D&B U.S. Economic Health Tracker
A multi-dimensional view of the U.S. Economy

August 2014

Small Business Health Index

D&B’s Small Business Health Index fell about one point this month. All industry sectors contributed to the drop, however, there remains tremendous unevenness in the small business community largely defined by sectors.

D&B estimates that 235,000 new jobs were added to U.S. payrolls in July 2014. The Business Services sector remains the strongest contributor to employment growth with Trade, Transportation & Utilities also adding a considerable number of jobs.
The August 2014 D&B U.S. Economic Health Tracker indicates that an uneven pattern of growth is likely to persist in the U.S. economy making it critical for businesses to understand the sectors where growth is accelerating and decelerating.

The Small Business Health Index was down a point prompting us to maintain our cautiously optimistic outlook for the rest of 2014 and at least the first half of 2015. U.S. Jobs Health was solid in July with 235,000 new non-farm jobs added to U.S. payrolls. Business Services continues to lead the way to payroll employment gains with Trade, Transportation and Utilities also expected to add a considerable number of jobs. The U.S. Business Health Index strengthened once again in July, registering a 53.5-percent index value. While U.S. businesses are growing more slowly, they continue to show financial resilience, based on the weighted average of D&B’s Viability Rating, Delinquency Predictor, and Total Loss Predictor.

U.S. business health advanced 4.6 percent year-over-year in July 2014, driven by lower risk of future business failure and total loss, as well as continued improvement in on-time bill payments.

Perspectives

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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 index 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 July 25, 2014.

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