

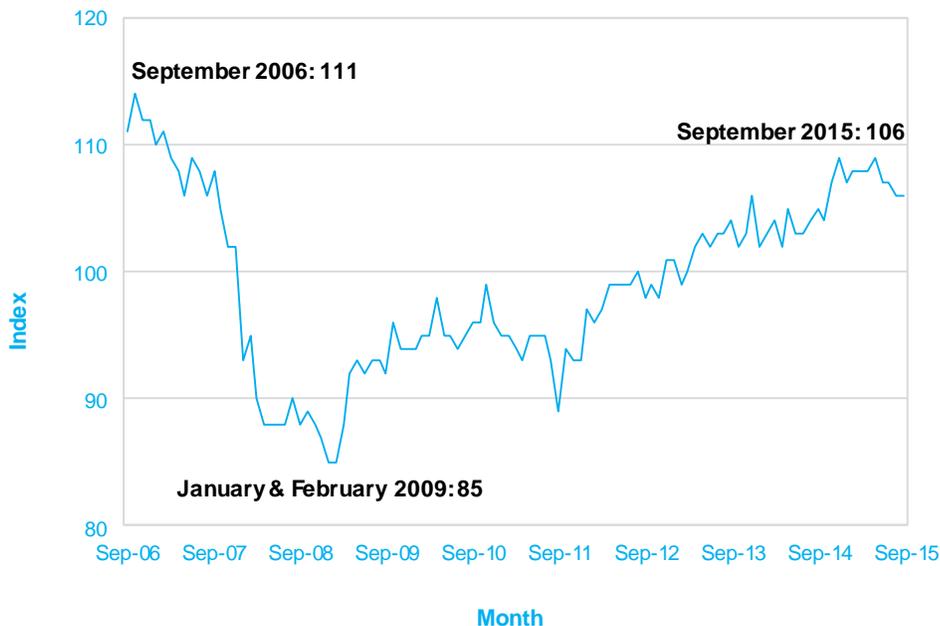
# Decision Analyst Economic Index

## September 2015

### U.S. Economy Facing Increased Risks of Recession, According to Decision Analyst's Economic Index

Arlington, Texas—The Decision Analyst U.S. Economic Index registered **106 in September 2015**, the same score as August 2015. Over the past year the U.S. Economic Index has been relatively flat, but with declines over the past four months. The U.S. Economic Index is still at a level (above 100) that signals future economic growth, but the past-four-months downtrend is worrisome. 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 September 2015



Past-12-Month Change  
(From September 2014 to  
September 2015)



“The U.S. economy continues to stumble along in low gear, and the U.S. Economic Index forecasts more of the same plodding in coming months. The likelihood of a new recession appears to be growing, especially if the Economic Index trends downward for another couple of months. One of the fundamental problems in the U.S. economy is the stagnation of median household incomes since the year 2000. A majority of U.S. households are earning less in real dollars than they were 15 years ago, and this is creating a *demand deficit*. The mass retailers such as Walmart and Target are finding it extremely difficult to grow nominal sales (actual sales in current dollars). A declining share of U.S. adults are participants in the workforce, another factor reducing average household incomes,” said Jerry W. Thomas, President/CEO of Decision Analyst. “The U.S.



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appears to be locked in a pattern of slow to no growth. The risks of a 'new' recession are increasing. Weakness in the European Union's economy and the Chinese economy add more uncertainty to future economic prospects. China, in particular, is a major risk factor, since its great real estate and construction bubble is coming to a close. An extended period of economic stagnation looms ahead for the world economy and the U.S.," said Thomas.

## Global Indices

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

In South America Argentina's Economic Index increased 4 points in the past 12 months, while Brazil's economy collapsed (with a decline of 24 points). Russia is in deep trouble with a decline of 11 points over the past year, closely followed by Canada with a 9-point decline. The Economic Index tends to lead economic activity in each country by 6 to 12 months.

