

# BUSINESS INSIDER

## A One-Chart Summary Of The Global Economy In 2014



SAM RO

DEC. 12, 2014, 3:51 PM

A few months ago, something interesting happened: The [US economy really found its legs as Europe stumbled](#).

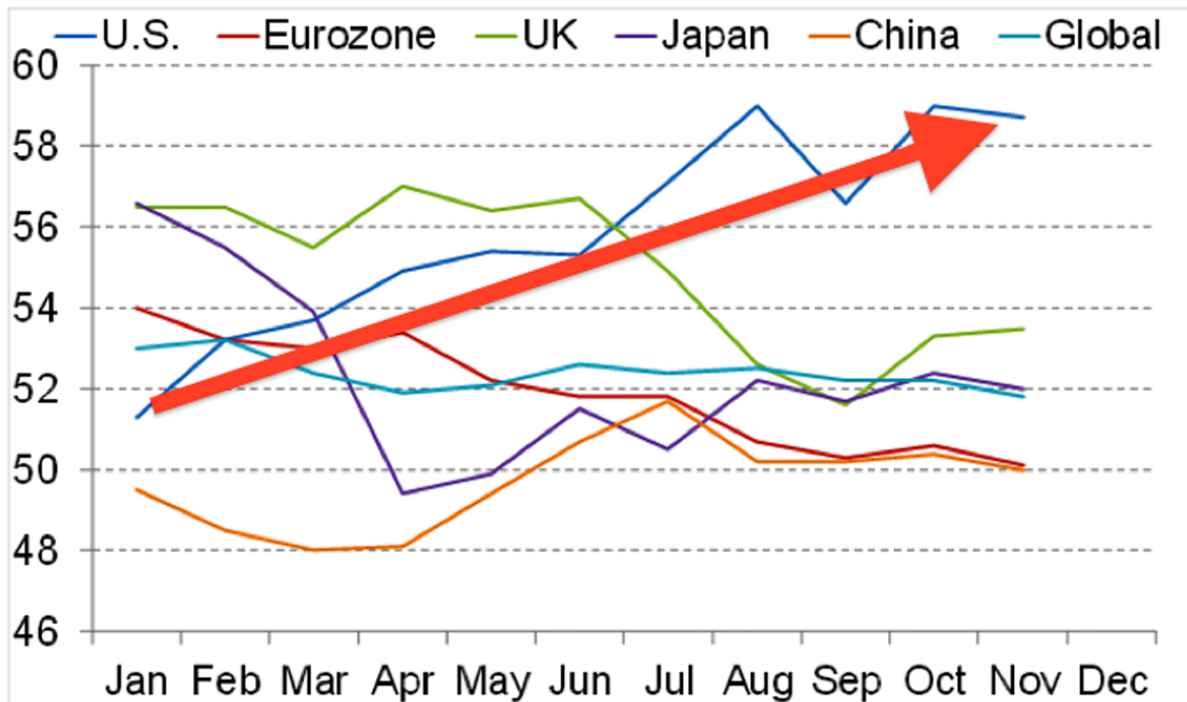
This divergence story really gained momentum globally as the US economy continued to pick up and China slowed, Japan faltered, and Europe continued its slide.

"In contrast to the accelerating growth we saw in the United States, internationally, Japan's consumption-tax hike caused its economy to fall into a recession; while a combination of restrictive fiscal and monetary policy accompanying weak export growth caused the European economy to stall," noted [Charles Schwab's Liz Ann Sonders, Brad Sorenson, and Jeff Kleintop](#).

One economic measure that captures this story well is the purchasing managers index (PMI). Derived from surveys, this index signals growth when it's above 50 and contraction when it's below 50.

"After starting the year with a wide range, the widely-watched measure of economic activity known as the Purchasing Managers Indexes (PMIs) for the world's biggest economies generally converged to just above 50 as the year matured; with the United States a notable exception, rising steadily throughout the year," the Schwab analysts wrote.

