The December 2010 CONFINDEX™ reading jumped 10% to 117 from its September reading of 106. This is the fourth consecutive reading over the 100 mark representing more positive than negative responses. This reading continues a trend with confidence slowly and consistently staying on the positive side. CONFINDEX’s latest reading also represents a 48% increase over the pessimistic December 2008 reading of 79 taken in the midst of the economic crisis.

All four sub-indices that make up the overall CONFINDEX number have also risen into the solidly positive territory above 100. For example, the Business Condition sub-index registered a 17% gain over September by rising from 110 to 129. This reading represents its highest level since the survey began in 2008 and is a nice jump from the December 2009 reading of 83.

The Financial Conditions sub-index also rose a modest 4% from September’s 101 to a current 105 reflecting the more cautious credit environment prevalent today. The financial conditions sub-index has been consistently above 100 for all of 2010.

The Current Confidence and 2011 Outlook sub-indices also are positive, more so for the Current Confidence Index than the year ahead 2011 Outlook sub-index. The current confidence sub-index reading of 102 is a 17% gain from September’s 87 and indicates more confidence among CONFINDEX participants during the current quarter. However, their confidence in the outlook for the upcoming year is cautious as shown by a modest 6% increase in the Year Ahead Outlook sub-index from September’s 124 to today’s 132.
A SIMPLE EXPLANATION OF CONFINDEX™

• The Overall Confindex Number
  Is a form of a Composite Index
  • Within Overall Index we have 4 Sub Indices
    1) Business Conditions
    2) Financial Conditions
    3) Current Conditions
    4) 2011 Outlook – look ahead to September 2011

• Measurements taken using 8 questions
  • Current Business Conditions
  • Future (1 year) Business Conditions
  • Current Bank Credit Availability
  • Future (1 year) Bank Credit Availability
  • Future (1 year) Bonding Credit Availability
  • Line of Credit Status
  • Current Backlog
  • Future (1 year) Backlog

• We calculate indices by taking “the net” of positive responses minus negative responses and adding 100. (Neutral and No Answers are excluded).

• Any index greater than 100 reflects more positives than negatives
  Any index less than 100 reflects more negatives than positives.