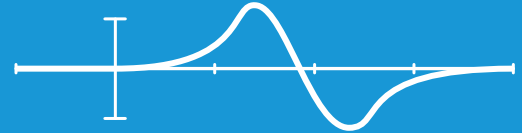


Decision Analyst Economic Index

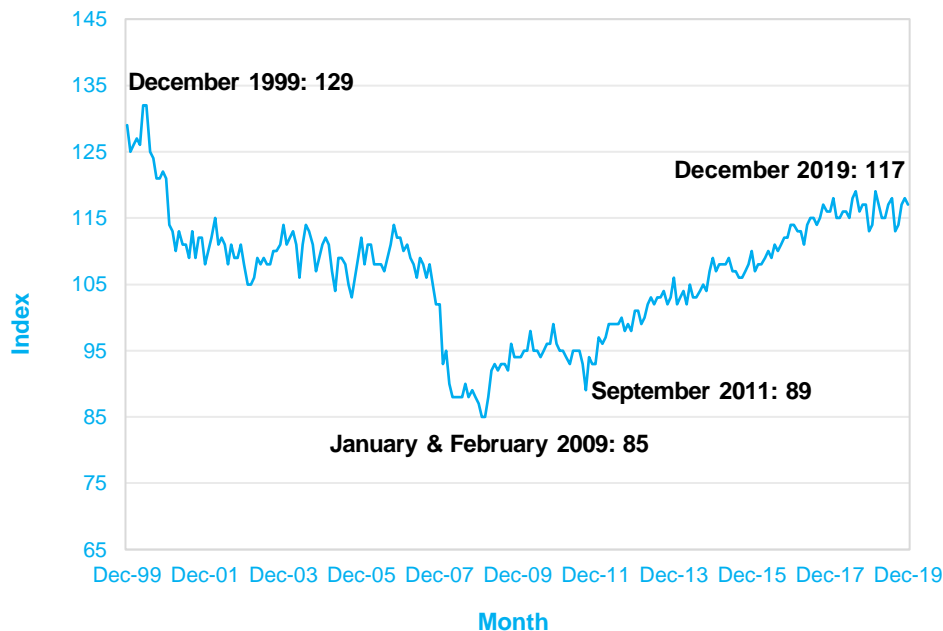
December 2019



The Economic Index for the U.S. is Predicted to Begin 2020 with Slow Economic Growth

Arlington, Texas—The Decision Analyst U.S. Economic Index stood at **117 in December 2019**, an increase of 4 points over the same month one year ago. Over the past 12 months, the Economic Index has remained essentially flat. This suggests that the U.S. economy will continue to grow at a slow pace in the coming months (i.e., at less than a 2% annual rate). The Economic Index tends to lead overall U.S. economic activity by 6 to 12 months. Below is the past-20-year history of the U.S. Economic Index.

United States Economic Index December 1999–December 2019

















**Past-12-Month
Change**
(From Dec. 2018
to Dec. 2019)

**+4
Point(s)**

“A quick look at the Economic Index graph above reveals that the Index has been essentially flat for the past 2 years,” said Jerry W. Thomas, President/CEO of Decision Analyst. “U.S. consumers are doing their part to keep the economy strong—they have continued to spend money. The government has massively stimulated the economy through low interest rates and deficit spending, an effort that cannot be long sustained. U.S. corporations, however, are the laggards. They have not done their part. It was hoped that the corporate tax cuts at the beginning of 2018 would lead to a rising tide of business investment. Instead, major corporations have used most of the tax cuts to buy back their stocks, a counterproductive waste of money and a short-term “artificial” stimulus to stock markets. Trade disputes and tariffs are having a negative effect on the U.S. economy as well, as are labor shortages in some industries. Manufacturing is in a prolonged slowdown, and the service side of the economy is also trending downward. Slowing economic growth in Europe and China poses added risks for the U.S. economy,” said Thomas.

Global Indices

The following chart compares the U.S. Economic Index to Decision Analyst's Economic Indices for other countries. In North America, both Canada and Mexico saw declines in the past 12 months. Mexico decreased by 5 points, while Canada decreased by 2 points. In South America, Colombia and Peru each increased by 8 points, while Chile dropped by 17 points. In Europe, Germany and Italy each increased by 3 points. The European economies are increasingly at risk of slow growth and/or recession. Some of the major countries tracked by Decision Analyst are shown below.

