Industry Survey

New Survey Shows Improving Business Conditions, with Pickup in Hiring and Capital Spending Planned over Next Six Months

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For further information contact:

Melissa Golding | 571-236-2820 | melissag@nabe.com

William Strauss | 312-322-8151 | wstrauss@frbchi.org

Shawn DuBravac | 703-907-4305 | sdubravac@CE.org

Ken Simonson | 703-837-5313 | simonsonk@agc.org

The October 26, 2009, NABE Industry Survey report presents the responses of 78 NABE members to a survey conducted between October 2 and October 12, 2009, on business conditions in their firm or industry and reflects third-quarter 2009 results and the near-term outlook.

Comments:
"NABE's October 2009 Industry Survey provides new evidence that the U.S. recovery is underway," said **William Strauss, Federal Reserve Bank of Chicago.** "Industry demand expanded for the first time in five quarters and all panelists are expecting growth next year. While input costs have been increasing, prices have also been moving higher, allowing profits to improve. Job losses have been moderating with an improved outlook for hiring over the next six months. Capital spending was positive for the first time in a year. Improving credit conditions might be part of the explanation, with respondents indicating that credit remains tight but less so than earlier in the year."

See highlights on next page.

This NABE survey provides insights into these questions:

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202-463-6223 | 202-463-6239 fax | nabe@nabe.com | www.nabe.com

HIGHLIGHTS

- Industry demand increased during the July to September period for the first time in five quarters. The goods-producing; finance, insurance, and real estate (FIRE); and services sectors all saw growth in the unit volume of demand. The transportation, utilities, information, and communications (TUIC) sector was the only broad industry group to post a decline.

- All 78 NABE panelists indicated that business decisions are being made with the expectations that economic growth, as measured by real GDP, will be positive in 2010. Some 73 percent of firms believe real GDP will expand between 1 percent and 3 percent in 2010.

- Profit margins widened for the first time in seven quarters, albeit at a modest pace. While goods-producing industries continued to experience compression in profit margins, the other three broad industry groups all recorded gains.

- Price increases were more common than price cuts last quarter for the first time in a year. The share of respondents expecting price increases in the next three months exceeded the share expecting cuts by 15 percentage points, a margin not seen since July 2008.

- Job losses appear to be slowly abating with the percentage of firms cutting payrolls falling to 31 percent from 36 percent. The percentage for firms adding jobs doubled from an all-time low of 6 percent in July to 12 percent in October. Respondents expecting their firms to add employees over the coming six months exceeded the number expecting job cuts for the first time since the recession began.

- For the first time since October 2008, more respondents reported a rise in capital spending over the prior quarter than a decrease. Expectations for future capital spending improved for the fourth straight quarter and turned positive, on balance, for the first time in a year. As in the past two surveys, expectations were positive for spending on computers and communications equipment but negative for structures.

- Materials costs appear to be increasing with the percentage of respondents noting rising prices slightly outpacing respondents reporting price declines. Labor costs remain extremely subdued, with only 9 percent of respondents reporting rising compensation.

- A large but declining share of respondents indicated that credit conditions had a negative impact on their businesses during the third quarter of 2009, compared to the prior period. In addition, the number of panelists reporting a positive impact from credit conditions has also increased.

- The majority of respondents indicated a reduction in inventories, but the percentage declined from the previous two surveys. Forty-six percent of firms reported that inventories were reduced during the third quarter; many of these firms indicated that the reduction in inventories reflects a need to cut costs and conserve cash. At the same time, 18 percent of firms reported building inventories in anticipation of stronger sales.

- 38 percent of respondents reported an increase in sales because of the fiscal stimulus enacted in February 2009, suggesting that the stimulus has had an impact for some firms, but that a majority of firms have yet to see tangible benefits.

See last page for details on survey participation and definitions.

