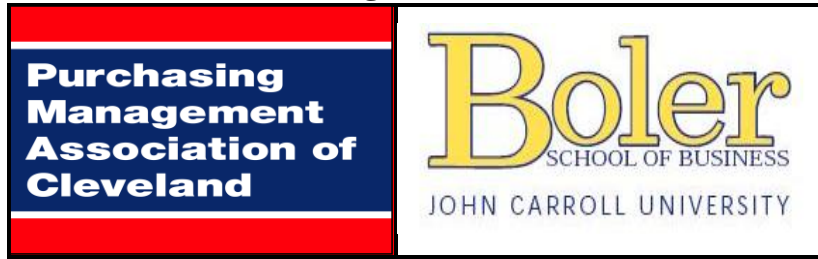


**Northeast Ohio Business Survey Report
for
August, 2011**



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GENERAL BUSINESS CONDITIONS

The barometer index of 18.88 indicates that economic activity is approximately the same as it was last month and a year ago.

The forecast index of 18.00 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.

Month	Aug-11	Jul-11	Jun-11	Aug-10
Cleveland Barometer-%	18.88	20.25	33.44	15.92
Cleveland Forecast-%	18.00	17.75	33.11	17.78

PRODUCTION

Production activity increased from last month.

The Production Index is now 33

Production	%Better	%Same	%Worse	Net	Index
August 2011	33	58	8	25	33
July 2011	21	43	36	-15	-10
June 2011	30	70	0	30	28

NEW ORDERS

New orders are increasing

The New Order Index is now 46.

New Orders	%Better	%Same	%Worse	Net	Index
August 2011	42	58	0	42	46
July 2011	23	54	23	0	8
June 2011	20	70	10	10	11

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EMPLOYMENT

Employment continues to increase somewhat.
The Employment Index is 7

Employment	%Greater	%Same	%Lower	Net	Index
August 2011	17	75	8	9	7
July 2011	43	50	7	36	32
June 2011	50	50	0	50	45

INVENTORIES

RAW MATERIALS

Raw material inventories decreased somewhat.
The Raw Material Index is -15

Raw Material Inventories	%Higher	%Same	%Lower	Net	Index
August 2011	8	67	25	-17	-15
July 2011	15	70	15	0	-3
June 2011	20	80	0	20	19

FINISHED GOODS

Finished goods inventories decreased somewhat.
The Finished Goods Index is -18

Finished Goods Inventories	%Higher	%Same	%Lower	Net	Index
August 2011	9	64	27	-18	-18
July 2011	15	77	8	7	3
June 2011	22	78	0	22	20

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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

PRODUCTION MATERIALS	Hand to Mouth	30 Days	60 Days	90 Days	6 Mos	1 Year
August 2011	33	17	25	8	17	0
July 2011	23	23	23	15	8	8
June 2011	33	11	33	11	0	11
MRO SUPPLIES						
August 2011	45	36	18	0	0	0
July 2011	55	27	9	9	0	0
June 2011	25	50	25	0	0	0
CAPITAL EXPENDITURES						
August 2011	10	0	20	10	30	30
July 2011	10	0	30	10	10	40
June 2011	13	0	25	25	13	25

COMMODITY PRICES

The commodity prices continue to increase
The Commodity Price Index is now 65

Commodity Prices	%Higher	%Same	%Lower	Net	Index
August 2011	60	40	0	60	65
July 2011	50	42	8	42	46
June 2011	60	40	0	60	57

COMMODITY CHANGES:

Prices Up: copper, acrylics, styrofoam, teflon, 316SS, duplex and special allowys
TI-02 titanium-aluminum ingot, hi-temp tapes, PVC, rubber, HDPE

Prices Down: polyester

Items in Short Supply: some types of steel

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FROM GENERAL REMARKS:

- Steady, but not great.
- With the large projects going, we are busy.
- June was a record month.
- Very little change even in consideration of the market shifts.
- "- We had a good August but 4th Q and 1st Q 2012 are in doubt. We've rec'd multiple schedule reductions
- "- from Caterpillar and Cumming. Is this the double dip beginning? Hard to tell but not a good sign.
- "- Nobody has confidence in the gov't handling anything.
- "- Business remains strong.
- "- Some grades of steel are difficult to get right now.
- "- Deadly quiet - like everyone is waiting for something to happen.