

Policy Backgrounder

National Debt & Trade Wars Top of Mind for C-Suite in 2025

Since 1999, The Conference Board has surveyed CEOs and other C-Suite executives around the globe to identify the most critical issues they face and the strategies they are developing to meet them. The [latest survey](#), conducted in November after the US elections, asked 1,722 C-Suite executives and board members, including 508 CEOs, for their views on the issues and events they expect to impact their business significantly in 2025, how AI is helping their organizations improve performance, what challenges they face in human capital, and which plans and strategies they will use to steer their businesses. Once again, responses in the Outlook parallel a number of prominent issues on which CED focuses.

Key Insights

- Businesses are preparing for ongoing economic and geopolitical challenges and anticipating a potentially tough operating environment in 2025. The challenge for business leaders is how to thrive, not just survive, such a turbulent and unpredictable environment.
- The [national debt](#) and deficits remain the top priority for 51% of US CEOs.
- There is strong concern globally about [protectionism and trade](#), with almost 42% of global executives putting the possibility of trade wars as the [geopolitical issue](#) of most concern.
- Higher [energy prices](#) are another key geopolitical concern globally.

- Over half of all US executives report that the [productivity of their workforce](#) is the biggest improvement from using AI. But there are [significant challenges](#) as well – “lack of expertise” was first at 45.6%, then data privacy and security concerns second at 29.7%.
 - Climate resilience was the most important environmental priority for US executives at 31%, followed by renewable energy and waste/circular economy tied at 26%, and then investment in the [energy transition](#) at 23.9% and carbon neutrality at 22.8%. Resilience is becoming an increasingly important theme.
 - In response to a question about social priorities on which their companies focus (which the results for US executives reflect longstanding CED priorities). Nearly half (49.3%) said economic opportunity is a focus, 42.5% education, and 20.9% gender equality. At the heart of CED’s mission is [“sustaining capitalism,”](#) which can only happen if people know they have real economic opportunity.
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CEOs’ Priority: The National Debt and Deficits

This year, Congress will have to pass not only a budget for the remainder of the fiscal year but also [address the debt ceiling](#) and pass a tax bill to replace the expiring provisions of the 2017 Tax Cuts and Jobs Act. In a time of serious fiscal challenges, US CEOs surveyed once again ranked the US national debt and deficits first among the issues that they expect will have the greatest impact on their business in 2025. (Regulation was second.)

CEOs are deeply concerned about the [impact that the debt and deficits](#) has on their ability to access capital, about future tax rates and competitiveness, and about the possibility that the US could come to the brink of default if Congress does not address the debt ceiling. Interestingly, corporate tax rates ranked only fourth on the concerns of US CEOs – the real issue is the debt and deficits. In short, CEOs are asking the new Congress and the new Administration to take the right steps to put the country back on a sound fiscal path. They want a bill to address the tax cliff as well. CED’s longstanding views are clear: adopt a plan to get the public debt from near 100% of GDP to a still too high but [more sustainable level of 70%](#), reduce unnecessary spending at a time when spending on interest on the national debt now exceeds spending on defense, and cut unnecessary regulations that hamper business.

Regulation remains an important issue for many CEOs, and they are looking to the new Administration to [reduce excessive regulations](#). The [DOGE effort](#) led by Elon Musk and Vivek Ramaswamy will be an important part of that effort.

Strong Concern on Tariffs and Trade

The survey showed that CEOs and other executives are deeply concerned about protectionism and trade. This is true not only for US CEOs but around the world. Almost 42% of global executives put the possibility of trade wars as the [geopolitical issue](#) of most concern, with a

[foreign cyberattack](#) second (33.4%, and the potential of conflict in the Asia-Pacific third at 23.7%. This concern over tariffs and trade has a significant impact on business operations: one third of respondents are seeking in 2025 to change their supply chains through “vendor diversification.” There is significant concern not only over the impact of tariffs on inflation but on US exports as well given the likelihood of retaliatory tariffs on US products.

