation to reach target levels (c. 2%) in your country / economic zone?

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Change in customer demand is perceived as the top external issue in the U.S. and UK, while geopolitical instability poses a significant concern across geographies

EXTERNAL factors impacting company performance (Q2 '26), by country

UNITED STATES	
Change in customer demand	41%
Business model disruption	33%
Geopolitical instability	30%
Inflation	30%
Trade barriers/tariffs	25%

UNITED KINGDOM	
Change in customer demand	54%
Geopolitical instability	34%
Business model disruption	31%
Volatile commodity prices incl. energy	27%
New entrants/competitors	22%

REST OF WORLD	
Geopolitical instability	49%
Volatile commodity prices incl. energy	38%
Change in customer demand	27%
Business model disruption	16%
Inflation	16%
Regulatory changes	16%

U.S. n: 83; UK n: 108; RoW n: 55
Notes: Participants could select a maximum of 3 answers. Excludes those who answered 'Don't know'. 8% responded 'Other' (11% U.S., 7% UK,. and 5.5% RoW). Top 5 answers shown.
Source: HPA Business Outlook Survey: Q12 - What are the most important external factors likely to impact your company's performance over the next 1-2 years? [Please select up to three]

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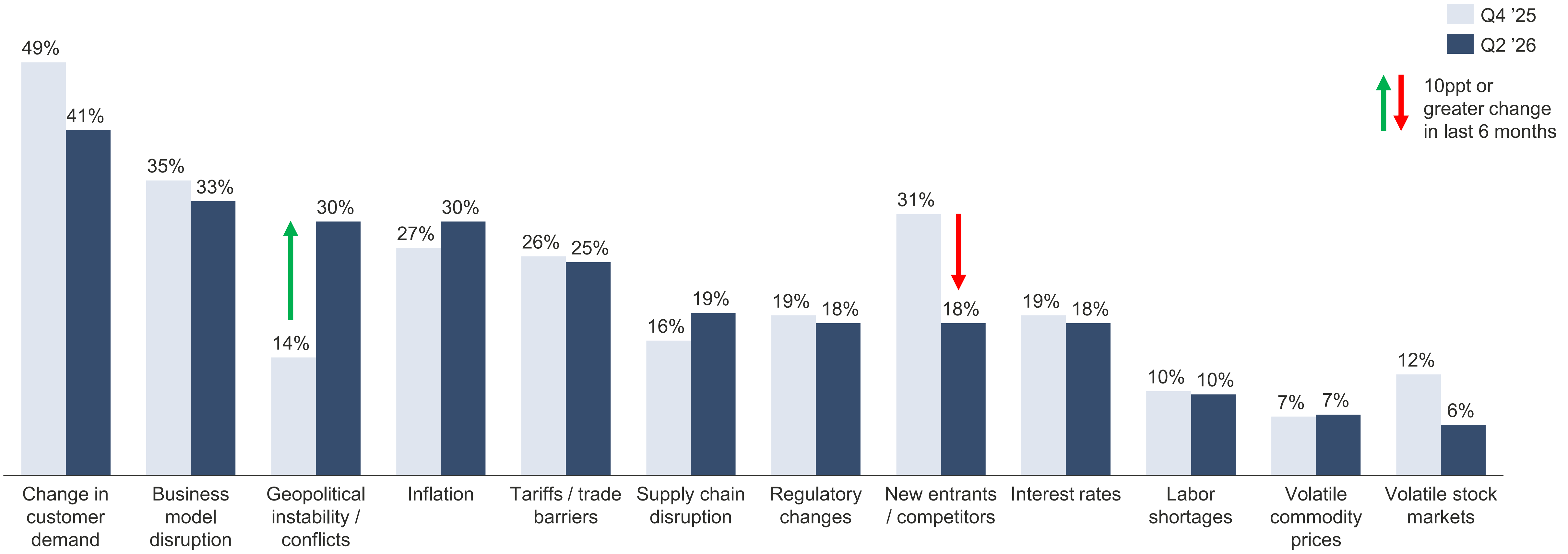
Over the last six months, concerns over geopolitical instability/conflicts have risen significantly in the U.S., while concerns about new entrants have declined

