

VISTAGE

Opportunities

Alan Beaulieu, PhD
President

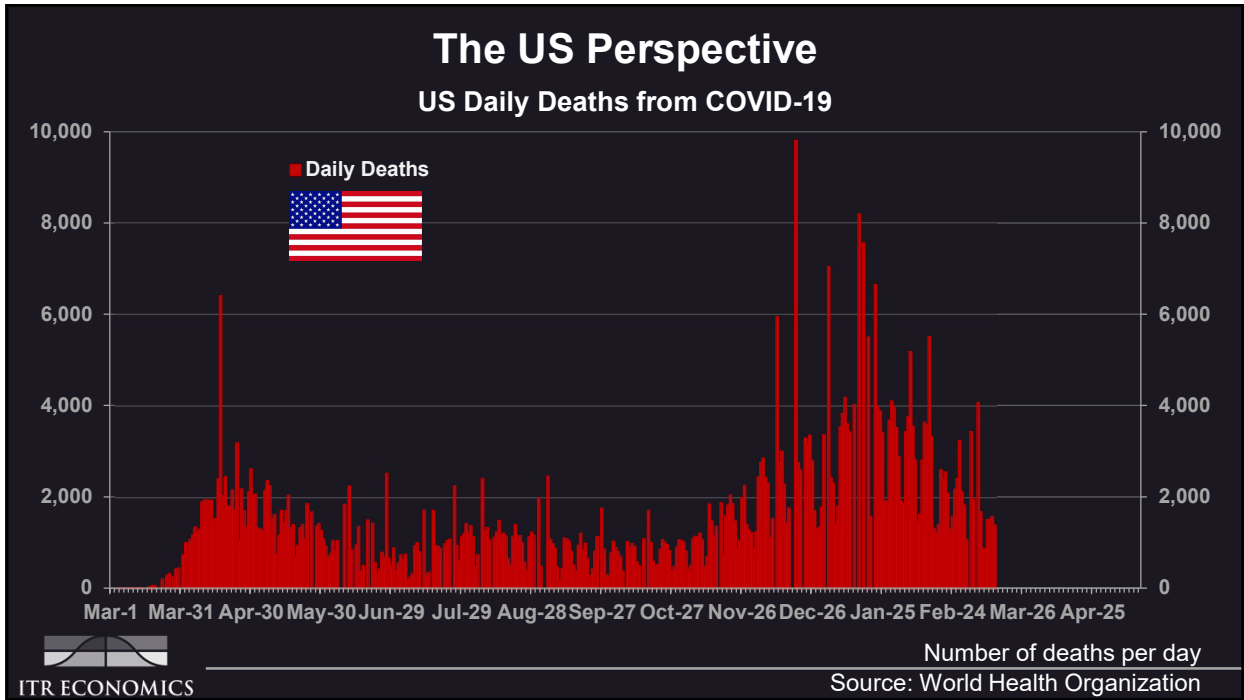
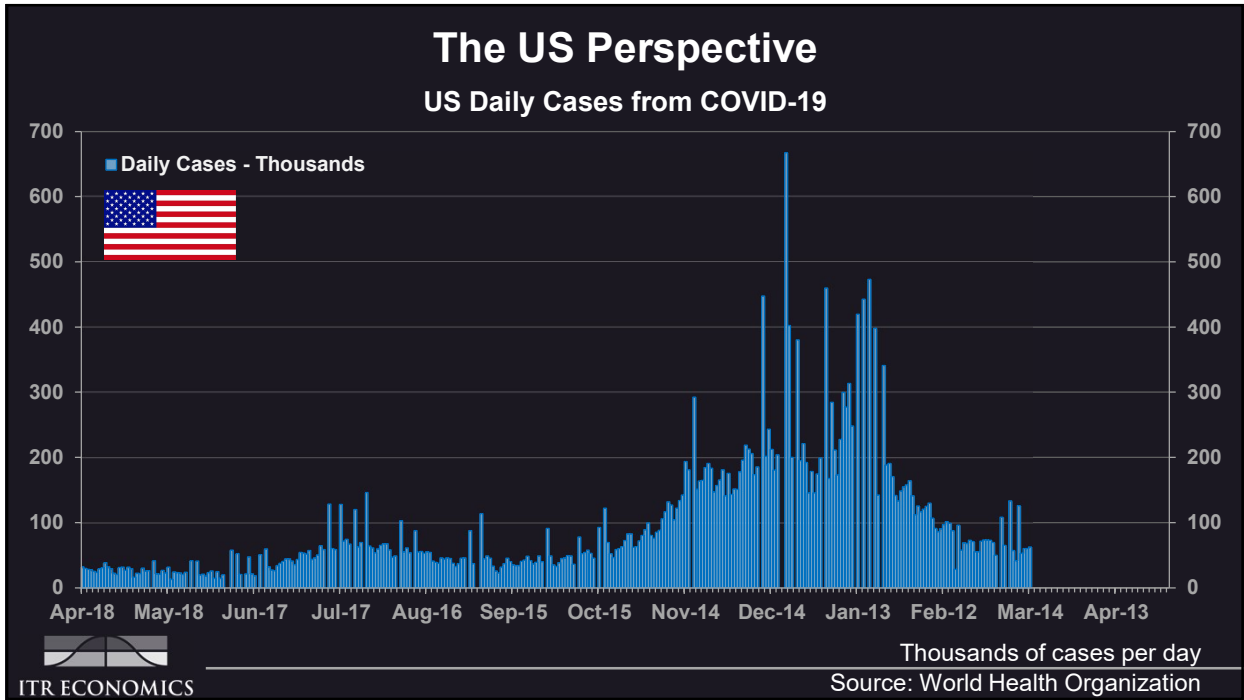


Post-COVID Forecast Accuracy When Things Were First Starting to Go Awry...

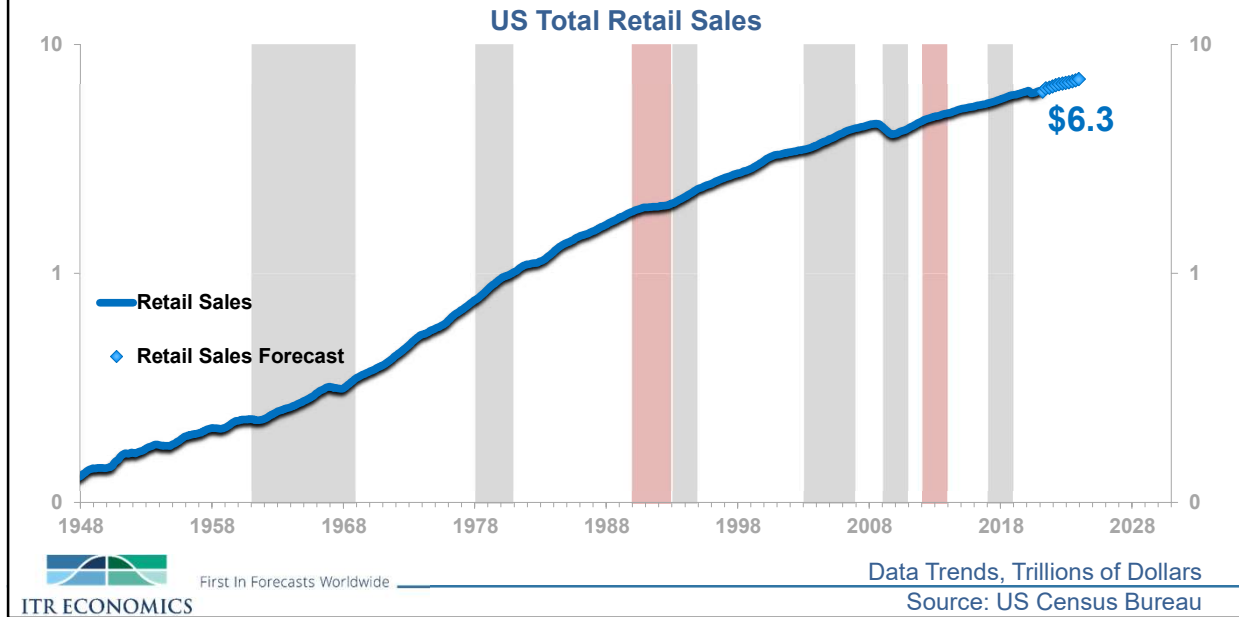
	Data is Through	Date of Forecast	Duration	Accuracy
US GDP	Dec 2019	Mar 20th	9	98.4%
US Ind. Prod.	Feb 2020	Mar 25th	9	96.5%
Europe Ind. Prod.	Jan 2020	Mar 25th	9	98.7%
Canada Ind. Prod.	Dec 2019	Mar 25th	9	94.9%
China Ind. Prod.	Feb 2020	Mar 29th	9	92.8%
Retail Sales	Jan 2020	Mar 21st	9	98.7%
Housing	Jan 2020	Mar 26th	9	99.6%
Employment	Feb 2020	Mar 28th	9	93.7%

ITR Economics provides the best economic intelligence to reduce risk and drive practical and profitable business decisions.





It Never Pays to Count the Consumer Out



Washington DC

Another \$1.9 trillion

Debt disaster?

Anticipated changes?