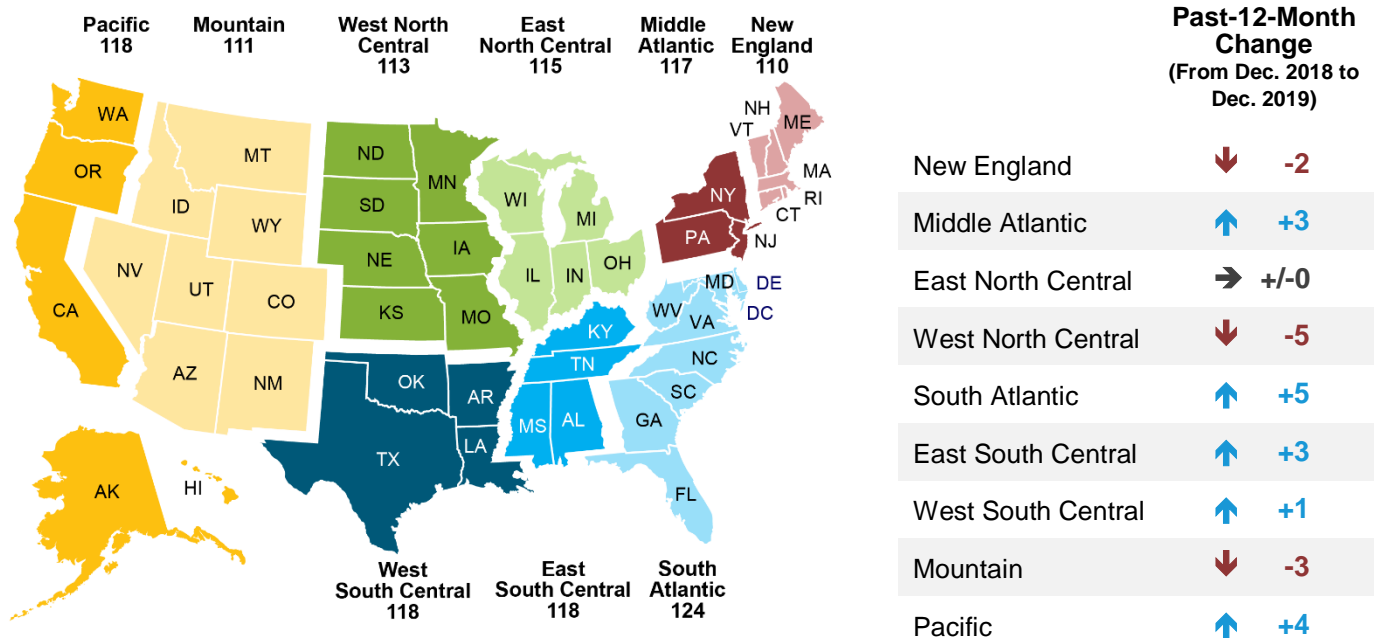
Global Economic Indices December 2019			Past-12-Month Change (From December 2018 to December 2019)	
North America		December 2019 Index		
	United States	117	↑	+4
	Canada	95	↓	-2
	Mexico*	100	↓	-5
South America				
	Argentina*	77	↑	+4
	Brazil*	113	↑	+5
	Chile*	81	↓	-17
	Colombia*	107	↑	+8
	Peru*	109	↑	+8
Europe				
	France	86	↑	+1
	Germany	107	↑	+3
	Italy	103	↑	+3
	Russian Federation*	96	↓	-4
	Spain*	99	↓	-2
Asia				
	India*	122	↓	-8

* The Index scores for Argentina, Brazil, Chile, Colombia, India, Mexico, Peru, the Russian Federation, and Spain are 3-month moving averages to smooth out month-to-month fluctuations. Each reported Index number is an average of the current month with the previous 2 months.

U.S. Census Divisions

Several of the U.S. Census Divisions saw declines in the past 12 months. The West North Central Census Division declined by 5 points, while the Mountain Census Division declined by 3 points. The South Atlantic Census Division increased by 5 points and the Pacific Census Division increased by 4 points. The following charts are 3-month moving averages, so the numbers are lower than the overall Economic Index (that is, the time periods covered are slightly different). This aberration will correct itself over time.

United States Census Divisions Economic Indices December 2019*



* The Index scores for the Census Divisions are 3-month moving averages to smooth out fluctuations due to smaller sample sizes. The reported Index score for each division 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, Brazil, Canada, Chile, Colombia, France, Germany, India, Italy, Mexico, Peru, the Russian Federation, Spain, 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) 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 40 years the firm has delivered competitive advantage to clients throughout the world in consumer packaged goods, high technology, retail, medical, automotive, and other industries.