DECISION ANALYST

Economic Index

May 2026

Economy at Risk

The U.S. economy has been slumping, on average, since the Fall of 2024, a 20-month decline. This downtrend has been driven by high interest rates, growing weakness in the U.S. labor market, and continued inflation pressures on middle and lower-income households.

101
Economic Index
May 2026

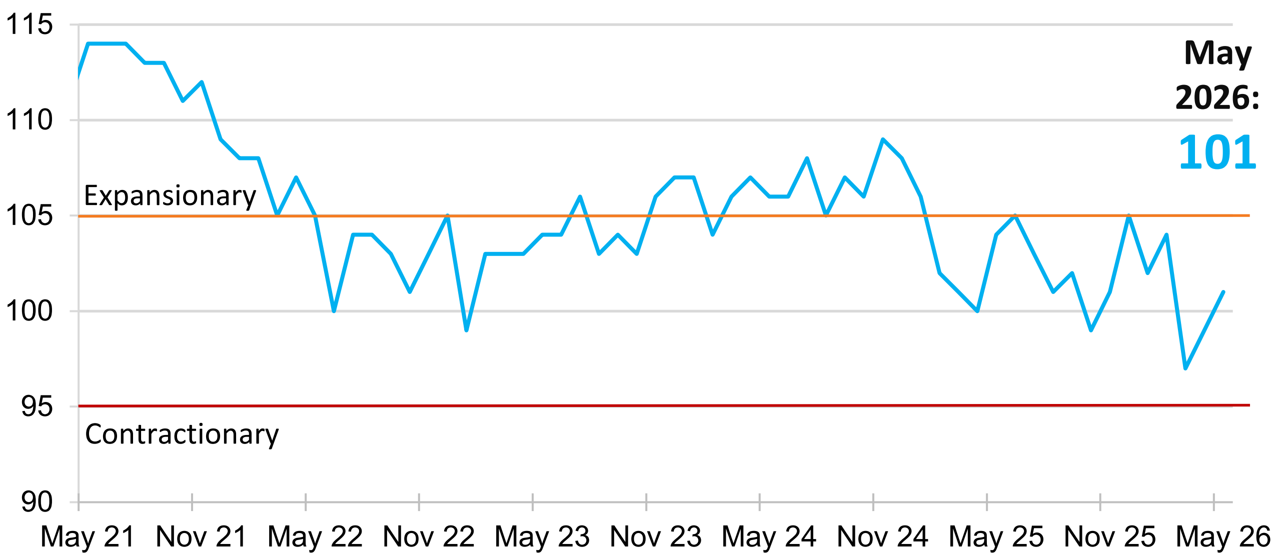
▼3
Points Drop
from May 2025

20 month
Downtrend

U.S. Economic Index — Key Findings

> “
> The U.S. economy is facing strong headwinds, and recession risks are rising. Those 'very worried' or 'somewhat worried' about losing their jobs stands at 55%. The percent who say 'prices are increasing rapidly' remains stubbornly high at 53%, a 10 percentage points increase from May 2025.
>
> **— Jerry W. Thomas, CEO, Decision Analyst**

