**The Components of**

**GUIDES**

**G: GDP & Growth**

**U: Unemployment & Utilization**

**I: Inflation & Interest Rates**

**D: Debt & Deficits**

**E: External Balances & Exchange Rates**

**S: Savings & Investment**

The purpose of the **GUIDES** **Indicators Worksheet** is to help the business leader collect macroeconomic data with confidence and accuracy.

NOTE: This worksheet is an adaptation of a macroeconomic analysis framework presented in: Weinzierl, Matthew, Shlefer, Jonathan, and Cullen, Ann. “GUIDES: Insight through indicators.” Harvard Business School 9-710-044. December 19, 2011 (2011): 1-9

**Instructions**

You will use this Worksheet to collect your data in the form of Economic Indicators for two Countries. There are six sections that you need to complete: G, U, I, D, E, and S. When they are all complete, you will be ready to submit the Worksheet document as Assignment 1.

I. Follow these steps to save your GUIDES Worksheet document:

Note: The GUIDES Worksheet is a standard Word document

* To save the worksheet on your computer for use in Assignment 1, complete the following steps:
  + Go to ***File > Save As***
  + Choose your Destination (a folder on your computer)
  + Name your document as shown below and then click ***Save***
* Use the following format for your filename: *LastName\_FirstName\_JWI515\_GUIDES\_Worksheet.docx*
  + - * + *e.g. Doe\_John\_JWI515\_ GUIDES\_ Worksheet.docx*

II. Follow these steps to collect your data:

* Enter your two Country names at the top of each page
* Use the *Trading Economics* website (http://www.tradingeconomics.com) website as your primary source to find your data.  
  You can also use these sites for indicators not reported on the Trading Economics site:
  + *FRED (https://fred.stlouisfed.org/)*
  + *World* Factbook (https://www.cia.gov/the-world-factbook/)
* Enter your data and notes in the Worksheet by clicking into the cells with the *Latest Entry*, *Trend*, and *Healthy Trend* labels
* In the *Healthy Trend Y/N Why? c*olumn, you may delete the Yes/No choice that is not correct, or you may highlight the correct one.
* Submit your GUIDES Worksheet document as Assignment 1 by the end of Week 3

**Sample Data – Use examples below as a model on how to complete your GUIDES Worksheet.**

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Indicator** | **Meaning** | **Country: United States** | | | | **Country: *Mock Country Data*** | | | |
| **Latest Entry &**  **Frequency** | **Trend – with explanation** | **Healthy Trend (Y/N) & Why?** | **Latest Entry & Frequency** | | **Trend – with explanation** | **Healthy Trend (Y/N) & Why?** |
| **Consumer Spending** | Private consumption, or an exchange of money for goods and services. Includes private purchases of durable goods, nondurables, and services. | $11922bil  Oct2017  Quarterly | Steady rise since 2010.  $11853bil in Jul2017.  $11758bil in Apr2017 | Yes – a rise in spending indicates a growing economy | $91795mil  Jul2017  Quarterly | | Steady rise since 2008.  91584mil in Apr2017.  91475mil in Jan2017 | Yes – a rise in spending indicates a growing economy |
| **Food Inflation** | Change in the cost of food over the same month in the prior year. | 1.20%  Oct2017  Monthly | Steady rise since <0.4%> in Oct2016.  0% in Feb2017.  0.9% in June2017 | Yes – when an economy is not running at capacity, inflation increases production | 5.70%  Oct2017  Monthly | | Relatively flat.  +/- 0.25% for past year | No – assumes production at capacity and demand will start to fall off |
| **Wage Growth** | Change in wage and salary disbursements from service, government, & manufacturing industries over the same month in the prior year. | 3.22%  Sep2017  Monthly | Steady rise.  2.75% in Aug2017  2.49% in Jul2017 | Yes – company can charge more for goods and pay higher wages | 0.7%  Jan2017  Monthly | | Holding flat  0.6% in Oct2016  0.6% in Jul2016 | Not clear |
| **Sales Tax** | Tax charged to consumers based on the purchase price of certain goods and services. | 0%  Yearly | Flat, no change. No national sales tax in the US. | No- Gov’t taxes only personal & corporate incomes. | 17%  Yearly | | Same since 2004 1989-2003= 15%  France/UK = 20%  Italy = 22%  Sweden = 25% | Yes. On par with other advanced economies. |

**G = GDP & Growth Click here to access the** [**Trading Economics website**](http://www.tradingeconomics.com)

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| --- | --- | --- | --- | --- | --- | --- | --- |
| **Indicator** | **Meaning** | **Country:** | | | **Country:** | | |
| **Latest Entry &**  **Frequency** | **Trend – with explanation** | **Healthy Trend (Y/N) & Why?** | **Latest Entry &**  **Frequency** | **Trend – with explanation** | **Healthy Trend (Y/N) & Why?** |
| **GDP** | Measures national income and output. GDP is equal to the total expenditure for all final goods and services produced within the country. |  |  | Yes / No  Why? |  |  | Yes / No  Why? |
| **GDP Constant Prices** | GDP adjusted for inflation. Measures the GDP value in base year dollars. |  |  | Yes / No  Why? |  |  | Yes / No  Why? |
| **GDP**  **Annual Growth Rate** | Percentage change in Real GDP. |  |  | Yes / No  Why? |  |  | Yes / No  Why? |
| **GDP per capita PPP** | Real GDP value divided by total population. |  |  | Yes / No  Why? |  |  | Yes / No  Why? |
| **Ease of Doing Business** | Higher rankings (a low numerical value) indicate better, usually simpler, regulations for businesses and stronger protections of property rights. |  |  | Yes / No  Why? |  |  | Yes / No  Why? |

**U = Unemployment & Utilization Click here to access the** [**Trading Economics website**](http://www.tradingeconomics.com)