DETAILED RESULTS

Industry Demand

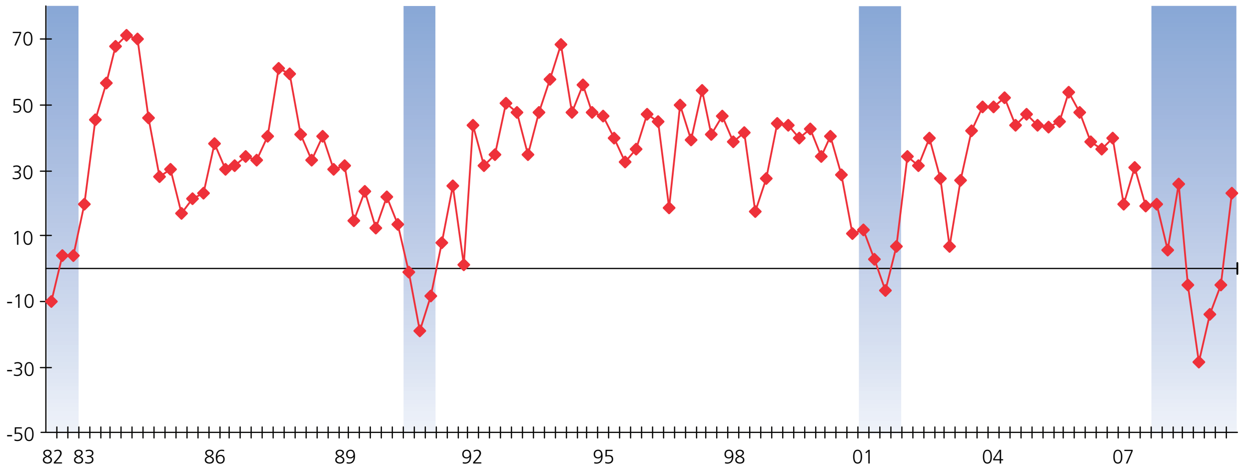
Consistent with other evidence that the U.S. economy is emerging from recession, industry demand rose for the first time in five quarters. The net rising index (NRI)—the percentage of respondents who reported rising demand minus the percentage who reported falling demand—improved to 23 in the October survey from -5 in July. (See Figure 1) Some 44 percent of respondents reported that the unit volume of demand rose over the past three months, while 21 percent noted falling demand and 35 percent saw demand as unchanged. The strongest growth was reported in the services sector, with 54 percent of respondents reporting increased demand and only 15 percent citing a decrease. The goods-producing and finance, insurance, and real estate (FIRE) sectors also showed gains. By contrast, demand conditions in the transportation, utilities, information, and communications (TUIC) industries continued to deteriorate, though at a slower pace than during the first half of the year. The NRI for the TUIC sector climbed to -30 from -90 in July and -53 in April.

Percent of total respondents (77) reporting that demand is:

Survey Month	Rising	Unchanged	Falling	NRI	
October '09	**44**	**35**	**21**	**23**	
July '09	26	43	31	-5	
April '09	27	32	41	-14	
January '09	20	33	47	-28	
October '08	30	34	35	-5	
By Sector-Oct '09					*No. responding*
Goods-producing	**38**	**44**	**19**	**19**	*16*
TUIC	**20**	**30**	**50**	**-30**	*10*
FIRE	**47**	**35**	**18**	**29**	*17*
Services	**54**	**30**	**15**	**39**	*33*

Note: In this and all tables, percentages may not sum to 100% due to rounding.

Figure 1 - Industry Demand Net Rising Index



In this and all figures, shaded areas represent recessions. The Business Cycle Dating Committee at the National Bureau of Economic Research announced in December 2008 that the current recession began in December 2007. The end date has not been announced.

Profits

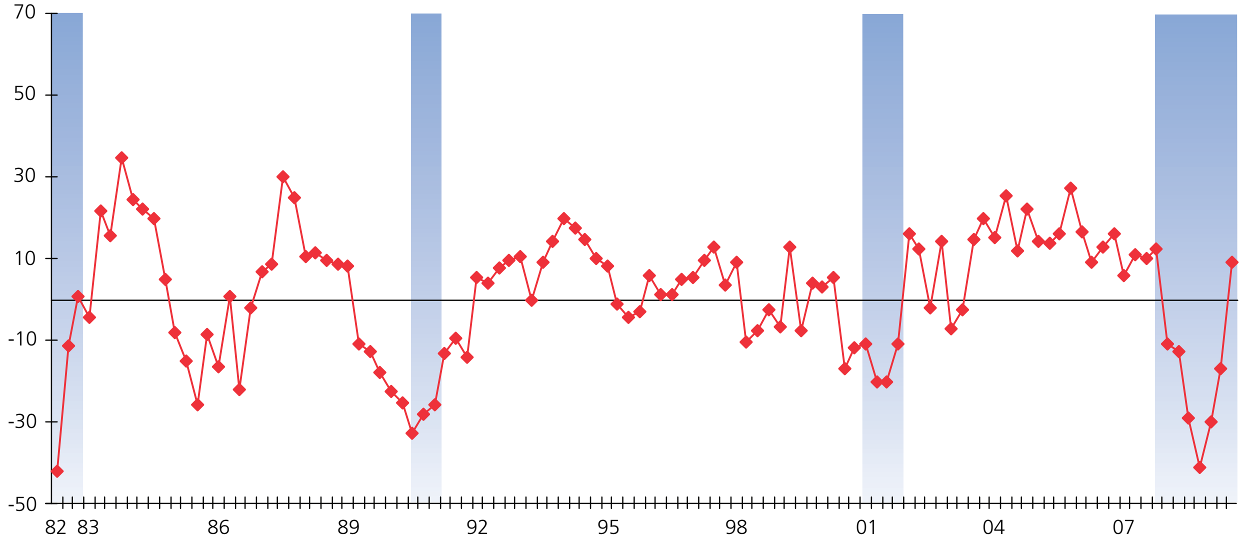
Following an extended period of declining profit margins, increased demand, greater pricing power, and restrained labor costs led to an expansion in profit margins in the October survey. In all, 36 percent of respondents reported rising margins, nearly twice the percentage reported in the July survey, while 28 percent noted declines. The NRI edged into positive territory for the first time in seven quarters, rising to 9 from -17 in July. (See Figure 2) The strongest profits performance was in the FIRE sector, where the NRI climbed to 18 in October from -3 in July. The NRI for the TUIC industries rose to 11 from -44 one quarter earlier, while the NRI for services increased to 10 from -23. With nearly half of respondents reporting falling profit margins, the goods-producing sector was alone among the survey's four major industry groups in posting a decline. The NRI for goods producers nonetheless improved to -8 from -14 in July.

