



Business Conditions as of February 1, 2011

As of February 1, Business Conditions continued to improve, and the outlook for the next 60 days in particular made a strong upward jump. The Tatum Index leaped to 10.7, its highest level since May 2007, driven mainly by the buoyant outlook for the next 60 days. The key drivers in the outlook were improvements in capital expenditure commitments and the availability of capital. Order backlogs went the other direction, suggesting weak seasonal factors, and employment, while very strong in the past 30 days, was negative in the outlook. Demographically, the Southwest region experienced the best improvement. National and International businesses reflected much better conditions than regional and mid-sized businesses. Services, technology and healthcare were the leading sectors. [\[download report\]](#)

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 February 1 the Index was up substantially, thanks to a positive outlook for the coming 60 days.



ECONOMIC INDICATORS: The Index and the majority of most key indicators are positive.

Indicator	Past 30 days	60 day outlook	Comments
<u>Business Conditions</u>	↑	↑	A strong outlook following slightly improved January
<u>Order Backlogs</u>	↓	↓	Seasonal weakness following strength a month ago
<u>Capital Expenditure Commitments</u>	↑	↑	Small increase in the past 30 days, major jump in the outlook
<u>Employment</u>	↑	↓	Strong gains in the past 30 days, weak outlook
<u>Capital Availability & Pricing</u>	↑	↑	Significant improvement in availability

To read detailed analysis provided by Senior Tatum Partner Sam Norwood and Partner Jim Toopes, [click here](#).

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