United States Economic Index **May 2021 to May 2026**



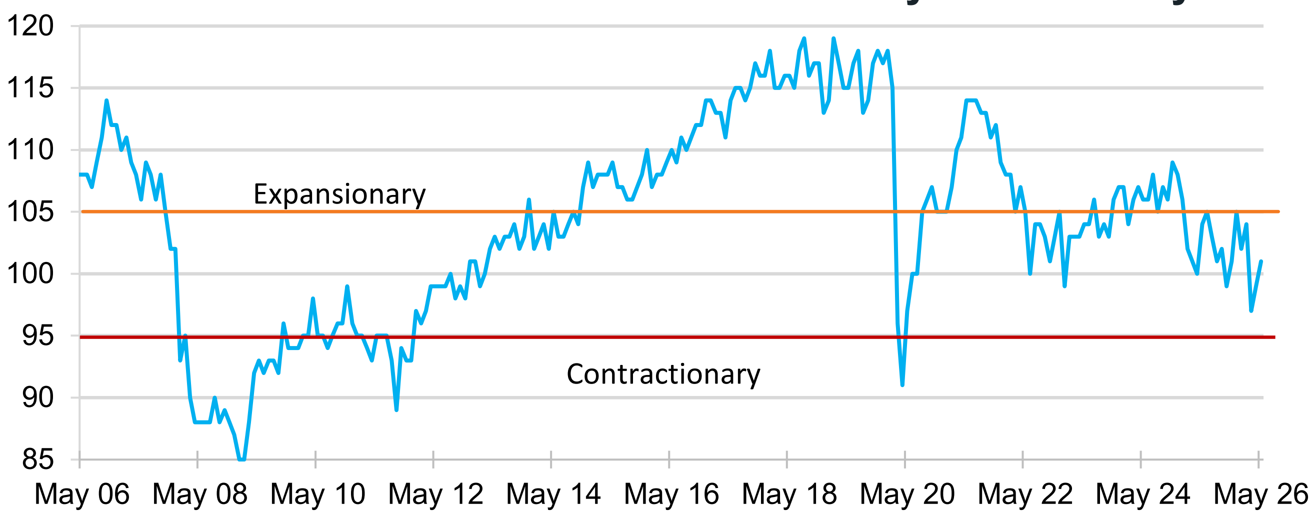
Index Thresholds

< 95	95-105	105-110	> 110
Recession Risk	Slow Growth	Expanding Economy	Rapid Growth

U.S. Economic Index — Key Findings

- May 2026 Index: 101—down 3 points from May 2025.
- The Index has trended downward on average over the last two years.
- Current Index level mirrors U.S. economic conditions in 2012—when the economy was recovering from the Great Recession.
- The war in Iran is cited as a major contributor to the May 2026 decline, compounded by elevated tariffs and still-high interest rates.

United States Economic Index **May 2006 to May 2026**



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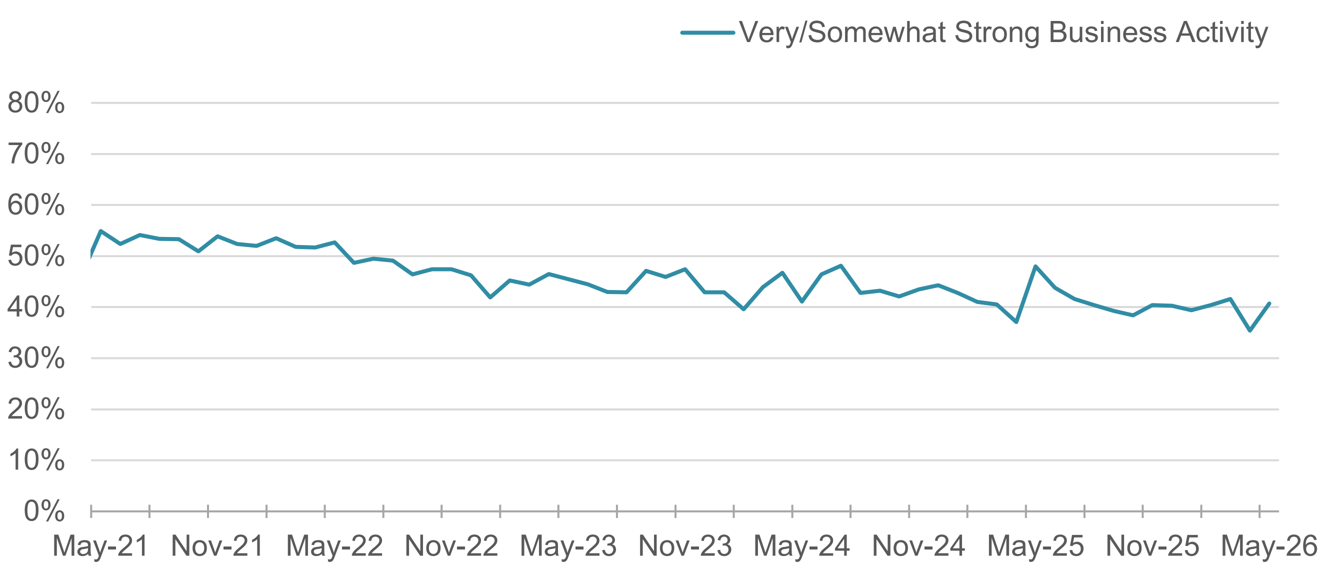
General Business Activity

