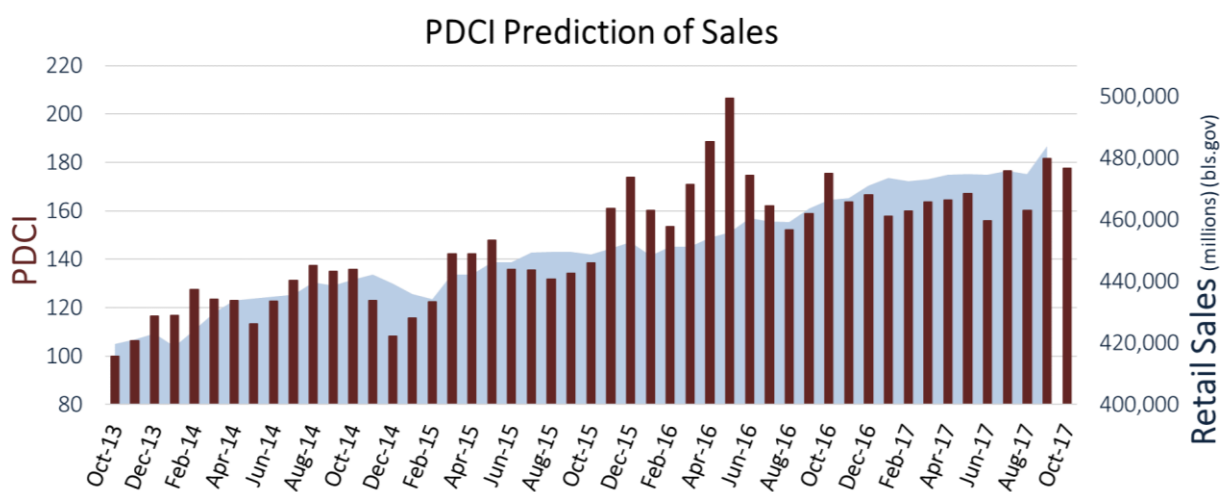


Problem-Driven Consumption Index

October 2017

PDCI Predicts Decrease in Spending for October

The Problem-Driven Consumption Index (PDCI), a leading indicator of consumer spending, decreased in October, measuring 171.5 down from 181.6 in September. This data suggests there will be a decrease in spending for October relative to September. The decreased PDCI score stems from a decrease in the number of problems consumers plan to solve by going to the market.



The chart displays the predictive power of the PDCI. Sales are depicted in blue, the PDCI is depicted by the red bars.

The PDCI is down 5% relative to October 2016. This year-over-year decrease is driven by a decrease in the number of problems consumers plan to solve, even though there has been an increase in how much they plan to spend.

The PDCI is derived from responses to the Consumer Problem Survey (CPS). The PDCI is based on two primary components: the quantity of problems consumers are seeking to solve, and the amount consumers plan to spend solving them. The CPS is a monthly survey of a nationally representative sample that measures consumers' problems that require market solutions, thereby allowing the researchers to track the quantity of, severity of, and the types of problems that consumers experience. Data is population weighted to eliminate survey completion bias. The PDCI calculated based on the results is scaled by the CPI-U. Because problem recognition usually precedes purchases, the data from the CPS provides an unprecedented view of future consumption and spending. To learn more about the CPS, read our reports [HERE](#).

ABOUT THE RESEARCHERS

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