Percent of total respondents (69) reporting that profit margins are:

Survey Month	Rising	Unchanged	Falling	NRI
October '09	**36**	**36**	**28**	**9**
July '09	19	45	36	-17
April '09	14	41	45	-30
January '09	10	38	52	-41
October '08	15	41	44	-29

By Sector-Oct '09					*No. responding*
Goods-producing	**38**	**15**	**46**	**-8**	*13*
TUIC	**33**	**44**	**22**	**11**	*9*
FIRE	**47**	**24**	**29**	**18**	*17*
Services	**30**	**50**	**20**	**10**	*30*

Figure 2 - Profit Margins Net Rising Index



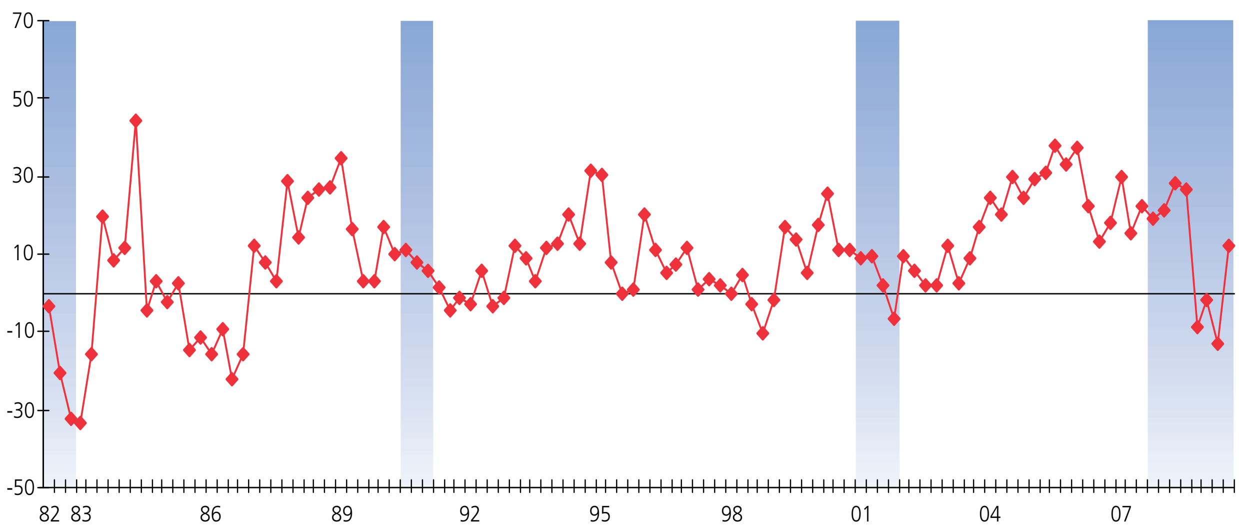
Prices Charged

Price increases were more frequent than price cuts last quarter for the first time in a year. Nearly one quarter of respondents indicated their firms raised prices in the October survey, compared to 8 percent in the July survey. Only 11 percent reported cutting prices, about half as many as had cut prices in each of the previous three quarters. Increases outnumbered decreases in all four sectors with FIRE reporting the largest NRI at 18.

Percent of total respondents (74) reporting prices charged by their firms are:

Survey Month	Rising	Unchanged	Falling	NRI	
October '09	**23**	**66**	**11**	**12**	
July '09	8	71	21	-13	
April '09	16	67	18	-2	
January '09	12	67	21	-9	
October '08	38	51	11	26	
By Sector-Oct '09					*No. Responding*
Goods-producing	**27**	**53**	**20**	**7**	*15*
TUIC	**20**	**70**	**10**	**10**	*10*
FIRE	**24**	**71**	**6**	**18**	*17*
Services	**22**	**69**	**9**	**12**	*32*

Figure 3 - Prices Charged Net Rising Index



The share of respondents expecting price increases in the next three months exceeded the share expecting cuts by 15 percentage points, a margin not seen since July 2008. It is noteworthy that the NRI for expected price changes has consistently matched the sign of the NRI on the question asked three months later regarding actual price changes. Thus, the rise in the NRI from 3 to 15 for expected prices suggests that actual price increases will be more widespread in the next quarter than in the previous quarter.