U.S. perceived impact of EXTERNAL factors, Q4 2025 - Q2 2026, 6-month comparison



Q4 ’25 n: 121; Q2 ‘26: n: 83

Notes: Participants could select a maximum of 3 answers. Excludes those who answered ‘Don’t know’; 0% and 1% selected ‘Pandemic / health crisis’ in Q4 ’25 and Q2 ’26 respectively; 2% selected ‘Cyber Attacks’ in both Q4 ’25 and Q2 ’26 respectively; 1% selected ‘Environmental Issues’ in both Q4 ’25 and Q2 ’26 respectively; 0% and 1% selected ‘Terrorism’ in Q4 ’25 and Q2 ’26 respectively

Source: HPA Business Outlook Survey: Q12 - What are the most important external factors likely to impact your company’s performance over the next 1-2 years? [Please select up to three]

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Optimizing use of data/AI is the top internal issue across all geographies, followed by talent and business model transformation

INTERNAL factors impacting company performance (Q2 ’26), by country

UNITED STATES	
AI & Data Usage	57%
Talent	26%
Cost reduction	26%
Business model transformation	24%
Digital transformation	23%

UNITED KINGDOM	
AI & Data Usage	52%
Talent	32%
Digital transformation[1]	28%
Business model transformation	28%
Cost reduction	21%

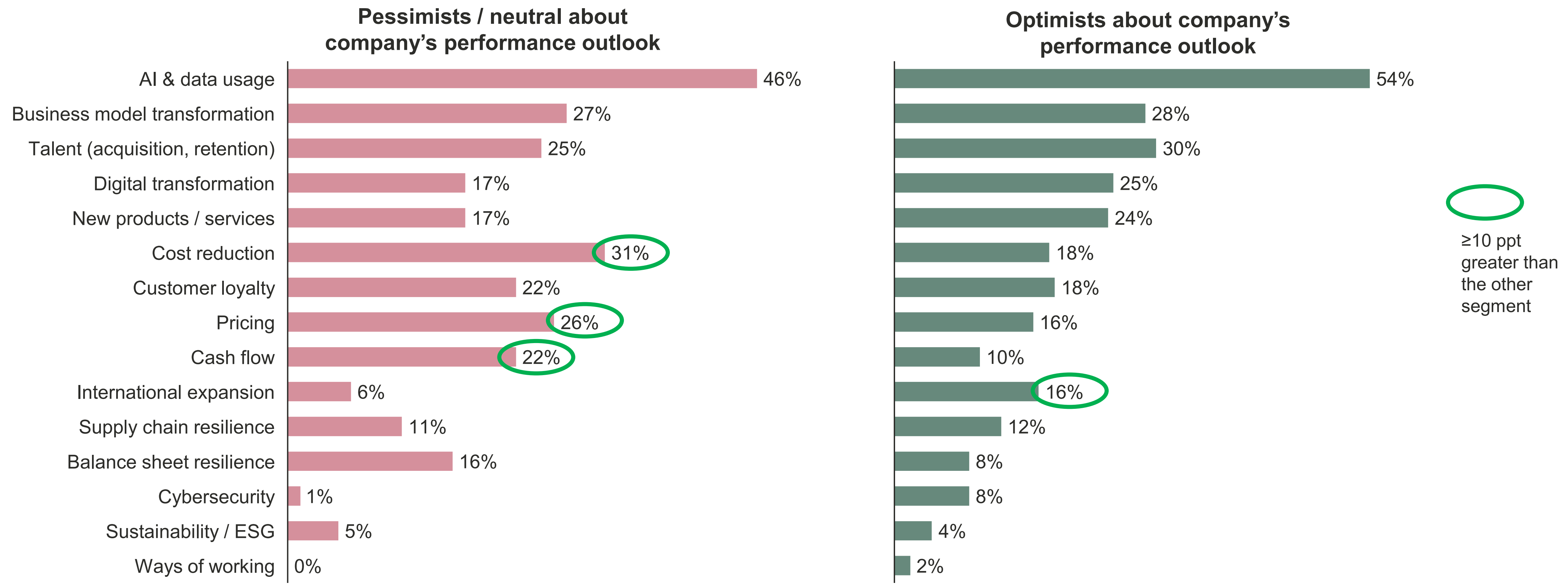
RoW

REST OF WORLD	
AI & Data Usage	41%
Business model transformation	35%
New products / services	28%
Talent	24%
Customer loyalty	13%

