



Business Conditions as of January 1, 2012 – Cautious Optimism

We enter 2012 with rising confidence in domestic business conditions, but our respondents are far from saying, “full speed ahead.” Our survey results continued the upward trend seen last month, yet are still at levels that can be characterized as cautious optimism. This result is a definite improvement over the negative outlook that we have seen recently. We are encouraged to see cautious optimism, despite continued international uncertainties: the issues surrounding the Euro-zone, tensions in the Middle East, and a possible global slowdown. [\[download report\]](#)

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 January 1, the Index continued the upward trend out of the range of negative growth and recessionary conditions, but is not yet at levels that predict a strong economy.



ECONOMIC INDICATORS:

Trends are in the right direction, but caution is in the outlook.

Indicator	Past 30 days	60 day outlook	Comments
Business Conditions	↑	↔	Up for the immediate past but flat for the 60-day outlook
Order Backlogs	↑	↑	Up in the past 30 days; dramatically strong 60-day outlook
Capital Expenditure Commitments	↑	↗	The 60-day outlook saw a schism with an increase in those intending to spend more as well as an increase in those planning to cut back
Employment	↑	↗	The 60-day outlook had a similar schism: an increase in those intending to ramp up hiring as well as an increase on those planning to cut back
Capital Availability & Pricing	↑	↑	Continued improvement in financing conditions

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