



ABAG
ASSOCIATION
OF BAY AREA
GOVERNMENTS

Social Narratives / Economic Realities

Policy Turbulence and the U.S. Outlook

Focus on the Bay Area Economy

Christopher Thornberg, PhD

Founding Partner, Beacon Economics

June 2025



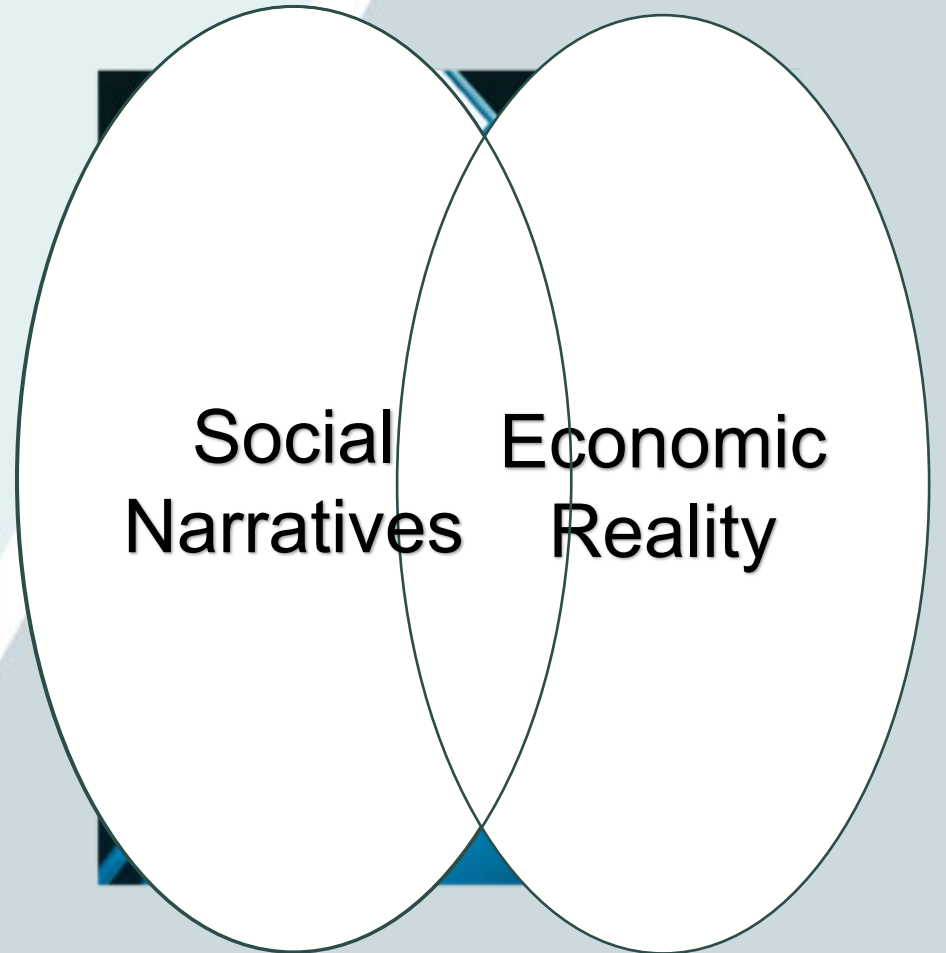
Beacon Economics

Economic research firm founded in 2006 with a commitment to letting the *data* determine the *answer*.

Today's Presentation

- What we *think* is happening in our economy (our social narrative or “lived experience”)
- What is *actually* happening in our economy (our objective statistical reality)
- It is the combination of the two that drives the forecast: Narratives drive choices, while economics determines outcomes.

Good choices and smart policies start with the correct narrative.



Slides available by using QR code at end of presentation, or email Kristen@beaconecon.com

The Current Narrative



The American consumer is on the ropes. Tariffs — and anxiety — could deliver the knockout blow

Alicia Wallace

Updated Tue, April 1, 2025

The Coming Recession Will Be Self-Inflicted

The looming economic contraction will be unique in past-war America in that it will be the first directly caused by White House policy.

April 1, 2025 at 2:30 AM PDT



By **Kathryn Anne Edwards**

Kathryn Anne Edwards is a labor economist and independent policy consultant.

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Jan-05
Apr-06
Jul-07
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Jan-15
Apr-15
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Jan-16

82

Jan-20
May-21
Sep-22
Jan-24

— US Policy Uncertainty — Equity Market Volatility



Recent Forecast Narratives

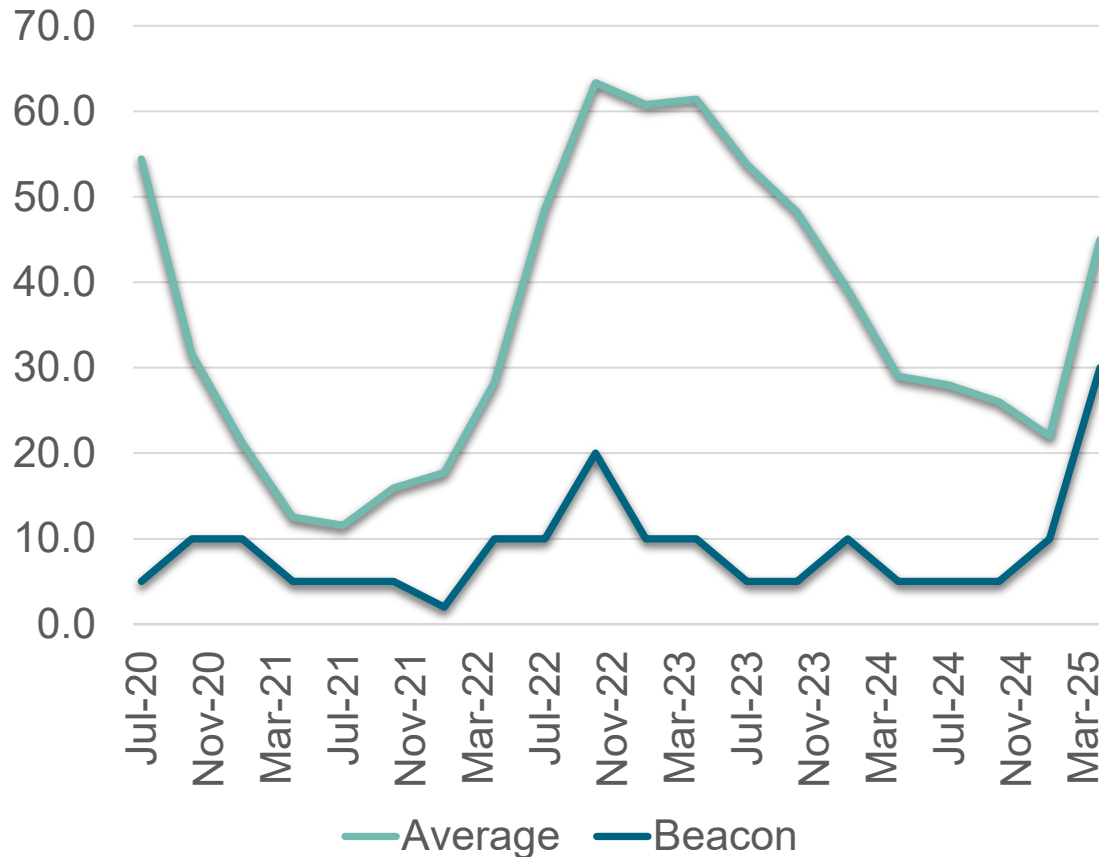
“The only function of election polling is to make economic forecasting look respectable.”

