

## Why CEOs are surprisingly optimistic about the U.S. economy

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**Warm-up question:** Have you ever experienced a situation where rules or policies kept changing? How did it make you feel?

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AILSA CHANG, HOST:

President Trump has now announced then delayed new tariffs several times. And if fully **implemented**, they are expected to lead to much higher prices, which would be bad for the U.S. economy. But many business leaders say they're optimistic. NPR business correspondent Maria Aspan reports.

MARIA ASPAN, BYLINE: American businesses are feeling the **whiplash** of President Trump's new tariffs against Canada, Mexico and China. Just listen to CNBC this week.

EAMON JAVERS: The president said those 25% tariffs will go into effect tomorrow.

UNIDENTIFIED REPORTER: The White House will be giving automakers - any cars in North America - a one-month delay on the tariffs that they had just announced this week.

MEGAN CASSELLA: Some major tariff relief coming for Mexico, at this point.

ASPAN: So corporate America, like the rest of us, doesn't know what to expect. On Wall Street, markets swung up and down this week.

ANNA TAVIS: Businesses don't like uncertainty.

ASPAN: Anna Tavis runs NYU's Department of Human Capital Management, where she talks to executives across corporate America. And as she points out, there's been a lot of uncertainty. Some businesses are really worried about the tariffs becoming permanent, especially the automakers, retailers and other **consumer-facing** companies that would be directly affected. This week, Best Buy CEO Corie Barry warned that price increases for American consumers are, quote, "highly likely."

CORIE BARRY: We've never seen this kind of **breadth** of tariffs, and this, of course, impacts the whole industry.

ASPAN: Yet at the same time, business leaders have been saying they feel pretty great about the economy in general. In fact, CEO confidence is at a three-year high, according to The Conference Board. It regularly polls the heads of the largest U.S. companies, and it finished its latest survey on February 10, after Trump had first announced, then first delayed, the details of his new tariffs.

STEPHANIE GUICHARD: I know people were surprised that we see this increase in CEO confidence at the time that tariffs may have a negative impact on the economy.

ASPAN: That's Stephanie Guichard. She's a senior economist at The Conference Board, and she says that many of the CEOs surveyed said they were worried about tariffs, but they're more focused on Trump's other business-friendly promises.

GUICHARD: They are not thinking so much about tariffs. They are thinking about **deregulation**. They are thinking about lower taxes.

ASPAN: Take Goldman Sachs CEO David Solomon. When he talked to CNBC right after Trump's inauguration, he called the impact of tariffs - yep - uncertain. But he also said this...

DAVID SOLOMON: The U.S. economy is in pretty good shape, and it's not going to be a smooth, perfect path. But people are optimistic that we are going to run a more growth-prone **agenda**.

ASPAN: Meanwhile, NYU's Tavis points out that there are big risks and limited rewards for executives who publicly criticize Trump or his policies. And in general, she says, part of a CEO's job is to **project confidence** in their own businesses, in the markets and in the broader economy.

CHAIR, DEPARTMENT OF HUMAN CAPITAL MANAGEMENT, NYU: They have no control over what the government is going to do, regardless of how they feel. Obviously, they want to be, you know, on the winning side of whatever happens.

ASPAN: So CEOs have good reasons to look for the upside, while they and everyone else, waits to see what actually happens next.

Maria Aspan, NPR News, New York.

**Vocabulary and Phrases:**

1. **Implement** – To put a plan, decision, or law into effect.
2. **Whiplash** – A sudden and unexpected change that causes confusion or difficulty.
3. **Breadth** – The extent or range of something.
4. **Deregulation** – The process of removing government controls and restrictions from an industry.
5. **Uncertainty** – A situation where it is not clear what will happen in the future.
6. **Consumer-facing** – Describing businesses or products that deal directly with customers.
7. **Survey** – A method of collecting information by asking questions to a group of people.
8. **Agenda** – A plan or set of goals that someone is trying to achieve.
9. **Project confidence** – To appear or act in a way that makes others feel secure or optimistic.

**Comprehension Questions:**

1. What effect could the tariffs have on the U.S. economy if fully implemented?
2. Why are businesses experiencing whiplash regarding Trump's tariff announcements?
3. How have Wall Street markets reacted to the uncertainty surrounding tariffs?
4. What industries are especially worried about the impact of tariffs?
5. Despite concerns about tariffs, why are many business leaders still optimistic?
6. According to Stephanie Guichard, what other policies are CEOs more focused on?
7. Why might CEOs be hesitant to publicly criticize Trump's policies?

**Discussion Questions:**

1. Do you think companies should speak out against government policies that could negatively impact them, or should they remain neutral? Why?
2. How do you think tariffs impact consumers in everyday life?
3. Have you ever faced uncertainty in your workplace or personal life? How did you handle it?
4. Do you think deregulation is generally good or bad for businesses? Why?
5. What do you think are the responsibilities of business leaders when faced with political and economic uncertainty?