U.S. n: 82; UK n: 109; RoW n: 54
Notes: Participants could select a maximum of 3 answers. Excludes those who answered ‘Other’ or ‘Don’t know’. Top 5 answers shown.
1 Digital transformation in the UK is slightly ahead of Business Model transformation (28.5% vs. 27.5%)
Source: HPA Business Outlook Survey: Q13 - What are the most important internal issues for your company over the next 1-2 years? [Please select up to three]

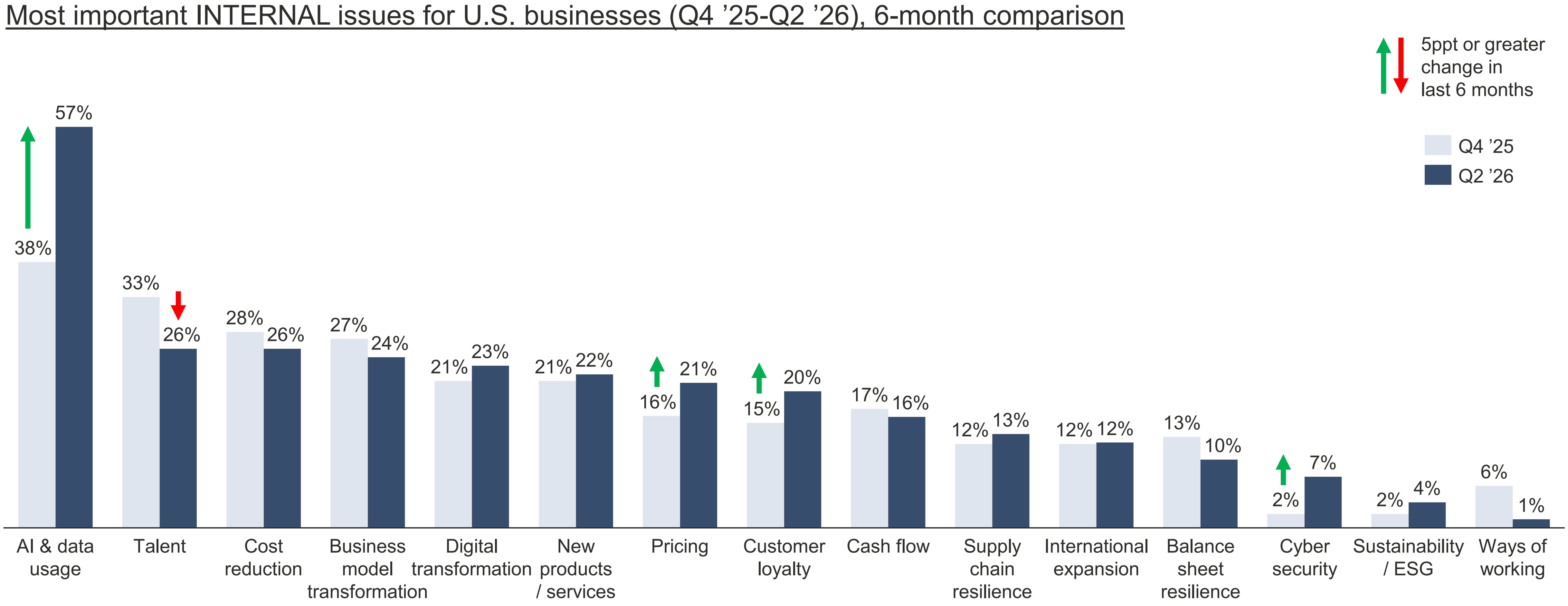
Leaders who are more pessimistic about performance outlook are more likely to cite cost reduction, pricing, and cash flow as the most significant internal issues

Level of optimism/pessimism about company performance vs. most important INTERNAL issues (Q2 ’26)