-Christopher Thornberg



Risks are rising—but not for the reasons you may think...

WSJ Recession Probability
Chance of US entering a recession in the next 12 months



Things aren't as bad as you think

- Household and business finance remain solid
- Most policy changes more smoke than fire
- Tariff impacts manageable at reasonable levels

Things are worse than you think

- US Economy is overheated by deficits and bubbles
- Growing reliance on global capital inflows

What could cause a recession?

- Standard Story: The Straw that Broke the Camel's Back
- The Real Issue: Capital flight drives up rates sharply

Inflate, Deflate or Pop

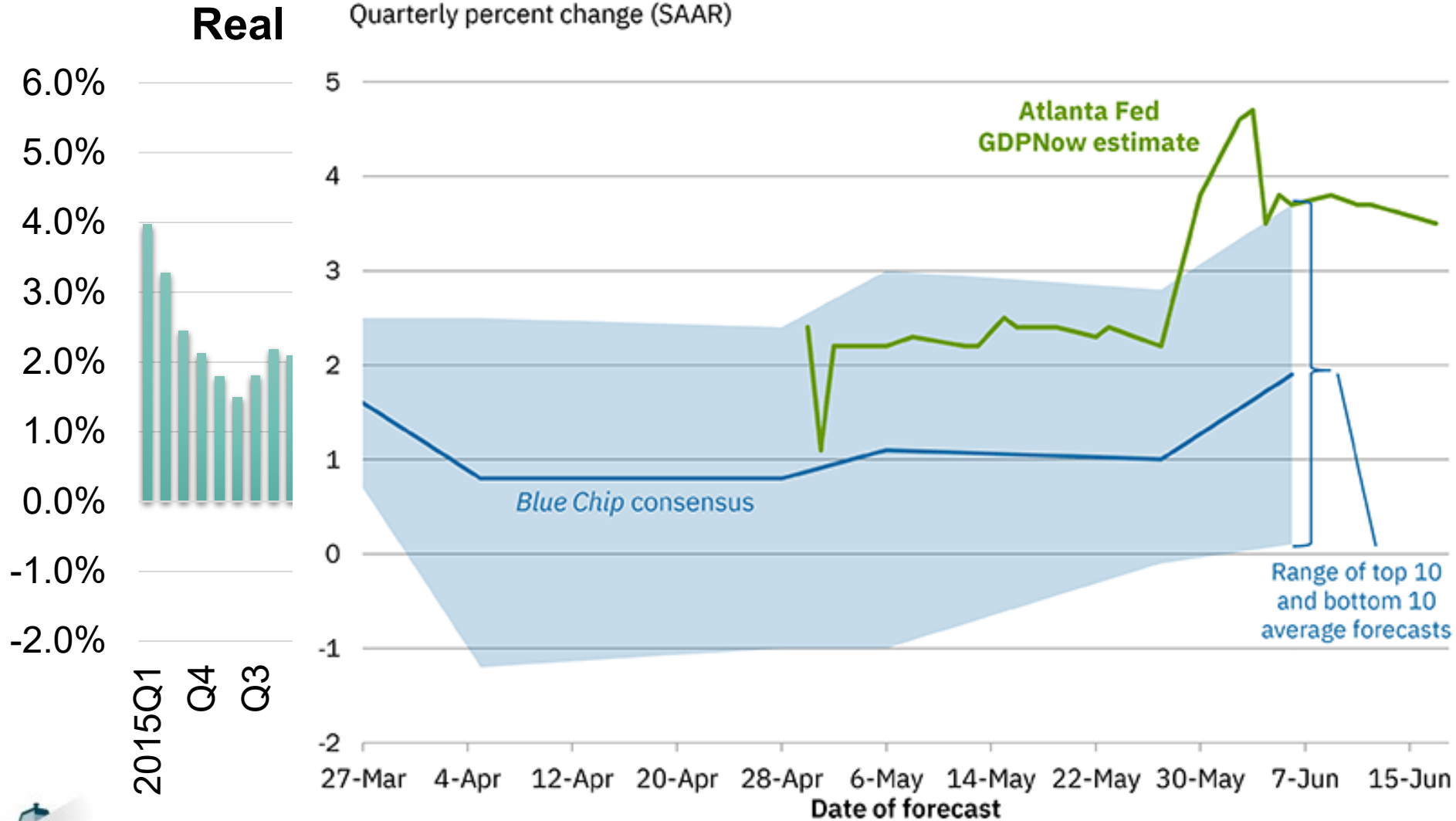
- Economy stabler, but problems remain
- Current politics is to throw more fuel on fire
- Fed between a rock and hard place of their own making



Growth Solid Coming Into 2025



Evolution of Atlanta Fed GDPNow real GDP estimate for 2025: Q2
Quarterly percent change (SAAR)

