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"A Bend in the Road"

By Dr. Alan Beaulieu

HMA members in search of the "the best economic intelligence to reduce risk and drive practical and profitable business decisions" found it during the Friday morning business session of HMA's 2018 National Conference and Expo. That's when noted ITR Economics President, Dr. Alan Beaulieu, delivered his presentation, "A Bend in the Road." According to Dr. Beaulieu:

Where are we now?

In the current, highly charged political environment, our economy is experiencing muted growth. As we get deeper into 2018 however, ITR forecasts an economic **slowdown** that will reach into 2019, and then pick up speed in 2020 and beyond. To prepare for the "fun" of the 2020's, Dr. Beaulieu suggested that members use this 'economic lull' time well, encouraging them to examine their businesses, and complete the projects they've been putting off.

Is China a concern?

China's problems are "big" and many, says Dr. Beaulieu. Major concerns include population, pollution, banking, debt. Their current president's desire for increased power is disturbing. And his move to 'state-owned' versus 'free' enterprise is a bad decision that will erode the Chinese economy for the next ten years.

If the United States gets into a trade war with China, despite what the media reports, Beaulieu says, "big deal!" The U.S. - the second largest exporting nation in the world, with exports 6.2 percent ahead of last year, and rising - buys 4 times more from China, than they buy from the U.S. So if we buy less, China hurts more. (Economic consequences of a trade war would include job losses, inflation, a housing downturn.)

"All kinds of good things going on!"

- We are a strong Manufacturing nation - light on regulations - and manufacturing job opportunities and wages are at record highs. (Labor needs are great)
- Steel production in the U.S. is up. (Labor needs are great)
- Robots are NOT replacing humans and taking U.S. jobs
- Our Millennials will inherit a nation that is energy independent!
- We are a strong nation that businesses and people want to come to!

Looking Ahead

ITR continues to forecast a '**Great Depression**' in the 2030's. But for businesses to thrive in the economic environment of the 2020's, Dr. Beaulieu encouraged members to invest in their businesses now, making them more efficient, and geared toward the next buying public, the Millennials. Selling to them will require spot-on websites and active social media presences. Call in the experts to get it right!

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