

FOR IMMEDIATE RELEASE

**NEW STIFEL SURVEY FINDS INFLATION AND LABOR SHORTAGES  
POSE GREATEST RISK TO BUSINESS**

*Overwhelming Majority of Respondents Bracing for Recession; Strategic M&A Remains in Focus*

**St. Louis, August 17, 2022** – A recently completed Stifel Financial Corp. (NYSE: SF) survey of corporate executives, business owners, and private equity investors finds inflation and the tight U.S. labor market represent the two biggest perceived threats to business today. In addition, nearly all respondents are bracing for an economic recession.

According to the Stifel survey, 53% of respondents believe that inflation will be an issue for the next two quarters to a year, with another 43% expecting elevated prices to persist for even longer. Half (50%) of respondents are “very concerned” about inflation compared to just 33% who felt the same way one year ago. An overwhelming majority (81%) are primarily passing rising costs on to consumers instead of absorbing costs in profit margins, cutting overhead, or changing suppliers.

The survey also reveals that nearly all respondents believe the U.S. economy is either already in a recession (18%) or will face one within the next 18 months (79%). Only 3% think recession will be avoided entirely.

Despite the gloomy economic outlook, respondents acknowledge the U.S. labor market remains especially strong with unemployment hovering near historic lows. For the second consecutive year, survey respondents consider labor constraints (64%) the biggest perceived threat to business, followed by inflation (59%), and recession (54%). Two-thirds (68%) are increasing investment in technology and automation as a way to help mitigate labor shortages, and 41% are increasing emphasis on acquisitions that promote better efficiency.

“Our survey results are very consistent with what we are hearing from both corporate executives and financial sponsors during everyday conversations,” said Michael Kollender, Head of Consumer, Retail, and Diversified Industrials Investment Banking at Stifel. “Despite a turbulent first half of the year, many companies are moving forward with select, strategic deals and taking advantage of market dislocations to reinvest for future growth. More than three-quarters of survey respondents said M&A plays an important role in overall corporate strategy, and 59% are still looking at potential acquisitions, with a heightened emphasis on fit and valuation.”

The survey, which focused specifically on participants operating in the consumer, retail, and diversified industrials sectors, also found that:

- While 86% concede that rising interest rates will have a negative impact on the ability to raise capital, only 7% consider the impact “significant.” More than half (52%) have either recently raised debt or equity or plan to do so in the foreseeable future.
- 59% believe that supply chain disruptions have improved since the start of the year, but 20% feel they have gotten worse.

- Only 3% of respondents listed COVID as a top risk to business versus 46% a year ago.

“Given the uncertain backdrop, it’s understandable that companies are planning for a potential prolonged downturn and are considering various economic scenarios, as well as their approach to strategic planning over the next year,” added Kollender. “Market conditions and economic cycles often turn quickly, serving as a reminder of why executives, entrepreneurs, and investors must have a clear understanding of the external forces impacting their businesses and the ability to consistently adapt.”

The online survey of 70 corporate executives, business owners, and private equity investors was conducted between July 18, 2022, and August 5, 2022. The [full survey results can be seen here](#).

### **About Stifel**

Stifel Financial Corp. (NYSE: SF) is a financial services holding company headquartered in St. Louis, Missouri, that conducts its banking, securities, and financial services business through several wholly owned subsidiaries. Stifel’s broker-dealer clients are served in the United States through Stifel, Nicolaus & Company, Incorporated, including its Eaton Partners business division; Keefe, Bruyette & Woods, Inc.; Miller Buckfire & Co., LLC; and Stifel Independent Advisors, LLC. The Company’s broker-dealer affiliates provide securities brokerage, investment banking, trading, investment advisory, and related financial services to individual investors, professional money managers, businesses, and municipalities. Stifel Bank and Stifel Bank & Trust offer a full range of consumer and commercial lending solutions. Stifel Trust Company, N.A. and Stifel Trust Company Delaware, N.A. offer trust and related services. To learn more about Stifel, please visit the Company’s website at [www.stifel.com](http://www.stifel.com). For global disclosures, please visit <https://www.stifel.com/investor-relations/press-releases>.

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