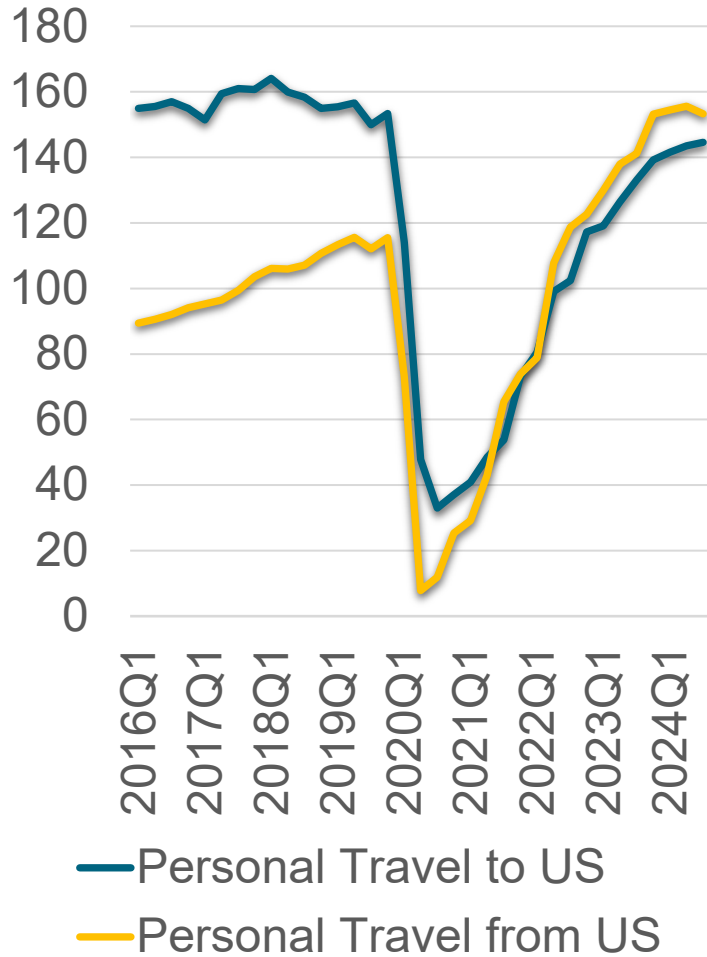


2023	2024	2025
		Q1
2.90	2.80	-0.20
2.82	3.11	2.06
1.72	1.87	0.80
0.31	0.25	-0.29
0.12	0.27	0.30
1.30	1.35	0.79
0.43	0.66	1.34
0.32	0.11	-0.04
0.18	0.17	1.16
0.31	0.21	0.25
-0.37	0.17	-0.02
-0.41	0.06	2.64
0.49	-0.37	-4.90
0.31	0.36	0.26
0.17	-0.73	-5.16
0.66	0.58	-0.12
0.19	0.16	-0.30
0.47	0.41	0.18

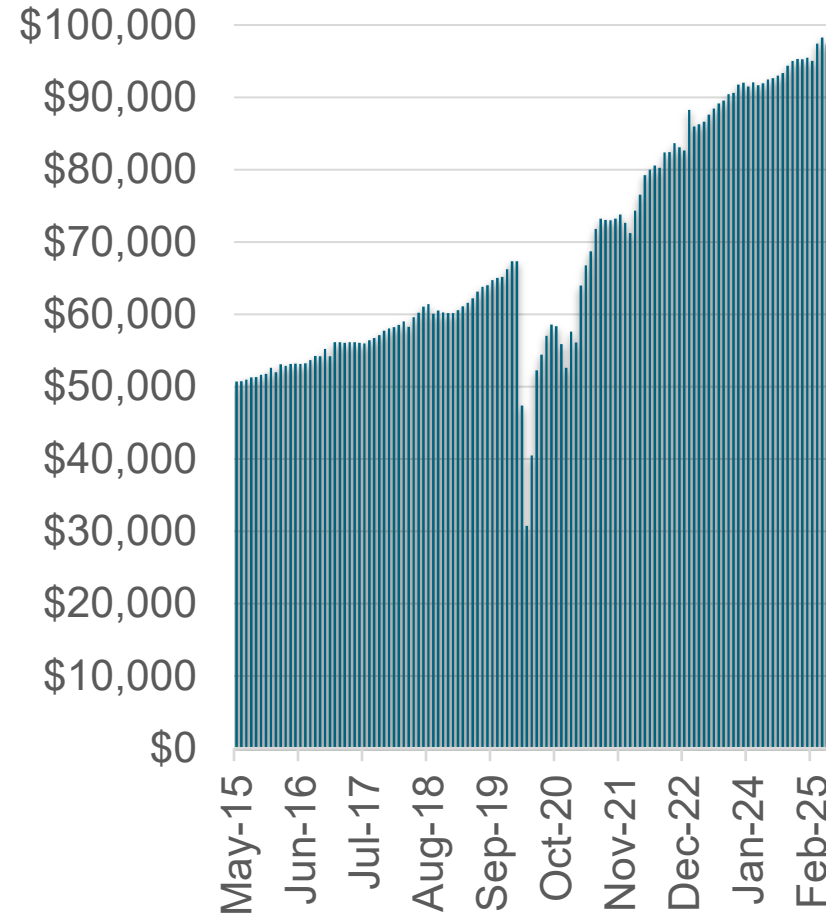


Consumers: Still Having Fun!

