

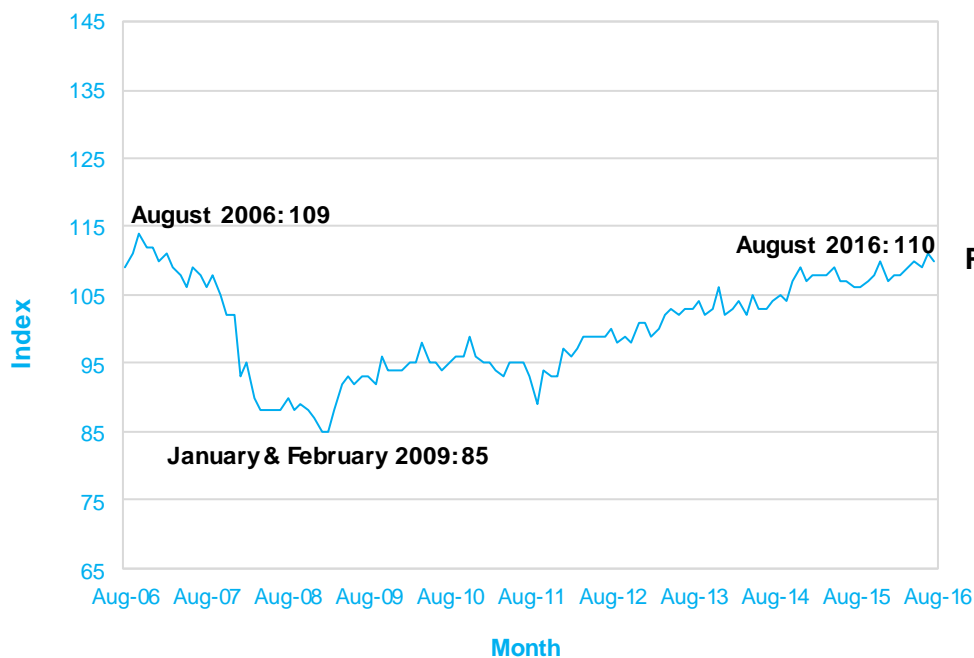
# Decision Analyst Economic Index

August 2016

## After A Sluggish Start To 2016, The U.S. Economy Might Be Ready To Pick Up The Pace, According To Decision Analyst's Economic Index

Arlington, Texas—The Decision Analyst U.S. Economic Index registered **110 in August 2016**, a 4-point increase from August 2015. This increase in the Economic Index signals continued U.S. economic growth for the rest of 2016, and it might indicate an uptick in the pace of U.S. growth. After 3 consecutive quarters of extremely slow economic expansion (about 1% annualized rate of growth), the U.S. economy certainly deserves some happy news. 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 August 2016



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



















“The overall trend of the U.S. Economic Index over the past year suggests that the fall of 2016 will likely show an improved rate of economic growth,” said Jerry W. Thomas, President/CEO of Decision Analyst. “All of the negative feelings and pessimism over presidential candidates Clinton and Trump do not appear to be negatively affecting the U.S. economy. The U.S. economy is certainly facing major headwinds from slower growth among its major trading partners, such as Canada, the European Union, Japan, and China. The failure of corporate America to adequately invest in new equipment, new products, new people, and new facilities is a major continuing drag on the U.S. economy, but we may be reaching the point that corporate investment spending will

have to expand (buildings and equipment don't last forever). Slow economic growth itself over the last two years has forced the private and public sectors to become more efficient, and it may be time for these ongoing improvements to become evident in faster economic growth," said Thomas. "More normal interest rates would also be a positive for the U.S. economy. Higher interest rates would help reduce corporate financial engineering and would reduce speculative investments in marginal opportunities."

## Global Indices

The following chart compares Decision Analyst's U.S. Economic Index to the Economic Indices for other countries. South America is in trouble. Brazil has been in a free fall for the past 2 years, and Venezuela (not shown) is an economic trainwreck. Argentina has declined by 6 points and Chile has declined by 7 points in the past 12 months, and Colombia and Peru have also declined. There are glimmers of hope in Europe. The Economic Indices in Germany, Italy, Spain, and the United Kingdom are trending up, and the initial impact of Brexit on the U.K. appears to be minimal.