Percent of total respondents (71) reporting they expect prices charged over the next three months will:

	Oct '09	Jul '09	Apr '09	Jan '09	Oct '08
Fall more than 5%	**4**	1	5	13	6
Fall less than 5%	**8**	13	12	20	17
Will not change	**59**	70	67	54	56
Rise less than 5%	**22**	15	11	10	17
Rise more than 5%	**6**	2	5	4	4
NRI (all rising less falling)	**15**	3	-1	-19	-2

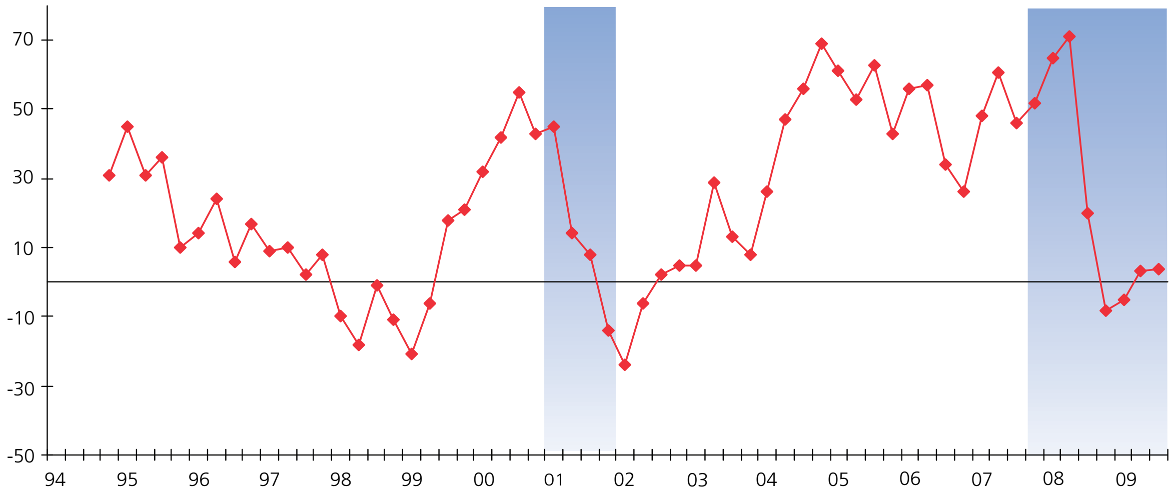
Costs

The number of firms reporting rising materials costs rose for the first time since the first half of 2008 when energy and commodity prices surged. The rebound of energy and commodity prices may again be driving the incline. Respondents from the goods-producing sector reported the largest NRI (29) versus an overall NRI of 4. The TUIC sector experienced a drastically different cost dynamic, as none of the respondents in this sector noted cost increases. While the overall NRI reached its highest level in a year (4) it remained well below the average of 55 registered in 2007 and 71 registered in the first half of 2008.

Percent of total respondents (54) reporting that materials costs are:

Survey month	Rising	Unchanged	Falling	NRI	
October '09	**22**	**59**	**18**	**4**	
July '09	18	67	15	3	
April '09	19	56	24	-5	
January '09	22	48	30	-8	
October '08	41	38	21	20	
By Sector-Oct '09					*No. responding*
Goods-producing	**36**	**57**	**7**	**29**	*14*
TUIC	**0**	**71**	**29**	**-29**	*7*
FIRE	**22**	**44**	**33**	**-11**	*9*
Services	**21**	**62**	**17**	**4**	*24*

Figure 4 - Materials Costs Net Rising Index



In October, the share of firms expecting costs to rise over the coming three months continued to rise. Roughly 35 percent of respondents expected non-labor costs to increase over the next three months versus a cyclical low of 22 percent in the January survey.

Percent of total respondents (62) reporting expected change in primary non-labor input prices over the next three months:

	Oct '09	Jul '09	Apr '09	Jan '09	Oct '08
Fall more than 5%	**3**	1	4	16	8
Fall less than 5%	**10**	10	14	22	20
Will not change	**52**	58	52	40	43
Rise less than 5%	**27**	26	25	16	26
Rise more than 5%	**8**	5	4	6	2
NRI (all rising less falling)	**23**	20	11	-16	0

The pressure on wage and salary costs remains subdued. After reaching an all-time low of -8 in July, the wage and salary NRI climbed only slightly as the percentage of respondents noting falling wages and salaries subsided. However, the percentage of respondents reporting rising wages and salaries also fell to a record low. The -3 NRI is only the third negative NRI registered since 1982.

Percent of total respondents (76) reporting that wages and salaries are:

Survey month	Rising	Unchanged	Falling	NRI
October '09	**9**	**79**	**12**	**-3**
July '09	10	72	18	-8
April '09	12	75	13	-1
January '09	14	74	13	1
October '08	12	80	8	4

Shortages

Over the past year, very few respondents have reported any shortages of major inputs. While the percentage of respondents who indicated no shortages of any kind fell slightly in the October survey, shortages are far less common now than one year ago.

Percent of total (73) reporting shortages in survey month:

Type of input	**Oct '09**	Jul '09	Apr '09	Jan '09	Oct '08
Skilled labor	**12**	10	12	10	27
Unskilled labor	**3**	3	2	3	3
Intermediate inputs	**4**	2	1	1	6
Raw material inputs	**0**	1	0	1	5
Capital goods	**3**	1	0	1	0
No shortages	**81**	86	86	85	66

Note: Columns sum to more than 100% if respondents listed multiple shortages.