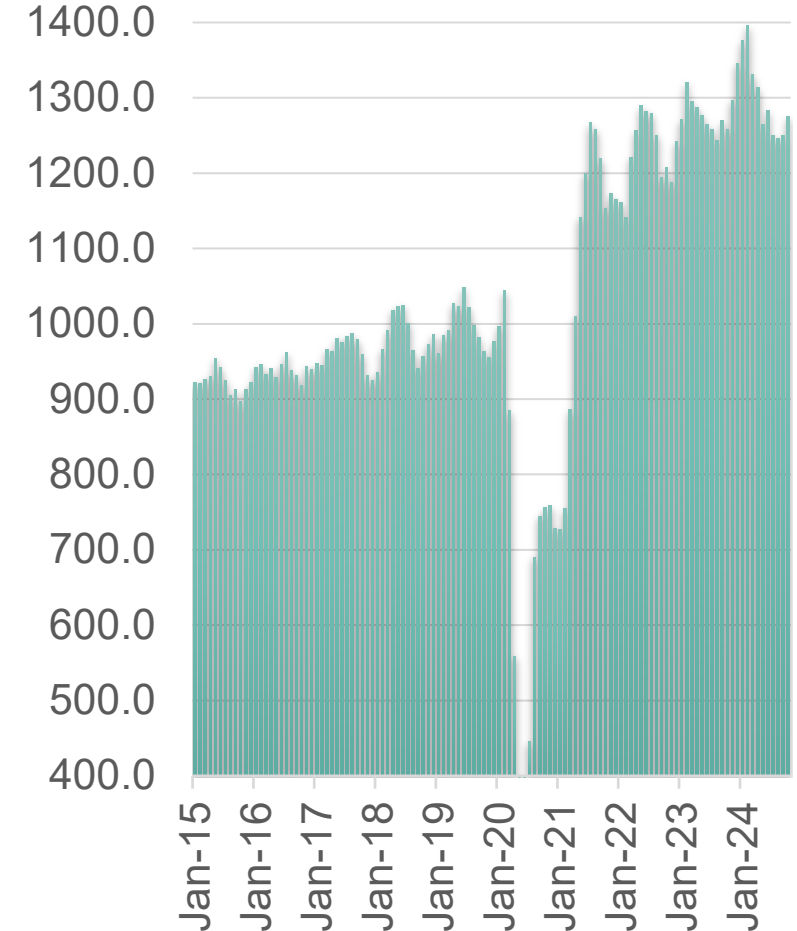
Real Travel Spending



Advanced Retail: Food Service

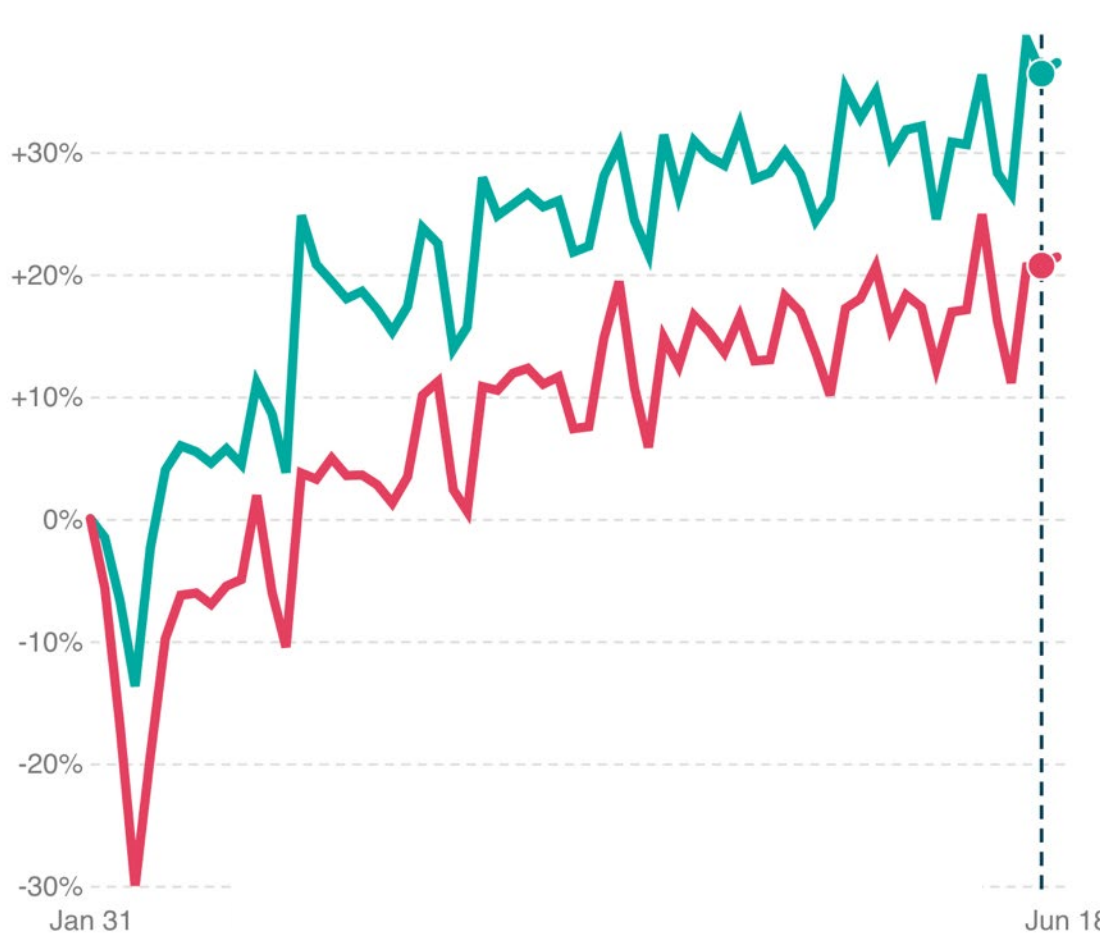
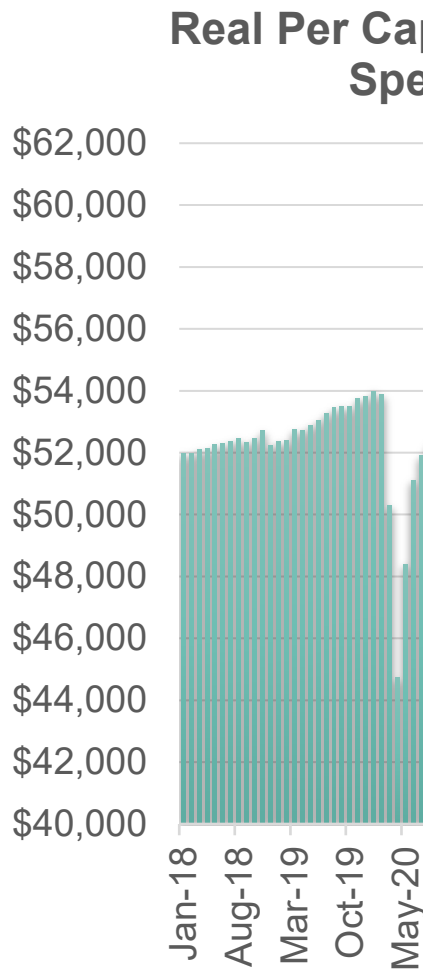


Las Vegas Gaming Revenues



Percent Change in All Consumer Spending*

In the United States, as of April 30 2025, total spending by low-income consumers increased by 36.4% compared to January 2020.



