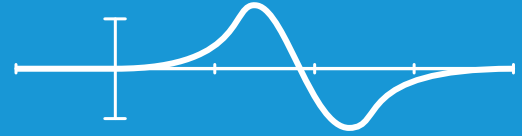


Decision Analyst Economic Index

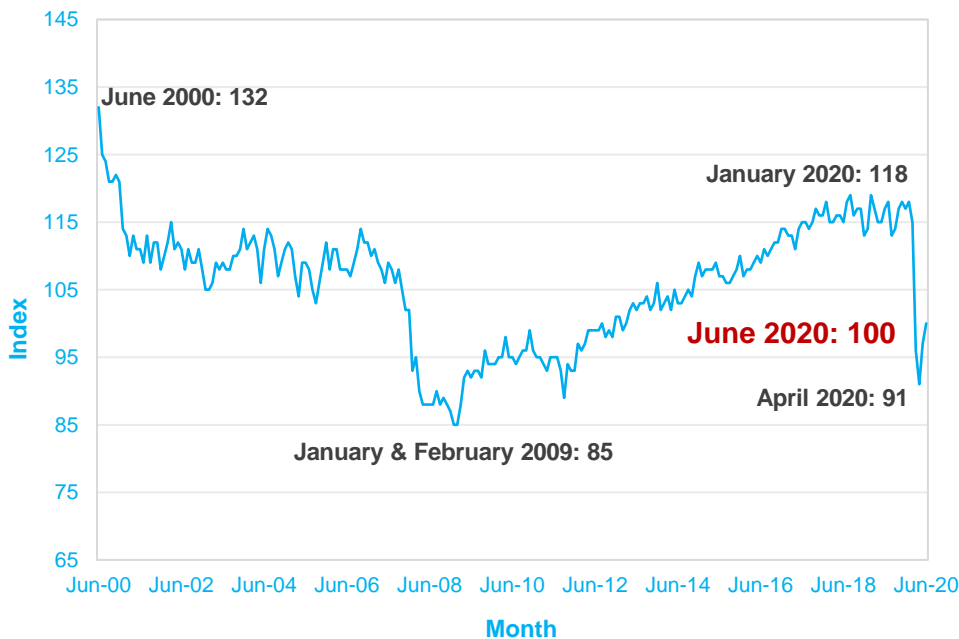
June 2020



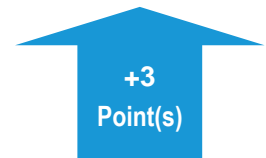
U.S. Economy Recovery Slows in June

Arlington, Texas—The Decision Analyst U.S. Economic Index rose 3 points in June 2020, the second consecutive month of increase in the Index. However, since January 2020 the U.S. Economic Index is down 18 points, a huge decline when compared to historical averages. The U.S. economy plunged in March and April of this year, but it began to trend up in May and June as the U.S. economy began to reopen. The Index tends to be forward-looking and typically is a leading indicator of future economic activity. The U.S. Economic Index is indicating that the U.S. is in a recession and suggesting that much more economic distress lies ahead. The U.S. Economic Index for the past 20 years is shown below.

United States Economic Index June 2000–June 2020

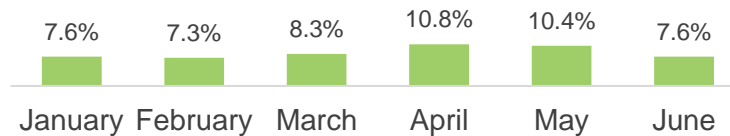


Change
From
May 2020 To
June 2020



“May or June 2020 might be the turning point that leads us out of recession,” said Jerry W. Thomas, President/CEO of Decision Analyst. “In addition to the uptick in the Economic Index in June, Decision Analyst also saw a slight decline in its U.S. unemployment rate from May to June, based on its methods of measuring unemployment. Decision Analyst’s U.S. unemployment data thus far in 2020 are shown in the following chart. Decision Analyst’s unemployment numbers tend to average 2-3 percentage points higher than BLS numbers because of differences in methodology, but this pattern reversed in April 2020, when the official unemployment rate published by BLS soared to 14.7%.”