Employment

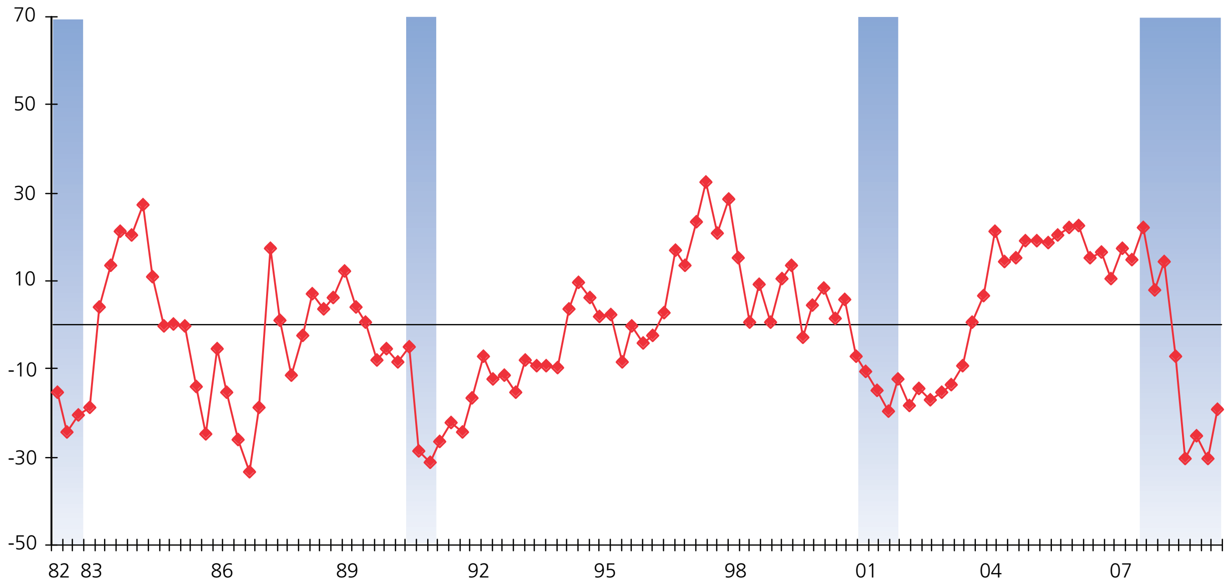
The October survey shows evidence of some improvement within the still-weak labor market: the percentage of respondents noting rising employment recovered from an historic low in July. Overall, the employment NRI rose 11 points to -19. Despite registering the largest quarterly gain in 5 years, the NRI remained in negative territory for the sixth consecutive quarter.

In the previous survey, none of the respondents in the goods-producing sector increased employment and 70 percent cut jobs. In the October survey, both indicators improved with 12 percent adding jobs and 31 percent cutting jobs. While the goods-producing NRI remained extremely low at -44, this represents a sizable improvement from the -70 recorded in July. The service sector has historically registered better labor demand than other sectors. Indeed, the service sector is the only sector to move into positive territory (NRI of 3). The TUIC sector registered the weakest labor demand, as none of the respondents noted improving employment.

Percent of total respondents (77) reporting that employment is:

Survey Month	Rising	Unchanged	Falling	NRI	
October '09	**12**	**58**	**31**	**-19**	
July '09	6	58	36	-30	
April '09	14	47	39	-25	
January '09	14	41	44	-30	
October '08	16	61	23	-7	
By Sector-Oct '09					*No. responding*
Goods-producing	**6**	**44**	**50**	**-44**	*16*
TUIC	**0**	**50**	**50**	**-50**	*10*
FIRE	**6**	**67**	**28**	**-22**	*18*
Services	**21**	**61**	**18**	**3**	*33*

Figure 5 - Employment Net Rising Index



Employment Outlook

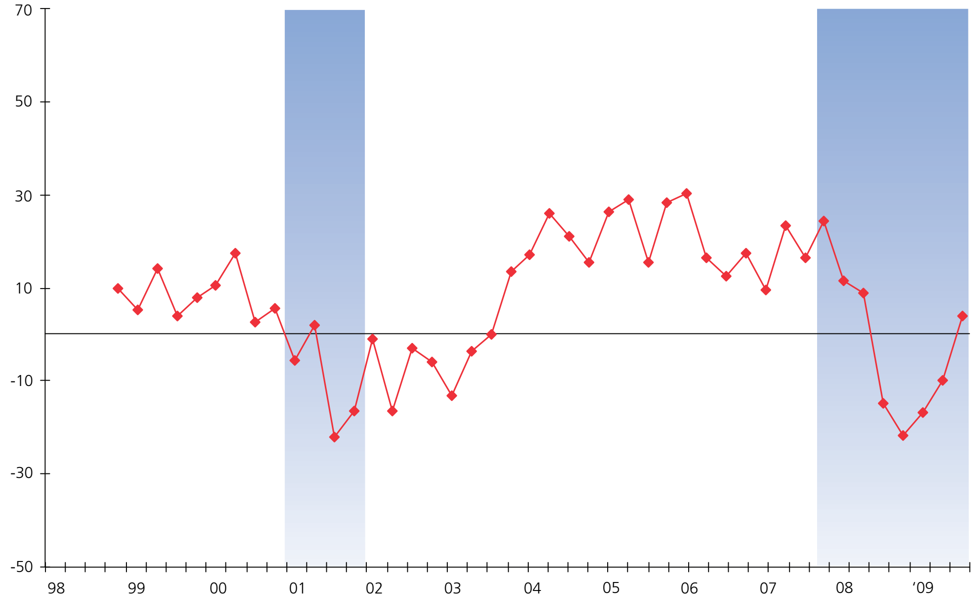
Expectations for the employment market improved markedly from July to October. The employment expectations NRI rose to 4, the highest level since the start of the recession. The improvement was driven both by a rise in respondents expecting to add jobs (from 18 percent to 24 percent) and by a drop in expected job losses (from 28 percent to 20 percent), which was due primarily to a substantial decline in respondents expecting further layoffs (from 11 percent to 4 percent). The FIRE sector's NRI joined the services sector in positive territory. The weakest story remains in the goods-producing sector where 43 percent of respondents expect further employment declines. The goods-producing sector NRI stayed very low at -31.