▼ 14-percentage-point drop over past 5 years.

General Business Activity

Business activity has gradually trended downward over the past 5 years, mirroring the decline in job availability perceptions. The percent saying business activity where they work is Very Strong or Somewhat Strong has declined by 14 percentage points over the past 5 years.



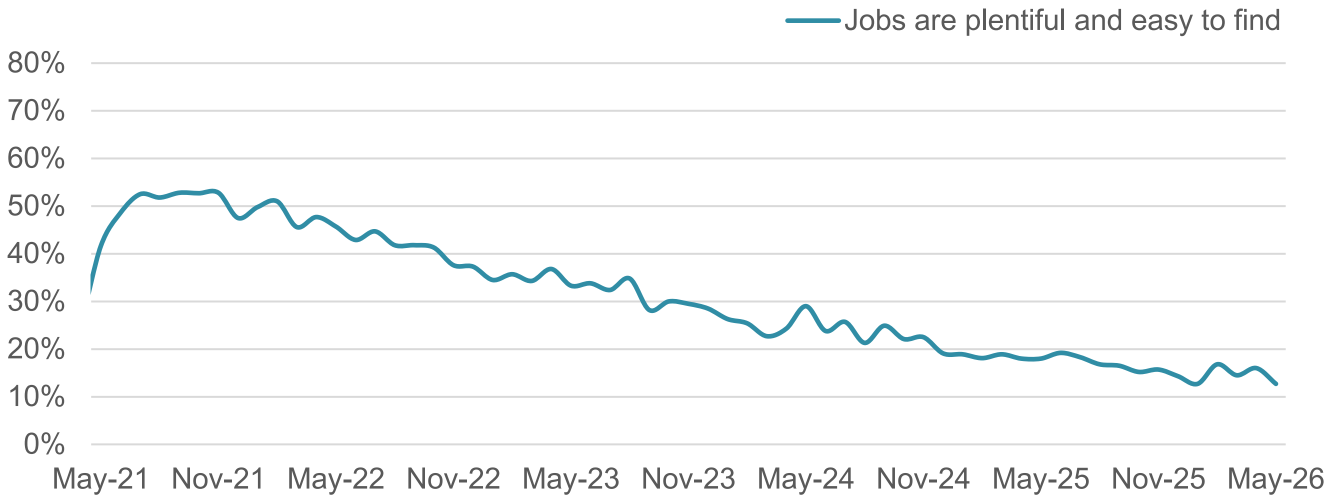
Job Availability

13% Say “jobs are plentiful and easy to find”

Job Availability Trends

- Job availability has been in a downtrend for 5 years.
- Percent saying "jobs are plentiful and easy to find" declined from over 50% in 2021 to 13% in May 2026, a drop of about 40 percentage points.