Tax increase

Emphasis on Climate Change

\$15/hr minimum wage

Relationship with China

FOMC Member Interest Rate Projections



Biden's Infrastructure Plan. Cost \$2 trillion

Nine Key Points:

- Discounts to consumers who trade in gasoline-powered cars for U.S.-made electric models.
- Investment in upgrading and building commercial buildings and houses to save energy.
- Job creation to rebuild America's infrastructure from roads and bridges to green spaces and water systems, to electricity grids and broadband infrastructure, sustainably, to withstand the impacts of climate change and improve public health – including access to clean air and water.
- By 2030, provide municipalities of more than 100,000 with zero-emissions public transportation options through flexible federal investments with strong labor protections that create union jobs and meet the needs of cities, from light rail networks to improving and modernizing transit and bus lines, to installing bicycle and pedestrian infrastructure.
- Drive large cost reductions in critical clean energy technologies, such as battery storage, negative emissions technologies, new building materials, renewable hydrogen, and advanced nuclear – while also rapidly commercializing them.
- 250k jobs plugging abandoned oil and natural gas wells and reclaiming abandoned coal, hard rock, and uranium mines.
- Expansion of high-speed rail.
- Providing broadband access to every American.
- Ensuring environmental justice is a key consideration in building.

President Biden's Economic Plan: Build Back Better

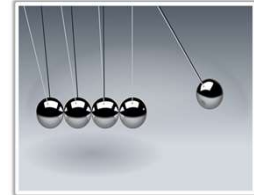
1. **BUY AMERICAN.** Make "Buy American" Real and Make a \$400 billion Procurement Investment that together with the Biden clean energy and infrastructure plan will power new demand for American products, materials, and services and ensure that they are shipped on U.S.-flagged cargo carriers.
2. **MAKE IT IN AMERICA.** Retool and Revitalize American Manufacturers, with a particular focus on smaller manufacturers and those owned by women and people of color, through specific incentives, additional resources, and new financing tools. Proposed 10% surtax on imports from offshore business activity and a 10% "Made in America" tax credit to incentivize onshoring.
3. **INNOVATE IN AMERICA.** Make a New \$300 Billion Investment in Research and Development (R&D) and Breakthrough Technologies - from electric vehicle technology to lightweight materials to 5G and artificial intelligence — to unleash high-quality job creation in high-value manufacturing and technology.

President Biden's Economic Plan: Build Back Better

4. **INVEST IN ALL OF AMERICA.** Ensure Investments Reach All of America so we draw on the full talents and invest in the potential of all our communities and workers. America is not at full strength when investments, venture capital, educational opportunities and paths to good jobs are limited by race, zip code, gender, gender identity, sexual orientation, disability, religion or national origin. Biden will ensure that the major public investments in his plan — procurement, R&D, infrastructure, training, and education — reach all Americans across all states and regions, including urban and rural communities, with historic investments in communities of color and an emphasis on small businesses.
5. **STAND UP FOR AMERICA.** Pursue a Pro-American Worker Tax and Trade Strategy to fix the harmful policies of the Trump Administration and give our manufacturers and workers the fair shot they need to compete for jobs and market share.
6. **SUPPLY AMERICA.** Bring Back Critical Supply Chains to America so we aren't dependent on China or any other country for the production of critical goods in a crisis.

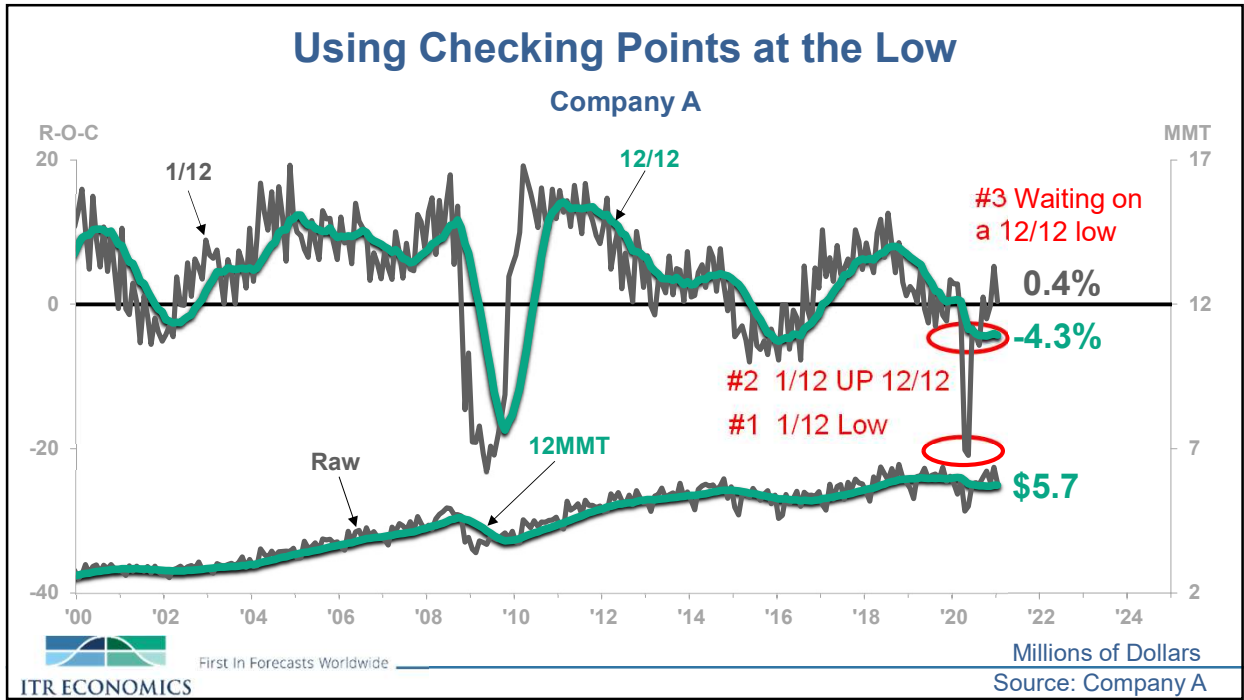
Management Objectives™

Fly by instruments



A Powerful Management Tool Rate-of-Change

	Monthly	1/12	3MMT	3/12	12MMT	12/12
Feb-19	4.391	1.8%				
Mar-19	5.024	0.2%				
Apr-19	5.050	5.1%	14.5			
May-19	5.266	-0.6%	15.3			
Jun-19	4.969	-2.6%	15.3			
Jul-19	5.061	2.9%	15.3			
Aug-19	5.099	-3.1%	15.1			
Sep-19	4.956	1.7%	15.1			
Oct-19	5.295	-1.5%	15.3			
Nov-19	4.875	-2.3%	15.1			
Dec-19	5.032	3.4%	15.2			
Jan-20	4.816	2.8%	14.7		59.8	
Feb-20	4.515	2.8%	14.4		60.0	
Mar-20	4.914	-2.2%	14.2		59.8	
Apr-20	4.031	-20.2%	13.5	-7.0%	58.8	
May-20	4.164	-20.9%	13.1	-14.6%	57.7	
Jun-20	4.815	-3.1%	13.0	-14.9%	57.6	
Jul-20	4.851	-4.2%	13.8	-9.6%	57.4	-4.1%
Aug-20	4.808	-5.7%	14.5	-4.3%	57.1	-4.3%
Sep-20	5.005	1.0%	14.7	-3.0%	57.1	-4.4%
Oct-20	5.188	-2.0%	15.0	-2.3%	57.0	-4.4%
Nov-20	4.867	-0.2%	15.1	-0.4%	57.0	-4.3%
Dec-20	5.296	5.3%	15.4	1.0%	57.3	-4.1%
Jan-21	4.835	3.1%	16.0	1.8%	57.3	-4.3%





VISTAGE

Macroeconomic Trends



ITR ECONOMICS
First In Forecasts Worldwide

U.S. Economic Leading Indicators

Indicator	Trend	Macro Indication
ITR Retail Sales Leading Indicator	Rise	Positive through next four quarters...
ITR Financial Leading Indicator	Rise	Positive through next four quarters...
JPMorgan Global PMI	Rise	Positive through next four quarters...
OECD Leading Indicator	Rise	Positive through next three quarters...
G7 Leading Indicator	Rise	Positive through next three quarters...
Purchasing Managers Index (PMI)	Rise	Positive through next four quarters...
ITR Leading Indicator	Rise	Positive through next three quarters...
Wilshire Total Market Cap	Rise	Positive through next three quarters...
US Leading Indicator	Rise	Positive through next two quarters...
Single-Family Housing Starts	Rise	Positive through next three quarters...
Total Industry Capacity Utilization	Rise	Positive through next two quarters...
US Exports, Goods – World	Rise	Positive through next quarter...