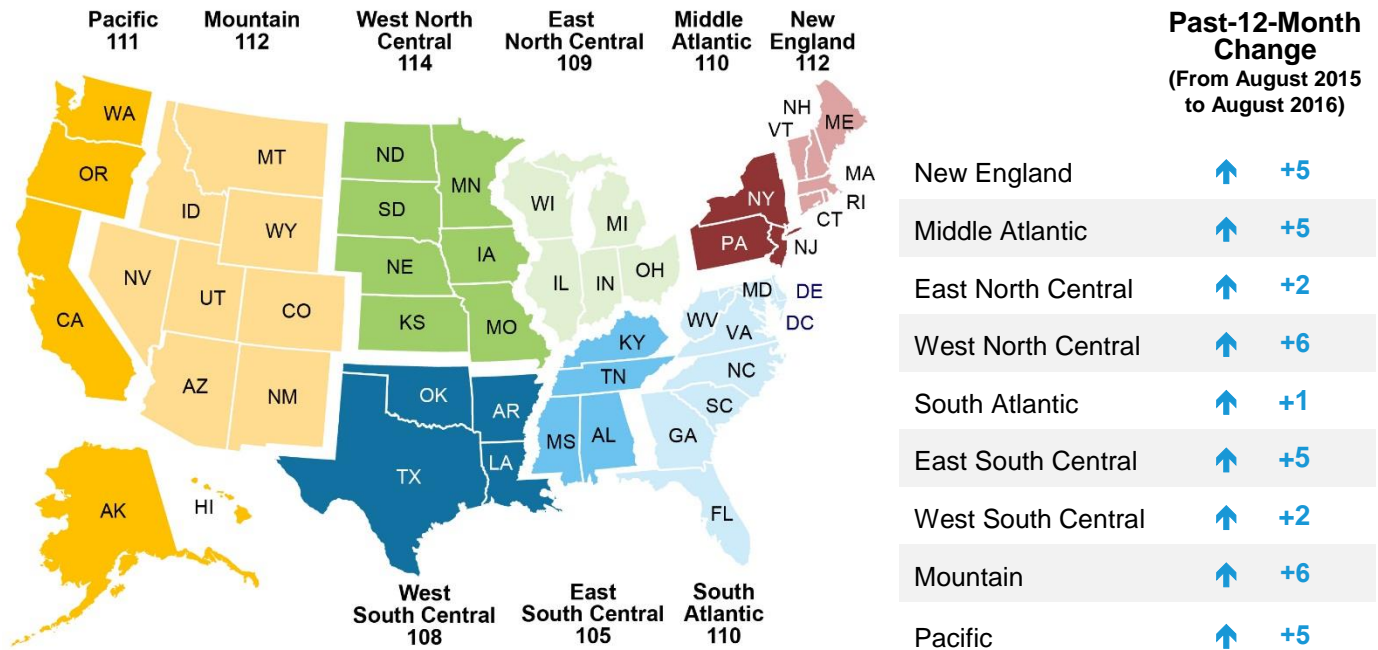
Decision Analyst Global Economic Indices August 2016			Past-12-Month Change (From August 2015 to August 2016)	
		August 2016 Index		
<b>North America</b>				
	United States	110	↑	+4
	Canada	92	↑	+2
	Mexico*	93	↑	+4
<b>South America</b>				
	Argentina*	82	↓	-6
	Brazil*	88	↑	+2
	Chile*	89	↓	-7
	Colombia*	100	↓	-4
	Peru*	108	↓	-1
<b>Europe</b>				
	France	85	↓	-2
	Germany	104	↑	+1
	Italy	98	↑	+1
	Russian Federation*	93	↓	-1
	Spain*	101	↑	+5
	United Kingdom	112	↑	+8
<b>Australia/Asia</b>				
	Australia*	95	↑	+3
	India*	122	↓	-1

\* 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 have increased in the past 12 months. The West North Central had the highest score of all the Census Divisions, it registered an Index score of **114 for August 2016**; that is an increase of 6 points from August 2015. The East South Central had the lowest Index score, a **105 for August 2016**; that is an increase of 5 points from August 2015.

### United States Census Divisions Economic Indices August 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, the 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.