## 2013 Preliminary Forecast Results

<table>
<thead>
<tr>
<th></th>
<th>Duration</th>
<th>Forecast</th>
<th>Actuals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>US GDP</strong></td>
<td>12</td>
<td>$15.818 Trillion</td>
<td>$15.765 est</td>
</tr>
<tr>
<td><strong>US Ind. Prod.</strong></td>
<td>10</td>
<td>99.9 (12MMA)</td>
<td>99.3 Nov 0.6%</td>
</tr>
<tr>
<td><strong>EU Ind. Prod.</strong></td>
<td>20</td>
<td>101.9 (12MMA)</td>
<td>100.2 Oct 1.7%</td>
</tr>
<tr>
<td><strong>Canada Ind Prod</strong></td>
<td>15</td>
<td>98.7 (12MMA)</td>
<td>97.5 Oct 1.2%</td>
</tr>
<tr>
<td><strong>China Ind Prod</strong></td>
<td>9</td>
<td>522.6 (12MMA)</td>
<td>512.4 Oct 2.0%</td>
</tr>
<tr>
<td><strong>Housing</strong></td>
<td>12</td>
<td>945 Ths Units</td>
<td>918 Nov 2.9%</td>
</tr>
<tr>
<td><strong>Retail Sales</strong></td>
<td>18</td>
<td>$2.189 Trillion</td>
<td>$2.193 Nov -0.2%</td>
</tr>
<tr>
<td><strong>Employment</strong></td>
<td>24</td>
<td>144.3 Million</td>
<td>143.8 Nov 0.3%</td>
</tr>
</tbody>
</table>
World GDP, Bils of US $, Current Prices

- United States: 21.9%
- China: 11.5%
- Japan: 8.3%
- Germany: 4.7%
- France: 3.6%
- United Kingdom: 3.4%
- Brazil: 2.8%
- Russia: 2.8%
- Italy: 2.5%
- Canada: 2.5%
- India: 2.5%
- Australia: 1.9%
- Spain: 1.6%
- Mexico: 1.6%
- Korea: 1.6%
- All Others: 25.2%

Source: IMF

71.707 Trillion US$

Percent of 2012 World GDP
US/Global Recovery Issues

• Most leading indicators pointing up
• Deflation fears remain so aggressive monetary
• Employment rising
• Retail Sales are rising
• Housing and Nonres Construction is improving
• BUT...
• Stock market worries
• Taxes rising
• No near-term solution to fiscal debt
Prescription Lenses Data Trends

Source: Vision Council

www.itreconomics.com
Prescription Lenses Growth Rates

Rates of change

Source: Vision Council

www.itreconomics.com
Revenue Growth Rates

Source: Vision Council
Vision Council Rx Lenses to US Industrial Production

12/12 Rates of Change
US Industrial Production to ITR Leading Indicator

USIP – 12/12
Indicator - Monthly

www.itreconomics.com
Beware a margin squeeze brought on by wages.
Crude Oil Futures Prices

Light & Sweet $ per Barrel, Data Trends

Source: Wall Street Journal
Delinquency Rates on Consumer Loans

- **Consumer Loan Delinquency Rate**
- **Consumer Credit Card Delinquency Rate**

10 Year Average

3MMA Data Trends
Vision Council Rx Lenses to Consumer Expectations

12/12 Rates of Change

16
Total Retail Sales (deflated)

Trillions of $82-84$
Vision Council Rx Lenses to Disposable Personal Income

12/12 Rates of Change

Pairs

DPI
Growing Income Disparity?

<table>
<thead>
<tr>
<th>Income by Household</th>
<th>% in 1967</th>
<th>% in 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $50,000</td>
<td>61.4%</td>
<td>50.1%</td>
</tr>
<tr>
<td>$50,000 to $200,000</td>
<td>39.0%</td>
<td>45.9%</td>
</tr>
<tr>
<td>Over $200,000</td>
<td>0.6%</td>
<td>3.8%</td>
</tr>
</tbody>
</table>

Source: Census Bureau
Stock Prices Index

Data Trends

Source: Wall Street Journal
Housing Starts

Millions of Units

www.itreconomics.com
Sequestration

Projected total federal spending

- With sequestration
- Without sequestration

Bloomberg

Difference between the two (impact on spending)

Source: John Taylor, Bloomberg
Health Care Spending

Average spending on health per capita ($US PPP)

Total expenditures on health as percent of GDP

(% of GDP)

Source: OECD Health Data 2010 (Oct. 2010)
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U.S. Dependence on Foreign Oil Declining
Net imports as a share of domestic consumption

Source: Energy Information Administration
Opportunities:

- Energy Distribution
- Water Distribution/Conservation
- Exports from U.S.
- Vocational Education
- Health Care
- Food
- Mexico
- Housing
- Printed Electronics
- Alcohol
- Security
- 3-D Printing
- Natural Resources (Harvesting/Conserving)
- Entertainment
Preparing for 2014-2017

1. Positive leadership modeling (culture turns to behavior)
2. Invest in customer market research (know what they value)
3. Training programs (people, process, internal metrics)
4. Review and uncover competitive advantages
5. Spend $ on new products, marketing, advertising
6. Improve efficiencies with investment in technology and software
7. Check systems for readiness to accommodate increased activity
8. Add Sales Staff and Hire Top People
9. Lock in costs
10. Judiciously examine credit
11. Work on “what’s next”
8 Must Watch Items

- ITR Leading Indicator
- Housing Starts
- Bond Market
- US Leading Indicator
- Purchasing Managers Index
- Retail Sales
- Employment
- Nondefense Capital Goods New Orders

Available from ITR via *ITR Trends Report*, the *ITR Advisor*, or on the web