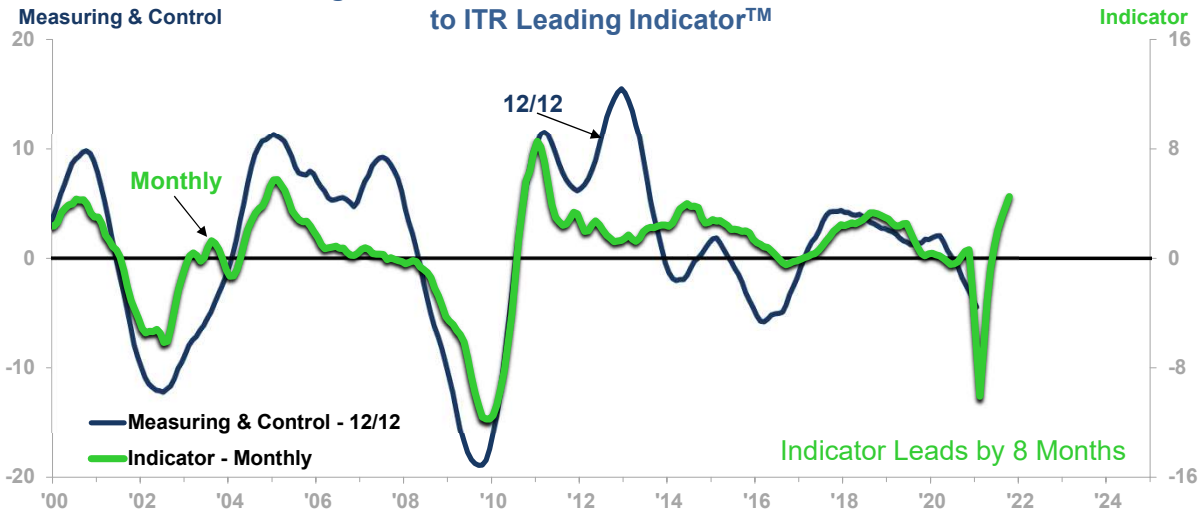
First In Forecasts Worldwide

ITR ECONOMICS

Sources: ITR Economics, Institute for Supply Management, OECD, Yahoo Finance, The Conference Board, US Census Bureau, FRB

Great News for 2021

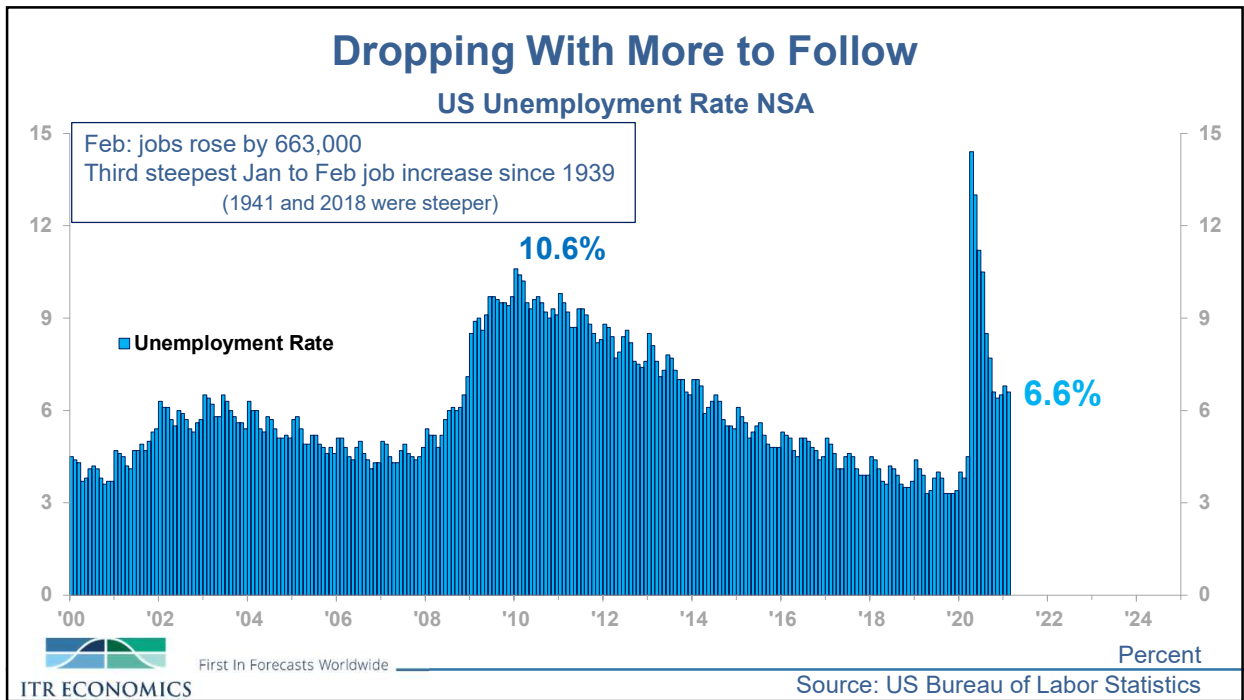
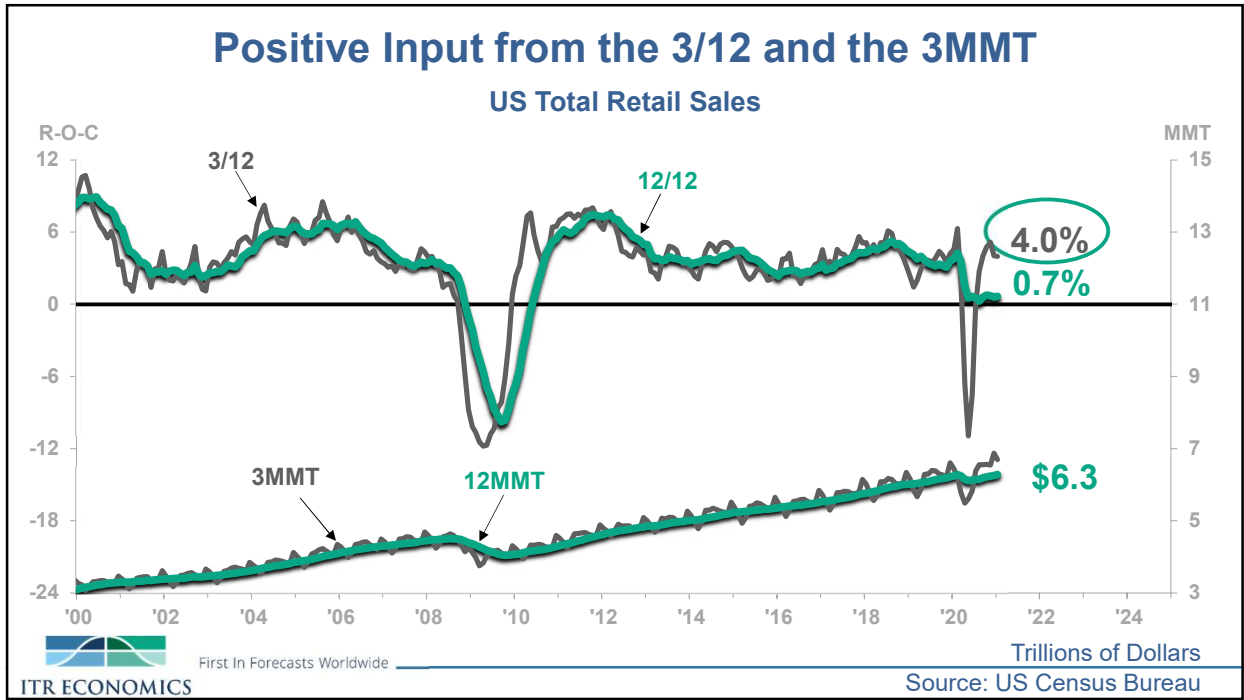
US Measuring and Control Instruments and Parts Production Index to ITR Leading Indicator™

