

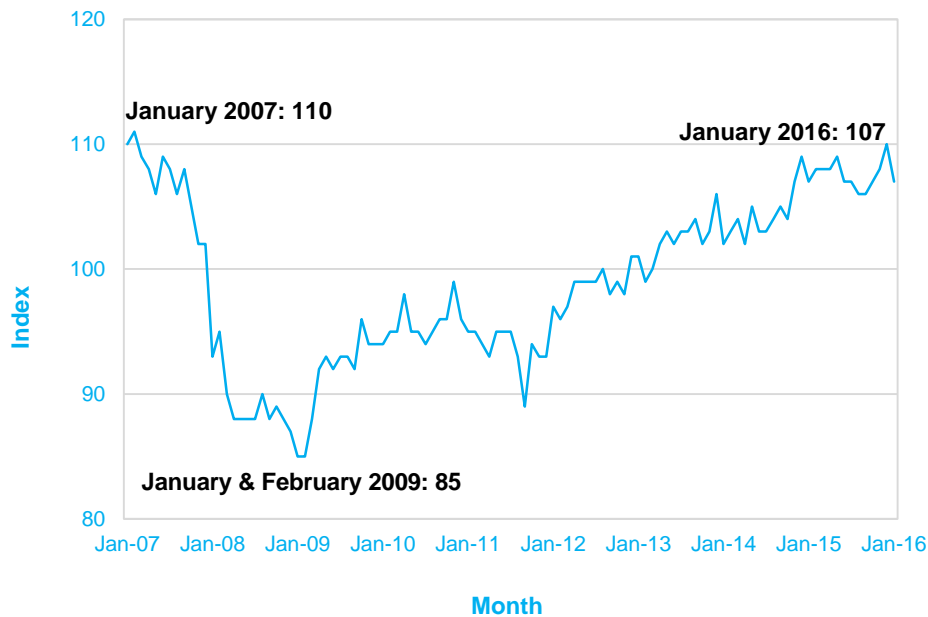
# Decision Analyst Economic Index

January 2016

## U.S. Economy Begins 2016 On Shaky Ground, According To Decision Analyst's Economic Index

Arlington, Texas—The Decision Analyst U.S. Economic Index registered **107 in January 2016**, a 3-point decline from the December 2015 Index of 110. The U.S. Economic Index in January 2016 is the same as it was in January 2015, suggesting that 2016 will be another year of slow or no economic expansion. The Economic Index tends to lead U.S. economic activity by 6 to 12 months. Below is the past-10-year history of the U.S. Economic Index.

### United States Economic Index January 2016



Past-12-Month Change  
(From January 2015 to  
January 2016)

+/-0  
Points

“The U.S. Economic Index increased sharply during the last three months of 2015 as the costs of oil, gasoline, and natural gas remained low. Reduced energy costs are, on balance, a stimulus to the U.S. consumer economy because households have more cash in hand to spend on groceries, eating out, clothing, and other consumer goods. Low energy costs lead to improved profitability in most energy-intensive industries, such as airlines, transportation and shipping, food processing, and many manufacturing companies,” said Jerry W. Thomas, President/CEO of Decision Analyst, a global marketing research and analytical consulting firm. “On the other side of the equation, the rising tide of debt of all types, the difficulty many small firms face in raising adequate amounts of money from the banking system in the U.S., and economic weakness in China, Russia,



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Cristi Allen, Publicity, [callen@decisionanalyst.com](mailto:callen@decisionanalyst.com)  
604 Avenue H East, Arlington, Texas 76011-3100  
Phone: 1-817-640-6166 ■ [www.decisionanalyst.com](http://www.decisionanalyst.com)

Brazil, and many emerging economies are exerting downward pressure on the U.S. economy. A U.S. recession in 2016 is not out of the question, but the odds continue to favor economic growth in the U.S. in 2016, albeit at a very modest pace.”

## Global Indices

The following tables compare Decision Analyst’s U.S. Economic Index to its Economic Indices for other countries.

In Europe, Italy and Spain have both achieved gains in the past 12 months. Spain reached an Index of **100 in January 2016**, a 6-point increase from January 2015. Italy achieved an Economic Index of **96 in January 2016**, a 6-point increase in the past 12-months. Meanwhile, in South America, Brazil has plummeted 20 points in the past 12 months—from 107 in January 2015 to **87 in January 2016**.

