D&B U.S. Economic Health Tracker

A multi-dimensional view of the U.S. Economy

February 2014

Small Business Health Index

D&B’s Small Business Health Index has contracted modestly in the current month, although small businesses saw improvement in on-time credit card and bill payments.

Source: D&B Global Data, Insights & Analytics

U.S. Jobs Health

D&B estimates 153,000 new jobs were added to U.S. payrolls in January 2014, with gains in retail and business services. The overall pace of employment growth is projected to continue improving modestly.

Source: D&B Global Data, Insights & Analytics
The D&B U.S. Business Economic Tracker revealed more bright spots for U.S. businesses in January 2014. In spite of a slight decline in the Small Business Health Index, the U.S. small business sector continues to improve steadily. While companies were more timely in credit card and bill payments, many relied more heavily on credit cards, suggesting restricted access to traditional lending. Meanwhile, an estimated 153,000 new jobs were created. The retail and business services segments helped drive growth in U.S. payrolls for the month. Finally, overall U.S. business health strengthened in January, registering a 52.8-percent index value, the highest recorded level since the index began in December 2010. U.S. businesses continued to strengthen at the beginning of 2014, based on the weighted average of D&B’s Viability Rating, Delinquency Predictor, and Total Loss Predictor. Overall, the growing number of bright spots on the U.S. economic horizon signal an acceleration in the pace of growth in 2014.

**U.S. Business Health Index**

- **Viability**: 14.8%
- **Delinquency**: 0.9%
- **Total Loss**: 2.2%

Source: D&B Global Data, Insights & Analytics

U.S. business health improved nearly 6 percent in January 2014, reaching its highest recorded level since the index began in December 2010. Businesses continued to improve their balance sheets and overall financial performance, extending a trend that accelerated in 2012.

**Perspectives**

The D&B U.S. Business Economic Tracker revealed more bright spots for U.S. businesses in January 2014. In spite of a slight decline in the Small Business Health Index, the U.S. small business sector continues to improve steadily. While companies were more timely in credit card and bill payments, many relied more heavily on credit cards, suggesting restricted access to traditional lending. Meanwhile, an estimated 153,000 new jobs were created. The retail and business services segments helped drive growth in U.S. payrolls for the month. Finally, overall U.S. business health strengthened in January, registering a 52.8-percent index value, the highest recorded level since the index began in December 2010. U.S. businesses continued to strengthen at the beginning of 2014, based on the weighted average of D&B’s Viability Rating, Delinquency Predictor, and Total Loss Predictor. Overall, the growing number of bright spots on the U.S. economic horizon signal an acceleration in the pace of growth in 2014.

**Methodology**

The Small Business Health Index measures year-over-year small business performance through equally weighted payment patterns and credit use. U.S. Jobs Health combines Small Business Health Index industry data with BLS figures to forecast monthly nonfarm payroll employment. The U.S. Business Health Index provides a year-over-year equally weighted average of D&B’s Viability Score, Delinquency Predictor and Total Loss Predictor. The cumulative diffusion index—which measures the breadth of change—ranges from zero (with all businesses recording high levels of risk) to 100% (with all businesses recording low levels of risk). Data available as of Jan. 31, 2014.

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