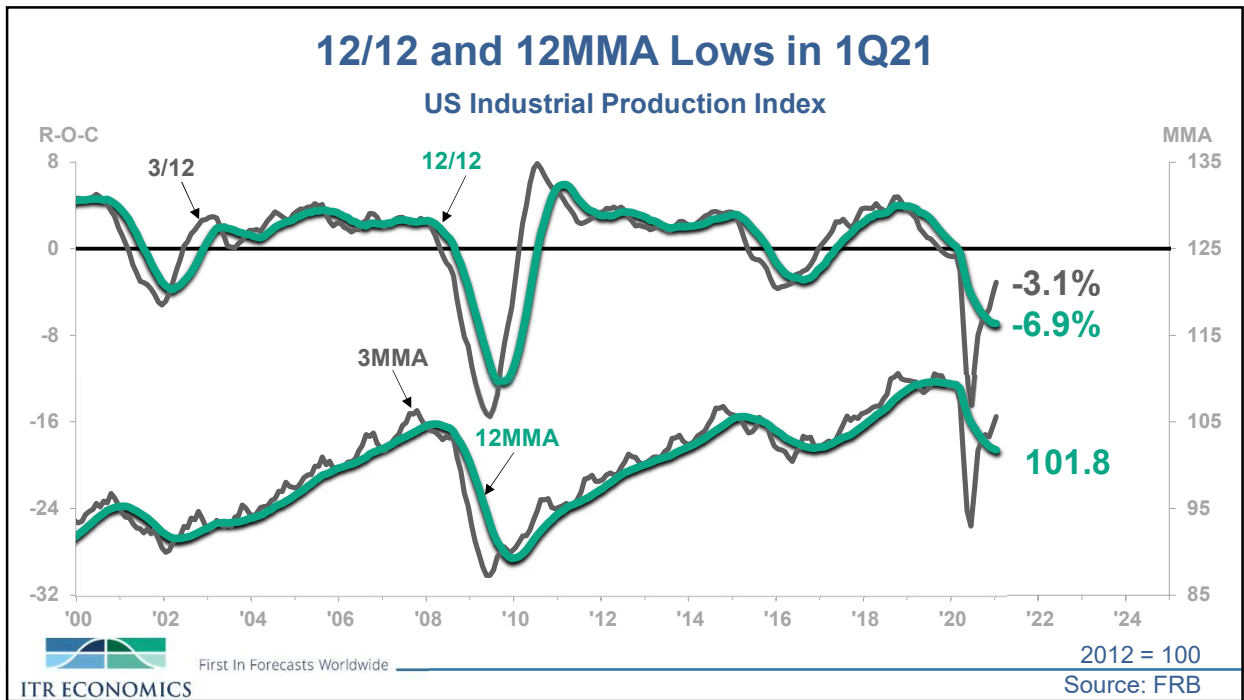
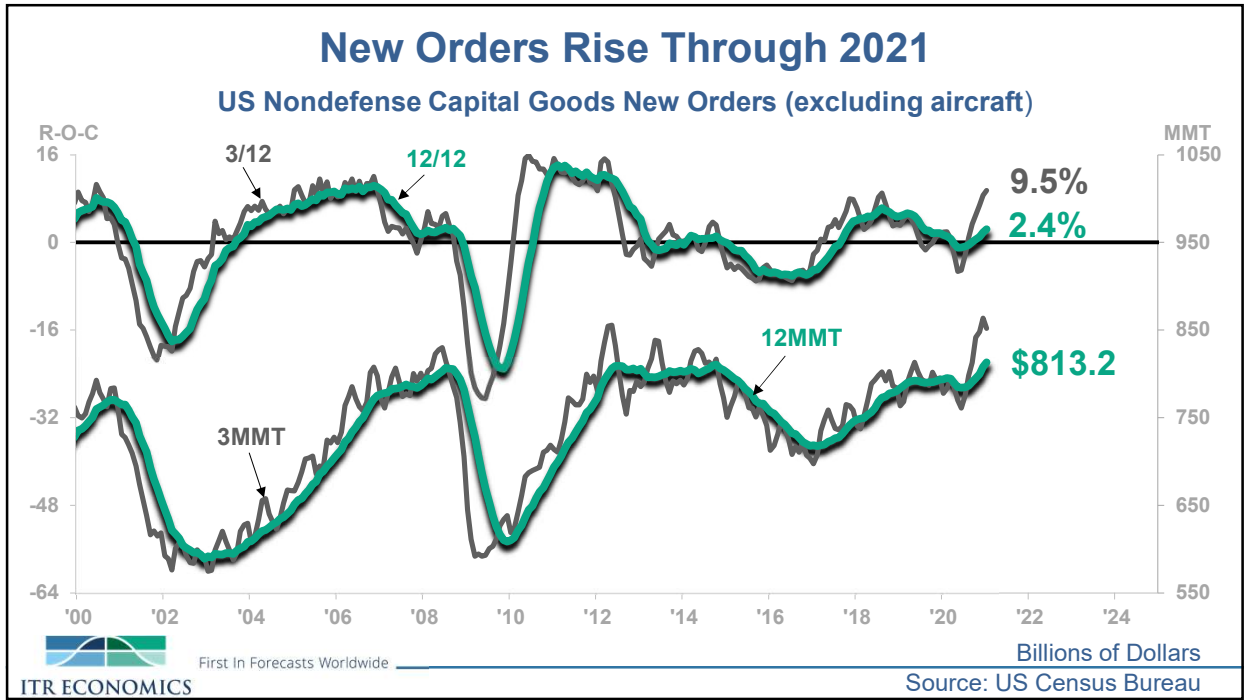


First In Forecasts Worldwide

ITR ECONOMICS

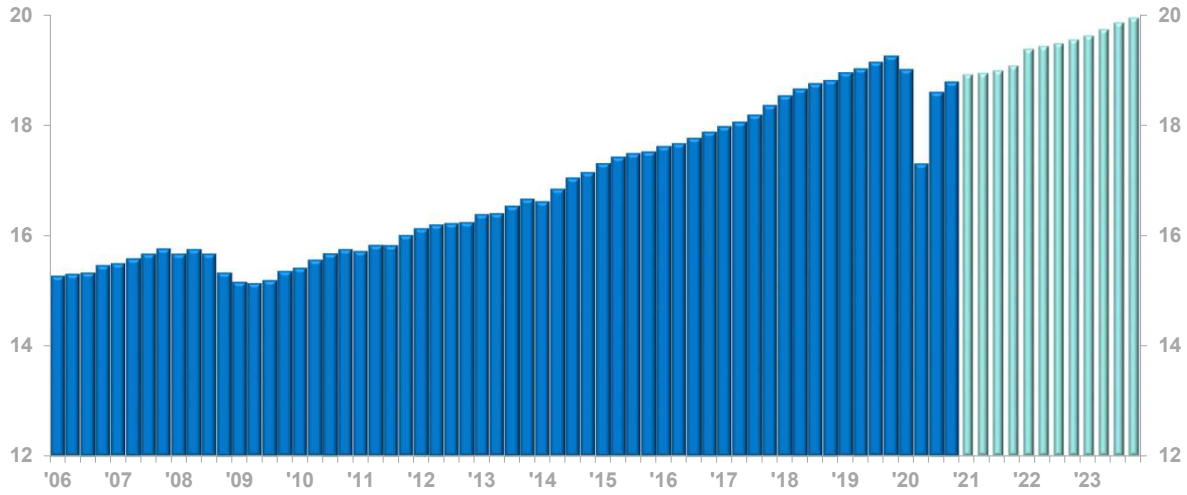
Sources: FRB, ITR Economics





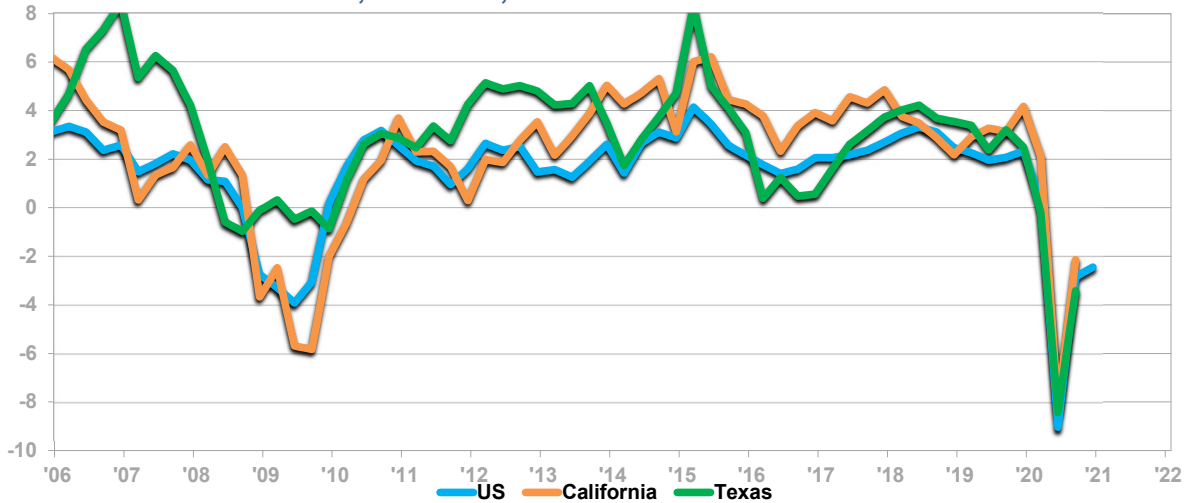
More Rise Ahead – Growth Resumes in Early 2022