Month ending
Apr 30th, 2025

+36.4%
Low Income

+20.7%
High Income

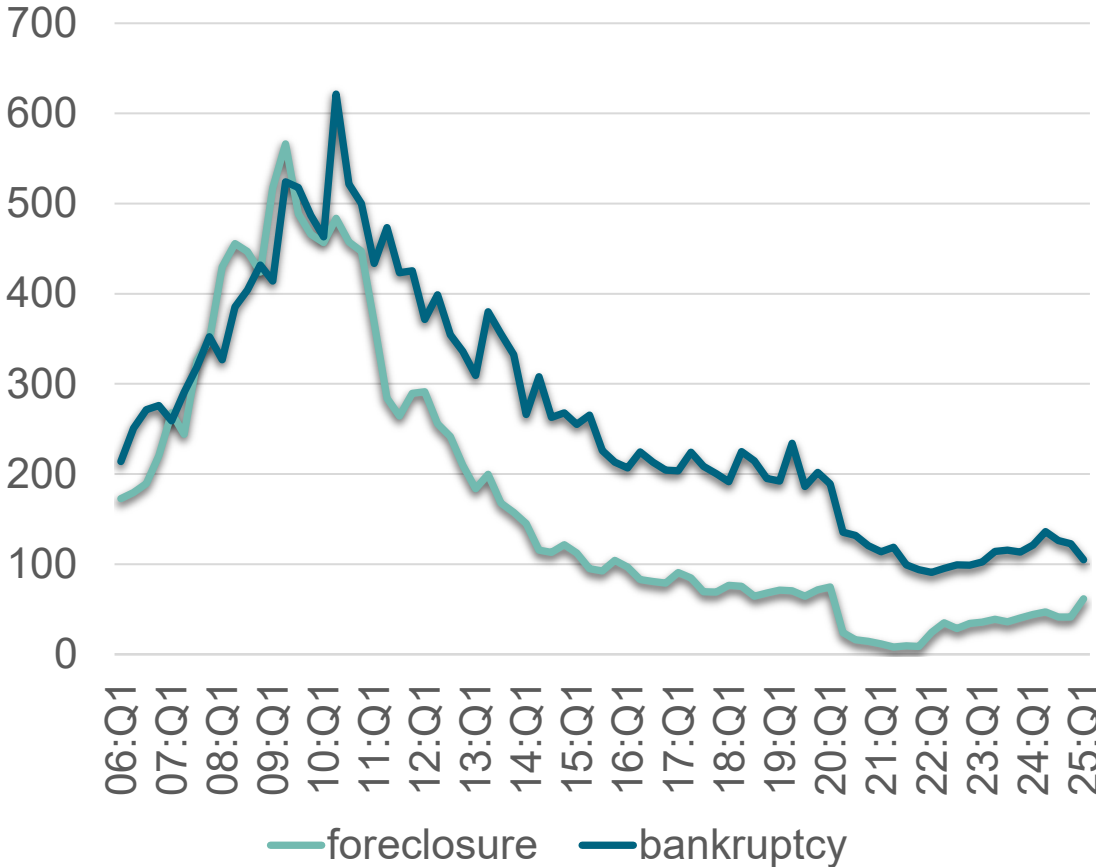
g (to April 2025)

Low Growth	
Non-prescript drugs	8.6%
Food for off-prem	6.6%
Furnishing	5.6%
Alcoholic beverages	5.4%
Higher education	3.7%
Hotels and motels	1.5%
Motor vehicle fuels	-13.0%

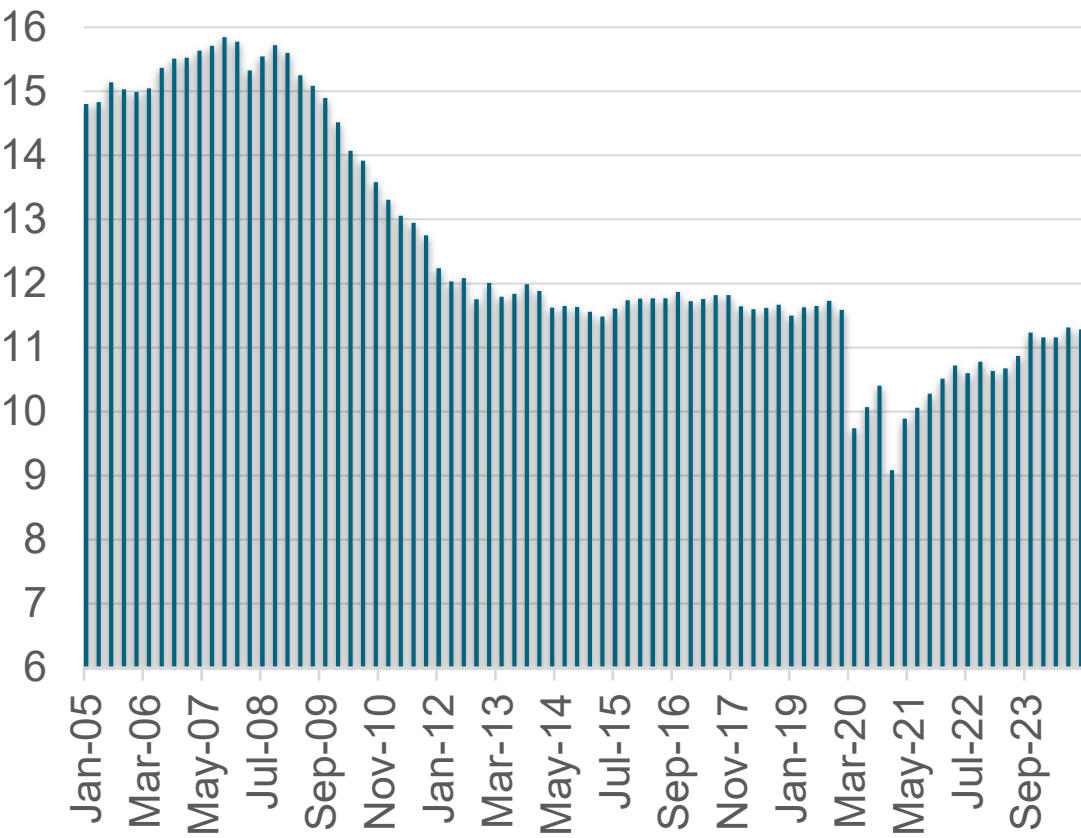


Little topline financial distress

Foreclosures and Bankruptcies (000s)

