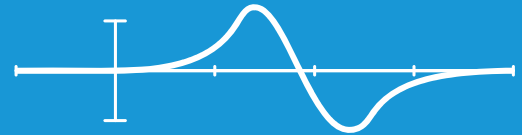


Decision Analyst Economic Index

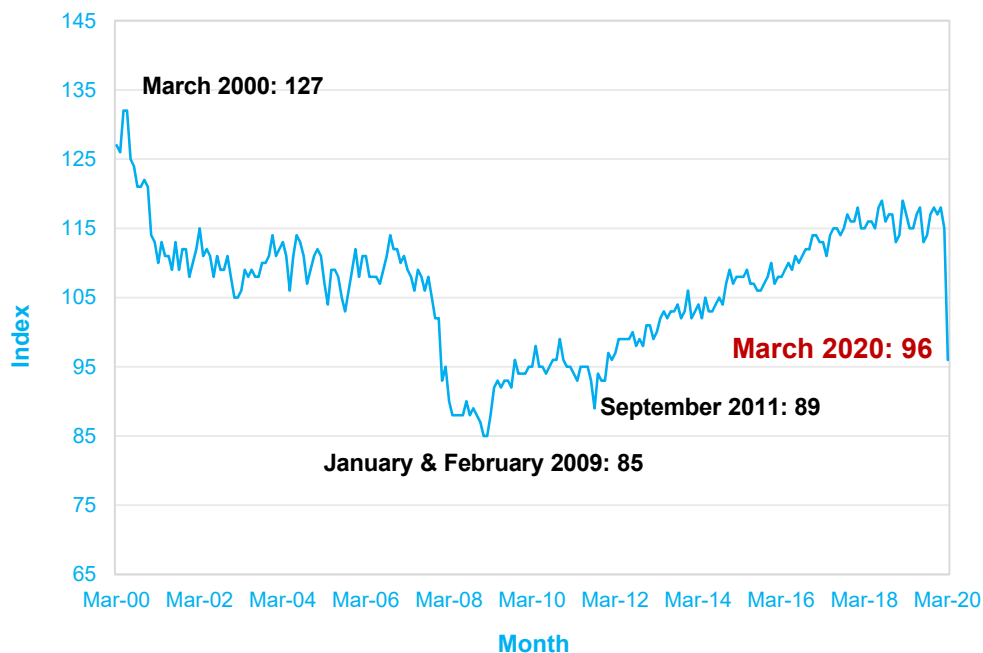
March 2020



U.S. and World Economy Plunges Into Recession

Arlington, Texas—The Decision Analyst U.S. Economic Index fell 19 points from the last 10 days of February 2020 (the time period each month when survey data is collected) to the last 10 days of March 2020. This is the greatest month-to-month decline in the 20-year history of the Economic Index. Below is a 20-year history of the U.S. Economic Index, it shows that the U.S. economy fell off a cliff in March 2020.

United States Economic Index March 2000–March 2020



**1-Month
Change**
(From Feb. 2020
to Mar. 2020)

**-19
Point(s)**

“As evident in the chart above, the U.S. Economic Index has varied some over the past two years, but has, on average, been relatively flat. That all changed in March 2020, as the U.S. Economic Index went into free fall. The March plunge was not limited to the U.S. Mexico’s Economic Index fell by 16 points. Canada’s Economic Index declined by 22 points. Mexico and Canada, of course, are major trading partners of the U.S. In Europe, Germany’s Economic Index plunged by 19 points, and the U.K. fell by 14 points. India’s Index fell by 18 points. These are huge, unprecedented declines, and they signal that recession has arrived almost everywhere in the world,” said Jerry W. Thomas, President/CEO of Decision Analyst. “The collapse of the U.S. economy in late March indicates that first-quarter economic growth in the U.S. will be close to zero or negative (despite approximately 2% GDP growth rates in January and February). The second quarter will see negative GDP in the U.S. and in most countries around the world. It is highly likely that the recession will begin to moderate in the second quarter, if COVID-19 can be slowed enough to re-open the U.S. and world economy,” said Thomas.

“What is really important in the U.S. (and elsewhere) is that businesses creatively respond to the crisis, modify business models as necessary, try to keep workers employed and productive, and begin planning to reopen the economy in May, if COVID-19 cooperates. A good example of creative response to the crisis is the rapid promotion of takeout and drive-thru sales by restaurants. Another great example is businesses stepping up to make medical masks, ventilators, and other medical supplies. The rapid response of pharmaceutical companies has been amazing, and more breakthroughs will come. Every business can, in some small way, respond creatively to the crisis. If all businesses take positive steps now, the recession will not be as deep or as prolonged. Let’s get to work.”

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.