Percent of total respondents (76) reporting that in the next six months employment will:

	Oct '09	Jul '09	Apr '09	Jan '09	Oct '08
Increase	**24**	18	16	17	17
No change	**57**	54	50	45	52
Decrease through attrition	**16**	17	22	27	23
Decrease through significant layoffs	**4**	11	11	12	9
NRI (increase less all decreases)	**4**	-10	-17	-22	-15

By Sector-Oct '09	Goods-Producing	TUIC	FIRE	Services
Increase	**12**	**10**	**29**	**31**
No change	**44**	**60**	**47**	**66**
Decrease through attrition	**31**	**30**	**18**	**3**
Decrease through significant layoffs	**12**	**0**	**6**	**0**
NRI (increase less all decreases)	**-31**	**-20**	**6**	**28**
Number responding	*16*	*10*	*17*	*32*

Figure 6 - Expected Employment Net Rising Index



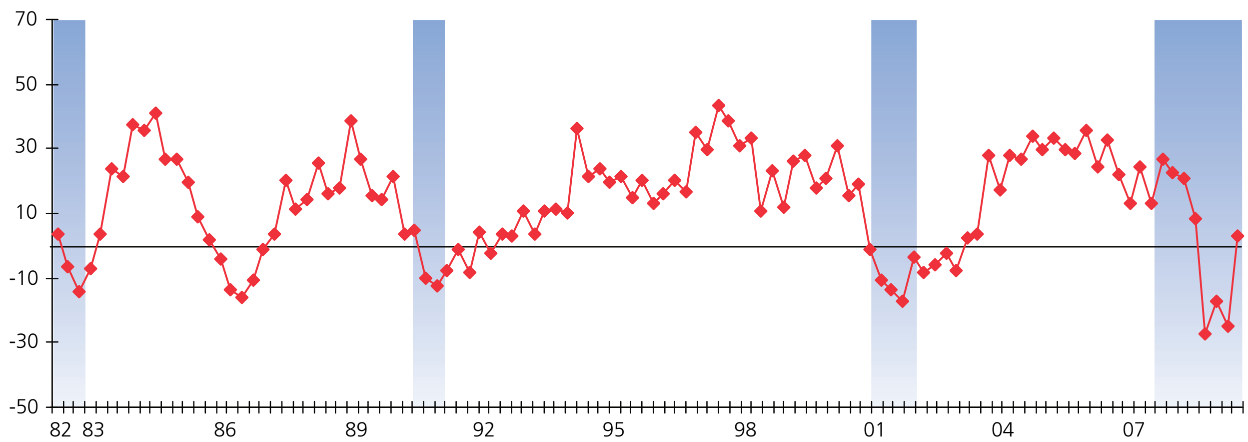
Capital Spending

For the first time since October 2008, more respondents reported a rise in capital spending from the prior period than a decline. The difference was slight, however, with 26 percent reporting increases and 22 percent reporting decreases in capital expenditures. The net increase was limited to the services and TUIC sectors.

Percent of total reporting (72) that capital spending is:

Survey Month	Rising	Unchanged	Falling	NRI	
October '09	**26**	**51**	**22**	**4**	
July '09	8	61	32	-24	
April '09	15	54	31	-16	
January '09	12	49	38	-26	
October '08	24	62	15	9	
By Sector-Oct '09					*No. responding*
Goods-producing	**14**	**36**	**50**	**-36**	*14*
TUIC	**30**	**50**	**20**	**10**	*10*
FIRE	**19**	**56**	**25**	**-6**	*16*
Services	**36**	**55**	**10**	**26**	*31*

Figure 7 - Capital Spending Net Rising Index



Expectations for future capital spending improved for the fourth straight quarter and the NRI turned positive for the first time in a year. Nearly 40 percent of respondents expect their firms to increase capital spending in the coming 12 months, up from 26 percent in July and 16 percent in January. Only 23 percent expect a decrease in capital expenditures, compared to 32 percent in July and 44 percent in January. More than half (52 percent) of service-sector respondents expect an increase in capital expenditures over the next 12 months.