Job Availability Perceptions **May 2021 to May 2026**



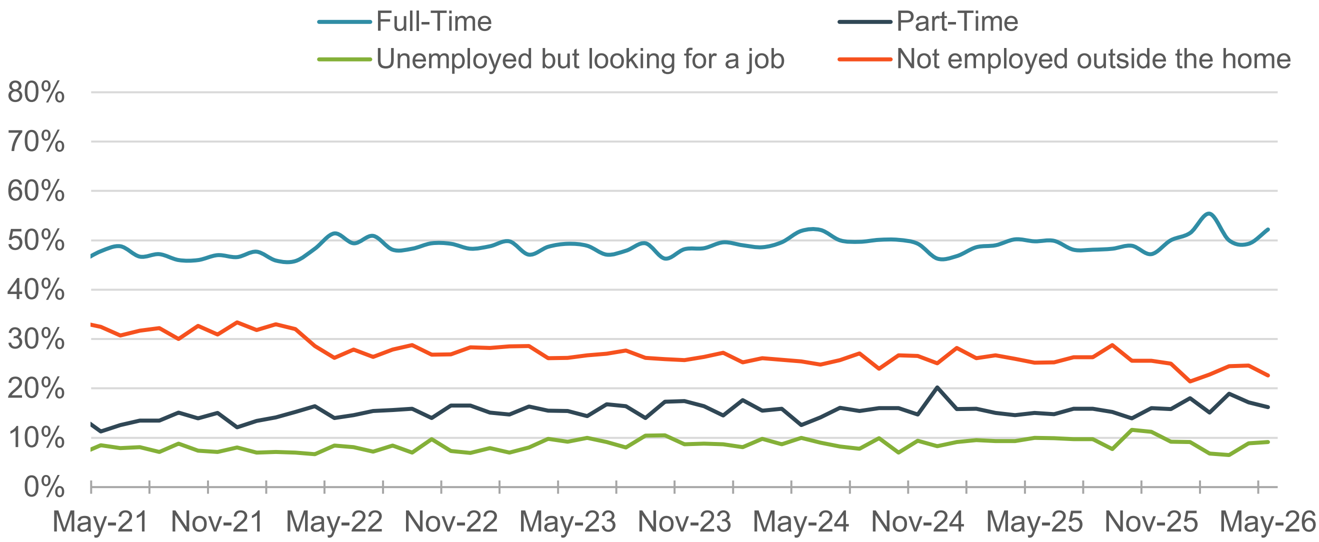
Employment Status

52% Say they are employed full-time

Employment Status

- Full-time employment has remained relatively steady over the past 5 years.
- Part-time employment has gradually increased in the past 5 years. From 11% in 2021 to 16% in May 2026.
- Not employed outside the home has gradually decreased over the past 5 years (meaning more people are going to work).
- Slight improvement in unemployment data seen in recent months.

Employment Status **May 2021 to May 2026**



Inflation: Still Hurting Consumers

53%

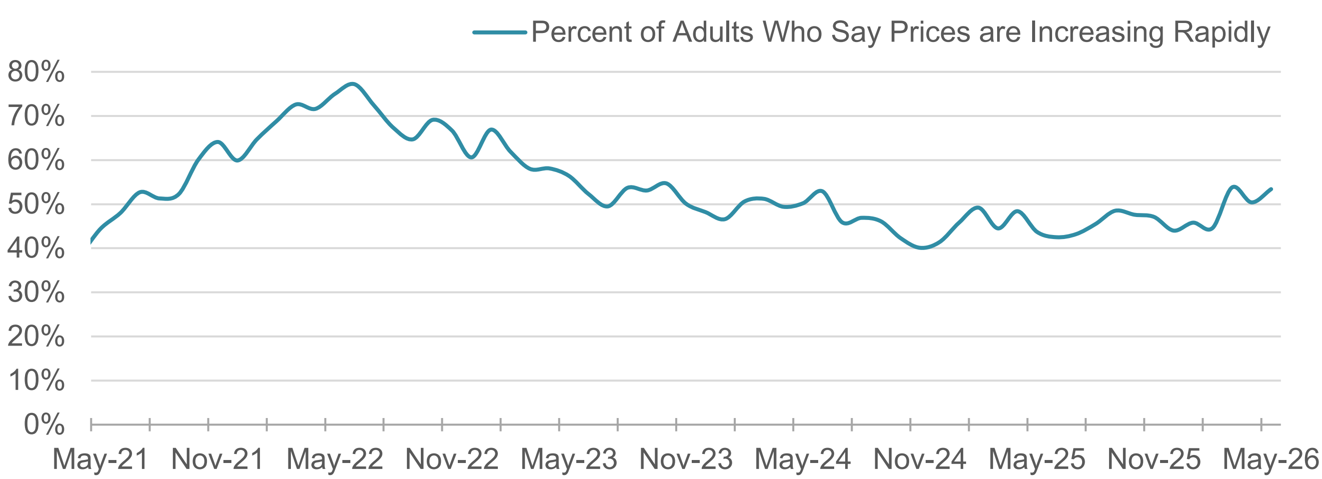
of U.S. adults say prices are "increasing rapidly"

