Recession risk is rising

Here's why forward-thinking CMOs are re-architecting marketing now

1 The storm clouds are real

Wall Street's outlook has shifted from **caution** to **concern.**

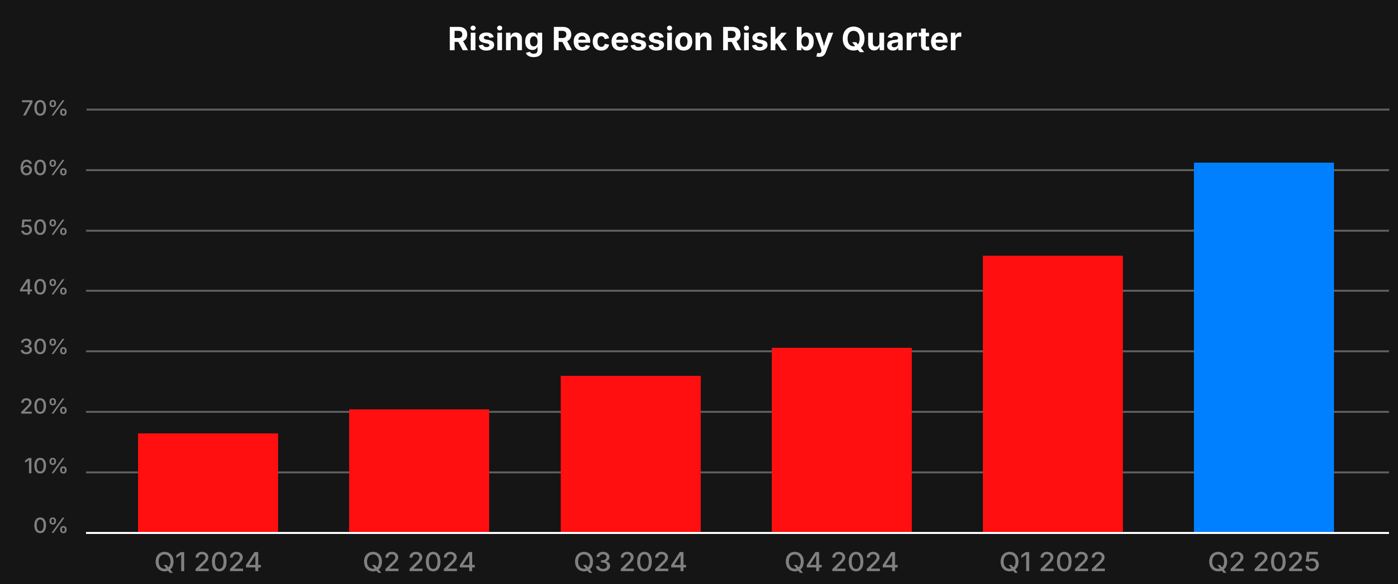
JPMorgan puts recession odds at **60%.**

Goldman Sachs raised recession risk to **45%**, the highest since early 2020.

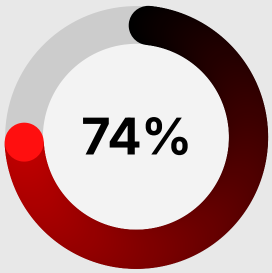
The International Monetary Fund has cut its 2025 U.S. growth forecast from **2.7% to 1.8%.**

Tariff-driven cost pressure is mounting. According to a recent survey, 92% of economists say trade policy is hurting the outlook. Every major purchasing-managers index has declined for three consecutive months.

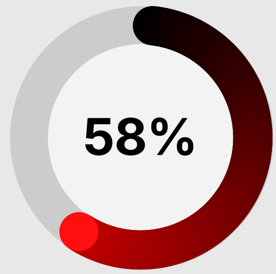
The macro environment isn't offering a buffer. It's offering a narrow window to prepare.



