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After Shock and Recovery.

First we went through the summer doldrums in the economy and then we got shocking election results in November. It's enough to make you hesitate and be unsure of what to expect next. That is exactly why we discussed leading indicators and consumer trends and what to expect in 2017-18 at the January 27, 2017 Vision Council Executive Summit. We are not changing our forecast of economic growth through 2018 with the percent increase being stronger in 2017. This is what we are seeing:

1. The leading indicator trends for the US were positive before the election and they have so far stayed that way after the election
2. The stock market reacted very favorably to Mr. Trump's victory and that will help the economy grow for at least the next six months
3. Interest rates surged higher in response to the Trump victory but that is a longer-term issue for the economy (think late 2018-2019)
4. The consumer is in good financial condition for now and we should expect them to spend more in 2017
5. Online retail activity is where the most growth is occurring
6. Mr. Trump could be trouble for Mexico's economy in 2017

Here is what we think you should consider as you ponder the future:

1. Labor will be in tight supply in 2017 and 2018 so be prepared to pay higher wages and still maintain or grow your profit margins
2. The political fervor that propelled Mr. Trump to the White House suggests that putting something "... in America" will be compelling if the price is competitive
3. Figure out how you will manage increasing inflationary pressures over the next 2 years and the next 10 years
4. Automation is going to be one of your best friends; efficiencies will be your other best friend
5. Follow the demographics; some states are rapidly losing ground to other states
6. Budget for increasing capital, labor, and equipment needs in 2017 and 2018