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For Immediate Release

## **Corporate Cash Increases As Business Outlook Improves, According to Treasury Strategies**

March 10, 2011 – Chicago, IL – The Federal Reserve today reported corporate cash balances climbed to \$1.88 trillion – a 35% increase since the first quarter of 2009 – representing \$489 billion. This significant increase indicates companies are accumulating cash because the business environment is improving, according to [Treasury Strategies](#), a treasury consulting firm.

“From our work with clients, as well as survey data collected this week, we see that corporations have very strong growth in cash flow from operations over the last quarter. We also see inventory reduction has slowed dramatically. Given that total corporate cash continues to grow, these findings together tell us that corporations are looking for ways to redeploy their cash, and 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 improves,” says Anthony Carfang, Partner of Treasury Strategies.

Over the next six months, companies will deploy cash in areas that maximize their return, such as capital expenditures, mergers and acquisitions, and debt redemptions. Treasury Strategies clients indicate they expect continued strong cash flow from operations and increased interest in a strategic redeployment of cash.

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“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 last quarter, we will see a continuation of that responsible behavior through purposeful spending aimed at strengthening stakeholder relations and business infrastructures,” says Gregg.

*Note to Editors, Reporters: Treasury Strategies Partners Anthony Carfang and Cathy Gregg are available for commentary on this matter.*

### **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. For more information, please visit [www.TreasuryStrategies.com](http://www.TreasuryStrategies.com).

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