Pessimists n = 35; Neither pessimists nor optimists n = 46; Optimists n = 165
Note: Excludes those who answered ‘Don’t know’.
Source: HPA Business Outlook Survey: Q11 - How pessimistic or optimistic are you about your company’s performance over the next 1-2 years?; Q13 - What are the most important internal issues for your company over the next 1-2 years? [please select up to three]

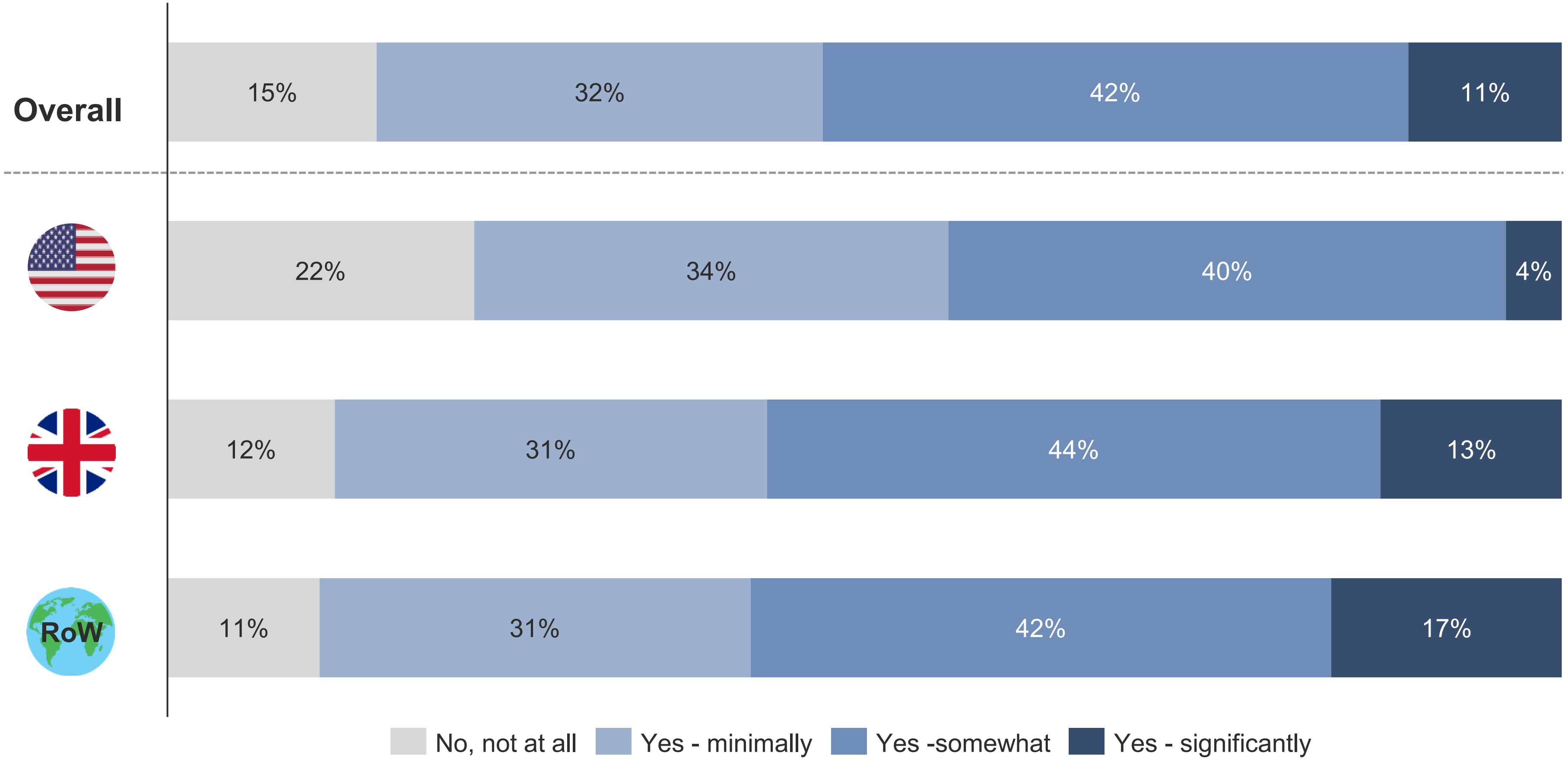
In the U.S., optimizing AI & data usage continues to grow in importance, having increased nearly 20% in the last six months