US Gross Domestic Product, SAAR, Chained 2012 \$



State Improvement Through 2022

US, California, and Texas GDP Growth Rate



VISTAGE

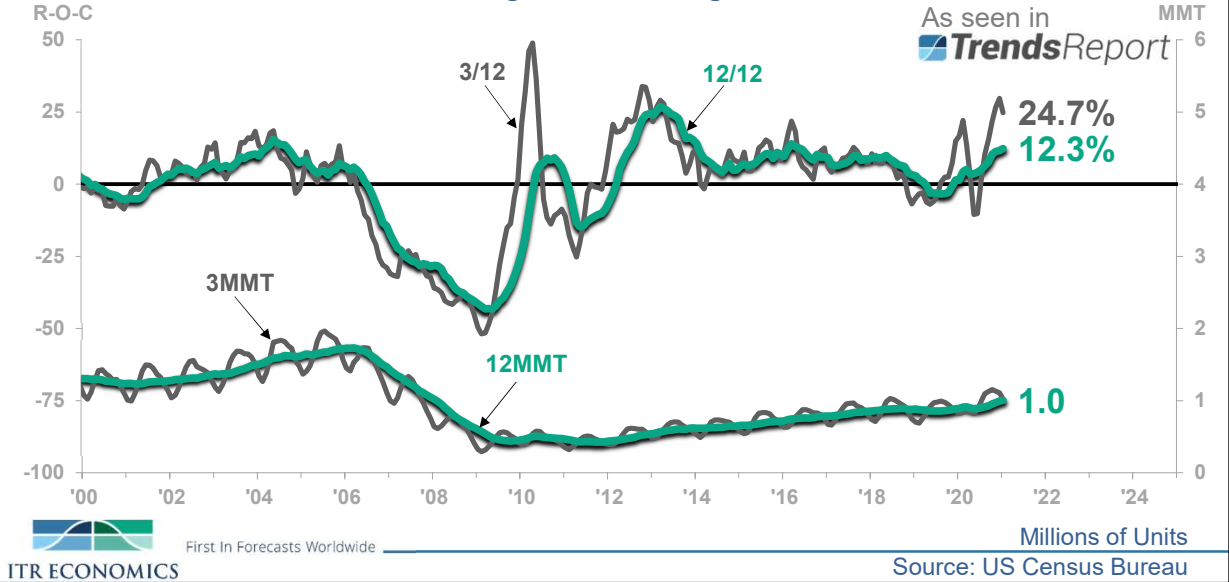
Some Markets

ITR ECONOMICS
First In Forecasts Worldwide



Housing: Opportunities Through 2022

US Single Unit Housing Starts



Low-Cost Mortgages Point to More Construction

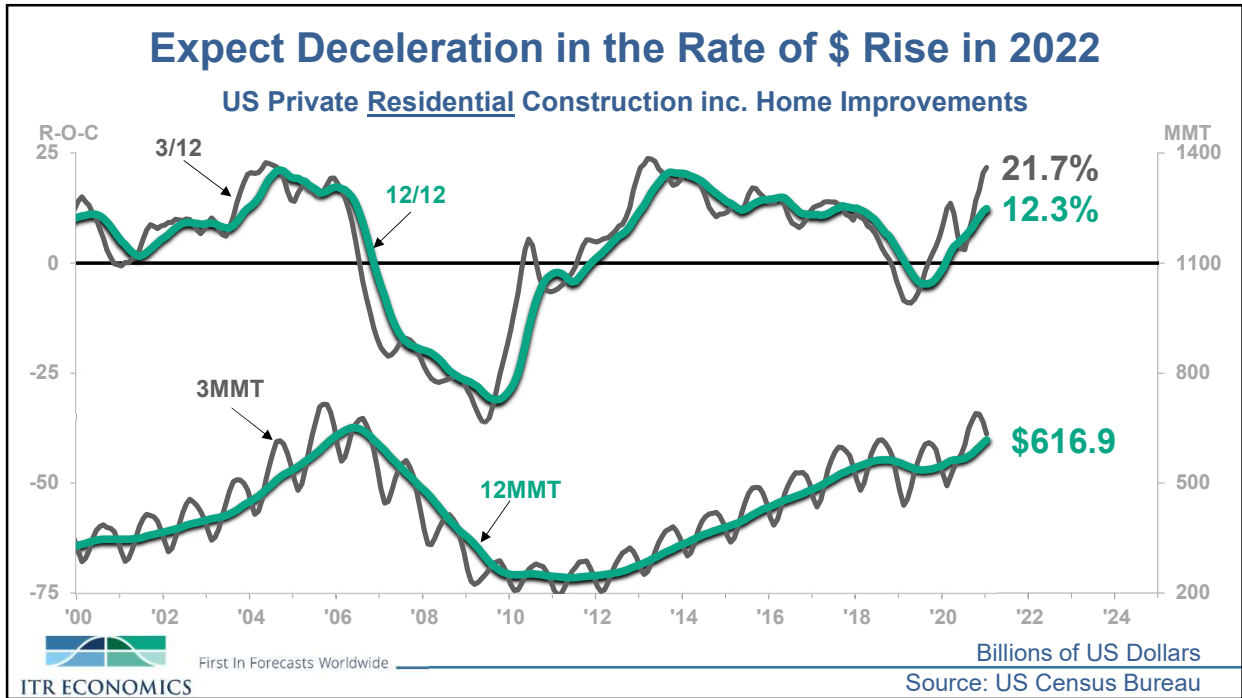
US Single-Unit Housing Starts to US Conventional Mortgage Rate (30-yr)



Good News Through 2021 and into 2022

Regional Single-Family Housing Starts

	12/12	Phase	3/12	Phase	Notes
Northeast	8.0%	B	18.4%	C	More 12MMT rise ahead
Midwest	13.3%	B	26.3%	C	Highest in 12 yrs, more rise
South	13.1%	B	25.2%	C	Highest in 13 yrs, more rise
West	10.9%	C	24.2%	C	More 12MMT decline



Decline Likely Through at Least the Near Term

Regional Multi-Unit Housing Starts

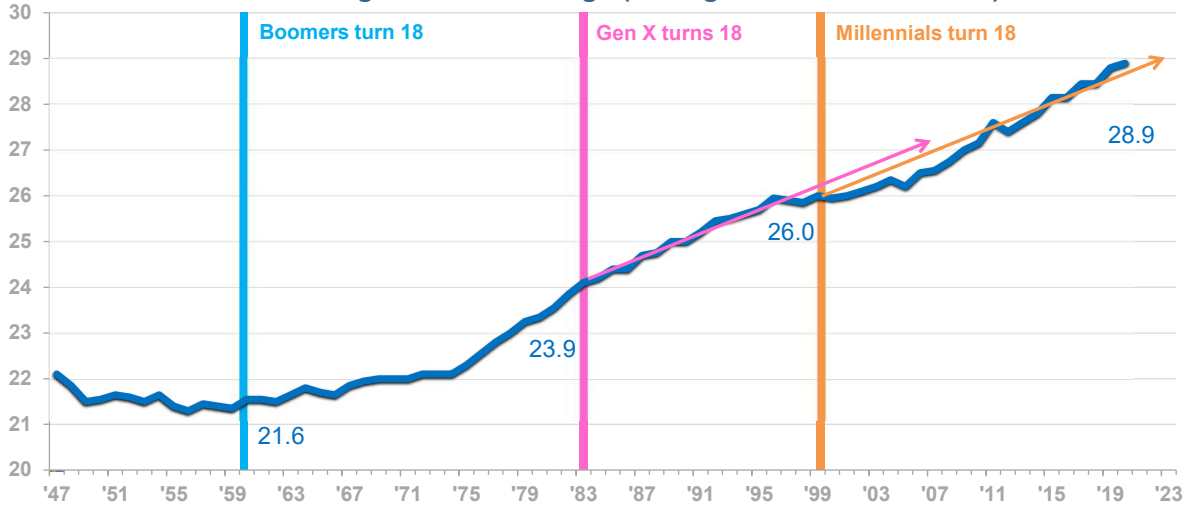
	12/12	Phase	3/12	Phase	Notes
Northeast	-31.1%	D	-31.7%	D	Nearing a cyclical low
Midwest	15.0%	B	-9.5%	D	12MMT has begun to slip lower
South	-9.9%	D	-32.4%	D	More 12MMT decline
West	-15.4%	D	-22.2%	A	More 12MMT decline

ITR ECONOMICS First In Forecasts Worldwide

Rates-of-Change
Source: US Census Bureau

An Ongoing Decades-Long Trend

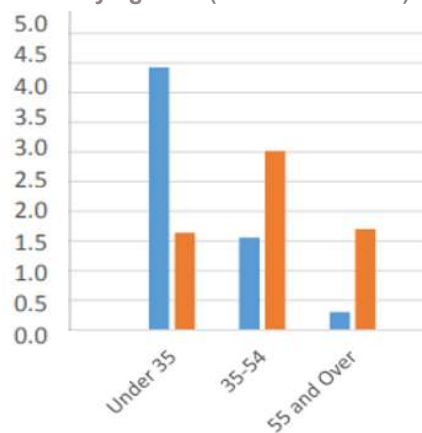
US Median Age of First Marriage (average of men and women)