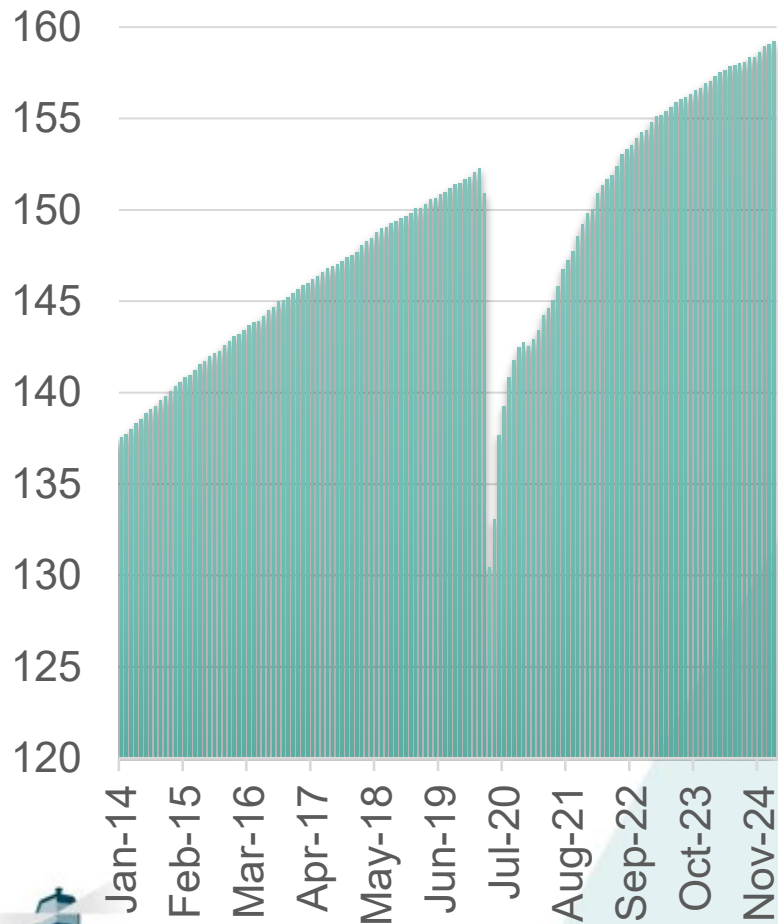


Household Debt Service Ratio (% of DPI)

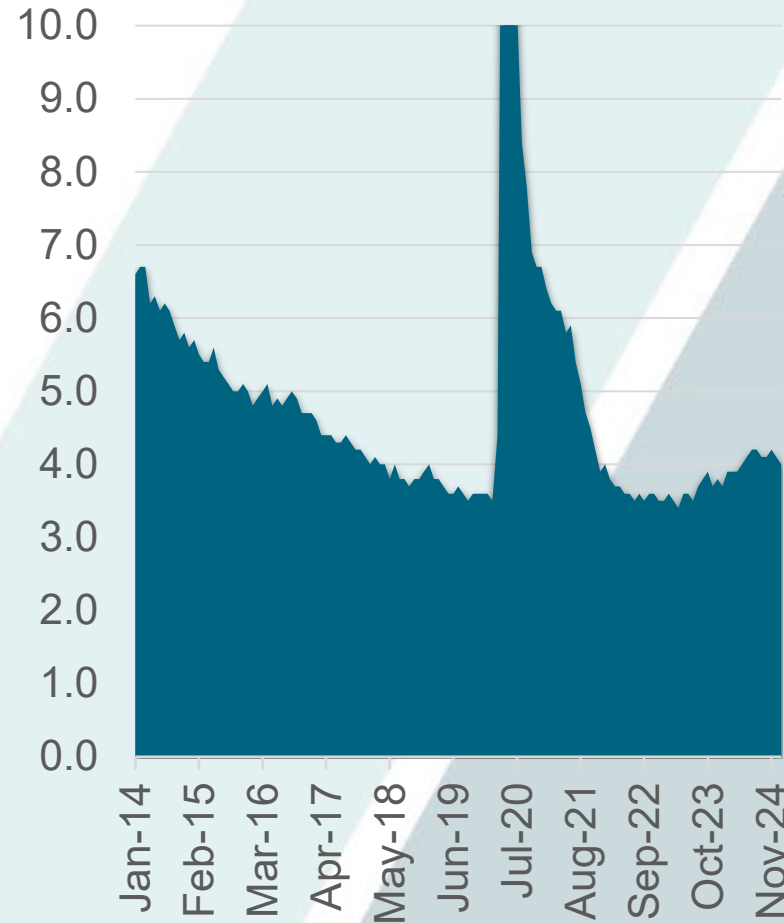


US Labor Markets: Still Tight

US Payroll Employment (Millions)



US Unemployment Rate (%)



US Job Openings Rate (% of Employment)



Real Wages Still Rising

YoY Growth Real Hourly Wages



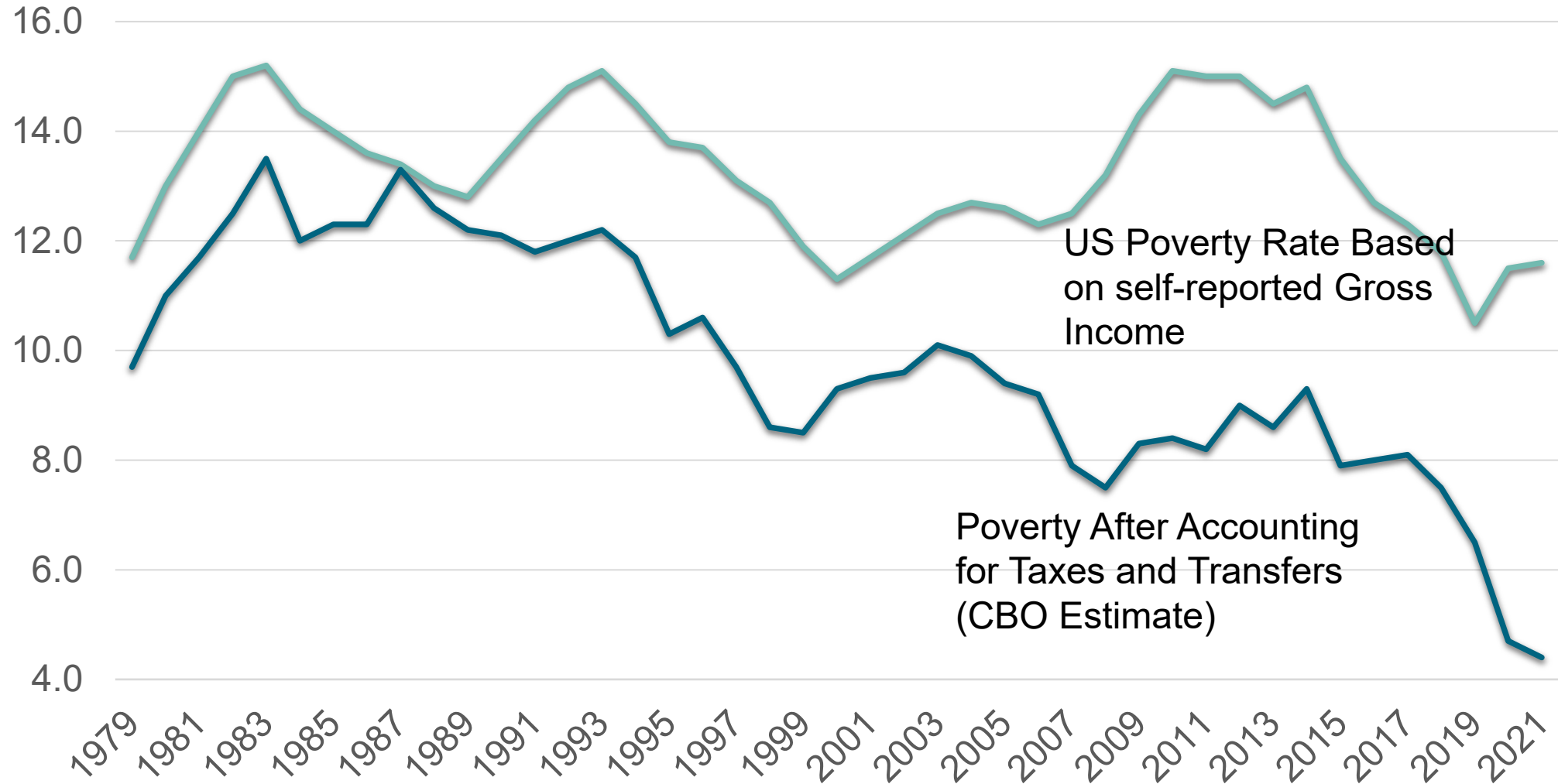
Inflation Adjusted Earnings Growth 2018-2023