Q4 '25 n: 121; Q2 '26 n: 82
Notes: Participants could select a maximum of 3 answers. Excludes those who answered 'Don't know'.
Source: HPA Business Outlook Survey: Q13 - What are the most important internal issues for your company over the next 1-2 years? [please select up to three]

At least 50% of all respondents have been at least somewhat impacted by the Middle East conflict, with the U.S. impacted less than the UK and RoW

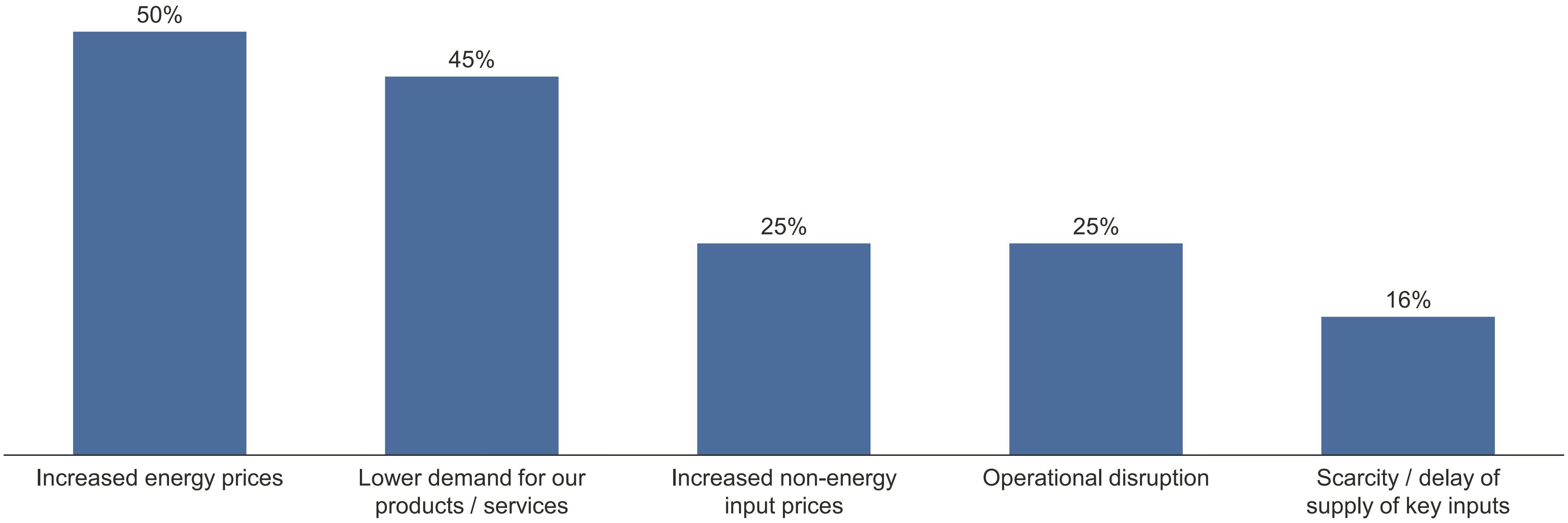
Impact of Middle East conflict, by geography (Q2 '26)



n = 244 (U.S. n: 82; UK n: 107; RoW n: 55)
Note: Excludes those who answered "Don't know"
Source: HPA Business Outlook Survey: Q14 - Has the war in the Middle East impacted your organization? If so, how significantly?

