

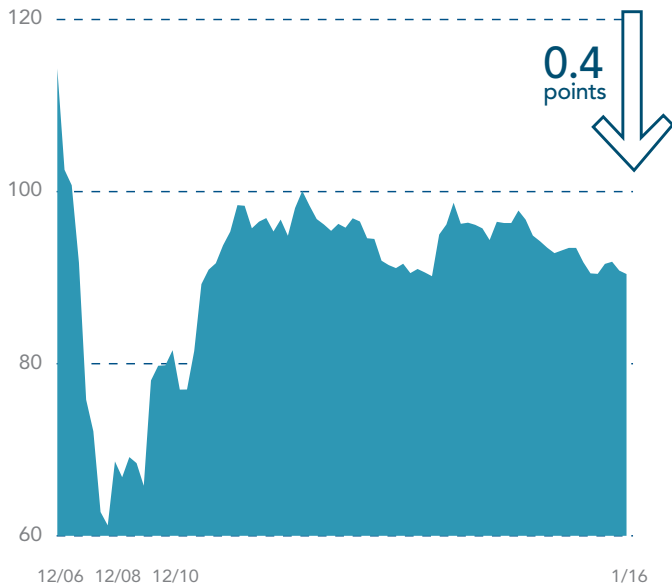
Dun & Bradstreet U.S. Economic Health Tracker

