

# Dun & Bradstreet U.S. Economic Health Tracker

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

OCT 2021

[DNB.COM/TRACKER](https://dunbradstreet.com/tracker)

### U.S. SMALL BUSINESS HEALTH INDEX



PAYMENT DELINQUENCY

↓ 0.3% Y/Y



CREDIT CARD DELINQUENCY

↓ 1.3% Y/Y



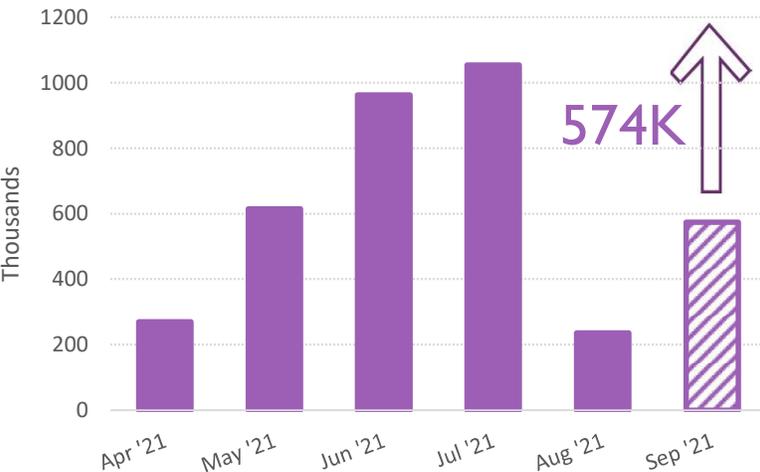
CREDIT CARD USE

↓ 1.3% Y/Y

The U.S. Small Business Health Index retained last month's sluggish M/M pace with the index remaining almost unchanged over the current reporting period. While the sequential M/M decline stood at 0.1 points, the Y/Y increase registered at a little over 5% indicating recovery towards pre-pandemic levels. Both delinquency subcomponents improved, implying improving ability of small businesses to meet their financial obligations. Small business failures inched up, however, causing the small decline in the index. All major sectors show the annual increase, although some sectors like Real Estate and Financial Services registered some sequential decline.

Source: Dun & Bradstreet

### U.S. JOBS HEALTH



MANUFACTURING



RETAIL



REAL ESTATE



BUSINESS SERVICES



CONSTRUCTION



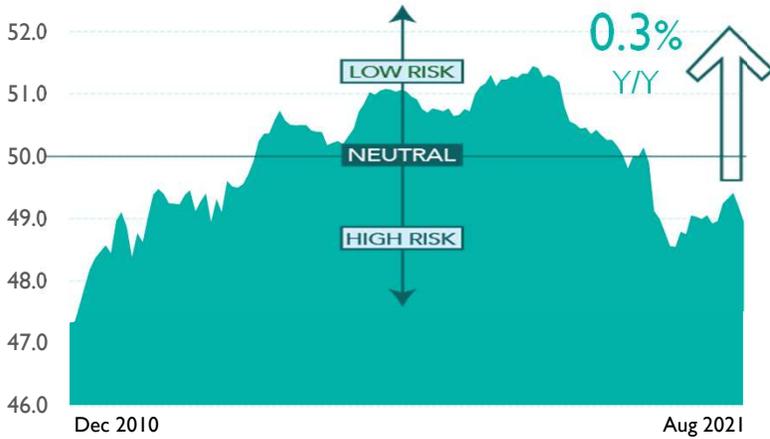
TRADE, TRANSPORTATION & UTILITIES



The U.S. labor market is expected to add about 570K jobs in September 2021, quickening its pace compared to last month's modest gains. Among other indicators, claims for jobless benefits dropped by the most in three months in the most recent report, suggesting a gain in momentum. Labor shortages remain and driven primarily by the spread of the Delta variant of the COVID-19 virus in some parts of the country. Shortages are expected to resolve as vaccination rates and public health conditions continue to improve.

Source: Dun & Bradstreet

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.



\* February 2021 marks the last comprehensive historical revision to the Overall Business Health Index with subsequent planned revisions occurring during February of each year.

Source: Dun & Bradstreet

The sequential decline first recorded in July has accelerated through August with D&B’s standard risk scores continuing to deteriorate. The Overall Business Health Index fell to 48.9% in August, a six-month low. All three subcomponents declined on a m/m basis with the Total Loss Predictor (TLP) and the Delinquency Predictor (DP) turning negative on an annual basis. The sharp turn lower in TLP and the DP may possibly be confirming that a near-term peak in our risk indicator was established back in June

PERSPECTIVES

This month’s Tracker reflects a slowdown in the rate of recovery the U.S. economy had been recording over the past few quarters. The Small Business Health Index has stalled for the second sequential month in August 2021, signaling that small businesses remain susceptible to continuing pressures on operating conditions. Factors like a surge in positive COVID-19 Delta variant cases in some parts of the country or raging natural disasters did have an impact on these businesses. While the labor market remains robust, labor shortages remain a problem for small businesses. Indicating that eligible workers may be staying out of the labor force.

After recovering for much of 2020 and 2021, Dun & Bradstreet’s Overall Business Health Index has trended lower since hitting a post-pandemic high in June (49.4%). While Viability has been resilient, indicating that firms will likely remain operational, the recent sharp turn lower in our Total Loss Predictor (TLP) and Delinquency Predictor (DP) foretells a rising risk of payment distress. The decline in TLP and DP is coinciding with the rise in the Delta variant of Covid-19 that disrupted the US economic recovery this summer and through August. Positive Covid-19 case data is continuing to dictate the pace of recovery but a recent peak in positive case data may help to turn the current downtrend in our risk scores around.

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 October 4, 2021.**

To learn more, visit <https://www.dnb.com/perspectives/analytics/us-business-economic-trends.html>

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