Grant Thornton

CFO SURVEY REPORT 2026 Q2

CFOs lean in on tech as market pressure mounts

Firms bank on AI investments despite performance concerns

Introduction

Executive summary

Despite sharply declining economic confidence, CFOs are accelerating technology investments, particularly in AI, to navigate inflation, geopolitical disruption and supply chain volatility. Grant Thornton's 2026 Q2 CFO survey reveals a growing gap between investment ambition and execution confidence, underscoring the need for stronger governance, cost discipline and organizational readiness. Finance leaders are prioritizing AI-enabled efficiency, selective M&A and sustainable cost optimization, recognizing that long-term value creation will depend on disciplined execution in an increasingly complex environment.

Even as economic confidence weakens sharply, finance leaders are intensely focused on increasing technology investment.

The urgency to invest, paired with declining confidence in execution, is revealed in Grant Thornton's 2026 Q2 CFO survey data and reflects finance leaders performing a delicate balancing act in challenging economic conditions.

Economic confidence deteriorated sharply in the survey of 232 finance leaders that was in the field from April 28 to May 11. Pessimism rose as rising oil prices — driven by the outbreak of war in Iran and the closure of the Strait of Hormuz — added to an already uncertain environment.

Only 37% of the 232 finance leaders surveyed reported an optimistic outlook for the U.S. economy, marking the lowest level in 20 quarters.

Pessimists (40%) now outnumber optimists, and other key indicators point to continued strain:

- Confidence in meeting supply chain needs fell significantly, from 58% to 43%, while supply chain pressures have intensified as a top priority for 36% of finance leaders, up from 24% last quarter.
- Cost optimization rose sharply as a priority, with 87% planning cost reduction initiatives, up from 72% in Q1.
- Confidence in achieving cost control goals remains weak, with just 42% of leaders expressing confidence, down from 51% last quarter.

"Tariff uncertainty is creating challenges with supply chains, and the oil supply and war created a lot of the economic uncertainty and pessimism that we've seen," said Grant Thornton Tax Solutions, Quality & Risk Leader Dana Lance.

Despite this decline in confidence, CFOs are continuing to accelerate technology investments and are accepting greater execution risk in the process. Two-thirds (67%) expect their IT and digital transformation spending to increase, nearly matching last quarter's record high of 68%. At the same time, tech upgrades as a strategic priority rose 13 percentage points to 48%.

This dynamic is creating a widening gap between ambition and execution. CFOs are investing for growth, even as their confidence in their ability to deliver continues to erode.

"These investments require disciplined oversight," said Grant Thornton National Finance Modernization Partner Mike Hennessey. "CFOs need clear processes to confirm ROI and enforce accountability."

Survey results point to a high-risk performance environment, driven by declining confidence in execution and rising cost containment pressures:

- Cost savings may be uncertain or difficult to sustain
- Operational resilience may be weakened
- Control environments may not keep pace with change, particularly as AI scales despite governance gaps

This is true even though AI makes it possible to deliver products and services and perform tasks in just hours that once took months.

“This speed is creating pressure across controls, cybersecurity and compliance functions,” Lance said. “Many organizations are not ready to operate at that pace.”