	Male	Female
Median earnings	\$51,391	\$38,649
	6.2%	9.3%
Median earnings full-time	\$63,975	\$52,370
	4.57%	5.39%
Median by Education (Age 25+)		
Less than high school	\$36,740	\$24,766
	6.70%	13.68%
High school grad	\$45,709	\$31,508
	5.08%	7.03%
Some college / associate	\$54,496	\$38,541
	2.36%	5.62%
Bachelor's degree	\$81,218	\$57,055
	3.49%	4.71%
Graduate / professional	\$104,054	\$74,815
	-3.04%	3.01%



Broad Based Gains

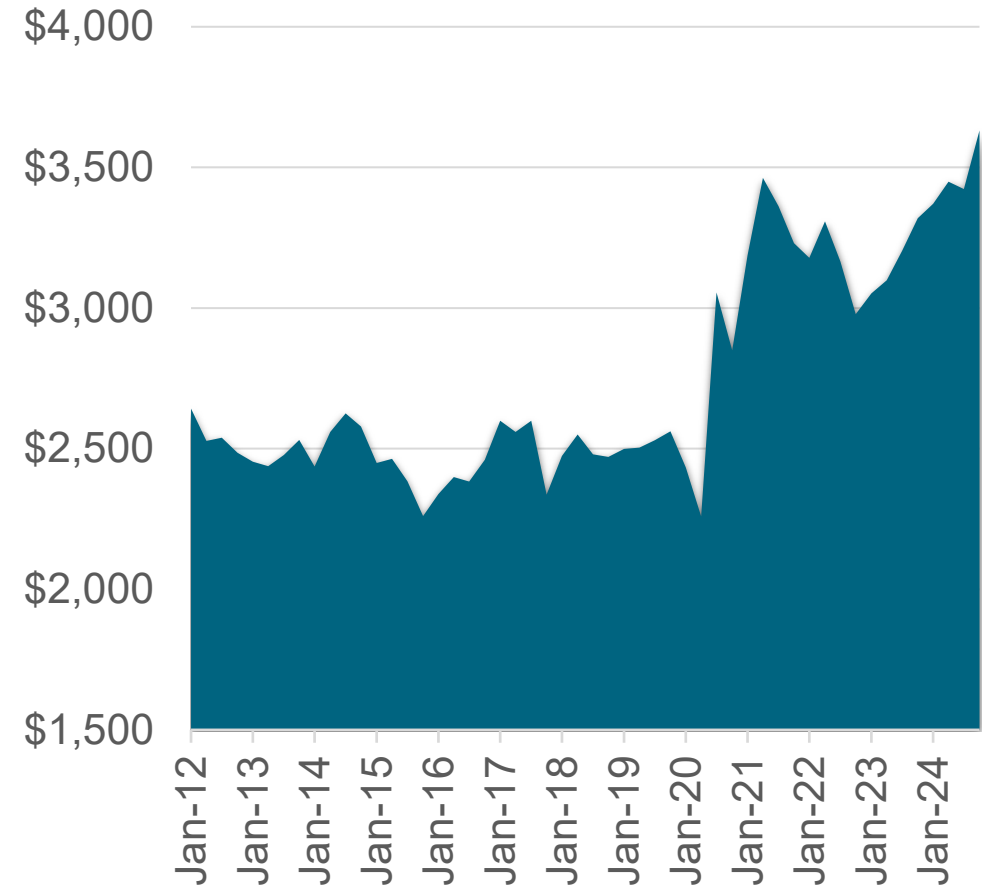
US Poverty Rate as % of Population



Business Investment

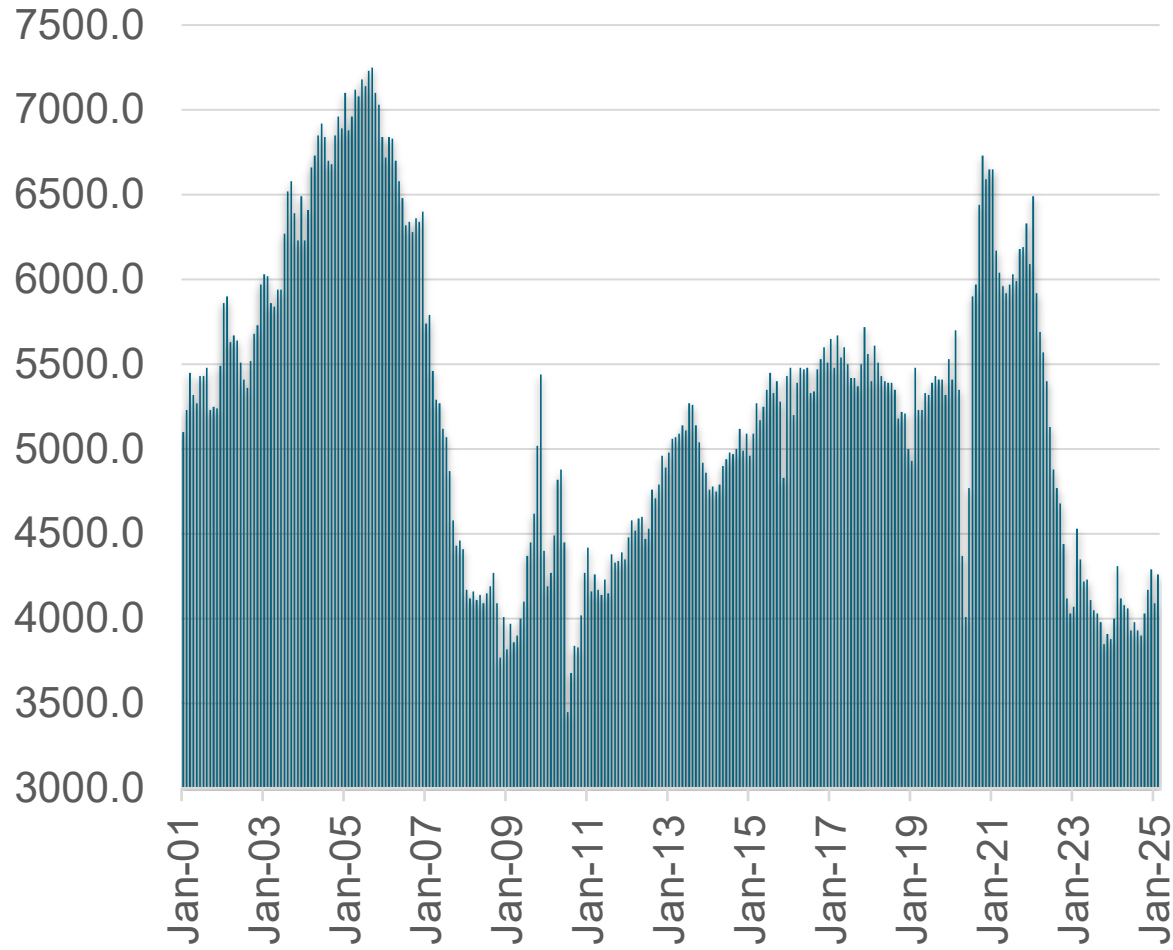
	2023	2025	
	Q1	Q1	Growth
Private fixed investment	4018.8	4346.5	8.2%
Structures	631.9	673.9	6.6%