2 CFOs are already sharpening the pencil



report a negative near-term outlook



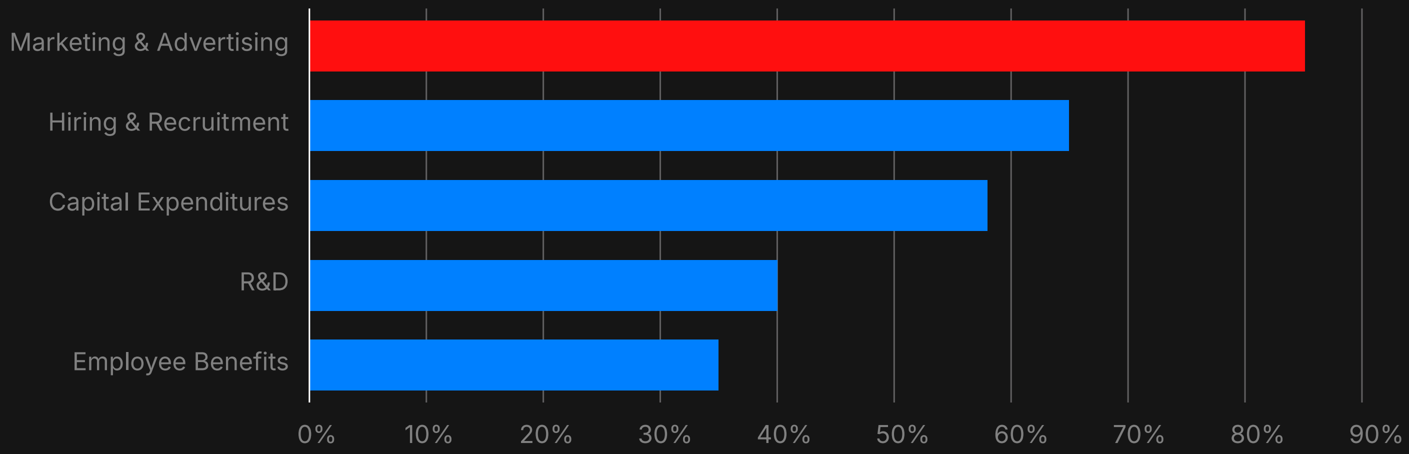
expect to reduce discretionary spend within a year

And marketing is first in line:

- → **35%** are pausing or cancelling major projects
- → **29%** are reopening vendor contracts
- → **18%** have instituted hiring freezes

For CMOs in margin-sensitive industries, this isn't a forecast. It's a roadmap. The question is no longer if budgets will be cut—but whether marketing leaders guide the scalpel or wait for it.

Areas Targeted for Cost Reduction



3 History shows reactive cuts cost far more than they save

In downturns, companies typically cut:

