2026 C-Suite Stress Index: Midyear Report

Risk in real time: A tumultuous first half of 2026 has U.S. business leaders concerned

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Executive summary

At the midpoint of 2026, the majority of U.S. executives are less optimistic about their businesses' outlooks than they were at the end of 2025. This is due to a rapidly evolving combination of geopolitical, economic, and operational threats that have made the business environment more treacherous.

When asked if the events of 2026 thus far have made them more or less concerned about their businesses' futures, most executives (82%) said they're more concerned. These findings suggest a markedly different pattern than the end of last year, when more than half of executives had high hopes for 2026—expecting their business to not only survive, but thrive.

While executives' views on the top threats to their business this year remain largely in alignment with those stated in December, the magnitude of concern about nearly all of these risks has increased.

GEOPOLITICAL RISKS

Geopolitical events are negatively affecting more than half of companies. In fact, for a large majority of executives (88%), these events are unfolding so quickly that accurate risk management has become difficult.

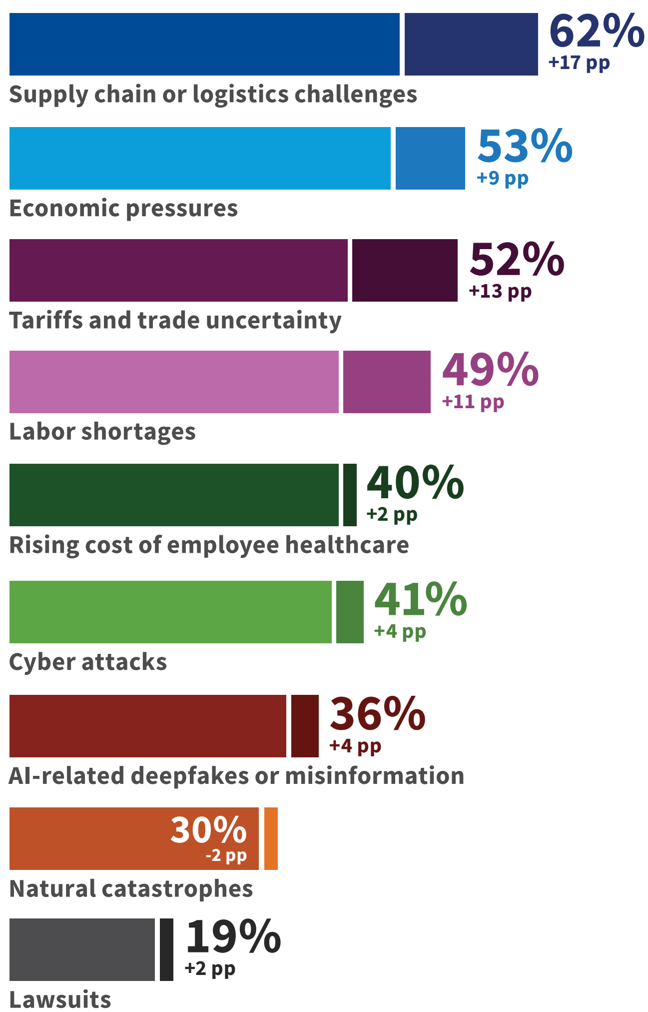
The first half of 2026 has forced executives to adjust their approach to planning and risk management. These events have also exacerbated long-standing business concerns like tariffs, trade uncertainty, and labor shortages.

ECONOMIC RISKS

As the graph to the right indicates, economic concerns have not abated just because geopolitical events have taken center stage. In fact, economic strains like supply chain issues, tariffs, and labor shortages are leading to costly delays, tighter budgets, and more pressure on employees.

WORKPLACE RISKS

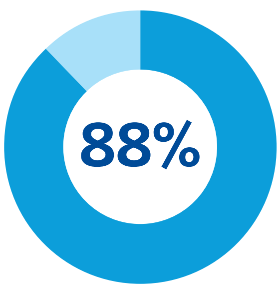
Businesses continue to grapple with labor shortages, with nearly half of executives citing it as a top threat to their company at the midpoint of 2026. To address the problem, most executives have asked employees to work longer hours or take fewer breaks during the past six months, often resulting in errors, decreased employee satisfaction, difficulty hiring, injuries, and close calls.