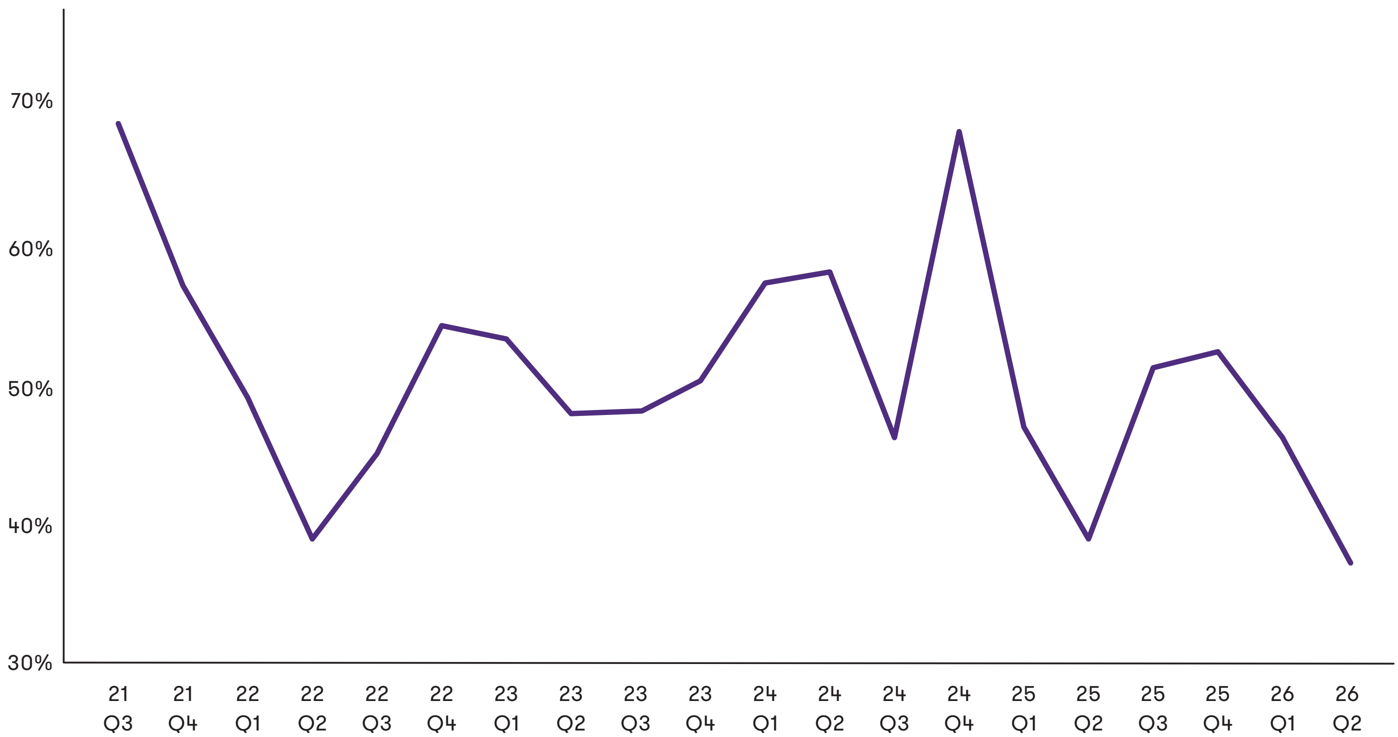
This is the central challenge CFOs now face: sustaining investment momentum without losing control.

CFOs can proactively address these challenges with disciplined tech investments and cost restructuring, but success will depend on their ability to execute consistently under pressure. This will require skillful leadership of AI adoption, careful cost management, and for many, the strategic navigation of M&A.

Economic optimism hits 5-year low

Q: Generally speaking, how would you classify your outlook regarding the U.S. economy over the next six months?

A = Optimistic or very optimistic



Source: Grant Thornton’s 2026 Q2 CFO survey, n=232

AI can support resilience as economic pressure builds

Finance leaders are operating in a volatile environment shaped by shifting trade policy, inflation and geopolitical disruption.

Confidence and optimism fell sharply in Q1 and Q2 of 2025 as new tariffs were imposed, then turned much more positive from Q3 of last year through Q1 of 2026 as tariff turbulence decreased somewhat and the business-friendly “One Big Beautiful Bill” tax legislation was passed.

Now pessimism has returned along with higher inflation rates, and finance leaders are concerned:

- 67% expected inflation to increase in the next 12 months, with 18% bracing for a significant increase
- 67% say energy security and commodity supply disruptions will have at least a moderate effect on their business over the next 12 months
- About two-thirds of organizations expect at least a moderate effect from tariffs and trade policy shifts as well as supply chain and logistics disruptions tied to geopolitics.