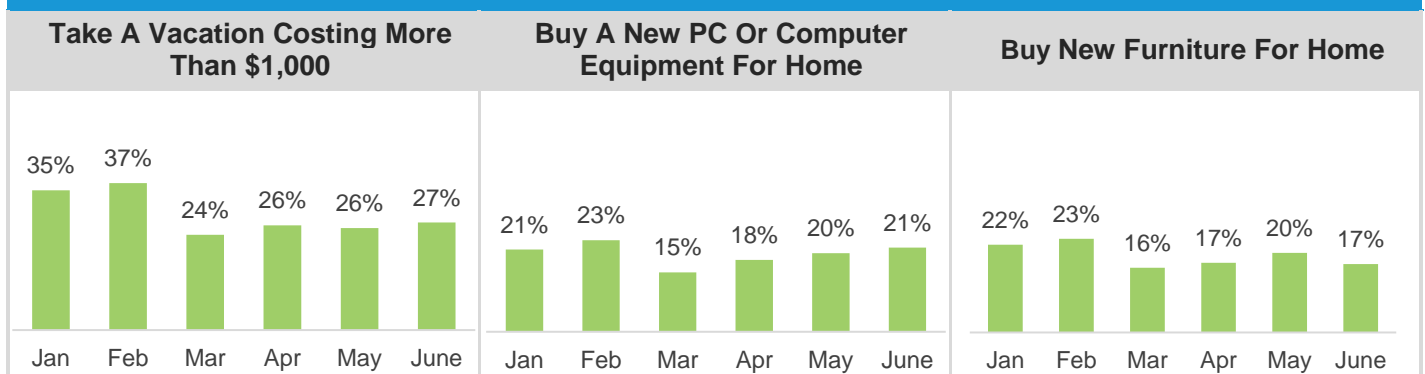
Unemployment Data from Decision Analyst's Economic Index Survey

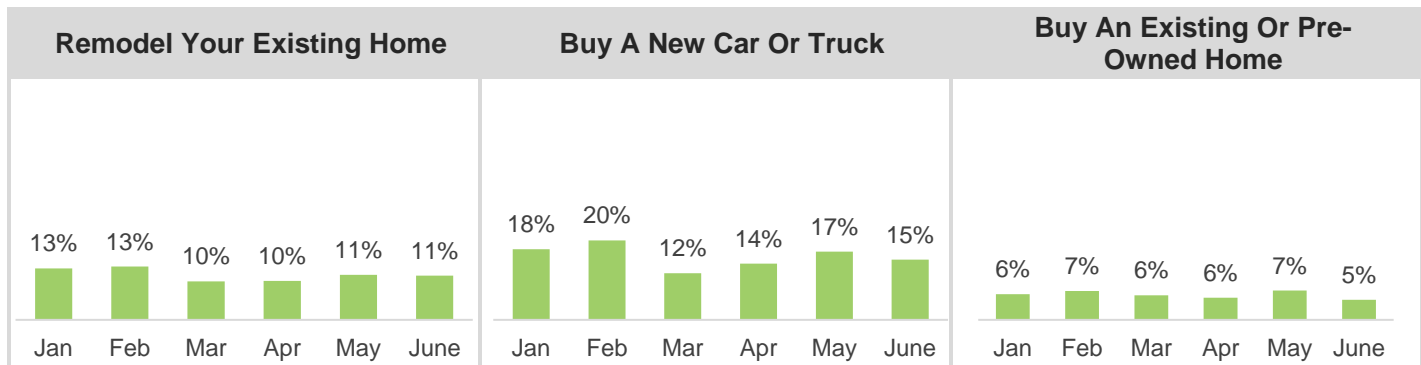


“In the Decision Analyst’s Economic Index survey, U.S. adults have to **self-classify** their employment status. They have to say they are ‘unemployed but looking for a job’ to be counted as unemployed. The BLS June number was 11.1%, higher than Decision Analyst’s unemployment number of 7.6%. The lower self-report employment rate by Decision Analyst suggests that fewer residents of the U.S. really think of themselves as unemployed compared to BLS data—which is focused on whether the person was unemployed during a specific one-week period each month. If fewer people actually think of themselves as unemployed, they might be likely to start spending or keep spending. This is a positive for the future. The unemployment situation might not be as bad as reported by the BLS. And the Decision Analyst unemployment rate improved substantially in June (dropped from 10.4% in May to 7.6% in June).

“However, planned future purchases (see graphs below) softened some in June, compared to May. This softness might be a reflection of concern over the rapid increase in COVID-19 cases in the U.S. during the last two weeks of June,” said Thomas. “The graphs below show the percentage of U.S. households who say they are likely to do the following in the next 12 months.”

Likely Consumer Purchasing for Next 12 Months





“As evident in the graphs, the ‘before coronavirus’ spending plans (in January and February) are, on balance, higher than current (June) spending plans, and it’s clear that consumers are worried about the future—based on waning future purchase intent in the June numbers. That is, except for new pc or computer equipment, where consumer spending plans for June are at the same level as January and February. With large numbers of people working at home, many may be needing (or wanting) to upgrade their current computer equipment,” said Thomas.

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.