Half of organizations are experiencing increased energy prices as a result of the Middle East conflict, while 45% are seeing lower demand for products / services

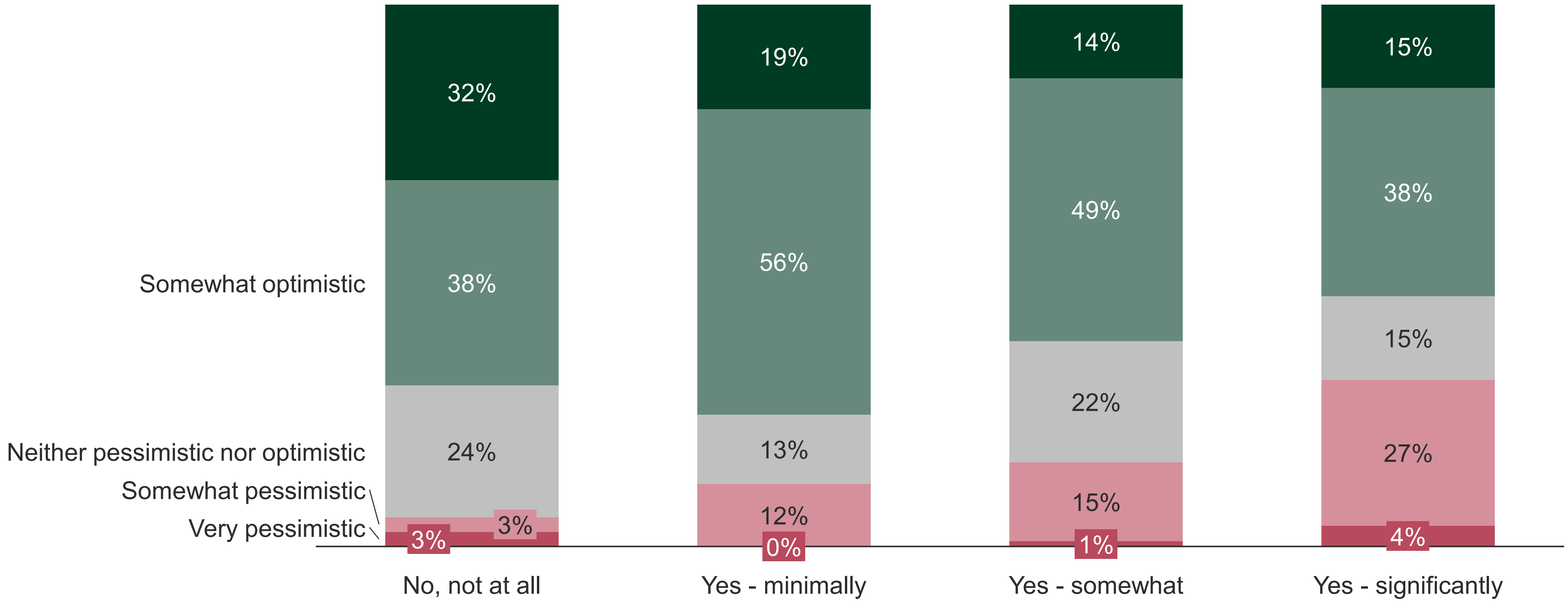
Ways in which the Middle East conflict is impacting organizations (Q2 ’26)



n = 207
Notes: For those who answered ‘Yes’ in Q14 (Has the war in the Middle East impacted your organization? If so, how significantly?); 18% answered ‘Other’ for Q15
Source: HPA Business Outlook Survey: Q15 - In what way has this war impacted your organization? [Select all that apply]

Business leaders who are more impacted by the Middle East conflict are more likely to be pessimistic about their company's performance outlook