Millennial First-Time Home Buyers

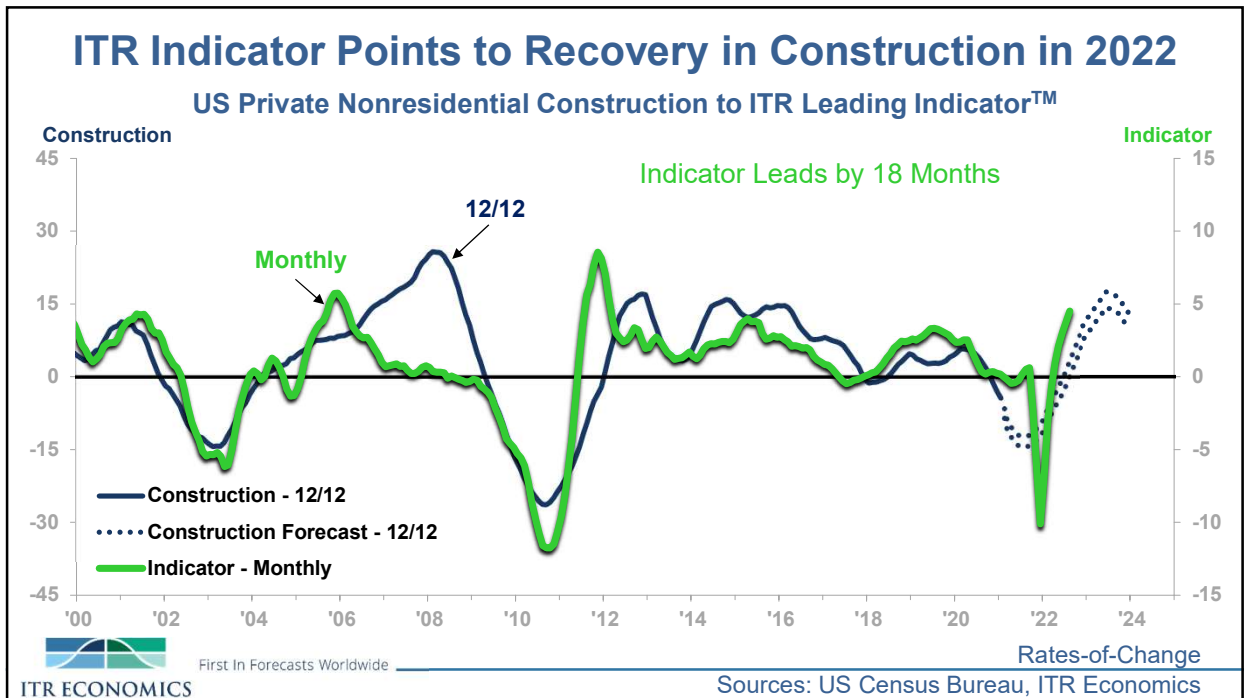
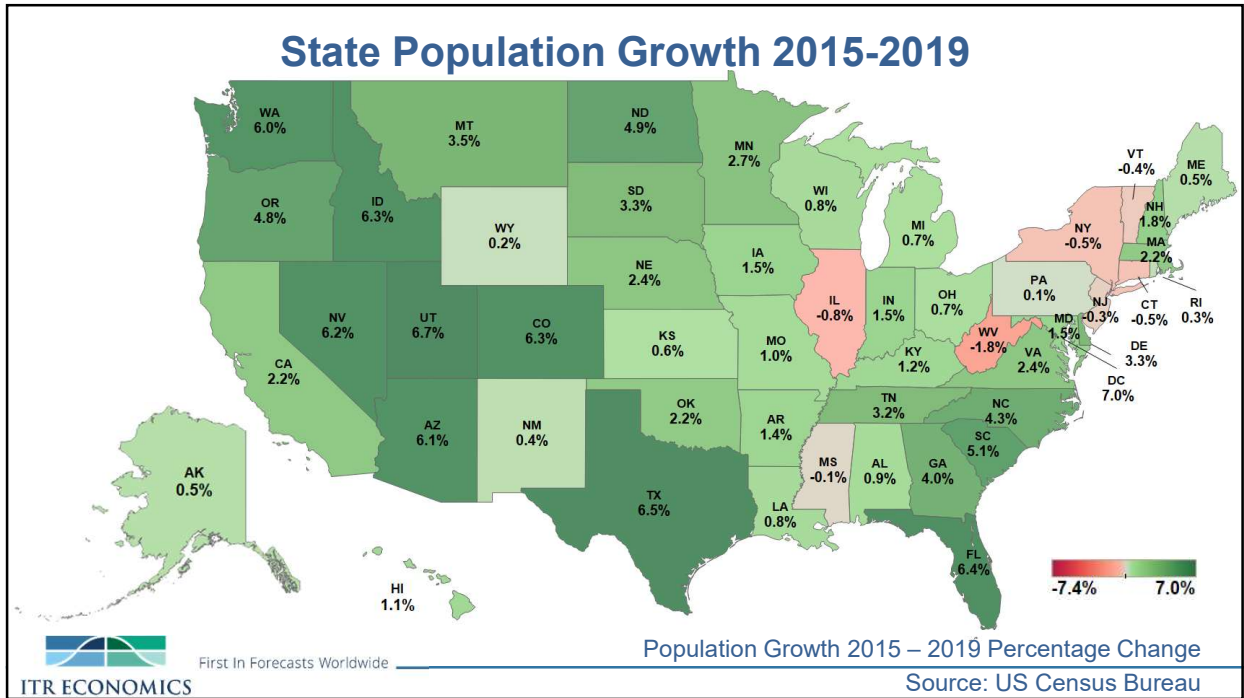
US Rates of First-Time and Repeat Home Purchases by Age (2017)

Homebuying Rate (Millions of Units)



■ First-Time Homebuying Rate

■ Repeat Homebuying Rate



Recession in Each Segment in 2021

US Construction Segments

	12/12	Phase	3/12	Phase	12MM	Notes
Private Office	-5.7%	D	-5.3%	A	↓	Recession in 2021
Private Commercial	3.0%	C	-4.3%	D	↓	Recession in 2021
Education	-1.2%	D	-1.6%	A	↓	Recession in 2021
Multi-Tenant Retail	-21.5%	D	-28.2%	D	↓	Recession in 2021
Private Nonresidential	-4.4%	D	-10.3%	D	↓	Recession in 2021



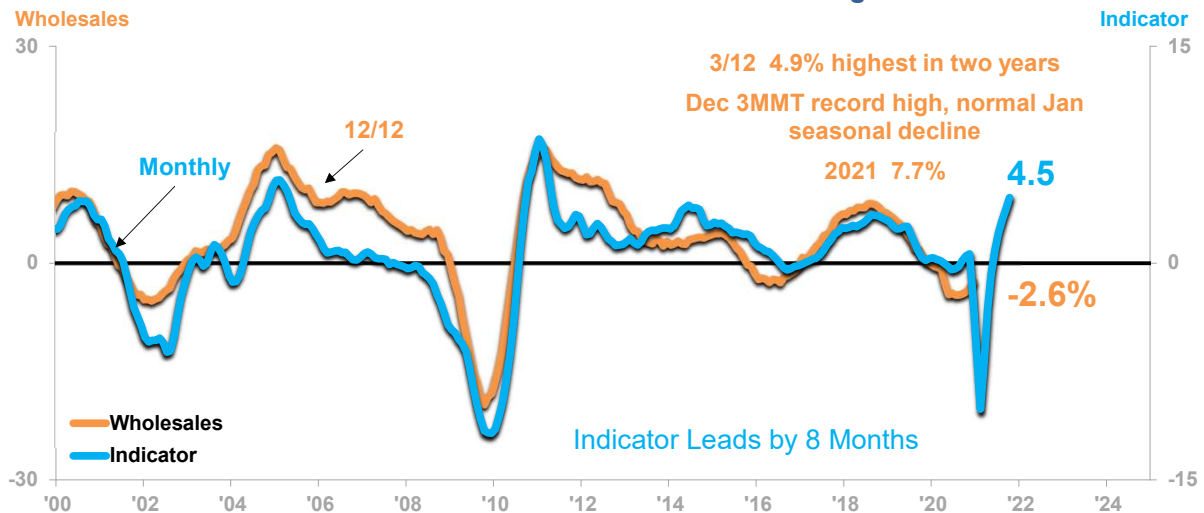
First In Forecasts Worldwide



Source: US Census Bureau

A Positive Sign for Wholesale Trade Through 2021

US Wholesale Trade of Durable Goods to ITR Leading Indicator™



First In Forecasts Worldwide

Sources: US Census Bureau, ITR Economics

US Industry Segments

	12/12	Phase	3/12	Phase	Notes
Manufacturing (excl. Motor Vehicles)	-6.0%	D	-2.2%	A	Steepest 4Q 3MMA rise since 1997. First monthly Jan rise since 1990
Oil and Gas Extraction	-5.9%	D	-9.2%	A	Normal rate of rise in the 3MMA
Food	-1.7%	D	0.7%	B	Steepest 4Q 3MMA rise in 22 years Mildest Jan decline since 1971
Aerospace Products & Parts	-18.6%	A	-6.2%	A	Steepest 3MMA rise in 45 years
Chemical and Chemical Products	-3.0%	A	0.4%	B	First Jan monthly rise since 2016
Pharmaceuticals	-1.3%	A	2.0%	B	Steepest Jan rise since 2003
Motor Vehicle Parts	-13.7%	A	0.4%	C	12MMA is moving higher
Aircraft Products & Parts	-21.5%	A	-8.3%	A	12MMA rise through 2022
US Automobile	-21.9%	D	-13.8%	D	Steepest 4Q 3MMA fall since 2008
Consumer Nondurable New Orders	-8.0%	D	-4.2%	A	Steeper than median 4Q 3MMA rise
Medical Equipment & Supplies	-9.4%	D	-3.9%	A	12MMA rise soon, then up through 2022



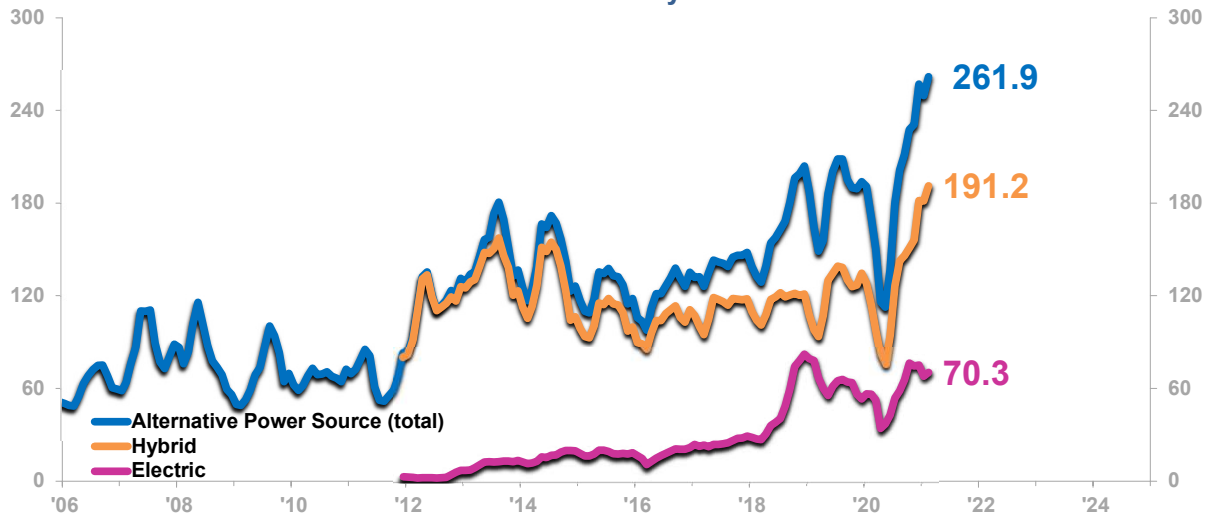
First In Forecasts Worldwide

ITR ECONOMICS

Source: FRB, US Census Bureau

Gaining Ground – Slowly for Now

US Vehicle Retail Sales by Power Source



First In Forecasts Worldwide

ITR ECONOMICS

3MMT Thousands of Units

Source: Wards Auto

Gaining Ground – Slowly for Now

US Vehicle Retail Sales by Power Source

Unit Sales	Units:		Market Share:	
	Feb 2021	Feb '21	Feb '20	Feb '19
Internal Combustion	3,612,371	93.2%	95.7%	95.9%
Hybrid	191,208	4.9%	2.9%	2.4%
Electric	70,341	1.8%	1.4%	1.9%



