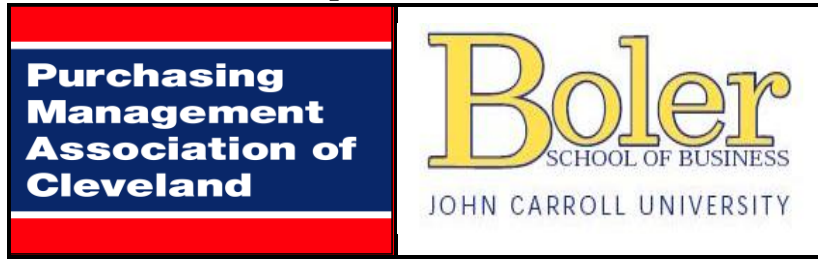


**Northeast Ohio Business Survey Report  
for  
September, 2011**



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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 21.50 indicates that economic activity is approximately the same as it was last month and a year ago.

The forecast index of 23.50 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>Sep-11</b>	<b>Aug-11</b>	<b>Jul-11</b>	<b>Sep-10</b>
Cleveland Barometer-%	21.50	20.19	24.56	19.31
Cleveland Forecast-%	23.50	20.75	24.00	27.22

**PRODUCTION**

Production activity increased from last month.

The Production Index is now 20

<b>Production</b>	<b>%Better</b>	<b>%Same</b>	<b>%Worse</b>	<b>Net</b>	<b>Index</b>
September 2011	17	83	0	17	20
August 2011	33	58	8	25	33
July 2011	21	43	36	-15	-10

**NEW ORDERS**

New orders continue to increase

The New Order Index is now 34

<b>New Orders</b>	<b>%Better</b>	<b>%Same</b>	<b>%Worse</b>	<b>Net</b>	<b>Index</b>
September 2011	42	50	8	34	34
August 2011	42	58	0	42	46
July 2011	23	54	23	0	8

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**EMPLOYMENT**

Employment is remaining relatively constant.  
The Employment Index is 5

<b>Employment</b>	<b>%Greater</b>	<b>%Same</b>	<b>%Lower</b>	<b>Net</b>	<b>Index</b>
September 2011	25	50	25	0	5
August 2011	17	75	8	9	7
July 2011	43	50	7	36	32

**INVENTORIES**

**RAW MATERIALS**

Raw material inventories continue to decrease or remain the same.  
The Raw Material Index is -18

<b>Raw Material</b>	<b>%Higher</b>	<b>%Same</b>	<b>%Lower</b>	<b>Net</b>	<b>Index</b>
<b>Inventories</b>					
September 2011	18	46	36	-18	-18
August 2011	8	67	25	-17	-15
July 2011	15	70	15	0	-3

**FINISHED GOODS**

Finished goods inventories decreased somewhat.  
The Finished Goods Index is -13

<b>Finished Goods</b>	<b>%Higher</b>	<b>%Same</b>	<b>%Lower</b>	<b>Net</b>	<b>Index</b>
<b>Inventories</b>					
September 2011	9	64	27	-18	-13
August 2011	9	64	27	-18	-18
July 2011	15	77	8	7	3

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**BUYING POLICIES**

Buying policies for Production Materials remain spread out  
Buying policies for MRO Supplies are more hand to mouth.  
Capital expenditure decisions remain weighted toward longer term

**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>
September 2011	33	25	25	8	0	8
August 2011	33	17	25	8	17	0
July 2011	23	23	23	15	8	8
<b>MRO SUPPLIES</b>						
September 2011	40	50	10	0	0	0
August 2011	45	36	18	0	0	0
July 2011	55	27	9	9	0	0
<b>CAPITAL EXPENDITURES</b>						
September 2011	11	0	33	11	22	22
August 2011	10	0	20	10	30	30
July 2011	10	0	30	10	10	40

**COMMODITY PRICES**

The commodity prices are up but at a slower pace.  
The Commodity Price Index is now 16

<b>Commodity Prices</b>	<b>%Higher</b>	<b>%Same</b>	<b>%Lower</b>	<b>Net</b>	<b>Index</b>
September 2011	17	75	8	9	0
August 2011	60	40	0	60	65
July 2011	50	42	8	42	46

**COMMODITY CHANGES:**

**Prices Up:** one respondent said "everything"

**Prices Down:** oil, copper

**Items in Short Supply:** steel, and another respondent said "none"

**Northeast Ohio Business Survey Report**  
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**FROM GENERAL REMARKS:**

- Bidding is up and down. Lower margins.
- The market is an absolute immobile slug. No hope for immediate change.
- Retail seasonal sales are soft going into 4th quarter. Consumer spending is down for craft items.
- Business is very strong.
- "- Wall Street are difficult to understand when pricing is flat for the most part, orders are increasing and most all
- "- my suppliers have at least 2 to 4 weeks of backorders. Europe fluctuations aren't helping the perception of
- "- a stable domestic economy.
- "- Business is currently flat. We keep hearing that oct. will pick up but have not seen the requests yet.
- "- We are planing to produce to the expected demand because we have been working down inventory.