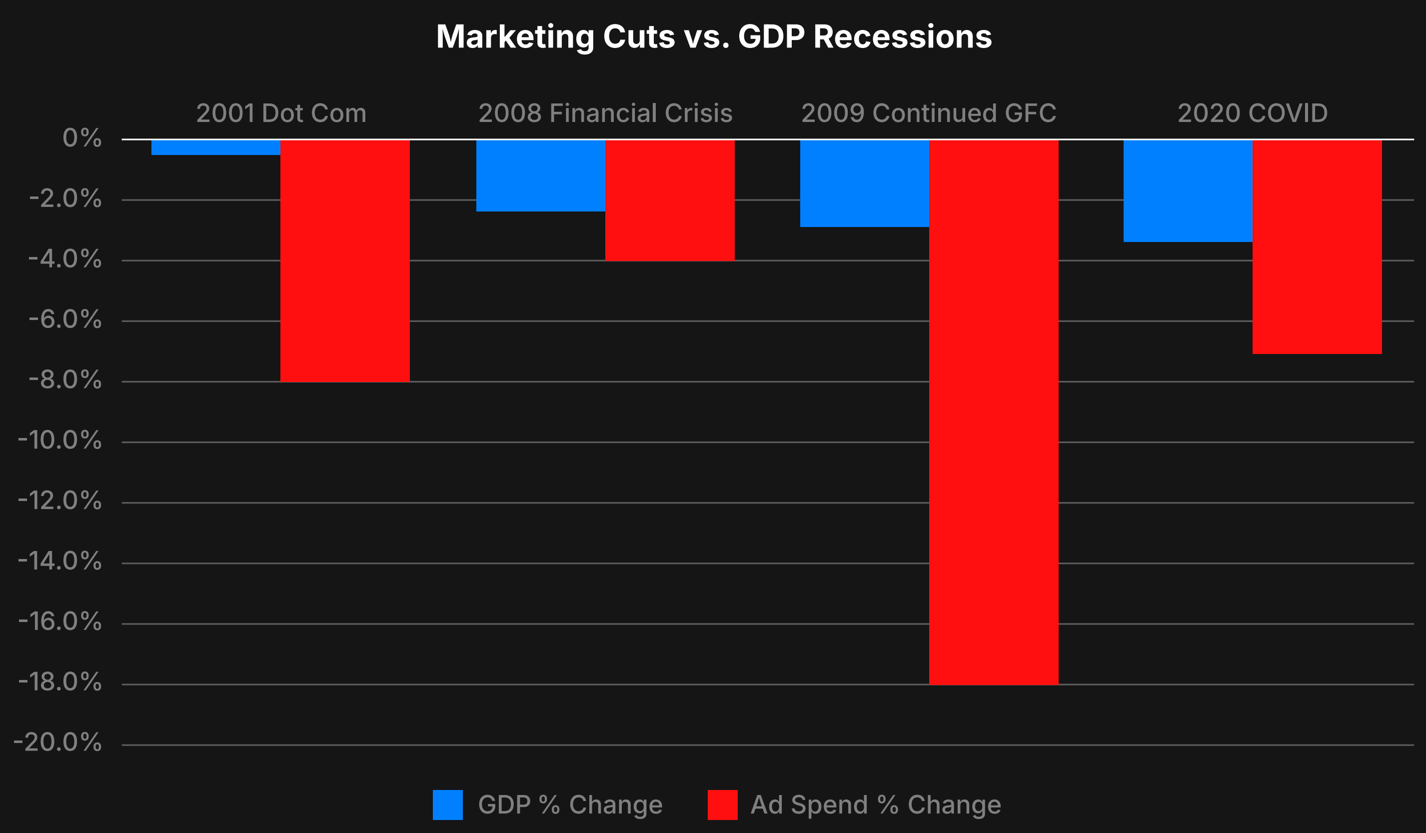
Marketing budgets by **10–20%**

Overall budgets by only **3–8%**

Why? Because marketing is easy to pause, and the consequences show up later.

LinkedIn's longitudinal study shows that marketing budgets take over two years to rebound. Revenue growth and brand equity recover even more slowly.

Short-term relief becomes long-term erosion.



4 Two divergent paths: Reactive versus proactive

Reactive response	Proactive strategy
Blanket **10–20% cuts** dictated by finance	**Same or greater savings,** but surgically targeted
Minimal prioritization; high-impact programs starved	**High-impact initiatives** protected or accelerated
Talent exits, skills disappear	**AI-literate talent** retained and attracted
Pipeline stalls, momentum breaks	**Brand gravity** and **pipeline velocity** preserved
Marketing positioned as a **cost center**	Marketing repositioned as **growth architect**

5 What a proactive recession-proof playbook looks like

Portfolio triage grounded in cost-to-impact

- Rank every program by incremental pipeline and payback period, not by historical spend.

Strategic outsourcing with variable cost structure

- Shift low-differentiation execution and production roles to a subscription-based partner model so fixed headcount becomes elastic capacity.

AI-enabled productivity layers

- Embed AI agents into research, content production, and campaign orchestration to unlock 30–40% cycle-time gains at minimal incremental cost.

Embedded CFO metrics

- Tie every activity to pipeline velocity, payback, and ROI so finance sees marketing as an investment portfolio rather than a discretionary line item.

Capability backfilling, not capability amputating

- Use freed budget to upskill internal strategists and customer-facing roles that drive competitive advantage.

These moves deliver the budget relief CFOs require while positioning marketing to out-invest competitors the moment growth returns.

6 The 90-day action checklist for CMOs

Week	Action	Outcome
1-2	Convene a cross-functional "growth war room" with finance and sales; align on cost-to-impact scoring	Prevents morale-killing, random cuts
2-4	Triage programs; sunset or redeploy bottom-quartile spend	Uncovers 10–15% savings pool
3-6	Shift high-volume execution to AI or partners	Elastic capacity replaces fixed overhead
4-8	Pilot AI for summarization and paid-media iteration	Proves 30%+ productivity gains
6-10	Build finance-ready dashboards showing spend vs. pipeline	Buys CFO confidence and time
8-12	Reinvest 20–30% of savings in high-performing demand plays	Preserves growth despite cuts

7 Why marketing transformation cannot wait

By Q3, budgets lock, and options disappear. CMOs who delay face blanket cuts that stall growth and take years to reverse.

CMOs who act now by shifting to an AI-enabled, variable-cost model with CFO-anchored metrics, will preserve momentum and emerge stronger.

Redesign marketing before the storm, so you can own the recovery after it passes.

Next step:
Turn cuts into calculated advantage

Budget pressure is inevitable, but hasty cuts can do more harm than good. CMOs who act early have the opportunity to make strategic choices, reducing costs while reinforcing the most effective programs, roles, and channels. The "Find the Money" Checklist helps guide that effort.

It helps you:

- Flag spend that looks strategic but delivers little
- Spot where execution can shift to variable-cost models
- Reinvest with a CFO-ready rationale tied to pipeline and payback
- Make tradeoffs explicit, not accidental

Download the checklist →

About the author

Brandon Sullivan is 2X's Chief Financial Officer, leading the firm's financial strategy with a concentration on enterprise growth and operational excellence. As CFO, Brandon manages global financial operations and steers the fiscal performance of the business through data-driven decisions, sound financial modeling, and business partnership. Focusing on both short-term execution and long-term vision, Brandon serves as a key strategic advisor to the organization, providing guidance on financial planning, risk management, business performance and capital allocation.

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