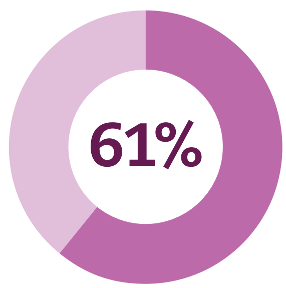
Key findings

Sentry's 2026 C-Suite Stress Index, based on data from a December 2025 survey, found executives were relatively optimistic heading into 2026. To gauge how they felt several months into this year, Sentry commissioned Wakefield Research to conduct a similar survey of 625 executives at businesses with at least 10 employees. The results of the survey, completed in May, reveal just how much things have changed in a short amount of time.

THE EFFECTS OF 2026 EVENTS THUS FAR

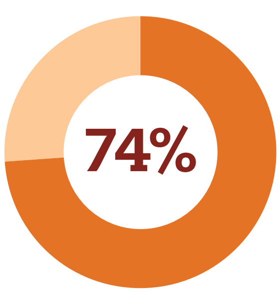


of leaders believe geopolitical events are happening so quickly that accurate risk management has become difficult.

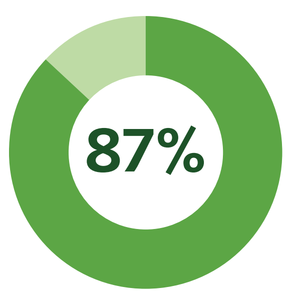


of organizations are negatively impacted by international conflicts and geopolitical events this year.

OTHER FACTORS IMPACTING BUSINESSES AND WORKPLACE RISKS



of executives believe multimillion-dollar verdicts against companies in their industry are a problem, up 7 percentage points since December 2025.



of leaders have asked employees to work longer hours or take fewer breaks, up from 51% in December 2025.

Geopolitical risks

What a difference a few months can make. Economic uncertainty. Shifting trade policies. Global instability. Supply chain disruptions. This year has already had it all. These forces are creating a much more volatile business environment than executives anticipated at the start of the year, forcing them to reassess growth expectations, planning horizons, and risk-management strategies.

At the end of 2025, 54% of executives were confident their company would not only survive, but also thrive in 2026, with another 22% predicting stability, if not growth. Hope and optimism were the norm. But changes came quickly in 2026, unfolding rapidly throughout the first half of the year.

Executives indicate international conflicts and geopolitical events are already affecting their business operations. The majority (61%) are experiencing negative consequences from direct impacts like shipping delays and indirect effects like higher gas prices.

CHANGES IN HOW BUSINESS IS DONE

Due to these negative developments and uncertainty about the future, most organizations have had to change the way they do business.

98% **of executives say events so far in 2026 have influenced long-term planning and risk management**

70% **Seven in 10 are planning in shorter intervals**

61% **are building more contingencies into their planning processes**

Among executives of companies with more than 1,000 employees, more than half are shortening planning horizons (55%) and/or increasing contingency planning (53%).

Economic risks

The volatile geopolitical environment hasn't replaced long-standing business concerns. Executives' assessments of the top threats to their businesses this year largely align with those predicted in the December 2025 survey, but the magnitude of concern for nearly all of these threats has increased.

- **Supply chain and logistics challenges** remain the most commonly cited business threats, as 62% of executives indicate they're concerned about costly delays, up sharply from 45% in December 2025.
- **Tariffs and trade uncertainty** (52%) continue to be identified as top threats as well, shooting up 13 percentage points from 39%.
- **Economic pressures** (53%) and labor shortages (49%) round out the top concerns, increasing by 9 and 11 percentage points, respectively.

LEADERS SEE POSSIBLE RELIEF

Though businesses have been wracked by a volatile first half of 2026, some leaders are hopeful the Supreme Court's decision to invalidate tariffs imposed under the International Emergency Economic Powers Act can provide some relief.