Percent of total reporting (69) that capital spending over the next 12 months will:

	Total	Goods-Producing	TUIC	FIRE	Services
Increase more than 10%	**10**	**7**	**0**	**0**	**21**
Increase less than 10%	**29**	**27**	**22**	**33**	**31**
Stay about the same	**38**	**40**	**33**	**47**	**31**
Decrease less than 10%	**13**	**13**	**11**	**20**	**10**
Decrease more than 10%	**10**	**13**	**33**	**0**	**7**
NRI (all increases less decreases)	**16**	**7**	**-22**	**13**	**34**
Number reporting	*69*	*15*	*9*	*15*	*29*

For the third quarter in a row, the share of firms planning to raise capital spending for computers and communications equipment (C&C) outnumbered those planning cuts. In October, the share of respondents reporting planned increases in C&C less those reporting planned declines totaled 32 (NRI). The services sector had the highest NRI at 52, while the goods-producing sector had the lowest NRI at 0.

Percent of total reporting (68) that spending on computers and communications equipment over the next 12 months will:

	Total	Goods-Producing	TUIC	FIRE	Services
Increase more than 10%	**12**	**17**	**0**	**0**	**19**
Increase less than 10%	**34**	**17**	**22**	**40**	**42**
Stay about the same	**41**	**33**	**78**	**47**	**29**
Decrease less than 10%	**10**	**25**	**0**	**13**	**6**
Decrease more than 10%	**3**	**8**	**0**	**0**	**3**
NRI (all increases less decreases)	**32**	**0**	**22**	**27**	**52**
Number reporting	*68*	*12*	*9*	*15*	*31*

The NRI for capital spending expectations on structures over the next 12 months remained negative for the fifth consecutive quarter. However, 18 percent of respondents in the October survey expect to increase capital expenditures on structures over the next 12 months, nearly double the proportion from the past two surveys.

Percent of total reporting (51) that spending on structures over the next 12 months will:

	Total	Goods-Producing	TUIC	FIRE	Services
Increase more than 10%	**6**	**8**	**0**	**0**	**11**
Increase less than 10%	**12**	**8**	**29**	**8**	**11**
Stay about the same	**59**	**58**	**29**	**69**	**61**
Decrease less than 10%	**12**	**8**	**14**	**8**	**17**
Decrease more than 10%	**12**	**17**	**29**	**15**	**0**
NRI (all increases less decreases)	**-6**	**-8**	**-14**	**-15**	**6**
Number reporting	*51*	*12*	*7*	*13*	*18*

2010 GDP Forecast Underpinning Current Planning

In July, some 94 percent of NABE panelists expected real gross domestic product (GDP) to decline in 2009, with a plurality of 38 percent forecasting a contraction of 2.0 percent to 2.9 percent. Only 6 percent of respondents expected an increase in real GDP in 2009. Forecasts for 2010 reverse this trend, with no members of the NABE panel expecting real GDP growth to be negative next year. Still, 55 percent of respondents are making planning decisions with the assumption that real GDP in 2010 will grow no more than 2 percent. Another 36 percent of panelists expect growth between 2.1 percent and 3.0 percent, and the remaining 9 percent believe GDP will rise between 3.1 percent and 4.0 percent. No respondents forecast growth in excess of 4 percent.

Percent of total (77) reporting that 2010 real GDP (annual percent change) will grow:

	<0.0%	0.0% to 1.0%	1.1% to 2.0%	2.1% to 3.0%	3.1% to 4.0%	>4.0%
October '09	**0**	**18**	**37**	**36**	**9**	**0**

Credit Conditions

Credit conditions continue to negatively impact businesses. In October, 42 percent of firms reported that credit conditions adversely impacted their businesses. While elevated, that share is down from 54 percent of respondents in July and 45 percent in April. Meanwhile, in the October survey, 15 percent of firms reported positive implications from current credit conditions, with some firms reporting at least a moderate positive impact. In contrast, only 4 percent of firms in the July survey reported a positive impact from credit conditions, with only one of these outside of the financial services sector.

Percent of total (76) reporting on how the tightening of credit conditions has affected business directly:

	Total	Goods-Producing	TUIC	FIRE	Services
Significant negative impact	**16**	**19**	**0**	**22**	**16**
Moderate negative impact	**26**	**25**	**40**	**17**	**28**
Neither positive or negative impact	**43**	**50**	**50**	**28**	**47**
Moderate positive impact	**12**	**6**	**10**	**22**	**9**
Significant positive impact	**3**	**0**	**0**	**11**	**0**
Number responding	*76*	*16*	*10*	*18*	*32*

Inventories

Firms continued to reduce inventories, although at a slower pace. Roughly 56 percent of firms indicated reduced inventories in the October survey, down from 67 percent of firms in the July survey. Compared to the prior survey, more firms reported accumulating inventories because of weaker-than-expected sales and because of an anticipation of stronger sales, suggesting some firms are still dealing with disappointing sales, while others are planning for a turning point. Compared to the July survey, a larger percentage of firms in both the goods-producing and service sectors reported building inventory in anticipation of stronger sales.

