# Decision Analyst Economic Index
November 2018

The November U.S. Economic Index Indicates a "Topping Out" or Slowing of the Economy for the Beginning of 2019

Arlington, Texas—The Decision Analyst U.S. Economic Index stands at **117 for November 2018**, the same score as last month, but a 1-point increase from 12 month ago (November 2017). The overall trend of the Economic Index has been relatively flat over the past 5 or 6 quarters, and this suggests slow expansion of the U.S. economy during the first half of 2019. The Economic Index tends to lead overall 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
November 2018**

Past-12-Month Change
(From Nov. 2017 to Nov. 2018)

+1 Point
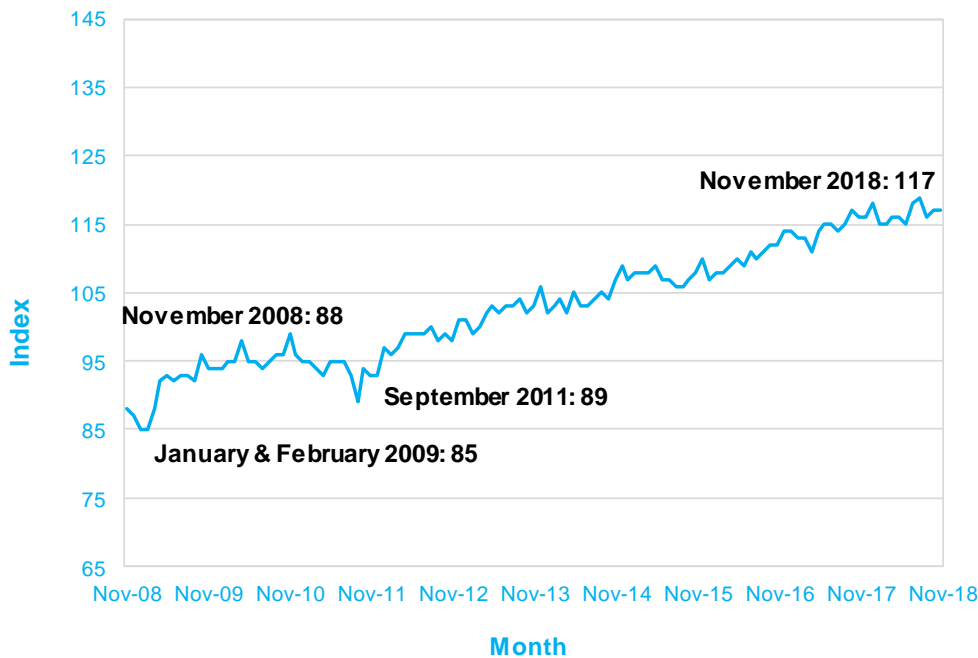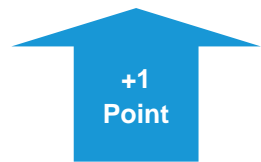
"The U.S. Economic Index is indicating a 'topping out' of the U.S. economy and suggesting slower growth in coming quarters. A major risk to economic growth is the failure of major corporations to use the recent tax cuts to boost capital spending. Capital spending is the primary driver of overall economic growth, so a failure to invest will translate into a drag on the U.S. economy. Consumer consumption spending is constrained by stagnant median U.S. household income and by growing inflationary pressures. Trading agreements are massive documents setting forth the ground rules for mutual international trade. Any disruption of these agreements and the imposition of new tariffs could quickly lead to reduced economic activity. Rising interest rates and the growing mountain of corporate and governmental debt are also inhibitions to future economic growth," said Jerry W. Thomas, President/CEO of Decision Analyst, "although rising interest rates are actually a positive in that higher rates will dampen down speculation of all types and reduce the likelihood of corporate stock buybacks. This coming year could be a challenge for the U.S. economy."

