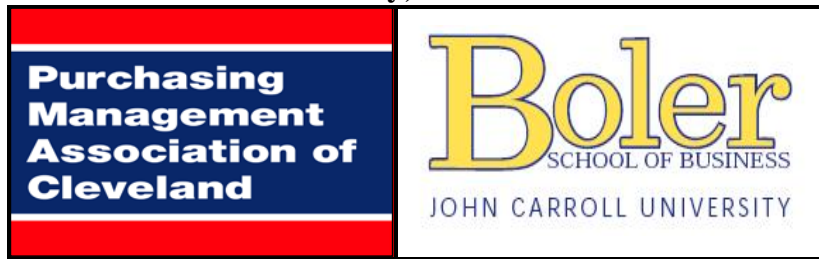


**Northeast Ohio Business Survey Report**  
for  
**May, 2011**



*Published by: **Boler School of Business, John Carroll University**  
In conjunction with: **Purchasing Management Association of Cleveland***

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

**GENERAL BUSINESS CONDITIONS**

The barometer index of 49.63 indicates that economic activity is higher than in previous months, and higher than it was a year ago.

The forecast index of 52.00 indicates that manufacturing activity should 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>May-11</b>	<b>Apr-11</b>	<b>Mar-11</b>	<b>May-10</b>
Cleveland Barometer-%	49.63	50.25	49.64	23.56
Cleveland Forecast-%	52.00	47.25	51.10	0.89

**PRODUCTION**

Production activity continues to rise as it has for the past two months

The Production Index is now 69

<b>Production</b>	<b>%Better</b>	<b>%Same</b>	<b>%Worse</b>	<b>Net</b>	<b>Index</b>
May 2011	69	31	0	69	61
April 2011	33	67	0	33	16
March 2011	50	50	0	50	44

**NEW ORDERS**

New orders continue to increase.

The New Order Index is now 67.

<b>New Orders</b>	<b>%Better</b>	<b>%Same</b>	<b>%Worse</b>	<b>Net</b>	<b>Index</b>
May 2011	67	33	0	67	61
April 2011	27	73	0	27	8
March 2011	50	38	12	38	30

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**EMPLOYMENT**

Employment continues to increase, but at a slower rate.  
 The Employment Index is 3

<b>Employment</b>	<b>%Greater</b>	<b>%Same</b>	<b>%Lower</b>	<b>Net</b>	<b>Index</b>
May 2011	23	62	15	8	3
April 2011	45	45	10	35	25
March 2011	39	46	15	24	20

**INVENTORIES**

**RAW MATERIALS**

Raw material inventories are somewhat higher  
 The Raw Material Index is 2

<b>Raw Material</b>	<b>%Higher</b>	<b>%Same</b>	<b>%Lower</b>	<b>Net</b>	<b>Index</b>
<b>Inventories</b>					
May 2011	31	46	23	8	2
April 2011	46	46	8	38	33
March 2011	39	46	15	24	14

**FINISHED GOODS**

Finished goods inventories are declining  
 The Finished Goods Index is -18

<b>Finished Goods</b>	<b>%Higher</b>	<b>%Same</b>	<b>%Lower</b>	<b>Net</b>	<b>Index</b>
<b>Inventories</b>					
May 2011	17	50	33	-16	-18
April 2011	36	55	9	27	27
March 2011	39	46	15	24	21

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**BUYING POLICIES**

Buying policies for Production Materials remain spread out  
Buying policies for MRO Supplies are consistent with the past few months.  
Capital expenditure decisions are evenly spread

**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>
May 2011	33	8	33	0	17	8
April 2011	33	17	33	17	0	0
March 2011	23	31	31	8	0	8
<b>MRO SUPPLIES</b>						
May 2011	50	25	25	0	0	0
April 2011	55	27	18	0	0	0
March 2011	42	33	25	0	0	0
<b>CAPITAL EXPENDITURES</b>						
May 2011	22	0	22	11	22	22
April 2011	20	0	20	20	20	20
March 2011	18	0	18	18	18	27

**COMMODITY PRICES**

The commodity prices continue to increase  
The Commodity Price Index is now 69

<b>Commodity Prices</b>	<b>%Higher</b>	<b>%Same</b>	<b>%Lower</b>	<b>Net</b>	<b>Index</b>
May 2011	75	25	0	75	69
April 2011	45	45	10	35	25
March 2011	85	15	0	85	78

**COMMODITY CHANGES:**

**Prices Up:**

- oil, LDPE an dadhesives, lubricants, fuel, plastics, fuel surcharges
- copper, pvc, steel, ss, aluminum ingot

**Prices Down:**

- polyester, zinc

**Items in Short Supply:**

- transformers 20 VAC for electrical assembly, acetylene gas,
- iron oxide pigments, 316SS bar stock, carbon steel bar, T1-02,
- Tego foam-ex, steel bar lead times

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**FROM GENERAL REMARKS:**

- Our overall business cont's to be very soft from a catalogue standpoint and the discretionary income continues
- to be a challenge for our consumers.
- Not a lot of bidding activity.
- Despite complications and mixed signals from D.C., the rest of the country is trying to pull out of
- recession. Never have seen anything like this in my life. The Federal Gov't working contrary
- to business growth and higher employment.
- When will this all end.
- Business remains strong.
- Business is strong with construction and storm damage to utilities.
- Because of a lower workforce injuries and vacations are taking their toll on our ability to build inventory and meet
- "-customer demand. Because of the fragile economy, mgmt is holding off on addressing the manpower.

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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