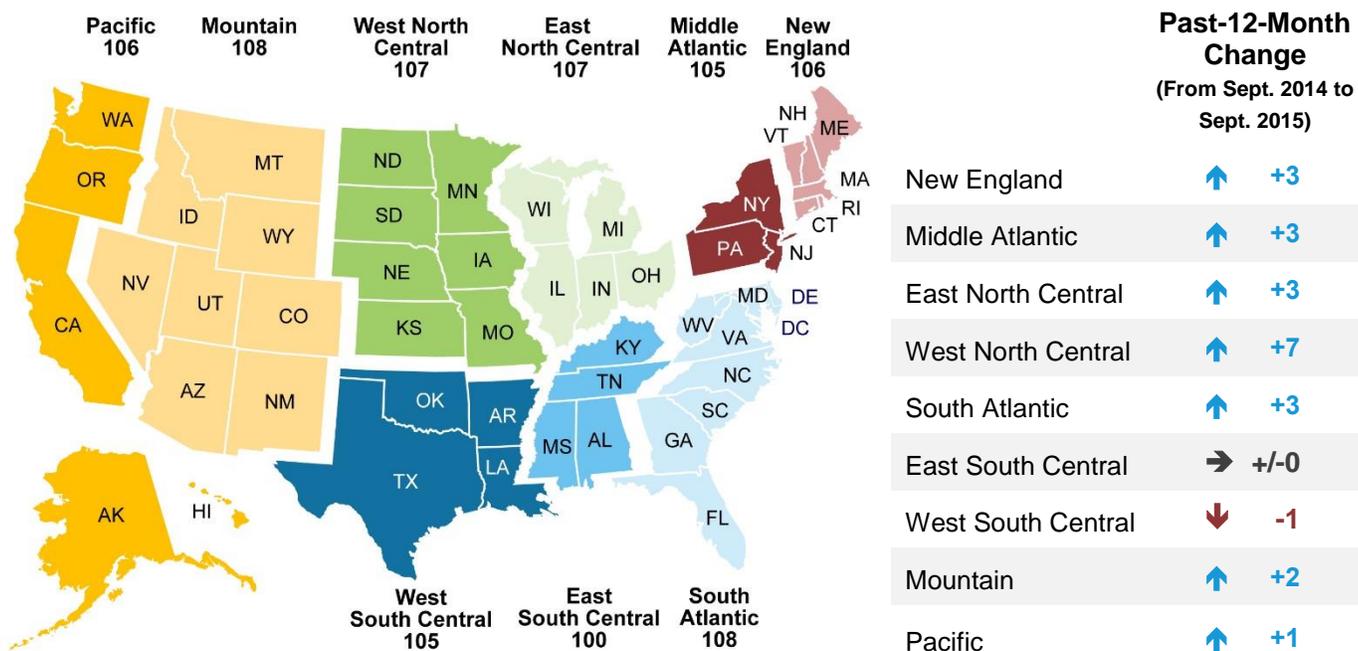
Decision Analyst Global Economic Indices September 2015			Past-12-Month Change (From September 2014 to September 2015)	
North America		September 2015 Index		
	United States	106	↑	+1
	Canada	88	↓	-9
	Mexico*	89	↓	-5
South America				
	Argentina*	87	↑	+4
	Brazil*	84	↓	-24
	Chile*	94	↓	-8
	Colombia*	105	↓	-3
	Peru*	104	↓	-8
Europe				
	France	89	↑	+1
	Germany	104	↑	+1
	Italy	95	↑	+12
	Russian Federation*	92	↓	-11
	Spain*	96	↑	+4
	United Kingdom	106	↑	+1
Australia/Asia				
	Australia*	93	→	+/-0
	India*	123	↓	-1

\* 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.

## Census Divisions

In the past 12 months the West North Central Division has gained the most of all the U.S. Census Divisions, increasing 7 points from 100 in September 2014 to **107 in September 2015**. The West South Central Census Division is the only division to decline in the past 12 months, decreasing from 106 in September 2014 to **105 in September 2015**.

### United States Census Divisions Economic Index September 2015\*



\* 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.