

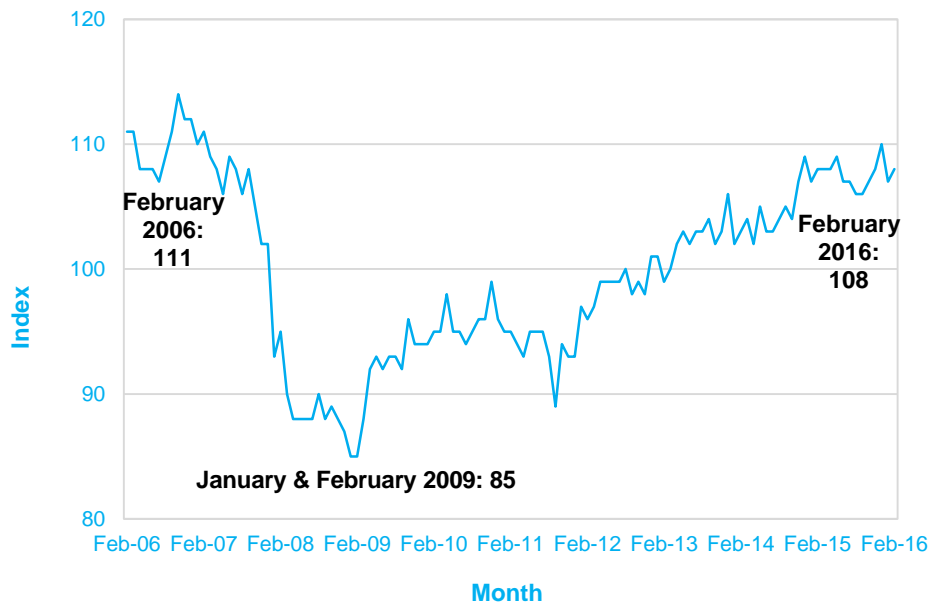
# Decision Analyst Economic Index

## February 2016

### U.S. Economy On Shaky Ground, According To Decision Analyst's Economic Index

Arlington, Texas—The Decision Analyst U.S. Economic Index registered **108 in February 2016**, a 1-point increase from the January 2016 Index of 107. The U.S. Economic Index in February 2016 is the same as it was in February 2015, suggesting that 2016 will be another year of slow economic expansion. The Economic Index tends to lead 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 February 2016



**Past-12-Month Change**  
(From February 2015 to  
February 2016)

+/-0  
Points

“The U.S. Economic Index has moved sideways over the past year, ending the year exactly where it started, at 108 on average. Reduced energy costs, on balance, act as a stimulus to the U.S. consumer economy. Households have more cash to spend on groceries, restaurants, clothing, and other consumer goods. Low energy costs lead to improved profitability in energy-intensive industries like airlines, trucking, food processing, and many manufacturing companies,” said Jerry W. Thomas, President/CEO of Decision Analyst, a global marketing research and analytical consulting firm. “On the other side of the ledger, the rising mountain of debt of all types is a growing risk to the U.S. economy. The low interest-rate policies of the Federal Reserve encourage consumers, governments, and businesses to take on even more debt. The low interest rates are creating bubbles in the U.S. economy, but we can’t see them because bubbles are transparent—until they pop



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and the damage becomes visible. Economic weakness in Canada, Mexico, China, Brazil, and the European Union is exerting some downward pressure on the U.S. economy. A U.S. recession in 2016 is a possibility, but the odds continue to favor slow economic growth in the U.S. in 2016.

## Global Indices

The following tables compare Decision Analyst's U.S. Economic Index to its Economic Indices for other countries.

Globally, more countries are showing declines in the past 12 months than are showing increases. Canada has dropped from 95 in February 2015 to **85 in February 2016**. In South America, Brazil has plummeted 21 points in the past 12 months—from 105 in February 2015 to **84 in February 2016**. Colombia has decreased from 111 to **96 over the past year**. In Europe, France is on the decline, along with the U.K., Germany, and Russia.

