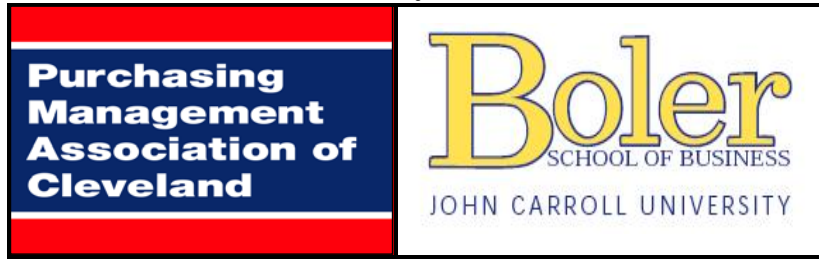


**Northeast Ohio Business Survey Report  
for  
January, 2011**



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*To view this report on-line, please go to [www.PMAC.org](http://www.PMAC.org)*

**GENERAL BUSINESS CONDITIONS**

The barometer index of 40.75 indicates that economic activity has risen somewhat in past 3 months and is higher than it was a year ago.  
The forecast index of 52 indicates that manufacturing activity should continue to increase for the next month. Barometer readings above "0" indicate that the manufacturing sector of the economy is generally expanding. Readings below "0" mean generally contracting.

<b>Month</b>	<b>Jan-11</b>	<b>Dec-10</b>	<b>Nov-10</b>	<b>Jan-10</b>
Cleveland Barometer-%	40.75	36.50	30.22	24.69
Cleveland Forecast-%	52.00	50.75	45.11	-6.22

**PRODUCTION**

Production activity continues to rise as it has for the past two months  
The Production Index is now 37

<b>Production</b>	<b>%Better</b>	<b>%Same</b>	<b>%Worse</b>	<b>Net</b>	<b>Index</b>
January 2011	46	31	23	23	37
December 2010	62	31	7	55	65
November 2010	39	46	15	24	22

**NEW ORDERS**

New orders continue to increase, just as they have for the past two months  
The New Order Index is now 37

<b>New Orders</b>	<b>%Better</b>	<b>%Same</b>	<b>%Worse</b>	<b>Net</b>	<b>Index</b>
January 2011	38	46	15	23	36
December 2010	50	33	17	33	44
November 2010	42	42	16	26	29

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**EMPLOYMENT**

Employment rose in January  
The Employment Index is 42

<b>Employment</b>	<b>%Greater</b>	<b>%Same</b>	<b>%Lower</b>	<b>Net</b>	<b>Index</b>
January 2011	36	64	0	36	42
December 2010	23	54	23	0	8
November 2010	31	62	7	24	30

**INVENTORIES**

**RAW MATERIALS**

Raw material inventories are somewhat higher.  
The Raw Material Index is 29

<b>Raw Material Inventories</b>	<b>%Higher</b>	<b>%Same</b>	<b>%Lower</b>	<b>Net</b>	<b>Index</b>
January 2011	31	62	7	24	29
December 2010	23	38	38	-15	-5
November 2010	31	62	7	24	31

**FINISHED GOODS**

Finished goods inventories remained constant  
The Finished Goods Index is 6

<b>Finished Goods Inventories</b>	<b>%Higher</b>	<b>%Same</b>	<b>%Lower</b>	<b>Net</b>	<b>Index</b>
January 2011	23	54	23	0	6
December 2010	25	33	42	-17	-16
November 2010	33	50	16	17	16

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**BUYING POLICIES**

Buying policies for Production Materials remain spread out but somewhat shorter term  
Buying policies for MRO Supplies are somewhat shorter term as well.  
Capital expenditure decisions have a significant long term component.

**PERCENT REPORTING**

<b>PRODUCTION MATERIALS</b>	<b>Hand to Mouth</b>	<b>30 Days</b>	<b>60 Days</b>	<b>90 Days</b>	<b>6 Mos</b>	<b>1 Year</b>
January 2011	31	31	23	0	15	0
December 2010	38	8	23	15	15	0
November 2010	27	9	36	9	18	0
<b>MRO SUPPLIES</b>						
January 2011	55	36	0	9	0	0
December 2010	50	25	25	0	0	0
November 2010	45	27	27	0	0	0
<b>CAPITAL EXPENDITURES</b>						
January 2011	50	0	17	0	17	17
December 2010	22	11	22	33	0	11
November 2010	22	0	22	11	22	22

**COMMODITY PRICES**

The commodity prices are increasing, as they have been for the past three months.  
The Commodity Price Index is now 28

<b>Commodity Prices</b>	<b>%Higher</b>	<b>%Same</b>	<b>%Lower</b>	<b>Net</b>	<b>Index</b>
January 2011	85	15	0	85	81
December 2010	67	33	0	67	70
November 2010	25	75	0	25	28

**COMMODITY CHANGES:**

**Prices Up:** steel, copper, wire mesh, rebar, aluminum ingot, iodine  
PVC, adhesives, polyester, antimony oxide, HDPE

**Prices Down:** none reported

**Items in Short Supply:** polyester, steel, photo multiplier tubes

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**FROM GENERAL REMARKS:**

- We see some improvement.
- Optimistic about 3rd and 4th quarter.
- Market still seems very stagnant.
- Several price increases effective 1/1/11.
- Snow storms are impacting sales in stores.
- It would be helpful to hear some "serious" commitments to deficit reduction from Washington.
- This and unemployment are still a drag on the economy.
- " - Is this ever going to end?  
Our backlog is keeping us busy plus new product development.

Region	Economy	Main Index
Cleveland	Manufacturing	+8.0

Comments
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Manufacturing Economy expansion continued to flatten. Inventories and prices continued to rise. Barometer results above zero indicate an expanding manufacturing economy.
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