Percent of total (31) respondents who characterize inventories as:

	Total	Goods-Producing	TUIC	Finance	Services
Building inventories in anticipation of stronger sales	**18**	**20**	**0**	**0**	**33**
Accumulating inventories because of weaker-than-expected sales	**26**	**20**	**40**	**60**	**11**
Reducing inventories in anticipation of weak sales	**12**	**7**	**20**	**40**	**0**
Reducing inventories to cut costs, conserve cash	**38**	**40**	**40**	**0**	**56**
Reducing inventories because of inability to finance them	**6**	**13**	**0**	**0**	**0**
Number responding	*31*	*14*	*4*	*4*	*9*

Impact of Federal Stimulus

38 percent of firms reported sales were higher as a result of the federal stimulus bill passed in February 2009, while only 11 percent of firms reported sales were lower. The majority (51 percent) reported sales were neither higher nor lower because of the fiscal stimulus, suggesting the stimulus effect (either positive or negative) has yet to impact many firms. The goods-producing sector appears to have enjoyed the largest impact from the stimulus bill with 46 percent of respondents indicating an improvement in sales and no firm indicating a decrease. The FIRE sector had mixed results with an equal number of respondents reporting higher and lower sales.

Percent of total respondents (61) reporting the impact of the federal stimulus bill passed in February 2009 on company:

	Total	Goods-Producing	TUIC	FIRE	Services
Sales are significantly higher than they would have been in the absence of the stimulus	**2**	**0**	**0**	**7**	**0**
Sales are moderately higher than they would have been in the absence of the stimulus	**36**	**46**	**38**	**13**	**44**
Sales are neither higher nor lower than they would have been in the absence of the stimulus	**51**	**54**	**38**	**60**	**48**
Sales are moderately lower than they would have been in the absence of the stimulus	**7**	**0**	**13**	**20**	**0**
Sales are significantly lower than they would have been in the absence of the stimulus	**5**	**0**	**13**	**0**	**8**
Number responding	*61*	*13*	*8*	*15*	*25*

SURVEY PARTICIPATION AND DEFINITIONS

All survey respondents are NABE members who work for private-sector firms and industry trade associations. Respondents were classified into industry NAICS codes and then grouped into four sectors as follows: goods-producing; transportation, utilities, information, communications (TUIC); finance, insurance, real estate (FIRE); and services. Industry groupings, beginning with the January 2007 survey, are as follows:

Goods-producing: NAICS 11 Agriculture, forestry, fishery, hunting; 21 Mining; 23 Construction; 31-33 Manufacturing.

Transportation, Utilities, Information, Communications (TUIC): NAICS 22 Utilities; 48-49 Transportation & warehousing; 51 Information–publishing, software, broadcasting, Internet publishing and providers, telecommunications, etc.

Finance, Insurance, Real Estate (FIRE): NAICS 52 Finance and insurance—credit intermediation, including commercial and savings banks, credit unions, mortgage bankers; securities and other financial investments, trust, pension funds; health insurance and other insurance; 53 Real estate, rental, leasing.

Services: NAICS 42 Wholesale trade; 44-45 Retail trade; 54 Professional, scientific, technical services; 62 Health care services; 56 Administrative, support, waste management & remediation services; 71 Art, entertainment, recreation; 72 Accommodations & food service; 81 Other services.

The charts and many of the tables display a **Net Rising Index (NRI)**, a diffusion index calculated as the percent reporting rising results minus the percent reporting falling results. Thus, the index has a possible range of +100 (all positive responses) to -100 (all negative), with 0 indicating an equal mix. All results shown are rounded to the nearest whole percentage; thus, details may not add to 100 and the NRI may not match the difference in rounded components. Shaded areas on charts indicate recessions.

A total of 78 panelists responded to the survey; the number of panelists responding to each question is included in the tables. Roughly 10 percent of the respondents were from single-person firms; 20 percent in firms with 2-10 employees; 19 percent in firms with 11-100 employees; 13 percent in firms with 101-1,000 employees; and 37 percent in firms with more than 1,000 employees. 53 percent of the firms had no sales from foreign-based operations; 33 percent reported one-quarter or less of total sales from abroad; 9 percent reported between one-quarter and one-half of sales from abroad; and 5 percent indicated more than half of all sales were from abroad.

The NABE Industry Survey has been conducted quarterly since 1982. This survey is one of three administered by NABE; the others are the quarterly NABE Outlook and the semiannual NABE Economic Policy Survey. Founded in 1959, the National Association for Business Economics is the professional association for people who use economics in their work. **William Strauss**, Federal Reserve Bank of Chicago; **Shawn DuBravac**, Consumer Electronics Association; **Lisa Emsbo-Mattingly**, Fidelity Investments; **Tim Gill**, National Electrical Manufacturers Association; and **Ken Simonson**, The Associated General Contractors of America, conducted the analysis for this report.

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