▲ **9-percentage point jump from May 2025 to May 2026**

Consumer Perceptions of Prices

- Inflation has been a major issue over the past 2 years. The percentage who said prices were "increasing rapidly" in May 2025 was 44%. In May 2026, the same number was 53%. Inflation pressure disproportionately impacts middle- and lower-income households.
- Persistent price concerns are a key driver in the 20-month economic slowdown.

Consumer Price Perceptions — May 2021 to May 2026



Consumer Spending Plans

Consumer spending drives ~70% of the U.S. economy.

Spending Plans

- Consumer spending plans have remained remarkably stable, despite all the economic issues. Some categories are showing slight declines, but some are holding steady.
- Major purchases—new computers, furniture, vehicles, home improvement—appear to be trending down over past year.

Bright Spot

- Vacation & travel plans up ~6 percentage points over the past 12 months.

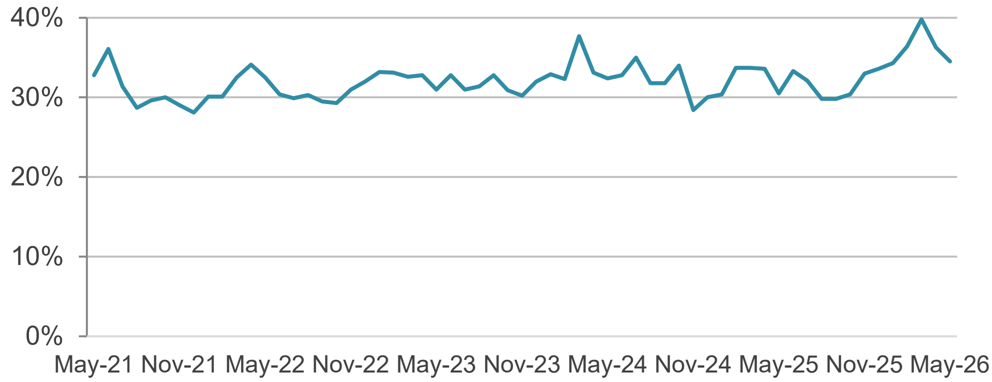
Buy A New PC or Computer Equipment	Remodel Your Existing Home	Buy New Furniture for Home
16%	8%	16%
▼3%	▼2%	▼5%
From May 2025	From May 2025	From May 2025

Consumer Spending Plans

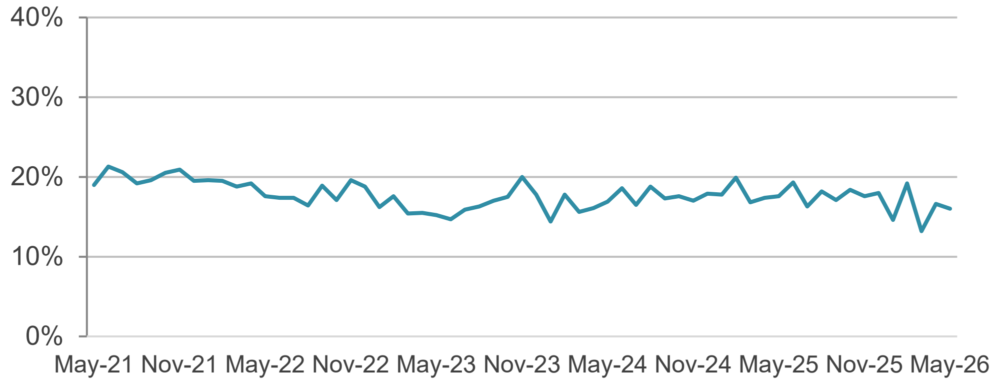
Likely Consumer Purchases In the Next 12 Months