When asked why companies are prioritizing vendor diversification, 60.8% responded that they hope for “lower risk of supply chain disruption,” and 44.6% specifically mentioned China. This very high figure reflects the likelihood of [increased tensions in US-China trade](#) and Europe-China trade. Supply chain diversification is wise, but as CED has long argued, even in difficult circumstances, decoupling from China would not be in the best interest of either US business or the world economy. Still, the figures indicate what many Trustees are doing in their own businesses: to diversity supply chains for resilience and in some cases, redundancy. [Medical supply chains](#), including for pharmaceuticals, are a particular concern, but the desire to diversify supply chains extends across all industries. On a related point, in response to a question on what companies will focus on in 2025, over 50% of all executives in the US cited “operational resilience,” with cost reduction second. Better supply chains are an important part of [operational resilience](#) for many businesses.

Geopolitical Concerns

The survey offered an interesting result on the question of the most important economy-related concern for executives globally. They ranked the impact of higher [energy prices](#) first at 38.7%, then decoupling and derisking from China at 23.3%. There is a contrast here with US executives. In the US, the national debt and deficits were once again first at 47.7%, then China decoupling second at 32.9%. Of course, the two issues are interrelated: higher tariffs mean higher inflation, meaning higher Federal spending. And subsidies in response to retaliatory tariffs, such as for farmers in the trade war with China in 2019, are very expensive. Taken together, this reinforces the overall point of the report about 2025 potentially being a very tumultuous year. In addition, in line with the global result, US executives are also somewhat concerned about higher energy prices, third at 25.7%, which is interesting given some current market expectations for producer prices.

AI and Corporate Performance

In response to a question on their technology focus for the year, US executives ranked accelerating digital transformation (which of course includes AI) first, then the customer experience, then product and service innovation. Over half of all US executives report that the [productivity of their workforce](#) is the biggest improvement from using AI. But there are significant challenges as well – “lack of expertise” first at 45.6%, then data privacy and security concerns second at 29.7%.

Last year, CED published a [Solutions Brief](#) recommending the adoption of a [series of guardrails](#) for AI focusing on safety, security, and innovation. These guardrails are urgent if the US is to

keep the lead in AI. In the last Congress, there were some interesting bipartisan efforts on developing a regulatory framework for AI that would promote both safety and innovation; these efforts may continue in the new Congress. The survey results also show the critical importance of [training the workforce for AI](#) and also ensuring that executives understand these tools and how they are used. In the report, only 14.8% of US executives said that “technology, data, and AI knowledge” is a skill for top leaders to drive future growth. However, this simply shows the importance of training the workforce to use AI tools well, if executives do not have this knowledge themselves.

Climate, the Environment, Education

When asked which environmental, social, and governance issues most concerned executives, global executives put sustainability first, while US executives put the impact of climate events first, then sustainability, then advances in energy technology. The possibility of ESG litigation ranked last among US CEOs, perhaps reflecting [changes in the courts](#) and the more deregulatory stance of the new Administration.

When asked about the two highest environmental priorities for the organization, US executives said climate resilience first at 31%, then renewable energy and waste/circular economy tied at 26%, followed by investment in the [energy transition](#) at 23.9% and [carbon neutrality](#) at 22.8%. Clearly, as with supply chains, resilience is becoming an increasingly important theme in thinking about climate and the environment. Innovation in technology should help. Businesses are also, of course, focused on climate solutions that can save money, such as renewable energy and reducing waste. The number of executives interested in making investments in the energy transition also raises another important question: what will Congress do about the clean energy tax credits in the [Inflation Reduction Act](#)? This result might indicate that Congress could hesitate to repeal them if they are popular with executives.

In response to a question about social priorities on which their companies focus (which permit multiple responses), the results for US executives reflect longstanding CED priorities and concerns of our Trustees. Nearly half (49.3%) said economic opportunity is a focus, 42.5% education, and 20.9% gender equality. At the heart of CED’s mission is [“sustaining capitalism”](#) - and that can happen only if people know and believe they have real economic opportunity, including opportunities for [training for the jobs of the future](#). Education to ensure that economic opportunity is a critical part of sustaining capitalism and US competitiveness, and so is ending discrimination on race and gender, so that all may participate fully and equally in our capitalist system, including access to capital and starting new businesses. These issues, plus the importance of ensuring our national fiscal health and open trade with the world and a business environment that promotes innovation, will contribute to continued success for the US economy.

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