The majority (64%) expect this decision to have a positive impact on their operations, although most (53%) anticipate only a slight benefit. Retail and wholesale firms are even more likely to expect positive outcomes (73%), with close to one in five (18%) anticipating significant positive impacts.

Big impacts on small organizations

It's a tough time to be a small company.

Executives at small companies with fewer resources show the biggest spike in concern for their futures. 90% of leaders at the smallest businesses (with 10 to 49 employees) are now more concerned following events thus far in 2026. In contrast, the same is true of 69% of executives at companies with more than 1,000 employees.

In fact, nearly every challenge larger organizations face is felt more acutely by small companies, which make up the majority of the business landscape in the U.S.

- Current international conflicts and geopolitical events have had a negative impact for roughly two-thirds (65%) of companies in this category.
- More than one in five (21%) are experiencing **significant** negative impacts, compared with just 8% of slightly larger businesses (50–249 employees).

With presumably fewer human and capital resources than their larger counterparts, these businesses may be struggling to keep up with the pace of events. For 95% of their leaders, accurate risk management is difficult amidst quickly unfolding geopolitical events.

Workplace risks

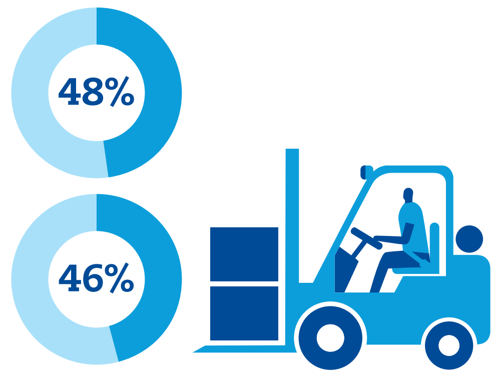
Risk is becoming harder to predict and control. Shifting regulations, rising litigation exposure, workforce pressures, and severe weather threats are challenging traditional approaches to risk management.

THE CONSEQUENCES OF ASKING EMPLOYEES TO DO MORE WITH LESS

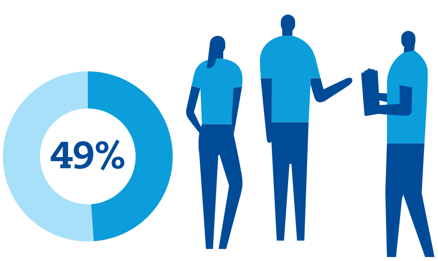
Nearly half of executives (49%) cite labor shortages as a top threat to their company in 2026, up from the 38% of executives who saw this as a top threat in December 2025. **It may come as no surprise, then, that a stunning 87% of executives have asked employees to work longer hours or take fewer breaks during the past six months. That's up from 51% at the end of 2025.**

This is a particularly common occurrence at mid-size companies with 50 to 249 or 250 to 1,000 employees (95% and 90%, respectively), though most smaller (79%) and larger companies (78%) are taking this step as well.

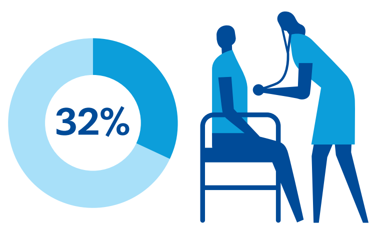
This approach may end up hurting them in the long run, leading to challenges likely to exacerbate the very labor shortage concerns executives are hoping to avoid.



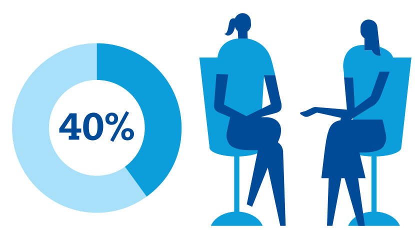
Close to half of executives have seen decreased employee satisfaction (48%) or difficulty hiring (46%) due to asking employees to put in more hours or take fewer breaks.



Nearly half of executives (49%) report increased errors or lower-quality work output as a result of asking employees to work more or rest less.