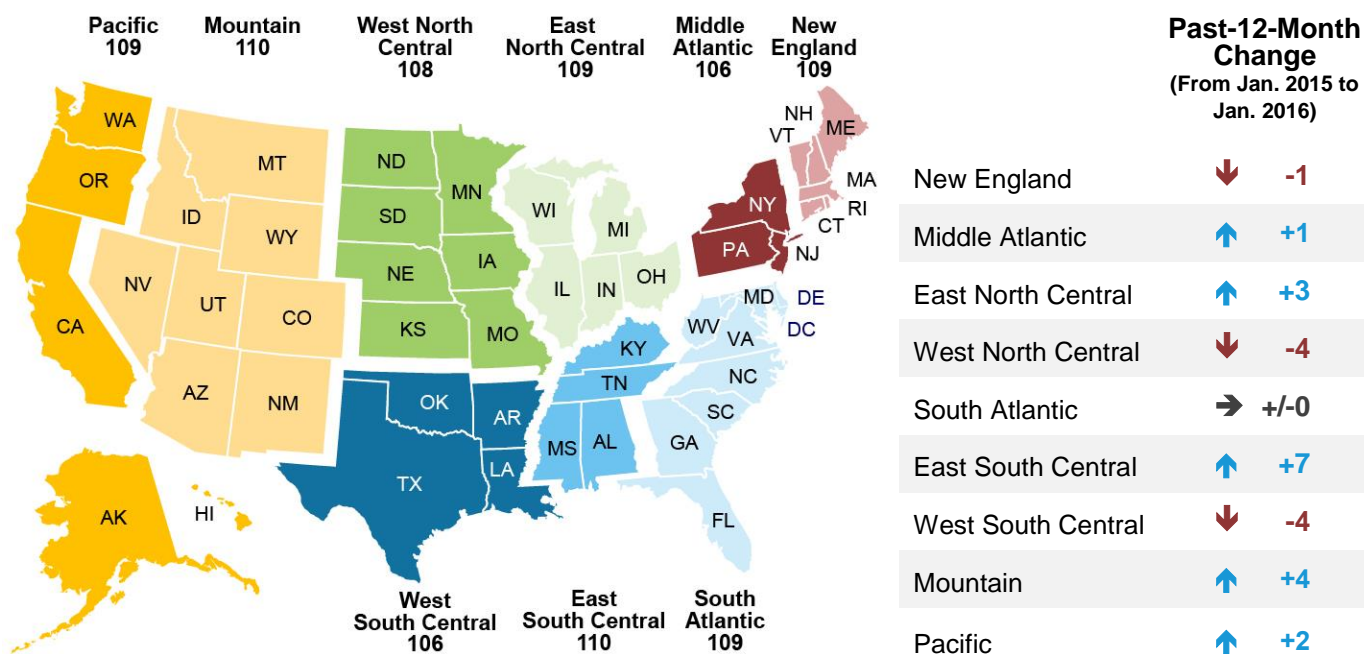
Decision Analyst Global Economic Indices January 2016			Past-12-Month Change (From January 2015 to January 2016)
North America		January 2016 Index	
	United States	107	→ +/-0
	Canada	87	↓ -4
	Mexico*	94	↑ +1
South America			
	Argentina*	90	↑ +6
	Brazil*	87	↓ -20
	Chile*	90	↓ -7
	Colombia*	101	↓ -12
	Peru*	103	↓ -9
Europe			
	France	84	↓ -7
	Germany	104	→ +/-0
	Italy	96	↑ +6
	Russian Federation*	88	↓ -8
	Spain*	100	↑ +6
	United Kingdom	100	↓ -5
Australia/Asia			
	Australia*	92	↓ -1
	India*	125	↓ -3

\* The Index numbers for Argentina, Australia, Brazil, Chile, Colombia, India, Mexico, Peru, the Russian Federation, and Spain are 3-month moving averages to smooth out month-to-month fluctuations. The reported Index number averages the current month with the previous 2 months.

## U.S. Census Divisions

The U.S. Census Divisions are not all moving in the same direction. In the past 12 months the East South Central Census Division increased 7 points, from 103 in January 2015 to **110 in January 2016**. The Mountain Division increased from 106 in January 2015 to **110 in January 2016**. Both the West North Central and the West South Central Divisions saw declines over the past 12 months, probably related to the declining prices of energy. The West North Central Division decreased from 112 in January 2015 to **108 in January 2016**, while the West South Central Division decreased from 110 in January 2015 to **106 in January 2016**.

### United States Census Divisions Economic Indices January 2016\*



\* The Index numbers for the Census Divisions are 3-month moving averages to smooth out fluctuations due to smaller sample sizes. The reported Index number averages the current month with the previous 2 months.

## Methodology

The Decision Analyst Economic Index is based on a monthly online survey of several thousand households balanced by gender, age, and geography. The scientific survey is conducted in the last 10 days of each month. The Economic Index is calculated from 9 different economic measurements using a sophisticated econometric model. The result is a snapshot of coming economic activity in each country surveyed, as seen through the eyes of representative consumers living in the respective countries.

Decision Analyst conducts its concurrent economic surveys each month in Argentina, Australia, Brazil, Canada, Chile, Colombia, France, Germany, India, Italy, Mexico, Peru, the Russian Federation, Spain, United Kingdom, and the United States. Whenever the Decision Analyst Economic Index is greater than 110, it tends to signal an expanding economy. An Index value of 90 to 110 suggests a no-growth or slow-growth economy, and near or below 90 generally indicates economic contraction. These guidelines vary by country, however.

## About Decision Analyst

Decision Analyst ([www.decisionanalyst.com](http://www.decisionanalyst.com)) is a global research and analytical consulting firm specializing in strategy research, new product development, advertising testing, and advanced modeling for marketing decision optimization. For more than 35 years the firm has delivered competitive advantage to clients throughout the world in consumer packaged goods, high technology, retail, medical, automotive, and other industries.