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Global Indices

The following chart compares the U.S. Economic Index to Decision Analyst's Economic Indices for other countries. The Economic Indices for all European and South American countries are lower than the U.S. Economic Index, and many countries are seeing declines in their Indices. In Europe, France has declined 9 points in the past 12 months, while Italy has increased 2 points. In South America, Argentina has declined 17 points in the past 12 months, while Peru has declined 7 points. The major countries tracked by Decision Analyst are shown below.
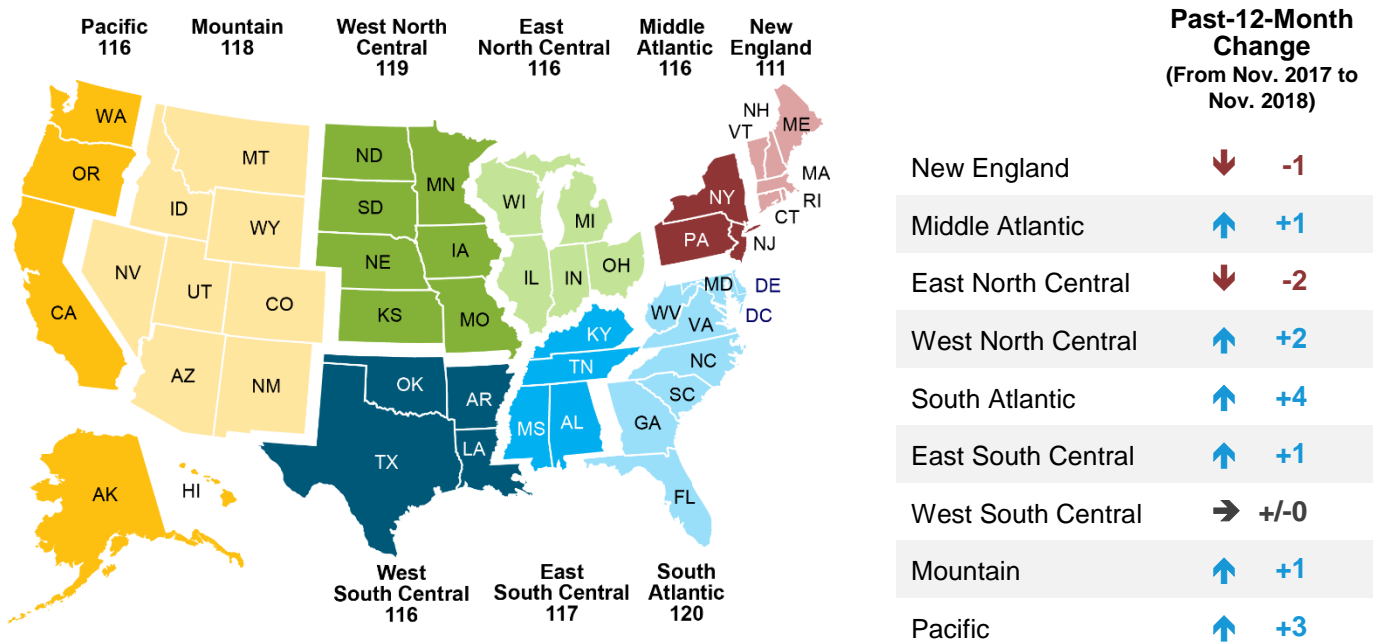
Global Economic Indices
November 2018

North America	Nov. 2018 Index	Past-12-Month Change (From Nov. 2017 to Nov. 2018)
United States	117	↑ +1
Canada	98	↑ +3
Mexico*	104	↑ +6
South America		
Argentina*	75	↓ -17
Brazil*	102	↓ -1
Chile*	97	↓ -6
Colombia*	100	↑ +4
Peru*	101	↓ -7
Europe		
France	84	↓ -9
Germany	105	↓ -1
Italy	99	↑ +2
Russian Federation*	100	↓ -2
Spain*	99	→ +/-0
Asia		
India*	130	↑ +10

* 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. The reported Index number is an average of the current month with the previous 2 months.

U.S. Census Divisions

The South Atlantic Census Division has the highest Index score for November (120), while the New England Census Division has the lowest Index score (111) for November 2018. The South Atlantic Census Division increased 4 points in the past 12 months and the Pacific Census Division increased 3 points. Conversely, the Index scores for both the East North Central and the New England Census Divisions have each declined.

**United States Census Divisions Economic Indices
November 2018***

Past-12-Month Change (From Nov. 2017 to Nov. 2018)		
New England	↓	-1
Middle Atlantic	↑	+1
East North Central	↓	-2
West North Central	↑	+2
South Atlantic	↑	+4
East South Central	↑	+1
West South Central	➔	+/-0
Mountain	↑	+1
Pacific	↑	+3

* *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.