

AFP Survey: Moderating Energy Prices Expected to Continue

Finance professionals do not expect energy prices to spike to previously record high levels according to a new survey conducted during yesterday's concurrent sessions. While 12% expect significant increases in the price of electricity, more than half (52%) only expect a "slight" increase over the next year.

Similarly, 48 percent expect only a minor bump in oil prices in the next 12 months. Further, only 14 percent of organizations experienced a significant drop in profitability resulting from the recent volatility in energy costs.

How has the recent volatility in energy costs—both the sharp increase followed by the recent decline—impacted your organization's profitability?

No impact on profits	38%
Slight decrease in profits	37%
Significant decrease in profits	14%
Significant increase in profits	6%
Slight increase in profits	5%

Which of the following actions did your organization take over the past year in response to rising energy costs?

Raised prices	22%
Increased hedging/options activity	21%
Increased energy efficient processes	18%
Reduced employee travel	16%

How did the increased energy costs for most of the past year impact sales of your organization's products/services?

No impact	38%
Slight decrease in demand	37%
Significant decrease in demand	14%
Significant increase in demand	6%
Slight increase in demand	5%

Which of the following actions did you personally take as energy costs rose over the past year to 18 months?

Reduced discretionary driving	42%
Reduced energy usage	39%
No significant changes	31%
Reduced savings	23%
Reduced discretionary spending	21%
Canceled/scaled back vacations	11%
Purchased fuel-efficient vehicle	10%

In recent weeks, energy prices (at least for oil, gasoline) have dropped dramatically. What are your expectations for the direction of electricity and petroleum prices over the next year?

Electricity

Significant increase	12%
Slight increase	52%
No change	19%
Slight decrease	16%
Significant decrease	1%

Petroleum

Significant increase	16%
Slight increase	48%
No change	10%
Slight decrease	23%
Significant decrease	2%