

Business Conditions as of April 1, 2010

Introduction

Tatum conducts a monthly survey of its executives and consulting professionals regarding current business and economic conditions. The survey looks back at the past 30 days and forward to the next 60 days. With our executives and consulting professionals serving a broad base of industries in every geographic region of the United States, the Tatum Survey of Business Conditions takes a representative pulse of economic activity at the first day of every month. Results are published the first week of each month at www.TatumLLC.com.

Arrows are used in this report to illustrate at a glance the direction of the indicators for the 30 prior days and the next 60 days (see legend at the end of this document).

Summary as of April 1, 2010

As of April 1 the recovery in business conditions appeared to be resuming a modestly upward direction that was typical for most of 2009 but had been absent/subdued in February and March. Our respondents reported significant improvements in backlogs, employment and the availability of capital. For the near term, we now expect further strengthening in the economy.

Index of Business Conditions

Tatum's **Index of Business Conditions** combines elements of the past 30 days and the next 60 days into one number, summarizing our view of the current overall trend. At April 1 The Index rose to 5.9 from 5.4 last month, and it stands at the second highest level of the past two years. To view the Tatum Index of Business Conditions, please click on [Index of Business Conditions](#).



Order Backlogs

Order Backlogs are normally the most tangible indication of relative strength or weakness in near-term deliveries of products and services. Order backlogs were reported to be much stronger during the past 30 days, consistent with the outlook a month ago. The current outlook is essentially unchanged from last month. [More about Order Backlogs](#).

Capital Expenditure Commitments

Capital expenditure commitments were flat in the last 30 days and a slight improvement in expectations for the coming 60 days, an encouraging sign. The most dominant trend of the past year has been a consistent reduction in the portion of respondents committing less or planning to commit less on capital projects. [More about Capital Expenditure Commitments](#).

Employment

This is the most encouraging of the specialized areas in our survey. In particular, the past 30 days saw a distinct pick-up in hiring. While a significant part of the improvement is in temporary and part-time help, typical at this stage of a recovery, higher payrolls will translate into higher consumption. [More about Employment.](#)

Capital Availability and Pricing

Our respondents indicated that capital availability and pricing improved slightly in the past thirty days. However, the 60-day outlook is strongly improved. If the improved outlook is an indication that banks are loosening the purse strings, the impact will be seen quickly in further gains in capital expenditure commitments and other projects that have been deferred during the recession. [More about Capital Availability and Pricing.](#)




Segments, Regions and Markets

The northeast region was the weakest in the past 30 days due at least in part to the severe winter weather. The strongest region was the southwest. Businesses serving local markets reported strongest conditions, but there was weakness in those serving international markets for the first time in many months, perhaps as a result of the dollar strengthening against the Euro. Technology companies, which have been strong (relatively) in the past year reported much weaker conditions in the past 30 days. However, our respondents reported improved conditions in manufacturing, finance, and retailing. [More about Demographics.](#)

We hope you found Tatum's Commentary interesting and useful. We welcome your comments and questions. Click on [April 2010 Tatum Survey of Business Conditions](#) to view the complete report.

Sam Norwood, Senior Partner [send comments to Sam Norwood](#)

Mark Rosenman, Director of Knowledge Management [send comments to Mark Rosenman](#)

Legend  Conditions improved or will improve  Conditions worsened or will worsen
 Conditions remained about the same or will remain the same

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