Despite these pressures, CFOs are maintaining a growth posture, as 68% of finance leaders expect profits to grow in the next 12 months, down just slightly from 72% last quarter.

“When I talk to clients, they’re prepared to deal with their challenges,” said Grant Thornton Audit Growth Leader Mike Desmond said. “Capital markets activity is increasing, especially in the middle market, led in part by the growing infrastructure supporting the evolving digital environment.”

This resilience is possible because many CFOs have been proactive in navigating economic volatility. Over the past 12 months, 67% have restructured cost and efficiency initiatives in response to persistent inflation.

Now AI capabilities are shifting the focus from cost control to cost intelligence. AI delivers cost optimization by automating high-volume work, surfacing inefficiencies, and improving decision speed and precision.

Finance leaders also are pursuing cost optimization through outsourcing. Thirty percent of finance leaders reported that they were participating in outsourcing in Latin America (nearshoring), an increase of 11 percentage points from the previous quarter.

However, most organizations are still applying AI unevenly across the business. Back-office gains are clear, but front-office transformation remains uncertain. Finance leaders see potential for new revenue streams but lack clear pathways to capture them.

“Executives are experiencing both optimism and anxiety as they search for the golden ticket and the governance structure to safeguard it,” Desmond said. “Using AI to prompt new revenue channels can drive competitive advantage.”

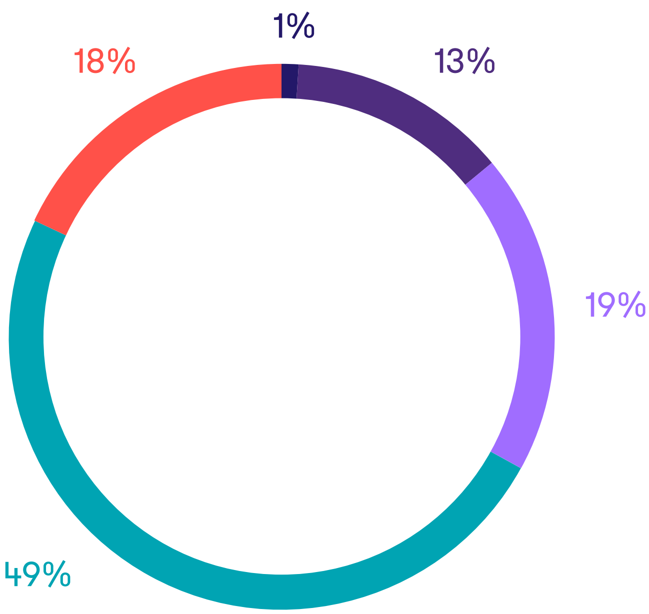
Leaders’ difficulties in creating those advantages increase competitive pressure as organizations search for scalable growth use cases.

“Capital markets activity is increasing, especially in the middle market, led in part by the growing infrastructure supporting the evolving digital environment.”

Mike Desmond, Audit Growth Leader, Grant Thornton

CFOs are bracing for inflation

Q: Over the next 12 months, what do you expect will happen to inflation?



- Decrease significantly **1%**
- Decrease somewhat **13%**
- Stay about the same **19%**
- Increase somewhat **49%**
- Increase significantly **18%**

Source: Grant Thornton's 2026 Q2 CFO survey, n=232

AI ROI requires strong governance

The 67% of finance leaders increasing IT spending are funding initiatives designed to drive competitive advantage, even as those investments add to an already heavy cost base.

“Although companies are starting to see the power of AI, they’re also starting to understand the cost requirements that come along with it,” Lance said.

These investments are not consistently delivering results because many organizations have governance over risk and compliance but lack governance around value creation.

Without a metrics-driven process to evaluate AI initiatives, organizations risk continued investment in underperforming use cases.

“When performance doesn’t meet criteria at each stage gate, leaders need to make decisions based on the metrics, not their emotions,” Desmond said.

CFOs who enforce disciplined prioritization will separate investment from value.

