



Business Conditions as of November 1, 2011 - The Decline has Stopped, but No Cause for Celebration

Last month our Tatum Survey took a deep nose-dive to levels indicating recessionary conditions. The survey as of November 1 took a slight uptick, stopping the decline but remaining at 2-year low levels. The 60-day outlook also flattened out to the low levels reported last month. Whether this turns into a recession or not, our respondents are reporting low-to-negative growth and are reacting accordingly. [\[download report\]](#)

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 November 1, the Index slightly ticked up but remains in the range of negative growth and recessionary conditions.



ECONOMIC INDICATORS:

The Index ticked up based on an "OK" October and a slight decline in the outlook.

Indicator	Past 30 days	60 day outlook	Comments
Business Conditions	↔	↔	Barely inched upward in the past 30 days and barely inched downward the future 60 days
Order Backlogs	↓	↗	Expectations of improvements in the next 60 days given the disappointment in the last 30 days may be seasonal
Capital Expenditure Commitments	↓	↓	Reacting to expectations by cutting cap ex and expecting to continue to cut back
Employment	↓	↓	Cutbacks in employment as well
Capital Availability & Pricing	↗	↔	Reports of improvement for the last 30 days; expectations are mostly flat from there

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