

Thursday, November 26, 2009 3:12 PM

Accounting execs feeling optimistic

David Parkinson

Now, normally, we don't go around asking accountants their opinions on stuff. Those are the kinds of conversations you dread getting cornered into at Christmas parties, wondering if you might need to fake a stroke to make your escape.

Still, for what they might stereotypically lack in magnetism, the slide-rule set are plugged into the financial numbers that course through the veins of Canada's businesses. As such, they are particularly well-positioned to gauge the health of Canadian business activity - and, by extension, the economy as a whole.

That's why a report Thursday from the Canadian Institute of Chartered Accountants, which might otherwise fly under the economic radar, deserves a closer look.

The CICA's quarterly Business Monitor, which it conducts in partnership with Royal Bank of Canada, shows that 46 per cent of executive chartered accountants are optimistic about the Canadian economy's growth prospects in the next 12 months. That's almost double the percentage of optimists in the second-quarter survey, and a sharp reversal from the 4 per cent optimism reading in the first quarter.

The levels are still well below the 60-plus-per-cent readings in 2007, but they definitely speak to a strong trend of hopefulness among the country's top bean-counters. Keep in mind that these are the folks who help make spending and investment decisions at Canada's biggest corporations, so their views speak loudly to the potential for growth in Canadian companies and stocks.

The survey found that the CAs see revenues, profits and employment all trending upward over the next 12 months, the first time in a year that all three pointed higher.

What's more, the CAs were even more positive about the prospects in their own companies - 55 per cent optimistic, against 44 per cent in the second quarter.

The CICA/RBC survey was sent out by e-mail to 4,593 CAs holding senior executive positions - either chief financial officer, chief operating officer or chief executive officer. The results came from the 529 responses, representing an 11.5-per-cent response rate.