One area showing strong AI returns is FP&A. AI tools are improving forecasting by integrating external variables into scenario modeling. AI is incorporating trends in commodity pricing, inflation, GDP and many other factors into business planning.

“These tools allow corporations to forecast more quickly and accurately,” Hennessey said.

Meanwhile, AI-driven demand is reshaping industries and capital allocation. Construction, manufacturing and energy companies are seeing growth tied to data center expansion. Professional services firms are supporting clients’ AI adoption in all industries, as Grant Thornton’s AI Impact Survey shows that 97% of organizations are piloting or scaling AI or have fully integrated AI into their operations.

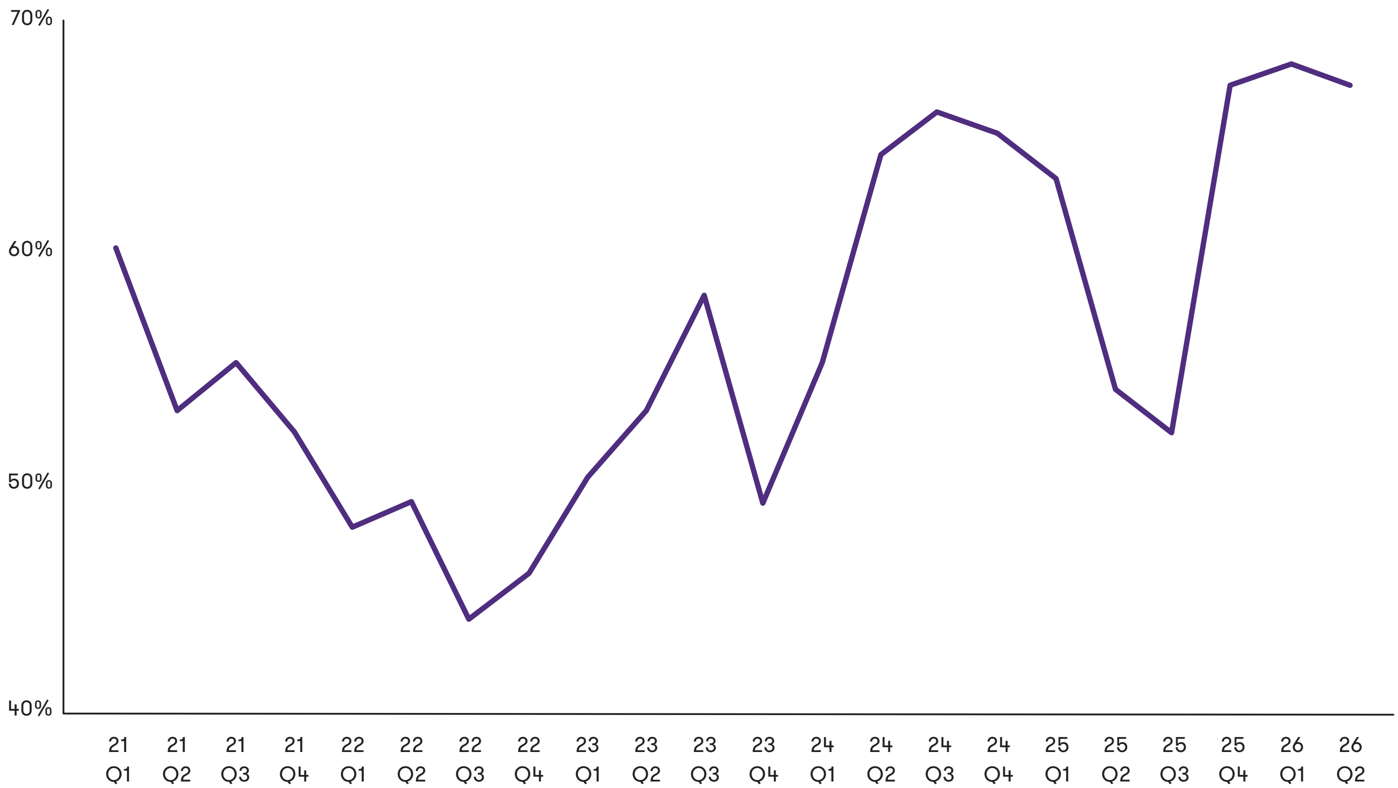
The shift is influencing how capital is deployed, including in M&A strategy.