First In Forecasts Worldwide

3MMT Thousands of Units
Source: Wards Auto

Accelerating Rise in 2021

US Services Revenue

	3/12	Phase	3MMA Notes
Insurance Carriers	4.9%	B	Record high, more rise in 2021
Legal Services	-1.2%	A	rate of rise accelerates in 2H 2021
Computer System Design	-2.8%	A	Rise through 2021
Management, Scientific, & Technical Consulting	-3.3%	A	Rise through 2021
Real Estate	3.0%	B	Record high, more rise in 2021
Educational	-11.7%	A	Steep 2H20 rise, more rise in 2021
Agencies, Brokerages and Other Insurance	8.3%	B	Record high, more rise in 2021

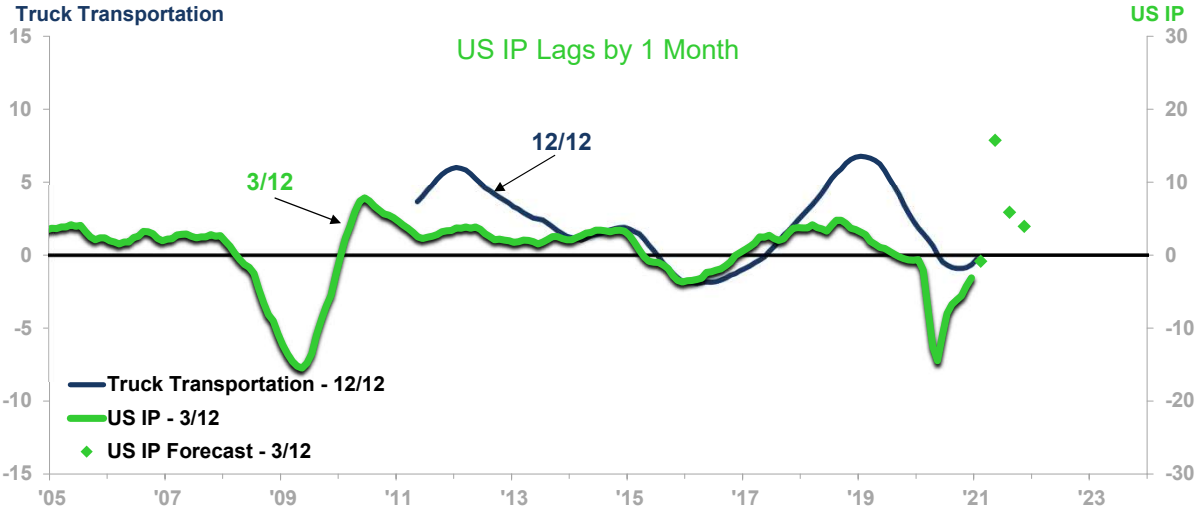


First In Forecasts Worldwide

Source: US Census Bureau

Macro Forecast Says More Freight Pricing Rise Ahead

US Truck Transportation of Freight Producer Price Index to US Industrial Production Index



ITR ECONOMICS

Sources: Bureau of Labor Statistics, FRB

VISTAGE

Global Partners


ITR ECONOMICS
First In Forecasts Worldwide

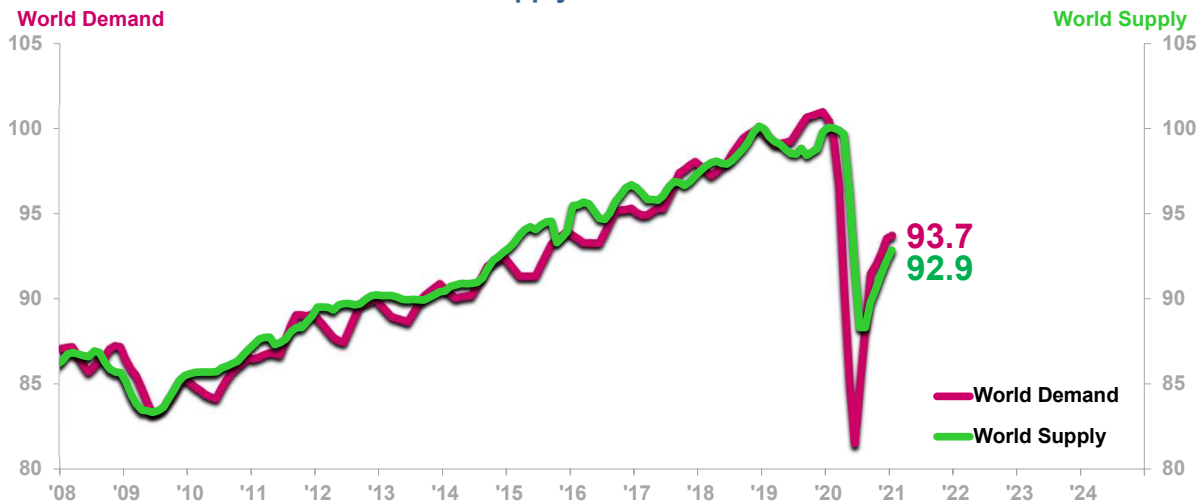
A Global Rise Through 2021

Non-U.S. Economic Leading Indicators

Indicator	Trend	Comments
Australia Leading Indicator	Rise	Positive through next four quarters...
Brazil Leading Indicator	Rise	Positive through next three quarters...
Canada Leading Indicator	Decline	Tentative Dec 1/12 high; potential Phase C in 2022
Eurozone Leading Indicator	Rise	Positive through next three quarters...
Japan Leading Indicator	Rise	Positive through next three quarters...
Mexico Leading Indicator	Rise	Positive through next three quarters...
Major Five Asia Leading Indicator	Rise	Positive through next four quarters...

It is Always a Question of Supply & Demand

World Oil Supply to World Oil Demand



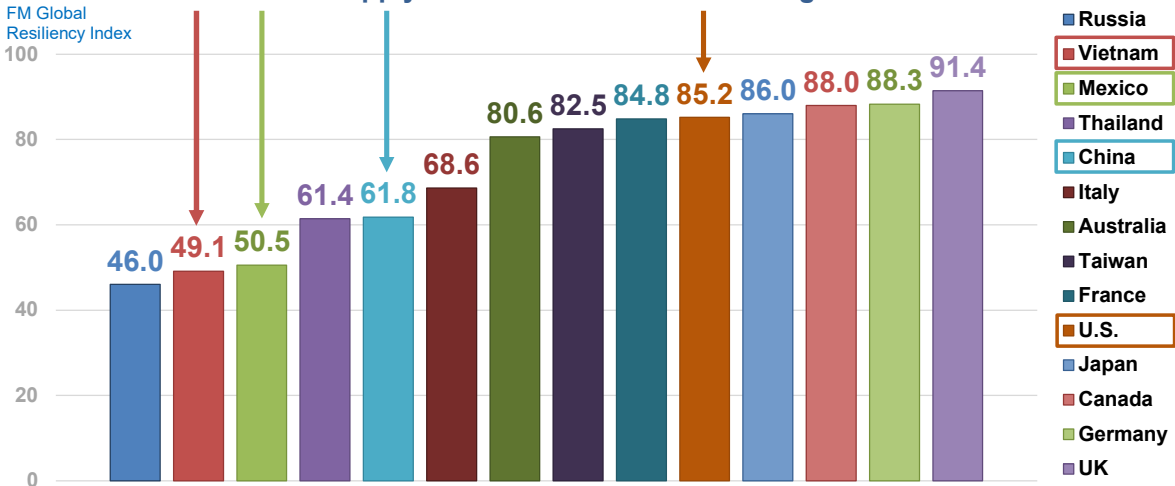
VISTAGE

Looking Further Out



Risk Assessment

2020 Supply Chain Risk of Various Trading Partners

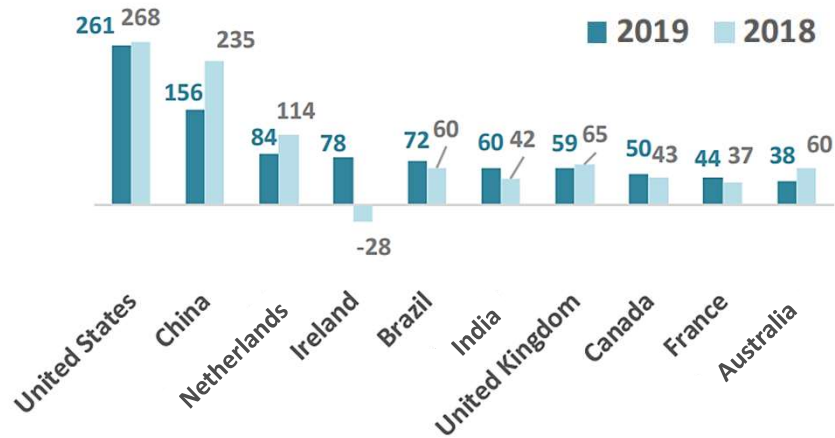


First In Forecasts Worldwide

Scale 1 to 100, Where 100 Indicates Most Resilient
Source: FM Global Resiliency Index