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

MARCH 2017

WWW.DNB.COM/TRACKER

SMALL BUSINESS HEALTH INDEX

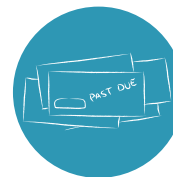


Source: Dun & Bradstreet



PAYMENT DELINQUENCY

↑ 3.64%



CREDIT CARD DELINQUENCY

↓ 1.29%

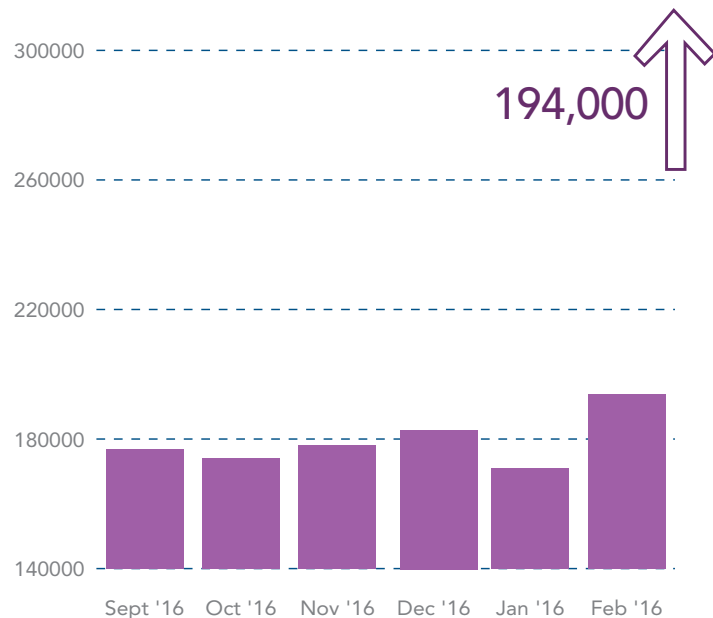


CREDIT CARD USE

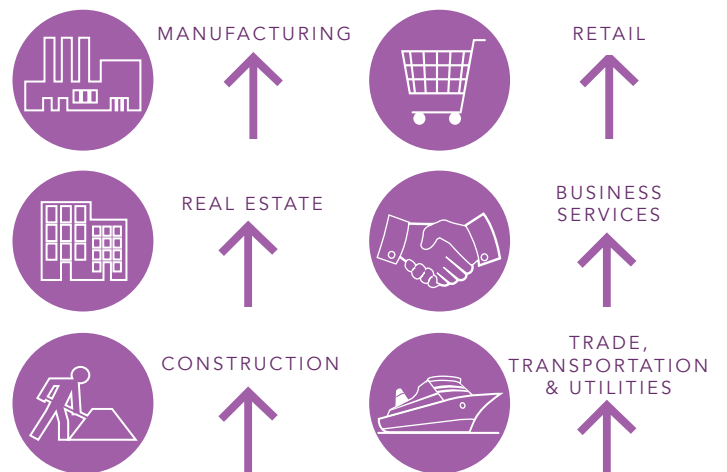
↑ 1.81%

The U.S. Small Business Health Index remained sluggish this month as a result of some counterbalancing movements in the sectoral indices. The rate of decline of the index on an annual basis has been falling steadily since Sep 2016 stands at a 9-month low this month, signaling small business conditions have been improving slowly since the past year.

U.S. JOBS HEALTH

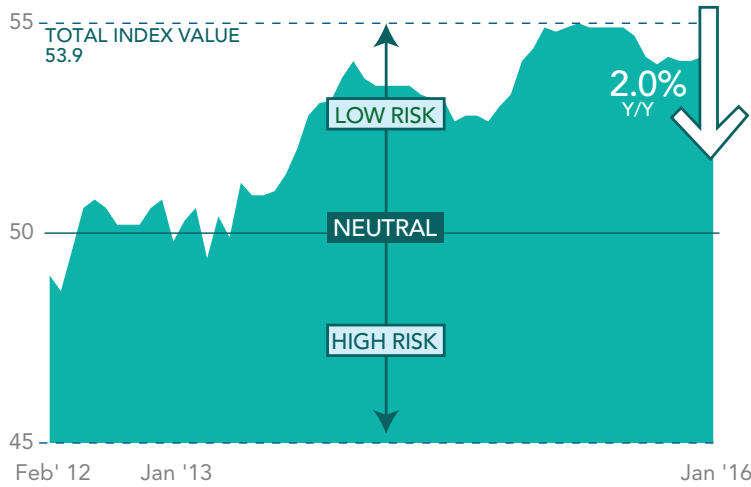


Source: Dun & Bradstreet



Our proprietary indicators show slightly improved conditions from prior months – we forecast the labor market to have added 194,000 jobs to the U.S. payrolls during February 2017. As the Federal Reserve gears up for three interest rate hikes this year, the trajectory of the labor market movements remains one of the key elements providing guidance.

U.S. OVERALL BUSINESS HEALTH INDEX



HOW TO READ THIS INDICATOR:
 A reading of 50% represents "neutral." A reading of more than 50% reflects generally lower risk and a reading of less than 50% reflects generally higher risk.



Source: Dun & Bradstreet

Dun & Bradstreet's Overall Business Health Index (OBHI) fell 0.6% on a month-to-month basis in January. Overall private sector financial health remains near favorable historical levels but fundamentals remain mired in a weakening trend.

PERSPECTIVES

This month, Dun & Bradstreet's Tracker continues on a subdued tone among small declines in our two proprietary indicators and a fairly uneventful labor market outlook. However, below the top line, sectoral movement is widespread.

Small business sectors like manufacturing and real estate have kept up their slow but steady upward gains both sequentially as well as on a Y/Y basis. Others like Auto or Transportation show gains on a sequential basis but are still declining on an annual basis. Sectoral imbalance in the small business segments seems to be a clear trend in this month's readings. If these imbalances persist, they will be a hindrance in the path of sustained growth for the U.S. economy. While sectoral variation amongst small businesses remain widespread, overall business risks are rising broadly with only slight discrimination being recorded by sector or geography. U.S. businesses remain in an overall low risk environment but conditions are worsening.

METHODOLOGY

The Small Business Health Index measures year-over-year small business performance through 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. Overall Business Health Index provides a weighted average of Dun & Bradstreet'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). Report based on data available as of February 27, 2017.

To learn more, visit www.dnb.com/tracker

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