Roughly one-third (32%) have experienced more employee injuries or workplace "close calls" after asking employees to work longer hours or take fewer breaks.



Nearly half (40%) report higher turnover rates due to asking employees to work longer or take fewer breaks.

As executives look for ways to bridge the gaps created by labor shortages, assessing the potential downstream consequences of pushing staff can help avoid costly and preventable accidents.

SEVERE WEATHER AND OTHER NATURAL CATASTROPHES

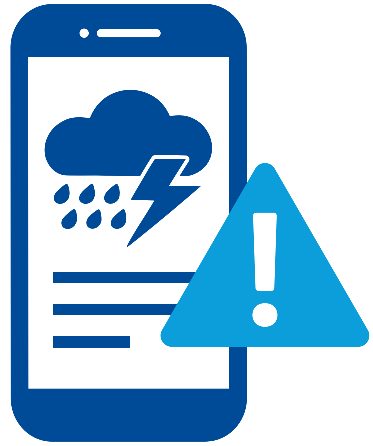
The severity and unpredictability of extreme weather poses a significant threat to businesses, but this risk can often take a back seat to those that present themselves on a day-to-day basis. Broader geopolitical or economic volatility has only exacerbated these everyday risks, such as supply chain issues and labor shortages, further diverting executives' attention away from the lurking threat of severe weather.

As the only measured risk that business owners didn't cite at a higher rate than they did heading into the year, natural catastrophes may continue to be underestimated as a business-ending threat.

Just three in 10 executives (30%) chose natural catastrophes as a top-five threat to their businesses in 2026.

Even if natural catastrophes aren't dominating leaders' concerns the way economic and geopolitical events are, leaders still have a healthy fear of the damage a storm could have.

In fact, more than half of executives (52%) fear the next severe weather event or other catastrophe could end their business. And executives in retail and wholesale (64%) and manufacturing (63%) are even more concerned about this.



More than half of executives (52%) fear the next severe weather event or other catastrophe could end their business.

CONCERN ABOUT LITIGATION

For the majority of executives (82%), regulations affecting their business are changing too quickly for them to keep up with, raising concerns about compliance failures and increased litigation exposure.

Additionally, a growing share of executives are concerned about multimillion-dollar verdicts against companies in their industry (74%)—up 7 percentage points since December 2025.

Conclusion

The first half of 2026 was tumultuous, with geopolitical events and economic strain creating new problems and exacerbating old ones. As a result, more executives feel uncertain and pessimistic about the future than they did just six months ago.

This shift shouldn't be taken lightly. These risks have far-reaching consequences for businesses—and executives are already noticing the impacts. Some are planning in shorter intervals or including more contingencies. Most are asking employees to work longer hours with fewer breaks, which could contribute to issues with employee retention, output quality, and workplace injuries.

Leaders facing the direct and indirect impacts of geopolitical events, shifting regulations, increasing climate-related threats, and heightened litigation concerns have some critical decisions to make throughout the remainder of this year.

Organizations that take a more proactive and holistic approach to business risks will be better positioned to boost their resilience, protect their employees, and respond effectively to an increasingly complex risk landscape.

Methodological notes

The 2026 C-Suite Stress Index: Midyear Report survey was conducted by Wakefield Research among 625 U.S. executives with a minimum size of 10 employees, where qualifying roles are as follows: business owners, CEOs, CFOs, and CROs, between May 12 and May 20, 2026, using an email invitation and an online survey.

Results of any sample are subject to sampling variation. The magnitude of the variation is measurable and is affected by the number of interviews and the level of the percentages expressing the results. For the interviews conducted in this particular study, the chances are 95 in 100 that a survey result does not vary, plus or minus, by more than 3.9 percentage points from the result that would be obtained if interviews had been conducted with all persons in the universe represented by the sample.

This report is a follow-up to Sentry’s 2026 C-Suite Stress Index, based on a Wakefield survey conducted in December 2025 that polled 1,250 U.S. executives about their outlook heading into the year.

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