

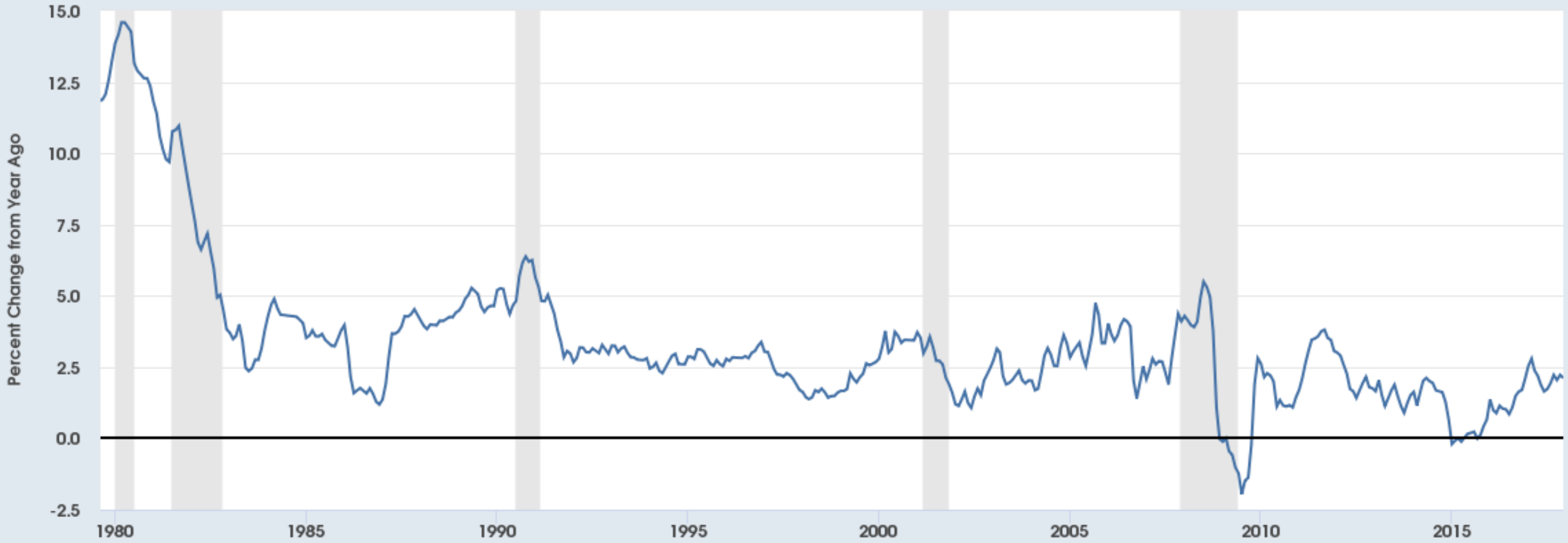
Growing economies

Growing economies

- Economic indicators
 - Exchange rate
 - Inflation
 - Unemployment
 - Growth rate (GDP growth)
- The economy is expected to get out of *recession*. Evaluate the impact on your business.



— Consumer Price Index for All Urban Consumers: All Items



Shaded areas indicate U.S. recessions

Source: U.S. Bureau of Labor Statistics

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Planning the future

- Use **economic indicators** to plan

- Example:

- **Growth rate** increases

➡ *demand* is expected to rise (link: wages)

➡ *unemployment* is expected to fall

- Hiring costs (e.g., wages) will rise (demand supply argument)
- Skilled labor force

➡ *inflation* is expected to rise ➡ *interest rate* will rise

➡ **Adapt production**
Adjust financing