“Access to capital driven by AI projects is leading to consolidation of emerging companies and in the middle market where these investments can be monetized,” Desmond said.

CFOs spend big on tech

Q: How do you expect IT/digital transformation expenses to change over the next 12 months, if at all?

A = Increase



Source: w Thornton’s 2026 Q2 CFO survey, n=232

M&A activity is growing but selective

Nearly half (42%) of finance leaders expect their organization's M&A activity to increase over the next 12 months, compared with just 6% who expect their M&A activity to decrease.

But just 11% expect significant increases in M&A activity, and after a few years of low M&A activity, the market favors targeted deals with clear value creation objectives, not broad expansion.

"There's a lot of money out there for deals, and there are a lot of private equity firms, but buyers are selective," said Grant Thornton | Stax Global Practice Lead Paul Edwards. "Assets anchored in value creation that's enhanced by AI are finding a strong following where the market tailwinds exist."

M&A participants are responding cautiously to that market. Instead of focusing on huge multiple expansions, private equity buyers are underwriting value creation around organic growth. Buyers also are avoiding businesses that might be disrupted by AI.

Technology deals have cooled, and buyers are seeking targets whose value is created by people whose contributions can be optimized by AI.

This means deals are increasing in the professional services sector, so much that one large investor that historically has focused narrowly on enterprise software recently contacted Edwards for an engagement related to a services deal.

When deals do get made, the new owners are focusing on using AI to create value. Sixty percent of finance leaders rated technology and AI-driven transformation as one of their top two value creation priorities. Revenue growth through pricing and commercial excellence was a distant second at 41%. Cost optimization rounded out the top three at 39%.

Edwards said that as CFOs contemplate value creation, they are taking a focused approach to AI efforts.

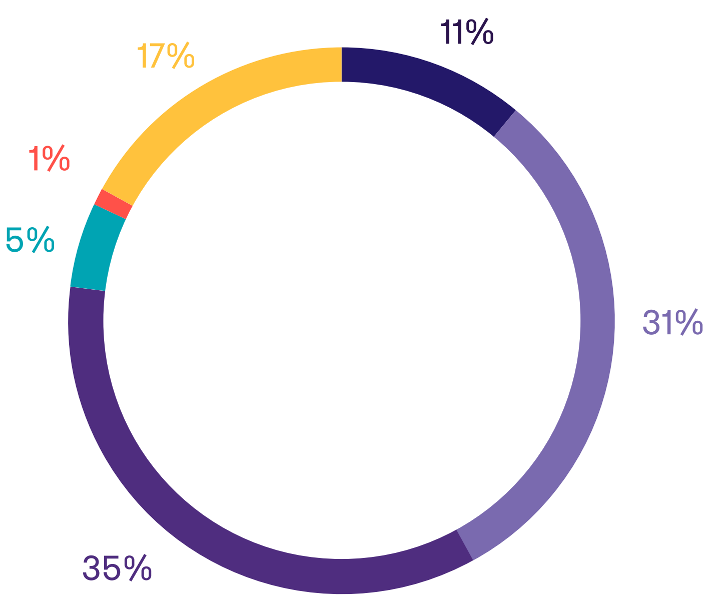
"A business that is running 25 AI pilots doesn't have a strategy," he said. "A business that is running two or three pilots does. CFOs want to manage time and expense on AI adoption."

Disciplined execution is replacing broad experimentation as the path to value in M&A as well as AI adoption.

Read more about our survey data on AI in M&A.

M&A expectations rise

Q: If you participate in M&A activity, how do you expect your organization's M&A activity to change over the next 12 months?



