

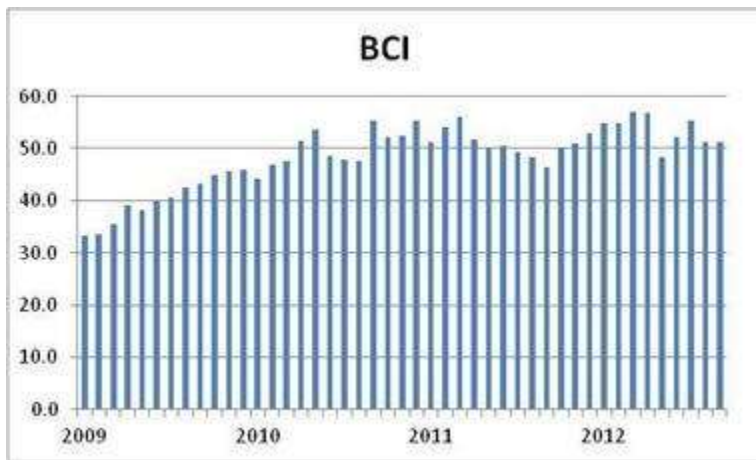
Massachusetts business confidence falls on worries for national economy



By **Jim Kinney, The Republican**

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The Massachusetts Business Confidence

Index, as compiled by the Associated Industries of Massachusetts.

SPRINGFIELD — Massachusetts employers lost confidence last month, especially in the national economy, according to a survey released this week by **Associated Industries of Massachusetts**.

Associated Industries Business Confidence Index fell two-tenths of a point to 51.1 points from 51.3 points in September. Business executives' opinion of national business conditions fell 5.6 points to 39.4 points. Associated Industries is a statewide business advocacy group.

“Businesses that participate in the survey are really starting to have questions about the near-term future of the U.S. economy ,” **Michael D. Goodman**, associate professor and chairman of the **Department of Public Policy at the University of**

Massachusetts Dartmouth. “I think there is a lot of uncertainty.”

Chief among those concerns is the “fiscal cliff” a package of federal tax hikes and spending cuts set to begin in January if Congress and the administration don’t change things. Goodman said the Congressional Budget Office predicts that the fiscal cliff could snuff out the economy’s already slow growth and throw the economy back into a recession.

Another Associated Industries economic adviseer, Fred Breimyer of the **New England Economic Partnership**, said the survey shows that business have little confidence in Washington’s ability to avert disaster.

“The direction is really quite unclear,” Breimyer said. “We know that Congress really backed its way into a corner.”

It also seems that employers get more optimistic the closer to home they are asked to think. Associated Industries Massachusetts lost two-tenths of a point to 50.8 compared with 39.4 for national business conditions. The company index, or how people think their own companies were doing, rose 2.1 points to 55.9 in October.

“I think they continue to be more optimistic about their own prospects,” Goodman said.

Associated Industries figures its indexes on a 100-point scale where 50 is neutral, above 50 is positive and lower than 50 is negative. The historic high of 68.5 points was reached on two occasions in 1997 and 1998. The survey hit its all-time low of 33.3 points in 2009.

Associated Industries employment index gained 3.4 points to 53.7 points in October from 50.3 points in September. Over the past six months, 31 percent of respondents reported adding staff, while 17 percent reported layoffs. As far as the future is concerned, 25 percent of respondents expect to add personnel in the next six months, while 16 percent foresee having to cut staff in the next six months.