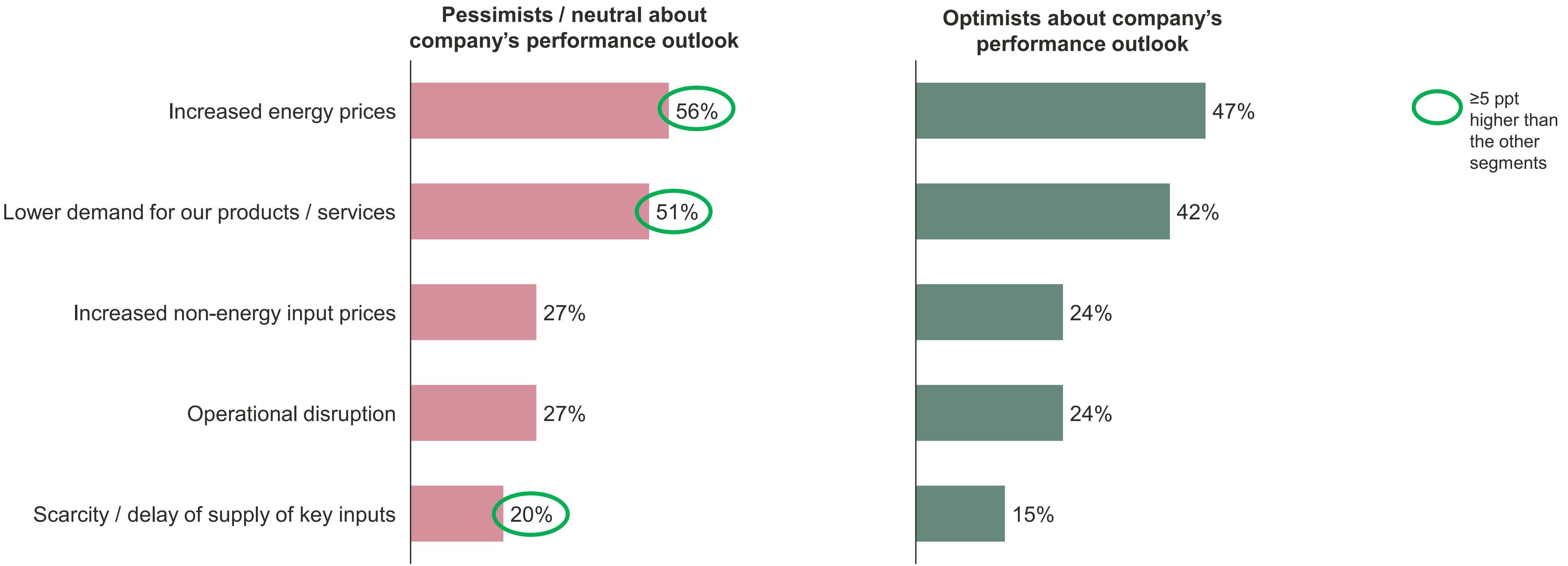
Optimism about business outlook, driven by impacts of Middle East conflict (Q2 '26)



n = 244
Source: HPA Business Outlook Survey: Q14 - Has the war in the Middle East impacted your organization? If so, how significantly?; Q11 - How pessimistic or optimistic are you about your organization's performance over the next 1-2 years?

Leaders who are pessimistic about their business outlook are more likely to have been impacted by increased energy prices, lower demand, and delay of key inputs

Impacts of Middle East conflict, by level of optimism about business outlook (Q2 ’26)



n = 244
Notes: For those who answered ‘Yes’ in Q14 (Has the war in the Middle East impacted your organization? If so, how significantly?); 18% responded ‘Other’ (13% Pessimists/neutral’ and 20% ‘Optimists’)
Source: HPA Business Outlook Survey: Q15 - In what way has this war impacted your organization? [Select all that apply]; Q11 - How pessimistic or optimistic are you about your organization’s performance over the next 1-2 years?