- Increase significantly **11%**
- Increase somewhat **31%**
- No change **35%**
- Decrease somewhat **5%**
- Decrease significantly **1%**
- We don't participate in M&A activity **17%**

Source: Grant Thornton's 2026 Q2 CFO survey, n=232

Key takeaways

Successful CFOs understand how to overcome adversity. The following strategies can help them use their personal resilience to navigate a challenging economy:

Strengthen pricing discipline, but treat it as one lever within a broader strategy: CFOs are finding that price increases rarely offset inflation one-to-one, so they should build a coordinated approach that combines selective pricing, cost control and technology-enabled efficiency.

Address execution risk by improving organizational readiness for speed: Technology enables faster innovation, yet control environments, governance and processes often lag. Invest in strengthening internal controls, risk management and reporting capabilities alongside digital initiatives.

Ensure cost containment actions are sustainable: With cost reduction activity increasing sharply, CFOs must distinguish between short-term savings and structural efficiency, avoiding actions that weaken operational resilience or create future margin volatility.

Treat cybersecurity and data privacy as core business enablers: As AI and digital platforms expand, organizations increase exposure to cyber threats and regulatory complexity. Integrate security and privacy into product development, data strategy and vendor management to reduce risk and support innovation.

Build change management into every technology investment: Don't underestimate change management's role in delivering value. Establish clear ownership, adoption milestones and communication plans alongside implementation, and align incentives and training so teams adopt new tools effectively.

Expand hedging strategies beyond traditional financial instruments: Combine commodity hedges with operational and structural approaches, such as geographic diversification, supply chain flexibility and natural offsets within the business. CFOs who coordinate financial and operational hedging can manage volatility better.

Scale the workforce with flexibility rather than fixed commitments: In volatile conditions, CFOs can preserve resilience by using temporary labor, outsourcing or hybrid staffing models to flex capacity up or down. This approach supports growth when needed while avoiding disruptive cost reductions later. Read more about how outsourcing can improve M&A value creation.

Use M&A strategically to drive profitability and cost optimization: In the current environment, many organizations are pursuing smaller, targeted deals that enhance efficiency rather than large transformational acquisitions. Focus on opportunities that reduce cost to serve, improve margins or strengthen operational capabilities.

Broaden access to specialized talent and capabilities: As organizations pursue AI adoption, cost optimization, and growth simultaneously, access to specialized talent is becoming increasingly important. Shared services and outsourcing are gaining momentum as a way to balance cost, talent, and agility while reducing execution risk and accelerating transformation initiatives.

See our AI resources for more on how leaders are using tech innovation to meet today's business challenges.

Contributor bios

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Mike serves as Grant Thornton's Audit Growth Leader and is the firm's Carolinas market managing partner. He is responsible for supporting our firm's industry programs to provide insights to our clients and audit professionals as well as attracting new client relationships with companies seeking a differentiated level of service. Mike has spent his entire career serving public and privately held companies, primarily in the manufacturing and technology industries.

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Paul Edwards is the Global Practice Leader at Grant Thornton Stax, where he leads firm strategy and execution, delivering high-impact engagements to private equity clients around the world. Over the past two decades, Paul has become a trusted advisor to many of the world's top dealmakers. He has built Grant Thornton Stax's private equity practice into a global powerhouse, now supporting more than 300 engagements annually and guiding successful investments across five continents. Throughout his career, Paul has led over 1,000 engagements for private equity sponsors, spanning buy- and sell-side diligence and growth strategy, and advising on over $100B of deal value. Known for blending sharp, data-driven analysis with real-world insight, he brings deep sector expertise in software and industrials.

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Dana has in-depth experience in providing a wide range of tax advisory services to businesses operating in many industries, but focuses primarily on technology, media and entertainment. Dana's practice concentrations include state tax minimization services, including assisting taxpayers with the development and design of effective state tax planning; state due diligence reviews and M&A transaction analysis and consulting; nexus reviews; voluntary disclosure agreement negotiations to minimize state tax exposures; accounting for income taxes and uncertain tax positions for both federal and state taxes; and compliance outsourcing and reviews.

