

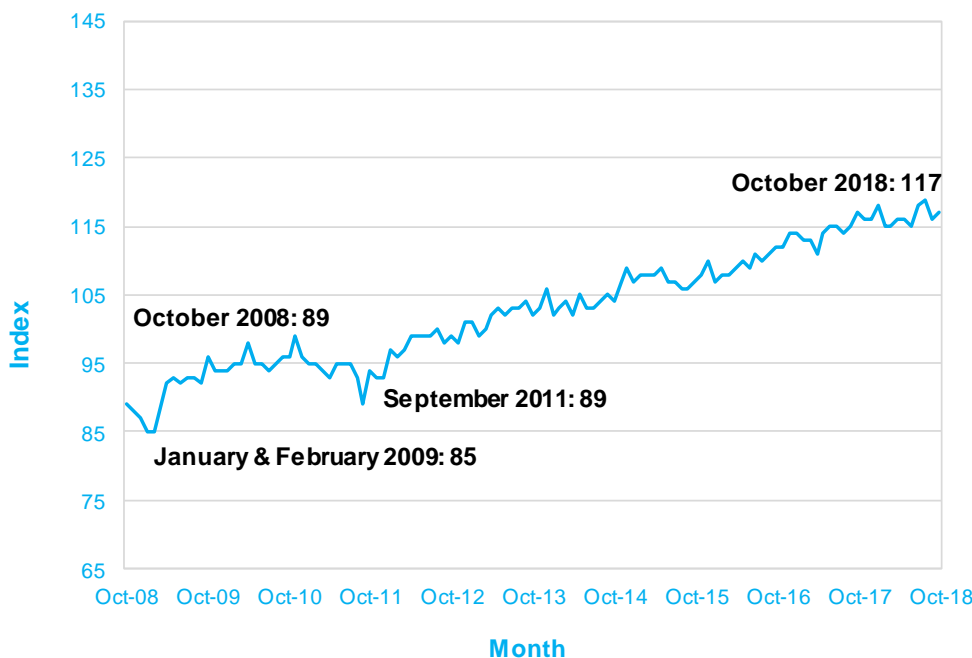
Decision Analyst Economic Index

October 2018

The October U.S. Economic Index Suggests Slow Expansion for the Remainder of 2018

Arlington, Texas—The Decision Analyst U.S. Economic Index stands at **117 for October 2018**, the same score as a year ago, but a 1-point increase from last month (September 2018). The overall trend of the Economic Index indicates slow expansion of the U.S. economy going into the first and second quarters 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 October 2018



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

**+/-0
Points**

“The U.S. Economic Index has been relatively flat over the past 12 months, suggesting that several years of economic expansion is pausing, or topping out. 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 a driver of overall economic growth, so this failure to invest is a drag on the U.S. economy. Consumer consumption spending is constrained: by languishing median U.S. household income and by growing inflationary pressures. The newly imposed tariffs and the threats of additional tariffs pose ongoing risks to future U.S. economic growth. Trading agreements are massive documents setting forth the ground rules for mutual trade. Any disruption of these agreements 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. “Looking forward, the macroeconomic picture is ominous. The possibility of recession is growing.”

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. Argentina has declined 21 points in the past 12 months, while Chile and Peru have declined 4 points. In Europe, France has declined 11 points in the past 12 months, while Germany has increased by 1 point. The major countries tracked by Decision Analyst are shown below.

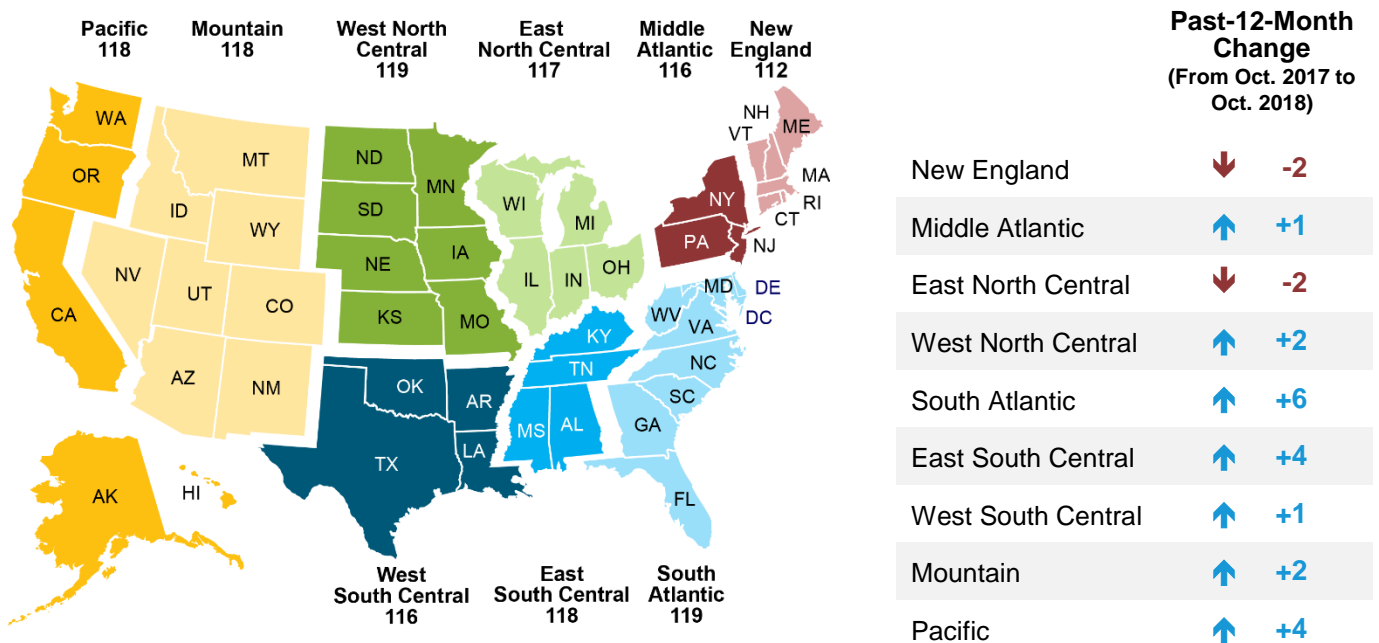
Global Economic Indices October 2018			Past-12-Month Change (From Oct. 2017 to Oct. 2018)
North America	Oct. 2018 Index		
 United States	117		→ +/-0
 Canada	98		↑ +4
 Mexico*	100		↑ +2
South America			
 Argentina*	73		↓ -21
 Brazil*	100		↓ -2
 Chile*	97		↓ -4
 Colombia*	100		↓ -1
 Peru*	102		↓ -4
Europe			
 France	85		↓ -11
 Germany	106		↑ +1
 Italy	99		↓ -2
 Russian Federation*	100		↓ -1
 Spain*	101		→ +/-0
Asia			
 India*	128		↑ +5

* 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 West North Central and the South Atlantic Census Divisions tied for the highest Index score for October (119), while the New England Census Division has the lowest Index Score (112) for October 2018. The South Atlantic Census Division increased 6 points in the past 12 months, while the New England and the East North Central Census Divisions each declined 2 points.

United States Census Divisions Economic Indices October 2018*



* 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.