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Continued Strong Cash Flow from Operations and Economic Uncertainty Drive Increase in Corporate Cash Levels, According to Treasury Strategies

For Immediate Release

June 9, 2011 – Chicago, IL – The Federal Reserve today reported corporate cash balances climbed to \$1.91 trillion – a 36% increase since the first quarter of 2009 – representing \$510 billion. This significant increase indicates that businesses continue to generate cash from operations, while corporate treasurers remain concerned about the future economic outlook, according to [Treasury Strategies, Inc.](#) a treasury consulting firm.

“From our work with clients, as well as survey data collected this week, we see that corporations continued to have strong cash flow from operations over the last quarter. Given that total corporate cash continues to grow, these findings tell us that income growth is outpacing expenditures,” says Cathy Gregg, Partner of Treasury Strategies.

Beginning in the first quarter of 2009, companies began to accumulate substantial amounts of cash, which triggered accusations of hoarding. “Today’s report demonstrates that **corporations are making purposeful decisions to spend wisely as the business environment continues to fluctuate,**” says Anthony Carfang, Partner of Treasury Strategies.

Over the next six months, companies plan to deploy cash in ways that maximize their return and improve infrastructure. Those activities include capital expenditures, mergers and acquisitions, and equity repurchases. Treasury Strategies’ clients indicate they expect continued strong cash flow from operations, and they are highly interested in strategically redeploying cash, given the continued economic uncertainty.

“In the end, it looks like corporations have done a tremendous job of responsibly managing their operations by holding onto cash through challenging economic events. As we predicted the last three quarters, we will continue to see that responsible behavior through purposeful spending aimed at strengthening stakeholder relations and business infrastructures,” says Carfang.

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About Treasury Strategies, Inc.

Treasury Strategies, Inc. is the leading Treasury consulting firm working with corporations and financial services providers. Our experience and thought leadership in treasury management, working capital management, liquidity and payments, combined with our comprehensive view of the market, rewards you with a unique perspective, unparalleled insights and actionable solutions. Visit www.TreasuryStrategies.com for more information.

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