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Mike Hennessey is a National Finance Modernization Partner for Grant Thornton specializing in Finance Modernization, FP&A, and Cost & Performance Improvement. A former CFO with 20 years of diverse experience across professional services and the private sector, he has worked both domestically and internationally, providing strategic financial leadership to help organizations maximize shareholder value. Mike collaborates closely with clients to transform finance functions from traditional transaction and reporting roles into efficient, analytical, and data-driven operations that deliver timely insights for decision-making and business strategy. His expertise includes finance assessments and diagnostics, end-to-end and targeted process optimization, operating model design, ERP modernization, and data quality analysis. He has supported the Office of the CFO across a wide range of industries, including energy (oil & gas production and distribution), professional services and government contracting, wine and spirits distribution and marketing, and medical, dental, and healthcare IT sectors.

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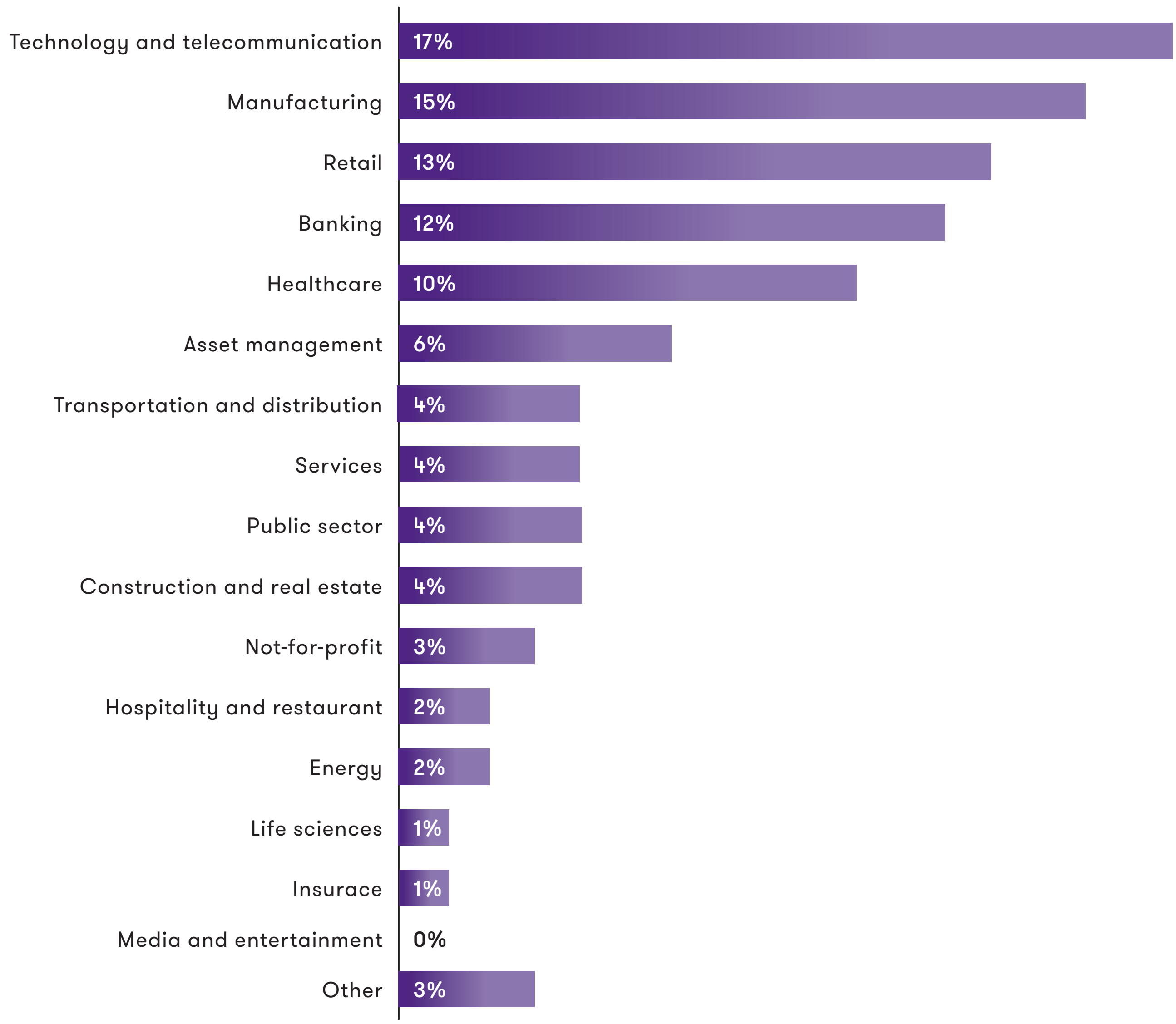
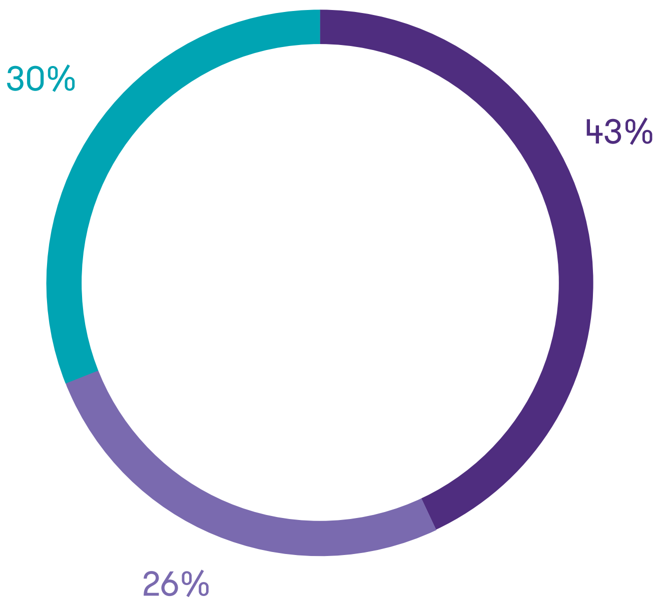
Appendix