May 2021 to May 2026

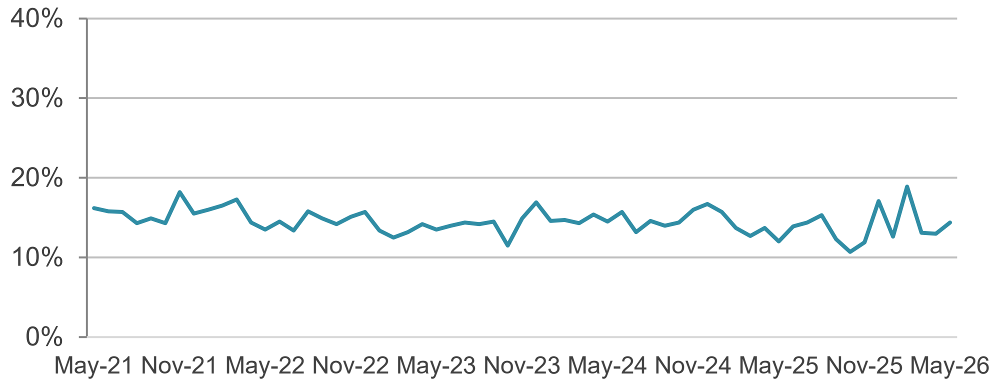
Take A Vacation Costing More Than $1,000