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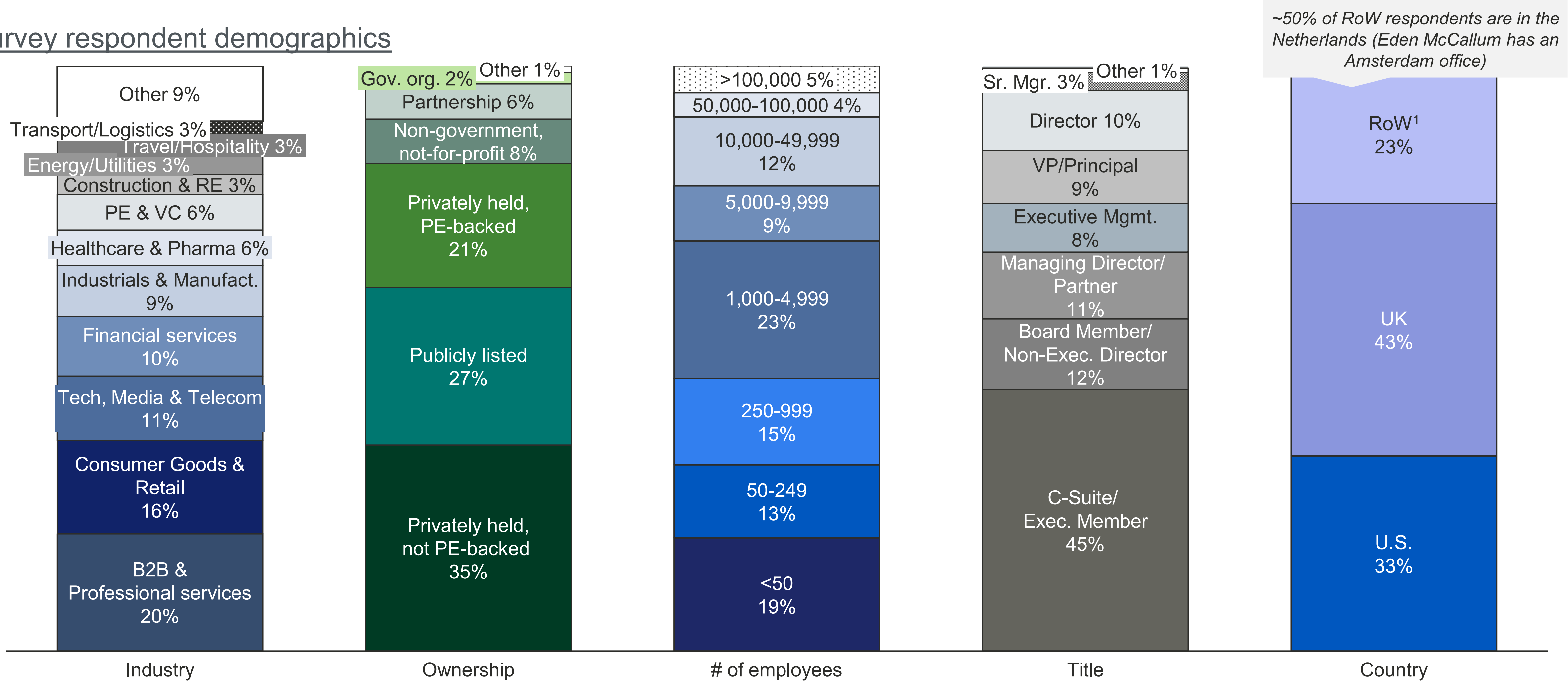
We surveyed 264 business leaders across a broad range of industries within companies of varying sizes and ownership models

Survey respondent demographics



n: 264; RoW n of participants includes Switzerland: 6, France: 4, Germany: 4, Canada: 3, Ireland: 2, Czech Republic: 1, Italy: 1, Norway: 1, Spain: 1, Turkey: 1, Australia: 1, Bahrain: 1, British Virgin Islands: 1, India: 1, UAE: 1
Notes: 1) Other includes Primary industries (mining, forestry, agriculture, etc) 1%; Public sector/social sector/NGO 2%
Source: HPA Business Outlook Survey Q2 '26: Q1 - Which industry is your company / organization in?; Q4 - How would you best describe your organization? Please select one.; Q2 - How many people does your company / organization employ in total?

The U.S. sample skewed more heavily towards B2C, while the majority of RoW respondents work at B2B companies

Key facts about the survey respondent sample

	INDUSTRY FOCUS		OWNERSHIP STRUCTURE				COMPANY SIZE (FTES)		
	B2B	B2C	Publicly listed	Privately held	Partnership	Gov or NGO	0-249	250-4,999	5,000+
U.S.	38%	62%	31%	57%	6%	7%	30%	36%	34%
UK	53%	47%	24%	62%	7%	7%	36%	41%	23%
RoW	70%	30%	31%	51%	5%	13%	29%	36%	36%

n: 264
Note: B2B and B2C split excludes those who answered 'Other' for Industry focus (1 in the U.S., 11 in UK, and 5 in RoW); Ownership structure split excludes those who answered 'Other' for ownership structure (1 in UK, 2 in RoW). Numbers may not add to 100% due to rounding
Source: HPA Business Outlook Survey: Q1 - Which industry is your company / organization in?; Q4 - How would you best describe your organization? Please select one.; Q2 - How many people does your company / organization employ in total?; Q3 – In which country do you live?

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