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| --- | --- | --- | --- | --- | --- | --- | --- |
| **Indicator** | **Meaning** | **Country:** | | | **Country:** | | |
| **Latest Entry &**  **Frequency** | **Trend – with explanation** | **Healthy Trend (Y/N) & Why?** | **Latest Entry & Frequency** | **Trend – with explanation** | **Healthy Trend (Y/N) & Why?** |
| **Unemploy-**  **ment**  **Rate %** | Percentage of unemployed workers in the total labor force. It is low during good economic times and high during recessions. |  |  | Yes / No  Why? |  |  | Yes / No  Why? |
| **Labor Force Participation** | Number of people who are either employed or are actively looking for work. |  |  | Yes / No  Why? |  |  | Yes / No  Why? |

**I = Inflation & Interest Rates Click here to access the** [**Trading Economics website**](http://www.tradingeconomics.com)

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| --- | --- | --- | --- | --- | --- | --- | --- |
| **Indicator** | **Meaning** | **Country:** | | | **Country:** | | |
| **Latest Entry &**  **Frequency** | **Trend – with explanation** | **Healthy Trend (Y/N) & Why?** | **Latest Entry &**  **Frequency** | **Trend – with explanation** | **Healthy Trend (Y/N) & Why?** |
| **Interest Rate %** | The price for holding money – time value of money or cost of money. |  |  | Yes / No  Why? |  |  | Yes / No  Why? |
| **Inflation Rate %** | Represents the long run inflation rate; transitionary price changes are excluded. |  |  | Yes / No  Why? |  |  | Yes / No  Why? |

**D = Debt & Deficits Click here to access the** [**Trading Economics website**](http://www.tradingeconomics.com)

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| **Indicator** | **Meaning** | **Country:** | | | **Country:** | | | |
| **Latest Entry &**  **Frequency** | **Trend – with explanation** | **Healthy Trend (Y/N) & Why?** | **Latest Entry & Frequency** | **Trend – with explanation** | **Healthy Trend (Y/N) & Why?** |
| **Government**  **Debt** | Debt owed by a government. (also known as public interest, national debt and sovereign debt |  |  | Yes / No  Why? |  |  | Yes / No  Why? |
| **Government Debt/GDP** | Ratio between a country’s  government debt and gross domestic product. Low ratio indicates the country can sufficiently pay back its debts without incurring debts |  |  | Yes / No  Why? |  |  | Yes / No  Why? |
| **Credit Rating** | An estimate of the ability of an entity to fulfill its financial commitments. |  |  | Yes / No  Why? |  |  | Yes / No  Why? |
| **Corporate Tax Rate** | Tax rate for Corporations. |  |  | Yes / No  Why? |  |  | Yes / No  Why? |

**E = External Balances & Exchange Rates Click here to access the** [**Trading Economics website**](http://www.tradingeconomics.com)

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| **Indicator** | **Meaning** | **Country:** | | | | **Country:** | | | |
| **Latest Entry &**  **Frequency** | **Trend – with explanation** | **Healthy Trend (Y/N) & Why?** | **Latest Entry & Frequency** | | **Trend – with explanation** | **Healthy Trend (Y/N) & Why?** |
| **Currency** | A system of money. The value of the money changes over time. |  |  | Yes / No  Why? |  | |  | Yes / No  Why? |
| **Imports** | Amount of goods purchased by one country from another. |  |  | Yes / No  Why? |  | |  | Yes / No  Why? |
| **Exports** | Amount of goods purchased by foreigners from a country. |  |  | Yes / No  Why? |  | |  | Yes / No  Why? |

**S = Savings & Investment Click here to access the** [**Trading Economics website**](http://www.tradingeconomics.com)

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| --- | --- | --- | --- | --- | --- | --- | --- |
| **Indicator** | **Meaning** | **Country:** | | | **Country:** | | |
| **Latest Entry &**  **Frequency** | **Trend – with explanation** | **Healthy Trend (Y/N) & Why?** | **Latest Entry &**  **Frequency** | **Trend – with explanation** | **Healthy Trend (Y/N) & Why?** |
| **Personal Savings** | When a person rather than a company saves money to spend or invest later. |  |  | Yes / No  Why? |  |  | Yes / No  Why? |
| **Consumer Confidence** | Based on consumers’ perceptions of current business and employment conditions, as well as their expectations for six months hence regarding business conditions, employment, and income. |  |  | Yes / No  Why? |  |  | Yes / No  Why? |

**Additional Indicators (*optional*) Click here to access the** [**Trading Economics website**](http://www.tradingeconomics.com)

Use this optional page to capture data on Indicators that you believe are relevant to understanding your chosen country’s economy or relevant to your specific industry. Potential additional indicators include, but are not limited to:

|  |  |  |
| --- | --- | --- |
| * Business Confidence | * External Debt | * Living Wage Family |
| * Capacity Utilization Rate | * Foreign Direct Investment | * Personal Income Tax Rate |
| * Consumer Price Index | * Government Spending | * Productivity |
| * Disposable Personal Income | * Housing Starts | * Tourist Arrivals |

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| --- | --- | --- | --- | --- | --- | --- | --- |
| **Indicator** | **Meaning** | **Country:** | | | **Country:** | | |
| **Latest Entry &**  **Frequency** | **Trend – with explanation** | **Healthy Trend (Y/N) & Why?** | **Latest Entry &**  **Frequency** | **Trend – with explanation** | **Healthy Trend (Y/N) & Why?** |
|  |  |  |  | Yes / No  Why? |  |  | Yes / No  Why? |
|  |  |  |  | Yes / No  Why? |  |  | Yes / No  Why? |
|  |  |  |  | Yes / No  Why? |  |  | Yes / No  Why? |