### Purchasing Managers Index by Country



Source: Charles Schwab, Bloomberg data as of 12/5/2014

*Charles Schwab*

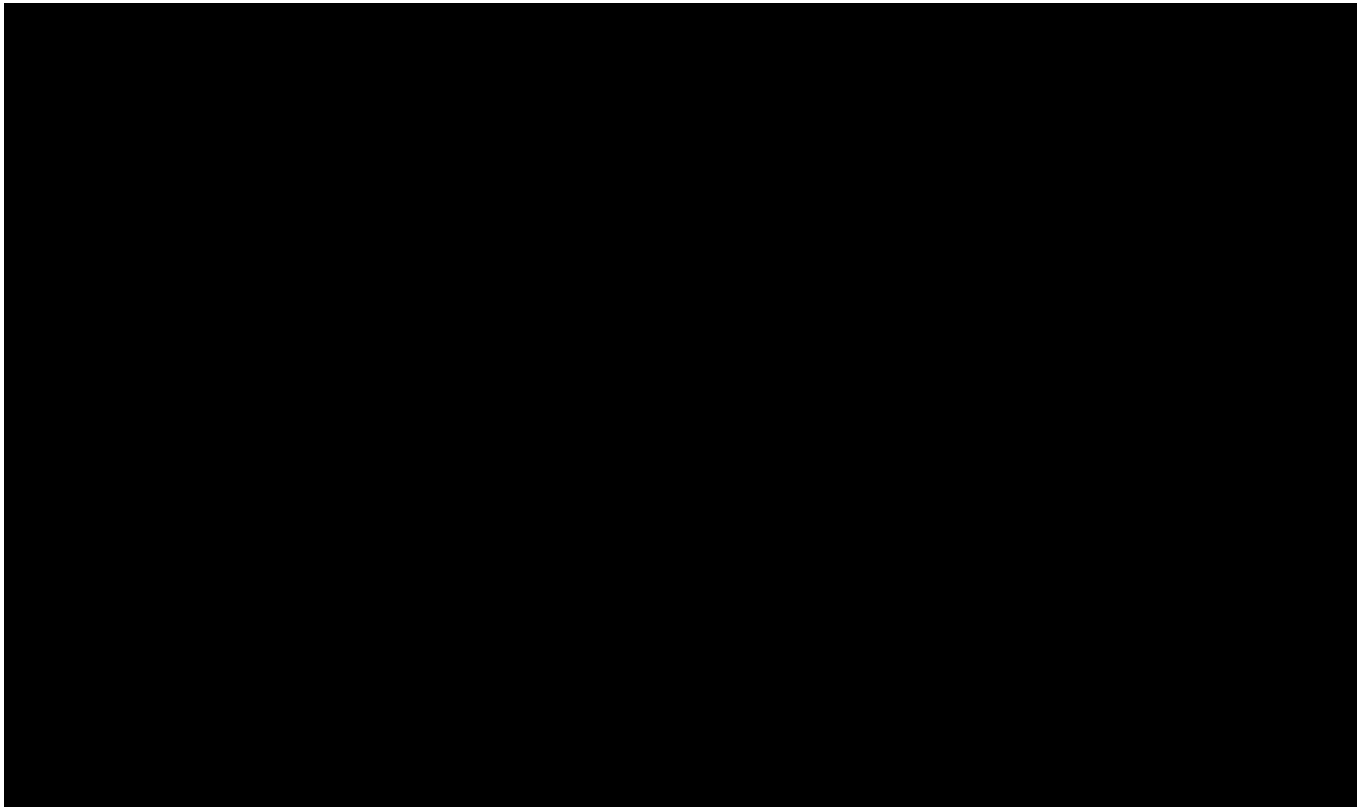
The US is the blue line, and it's been taking off.

Everyone from [BlackRock's Russ Koesterich](#) to [Allianz's Mohamed El-Erian](#) is predicting 2015 will continue to be characterized by this divergence.

Schwab's team expects Japan and Europe to improve as the US and the UK stabilize.

Still, they doubt anyone will be able to catch up with the US.

**NOW WATCH — [Here's The Latest Airline With An Insanely Fancy Business Class](#)**



\* Copyright © 2015 Business Insider Inc. All rights reserved.