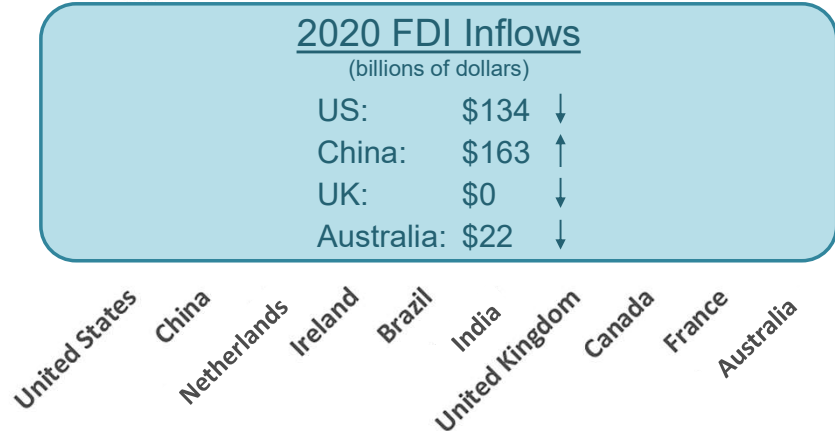
US Tops the List of FDI Recipients

FDI Inflows, Top 10 Major FDI Recipients in 2019



US Tops the List of FDI Recipients

FDI Inflows, Top 10 Major FDI Recipients in 2019



Investment Worthy US Foreign Direct Investment

Top 15 Countries Investing in US Companies (based on 2019 total dollars)

1. Germany	\$ 42.1	6. Australia	\$ 16.2	11. Luxembourg	\$ 5.6
2. Japan	\$ 38.5	7. Netherlands	\$ 13.1	12. S. Korea	\$ 5.3
3. Canada	\$ 36.5	8. Switzerland	\$ 11.3	13. China	\$ 4.3
4. UK	\$ 23.2	9. France	\$ 7.7	14. Spain	\$ 3.2
5. Bermuda	\$ 21.5	10. UK Islands*	\$ 5.6	15. Belgium	\$ 3.1

FDI: Over 40 countries invested in the US

*The "UK Islands, Caribbean" includes British Virgin Islands, Cayman Islands, Montserrat, and Turks and Caicos Islands. \$237.2



First In Forecasts Worldwide

Billions of Dollars
Source: BEA

Investment Worthy US Direct Investment Abroad

Top 15 Countries US is Investing in (based on 2019 total dollars)

1. UK	\$ 32.0	6. Switzerland	\$ 13.7	11. Mexico	\$ 4.5
2. Canada	\$ 29.9	7. Luxembourg	\$ 12.2	12. Barbados	\$ 4.1
3. Singapore	\$ 27.8	8. China	\$ 7.5	13. India	\$ 3.9
4. UK Islands*	\$ 21.3	9. Japan	\$ 6.0	14. Belgium	\$ 3.7
5. Germany	\$ 14.4	10. Netherlands	\$ 5.5	15. France	\$ 3.5

Investment Abroad: US invested in over 57 countries

*The "UK Islands, Caribbean" includes British Virgin Islands, Cayman Islands, Montserrat, and Turks and Caicos Islands. \$190.0

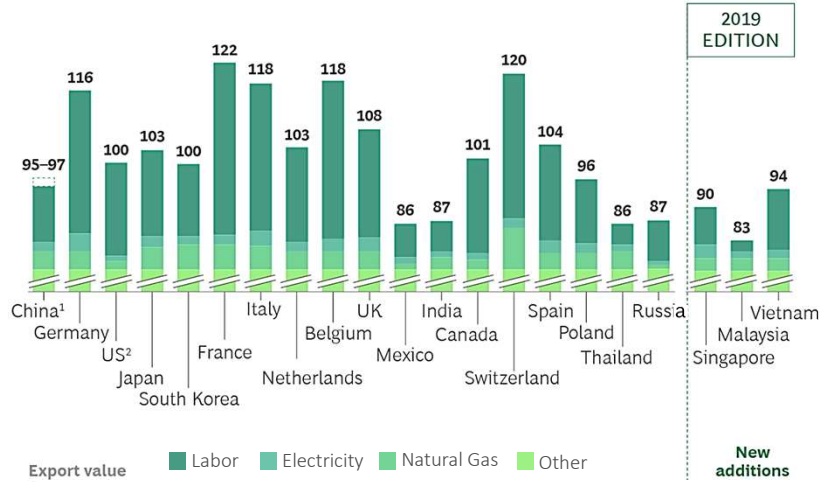


First In Forecasts Worldwide

Billions of Dollars
Source: BEA

The US Compares Well Globally

Manufacturing Cost Index



ITR ECONOMICS

First In Forecasts Worldwide

Cost Index: US = 100

Source: BCG (Boston Consulting Group)

ITR ECONOMICS



Receive free monthly updates on the economy!

Join our email list by filling out the form at itreconomics.com/updates

Follow us

@ITREconomics77

@ITRoutlook

ITR Economics

ITR@itreconomics.com
603.796.2500



Peak | **VISTAGE**
Performer Webinar Series

The Peak Performer webinar series is designed to support your leadership climb. This series brings the most trusted experts to the Vistage community to help you navigate new challenges and possibilities.





ITR ECONOMICS

SPEAKER PROFILE

ITRconomics77 ITROutlook ITRconomics

Alan Beaulieu, PhD

With a reputation for accuracy and candor, Alan Beaulieu has been delivering award-winning workshops and economic analysis seminars to thousands of business owners and executives in countries across the world for the last 30 years.

He is coauthor of *Prosperity in the Age of Decline*, a powerful look at how to make the most of the US and global trends over the next 20 years. Alan also coauthored *Make Your Move*, a practical and insightful guide on increasing profits through business cycle changes, lauded by one reviewer as "simple, yet awesome."



ABOUT ALAN

Alan has been providing workshops and economic analysis seminars for thousands of business owners and executives in various countries for the last 30 years. He is one of the country's most sought-after economists.

As the chief economist for numerous US and international trade associations, it has been remarked that Alan's "insight into our business, a track record of accurate forecasting, and unparalleled knowledge of global markets has earned him the respect and appreciation of key business leaders in our industry."

Alan and ITR Economics™ have shared their insights through various media outlets, including: The Wall Street Journal, The New York Times, USA Today, Knight Ridder News Services, Business Week, the Associated Press, The Washington Times, CBS Radio, CNN Radio, Sirius talk radio, and numerous other outlets.

ABOUT ITR ECONOMICS

Founded in 1948, ITR Economics is the oldest privately held, continuously operating economic research and consulting firm in the United States. With a long-term accuracy rating of 94.7%, ITR Economics has forecast major economic events such as the Great Recession of 2008 years in advance. ITR provides reliable industry and company forecasts tailored to clients' needs and offers economic webinars, subscription periodicals, consultative reports, and data-collection services.



Click here to check out videos of Alan Beaulieu!

TESTIMONIALS

"The lessons and strategies you shared as part of the Strategies for a Tough Economy panel were of enormous value to the more than 700 entrepreneurs and small business partners in attendance." - [Mark Herlyn, Vice President, Advertising, The New York Times](#)

"Many thanks for your excellent presentation at HMA's recent National Conference & Expo. As always, the information was extremely well-received, on point, and hit home to everyone in this room. And the 'subtle' humor is always an extra bonus!" - [Linda Jovanovich, Executive Vice President, Hardwood Manufacturers Association](#)

"ITR gives us unique intelligence and insight that has helped us win during a severe recession and now win in a growing economy. Alan, you do a great job of presenting the information with a style that is engaging and fun for our audience." - [Reggie Dupré, CEO, Dupré Logistics, LLC](#)

"Thank you for your wit, charm and levity in your presentation. I always thought economists were boring, but glad to see I was wrong." [Rich Canote, Principal, Canote Group](#)

BOOKING INFORMATION

To book a speaker from ITR Economics, please call 603.796.2500 or email itr@itreconomics.com.

Visit www.itreconomics.com and stay in touch with us through our blog and social media.

www.itreconomics.com // 603.796.2500 // ITR@itreconomics.com



“ ITR’s insight and ability to relate global and US leading and lagging indicators to our industry was astounding and quite informative. I highly recommend ITR to anyone interested in sound knowledge of future economic conditions. ”

- Jim Rohr, Co-Chairman, National Shipbuilding and Research Program

Want to reduce risk when deciding where and when to allocate your resources?

Join the thousands of businesses doing just that with ITR’s forecasting tools, ranging from monthly subscriptions to onsite consultations on industry trends that have a direct impact on your business.

Unique services and solutions to fit individual business needs.

Our collection of subscriptions, consulting programs, forecast reports, and customized services help businesses worldwide in a variety of ways.

- Understand events impacting business activity
- Resource allocation
- Marketing initiatives
- Sales forecasting
- Benchmark internal success
- Budget setting
- Improve internal forecasting accuracy and ability

Driving practical and profitable business decisions.

Our mission is to drive practical, profitable business decisions and strengthen your company through strategic use of industry trends. Thousands of business leaders from around the world are turning to ITR’s subscriptions, consultative programs, and onsite speaking engagements to increase their foresight to what is to come for their businesses.

ITR Economics forecast accuracy is 94.7%.

Our unmatched forecast accuracy rating of 94.7% at four quarters out since 1985 enables us to help business executives make strategic decisions with confidence. Our team of expert economists are ready to coach your team on using economic foresight to truly maximize your profitability. We will work directly with you to customize a program to meet your specific planning needs.