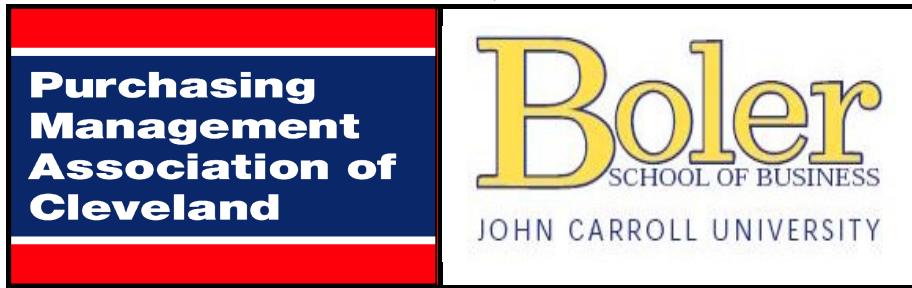


**Northeast Ohio Business Survey Report  
for  
December, 2010**



*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 32.25 indicates that economic activity is consistent with past 3 months and higher than it was a year ago.

The forecast index of 49.5 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>Dec-10</b>	<b>Nov-10</b>	<b>Oct-10</b>	<b>Dec-09</b>
Cleveland Barometer-%	32.25	30.19	24.83	13.97
Cleveland Forecast-%	49.50	49.00	36.78	-19.56

**PRODUCTION**

Production activity continues to rise as it has for the past two months  
The Production Index is now +65

<b>Production</b>	<b>%Better</b>	<b>%Same</b>	<b>%Worse</b>	<b>Net</b>	<b>Index</b>
December 2010	62	31	7	55	65
November 2010	39	46	15	24	22
October 2010	31	46	23	8	8

**NEW ORDERS**

New orders continue to increase, just as they have for the past two months  
The New Order Index is now 44

<b>New Orders</b>	<b>%Better</b>	<b>%Same</b>	<b>%Worse</b>	<b>Net</b>	<b>Index</b>
December 2010	50	33	17	33	44
November 2010	42	42	16	26	29
October 2010	50	38	12	38	36

## Northeast Ohio Business Survey Report for December, 2010

---

### EMPLOYMENT

Employment did not change during December  
The Employment Index is 8

<b>Employment</b>	<b>%Greater</b>	<b>%Same</b>	<b>%Lower</b>	<b>Net</b>	<b>Index</b>
December 2010	23	54	23	0	8
November 2010	31	62	7	24	30
October 2010	20	71	0	20	30

### INVENTORIES

#### RAW MATERIALS

Raw material inventories are somewhat lower.  
The Raw Material Index is -5

<b>Raw Material Inventories</b>	<b>%Higher</b>	<b>%Same</b>	<b>%Lower</b>	<b>Net</b>	<b>Index</b>
December 2010	23	38	38	-15	-5
November 2010	31	62	7	24	31
October 2010	23	54	23	0	1

#### FINISHED GOODS

Finished goods inventories, like raw material inventories, are decreasing  
The Finished Goods Index is -16

<b>Finished Goods Inventories</b>	<b>%Higher</b>	<b>%Same</b>	<b>%Lower</b>	<b>Net</b>	<b>Index</b>
December 2010	25	33	42	-17	-16
November 2010	33	50	16	17	16
October 2010	23	54	23	0	-4

## Northeast Ohio Business Survey Report for December, 2010

---

### BUYING POLICIES

Buying policies for Production Materials remain spread over a longer time horizon  
Buying policies for MRO Supplies remain spread over 0-60 days.  
Capital expenditure decisions have a significant long term component.

### PERCENT REPORTING

PRODUCTION MATERIALS	Hand to Mouth	30 Days	60 Days	90 Days	6 Mos	1 Year
December 2010	38	8	23	15	15	0
November 2010	27	9	36	9	18	0
October 2010	21	21	29	7	21	0
<b>MRO SUPPLIES</b>						
December 2010	50	25	25	0	0	0
November 2010	45	27	27	0	0	0
October 2010	29	43	29	0	0	0
<b>CAPITAL EXPENDITURES</b>						
December 2010	22	11	22	33	0	11
November 2010	22	0	22	11	22	22
October 2010	10	0	10	30	40	10

### COMMODITY PRICES

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

Commodity Prices	%Higher	%Same	%Lower	Net	Index
December 2010	67	33	0	67	70
November 2010	25	75	0	25	28
October 2010	43	57	0	43	48

### COMMODITY CHANGES:

**Prices Up:** teflon, allow steel bars, copper, wire mesh, rebar,  
aluminum ingot, linerboard, most mfg are increasing

**Prices Down:** prices stable in general

**Items in Short Supply:** steel lead times lengthen, polyester film is tight

### FROM GENERAL REMARKS:

- Conditions continue to slowly improve. We're cautiously optimistic about 2011. Business will improve
- but we're reluctant to hire. The economy is still fragile.
- When will this economy grow some and start running again.
- Glad to see the financing coming together for East Bank of Flats.
- Many suppliers report being very busy.
- Seeing some improvements.
- Business starting to stabilize
- " - Orders are up b/c we have announced price increases for after the first of the year. Inventories are down for year end tax purposes. Expect Jan. to be very hectic with everyone trying to replenish
- " stock and bat price increases. A number of raw materials have announced increases for after the first
- " of the year.