



Business Conditions as of August 1, 2011

As of August 1, Business Conditions experienced a slight upturn, which was something of a relief after 5 consecutive months of decline. However, levels of uncertainty and caution were reflected in three subordinate indicators (see below). Confidence is required for hiring and capital spending commitments, and both of these indicators were negative. Our respondents also reported rising concerns about the price and availability of financing, but this survey preceded the Congressional vote to raise the Federal debt limit. [\[download report\]](#)











The Tatum Index of Business Conditions

Tatum's Index of Business Conditions combines indicators of the past 30 days and the next 60 days into one number, summarizing our view of the current overall trend. At August 1, the Index turned up slightly but remains in the range of low growth and challenging conditions.



ECONOMIC INDICATORS:

The Index improved slightly, but supporting indicators reflect a high level of caution.

Indicator	Past 30 days	60 day outlook	Comments
Business Conditions			Slight improvement in the past 30 days; flat for future 60 days
Order Backlogs			Slightly better in past 30 days; flat outlook
Capital Expenditure Commitments			Down last month and in the outlook due to uncertainty
Employment			Flat last month but sharply down in the near term, indicating a lack of confidence
Capital Availability & Pricing			Concern about price and availability due partly to Fed. debt

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