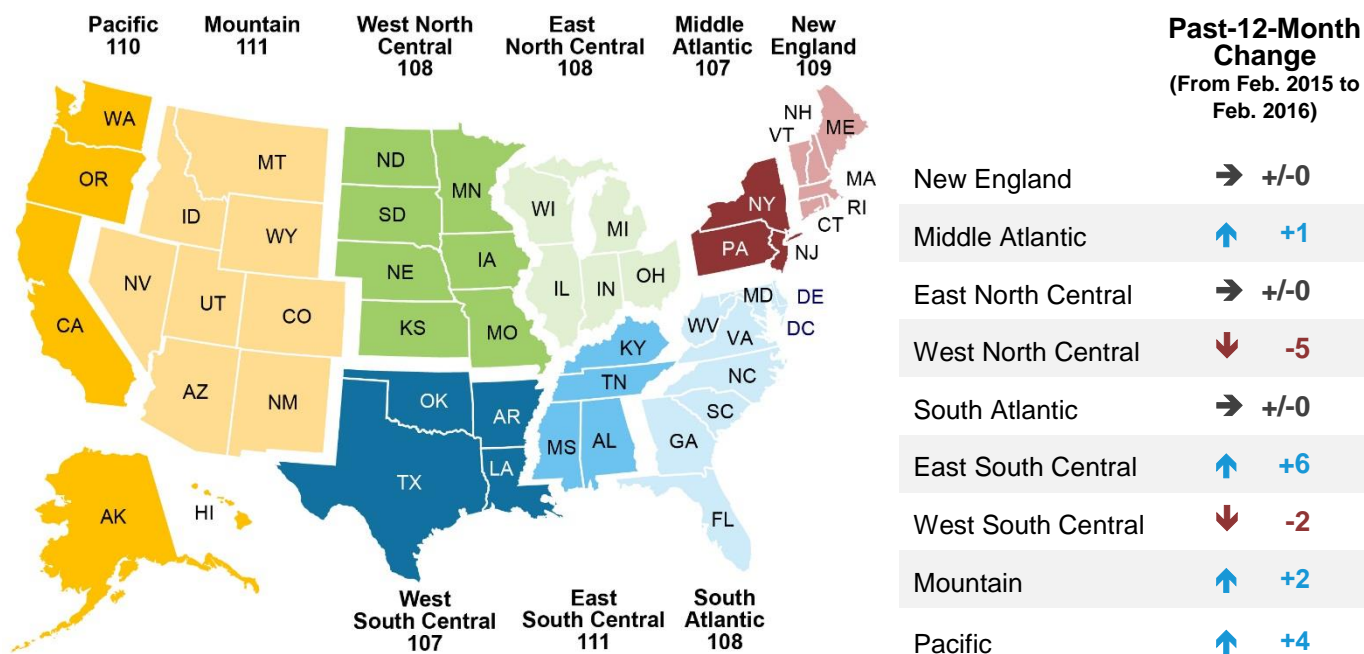
| Decision Analyst Global Economic Indices<br>February 2016                           |                     |                     | Past-12-Month Change<br>(From February 2015 to<br>February 2016) |      |
|---|---------------------|---------------------|--|------|
| North America   |                     | February 2016 Index |  |      |
|    | United States       | 108                 | →  | +/-0 |
|    | Canada              | 85                  | ↓  | -10  |
|    | Mexico*             | 92                  | ↑  | +1   |
| South America   |                     |                     |  |      |
|  | Argentina*          | 86                  | ↑  | +2   |
|  | Brazil*             | 84                  | ↓  | -21  |
|  | Chile*              | 89                  | ↓  | -10  |
|  | Colombia*           | 96                  | ↓  | -15  |
|  | Peru*               | 102                 | ↓  | -10  |
| Europe  |                     |                     |  |      |
|  | France              | 84                  | ↓  | -4   |
|  | Germany             | 105                 | ↓  | -2   |
|  | Italy               | 94                  | ↑  | +4   |
|  | Russian Federation* | 89                  | ↓  | -3   |
|  | Spain*              | 102                 | ↑  | +9   |
|  | United Kingdom      | 102                 | ↓  | -3   |
| Australia/Asia  |                     |                     |  |      |
|  | Australia*          | 92                  | ↓  | -2   |
|  | India*              | 125                 | ↓  | -2   |

\* The Index numbers for Argentina, Australia, 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 averages the current month with the previous 2 months.

## U.S. Census Divisions

The U.S. Census Divisions are not all moving in the same direction. In the past 12 months the East South Central Census Division increased 6 points, from 105 in February 2015 to **111 in February 2016**. The Pacific Division increased from 106 in February 2015 to **110 in February 2016**. Both the West North Central and the West South Central Divisions saw declines over the past 12 months, probably related to the declining prices of energy. The West North Central Division decreased from 113 in February 2015 to **108 in February 2016**, while the West South Central Division decreased from 109 in February 2015 to **107 in February 2016**.

### United States Census Divisions Economic Indices February 2016\*



\* The Index numbers for the Census Divisions are 3-month moving averages to smooth out fluctuations due to smaller sample sizes. The reported Index number 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, Australia, Brazil, Canada, Chile, Colombia, France, Germany, India, Italy, Mexico, Peru, the Russian Federation, Spain, United Kingdom, 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](http://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 35 years the firm has delivered competitive advantage to clients throughout the world in consumer packaged goods, high technology, retail, medical, automotive, and other industries.