Buy A New PC Or Computer Equipment For Home



Buy A New Car Or Truck

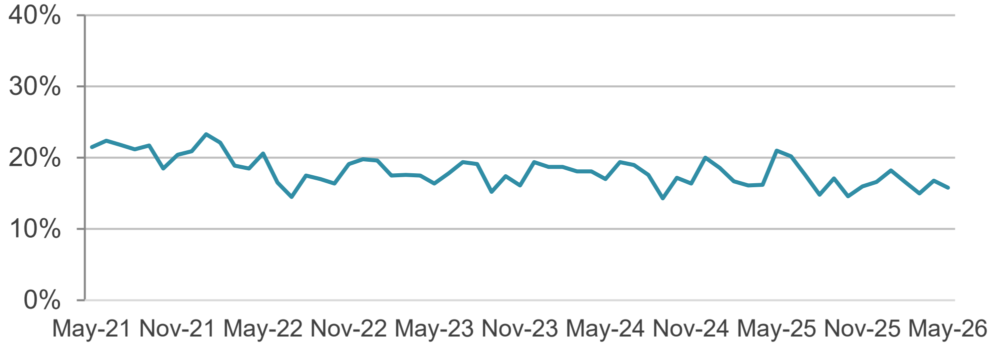


Consumer Spending Plans

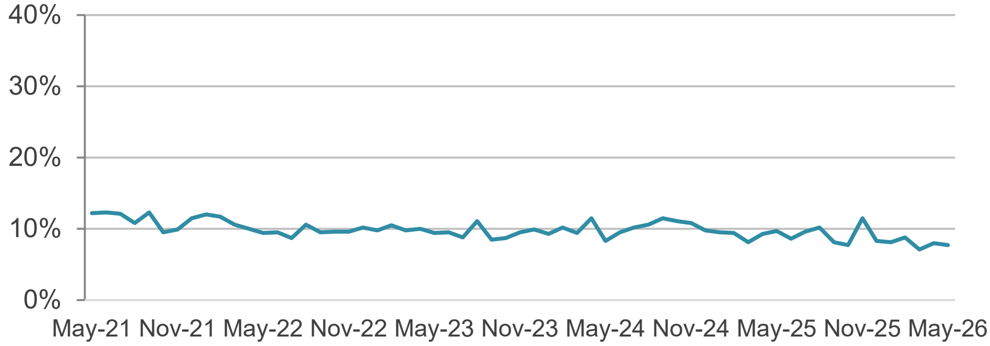
Likely Consumer Purchases In the Next 12 Months

May 2025 to May 2026

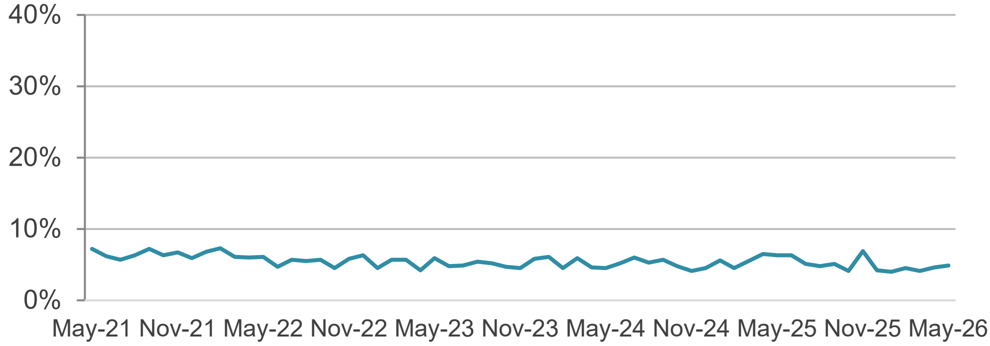
Buy New Furniture For Home



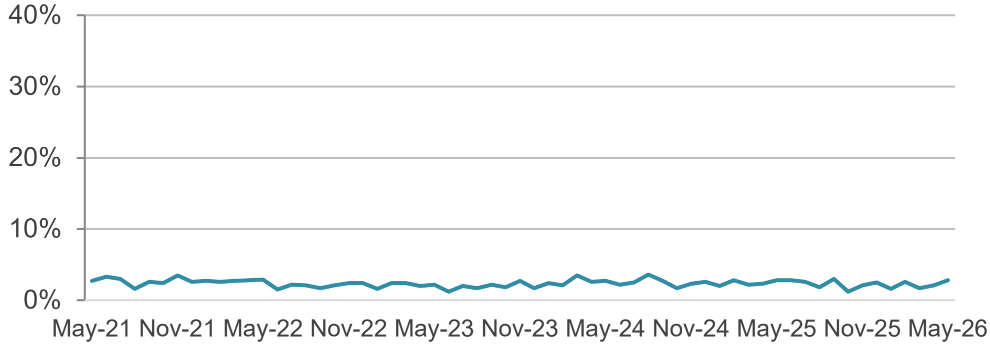
Remodel Existing Home



Buy An Existing Or Pre-Owned Home



Buy A Newly-Built Home



Methodology & About

Methodology

- Monthly online survey of several thousand U.S. households, balanced by gender, age, and geography.
- Survey conducted in the last 10 days of each month.
- Economic Index calculated from 9 different economic measurements using a sophisticated econometric model.
- Result: a forward-looking snapshot of economic activity as seen through the eyes of representative consumers.

Economic Index Thresholds

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Recession Risk	Slow Growth	Expanding Economy	Rapid Growth

About Decision Analyst

- Global research and analytical consulting firm specializing in strategy research, new product development, advertising testing, and advanced modeling.
- Delivering competitive advantage to clients worldwide for almost 50 years.
- Serves consumer-packaged goods, high tech, retail, medical, automotive, and other major industries.

Contact & Media

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