Respondents' industries



Note: Figures do not add to 100% due to rounding

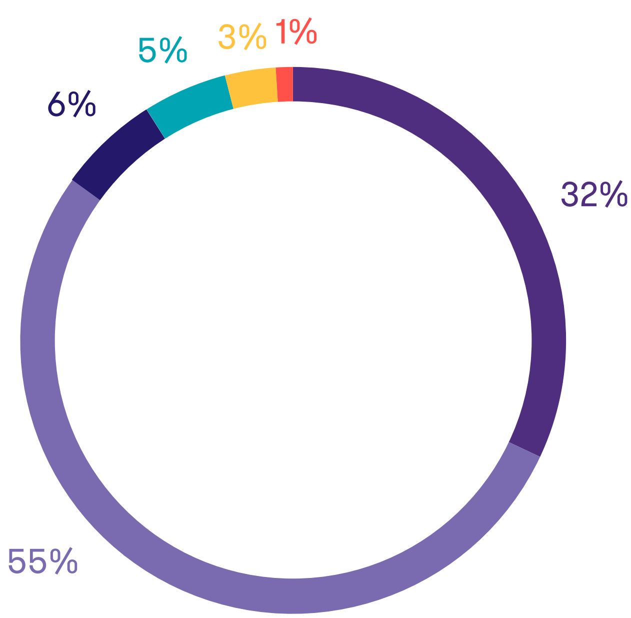
Respondents' company revenue



- $101 million to $500 million **43%**
- $501 million to $1 billion **26%**
- More than $1 billion **30%**

Note: Figures do not add to 100% due to rounding

Respondents' organization type



- Private, for-profit company **32%**
- Public, for-profit company **55%**
- Non-profit organization **6%**
- Government, school or university **5%**
- Private equity group **3%**
- Private equity portfolio company **1%**

Note: Figures do not add to 100% due to rounding

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