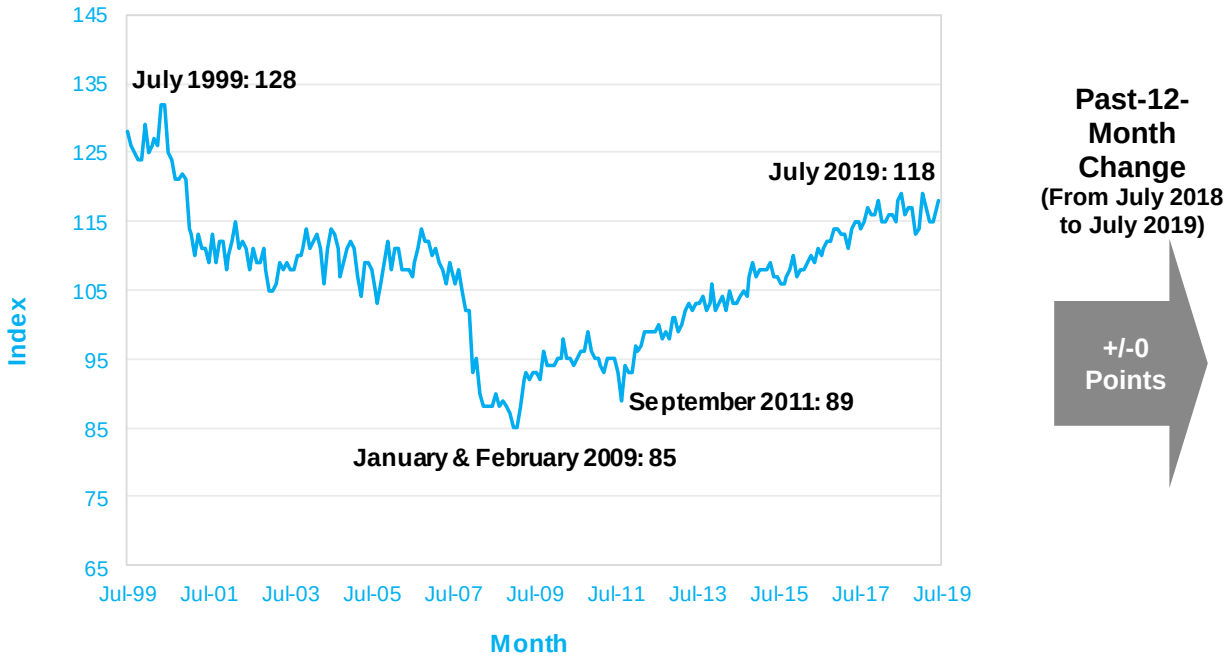
Decision Analyst Economic Index

July 2019

The U.S. Economic Index Indicates Slow Economic Growth Ahead

Arlington, Texas—The Decision Analyst U.S. Economic Index reached **118 in July 2019,** an increase of 1 point from the previous month. Compared to a year ago, however, the Economic Index is flat (no change in the U.S. Economic Index vis-à-vis last year at the same time). The flattening of the Economic Index indicates slow economic growth in the fall of 2019 and the first half of 2020. 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
July 1999–July 2019



"It's increasingly difficult to read the economic trends because of distortions in the U.S. economy related to tariffs and trade disputes," said Jerry W. Thomas, President/CEO of Decision Analyst. "That is, the rapid flux in trade policies and rules is prompting some short-term business activity (buying of inventories in advance of tariffs, for example) that look like positive economic numbers, but could become negative factors in the future. So, the economy might not be doing as well as some of the current data suggests. Of greater import for the future is the lack of any sensible strategy to resolve the many trade disputes and the lack of any intelligent trade philosophy going forward. The long economic expansion in the U.S. is definitely at risk. China's economy is slowing, and Europe appears to be on the verge of recession. Slow growth or no growth appears to be our destiny in coming quarters," said Thomas.

Decision Analyst
strategic research ■ analytics ■ modeling ■ optimization

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Global Indices

The following chart compares the U.S. Economic Index to Decision Analyst's Economic Indices for other countries. In South America, Brazil increased 4 points in the past 12 months, while Peru increased 3 points. Chile declined 6 points. In Europe, Germany decreased by 1 point in the past 12 months, and France and Italy each decreased by 5 points—with Brexit looming. The European economy is increasingly at risk of recession. Some of the major countries tracked by Decision Analyst are shown below.

Global Economic Indices
July 2019

North America	July 2019 Index	Past-12-Month Change (From July 2018 to July 2019)
United States	118	→ +/-0
Canada	96	↑ +2
Mexico*	102	↑ +6
South America		
Argentina*	80	↑ +1
Brazil*	106	↑ +4
Chile*	93	↓ -6
Colombia*	98	↓ -3
Peru*	104	↑ +3
Europe		
France	88	↓ -5
Germany	107	↓ -1
Italy	98	↓ -5
Russian Federation*	98	↑ +1
Spain*	101	↓ -1
Asia		
India*	128	↑ +6

* *The Index numbers 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.*

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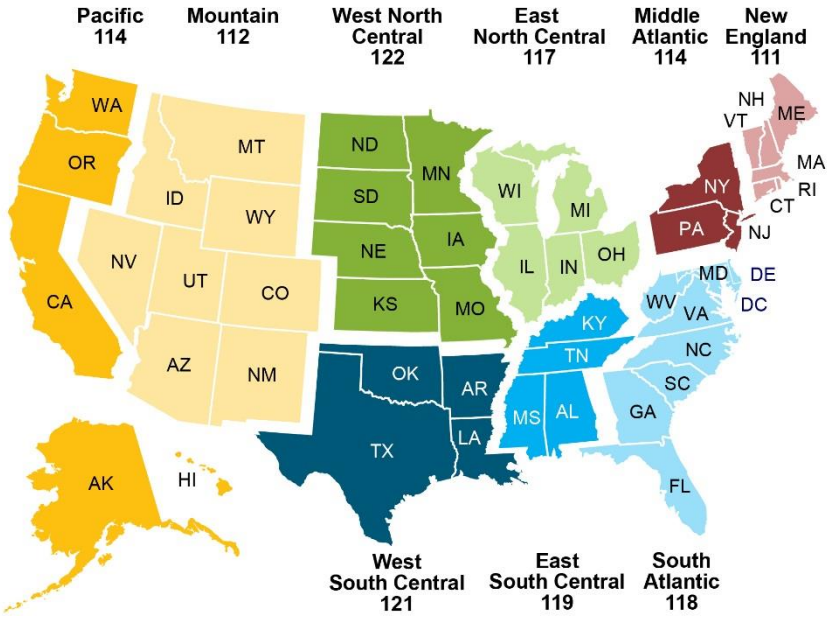
U.S. Census Divisions

The West North Central and the West South Central Census Divisions each increased 5 points in the past 12 months, while the Mountain Census Division declined 3 points. Some weakness is evident in the New England and Mountain Divisions.

United States Census Divisions Economic Indices July 2019*



	Past-12-Month Change (From July 2018 to July 2019)
New England	↓ -2
Middle Atlantic	↓ -1
East North Central	↑ +2
West North Central	↑ +5
South Atlantic	→ +/-0
East South Central	↑ +2
West South Central	↑ +5
Mountain	↓ -3
Pacific	↓ -2

* *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.

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