



## Business Conditions as of May 1, 2011

As of May 1, the rate of the recovery growth in Business Conditions continued to trend downward. While still above the recession levels, our Survey indicators generally show that the recovery has been slowing since very early in the first quarter. The Q1 GDP data, released last week, show the growth rate had declined to a 1.8% annual rate, down from 3.4% in Q4 2010. The Tatum Survey indicates that GDP growth will be even lower in Q2 2011. [\[download report\]](#)

## 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 May1, the Index showed its 3<sup>rd</sup> consecutive month of decline after peaking as of February 1.



**ECONOMIC INDICATORS:** The Index and the majority of most key indicators are in decline.

Indicator	Past 30 days	60 day outlook	Comments
<u>Business Conditions</u>	↔	↔	Slight continued declines in the rate of recovery
<u>Order Backlogs</u>	↑	↑	Up in the month and in the outlook
<u>Capital Expenditure Commitments</u>	↗	↓	Up some last month, weak outlook
<u>Employment</u>	↔	↓	Flat with prior month but outlook is softer
<u>Capital Availability &amp; Pricing</u>	↗	↓	Better availability last month; probable rising rates coming

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

For more information call 888.Tatum11 or visit [www.TatumLLC.com](http://www.TatumLLC.com)

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