Commercial and health care	179.6	167.8	-6.6%
Manufacturing	106.8	147.1	37.7%
Power and communication	116	129.7	11.8%
Mining exploration	119.1	107.1	-10.1%
Equipment	1258.2	1406	11.7%
Information processing eq	493.7	600.1	21.6%
Industrial equipment	256.1	264.2	3.2%
Transportation equipment	263.9	317	20.1%
Intellectual property products	1425.8	1524.2	6.9%
Software	706.5	804.3	13.8%
Research and development	639.4	655.1	2.5%
Entertainment	92.6	90.9	-1.8%
Residential	748.2	795.9	6.4%
Single family	251.7	279.3	11.0%
Multifamily	103.1	86.5	-16.1%

Corporate Profits After Tax
(Real, \$Billions SAAR)

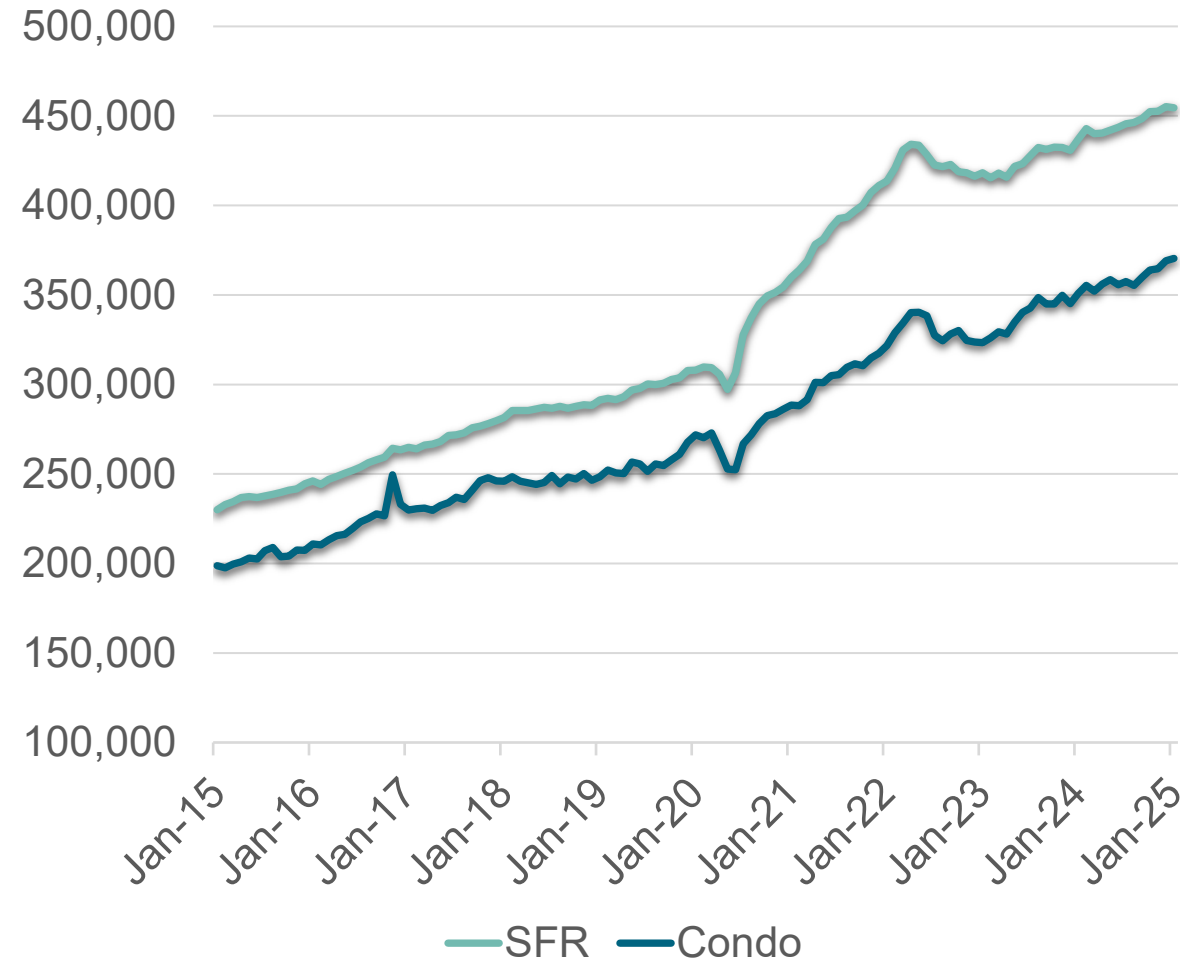


A rate shocked existing home market

Existing Home Sales SAAR (NAR)

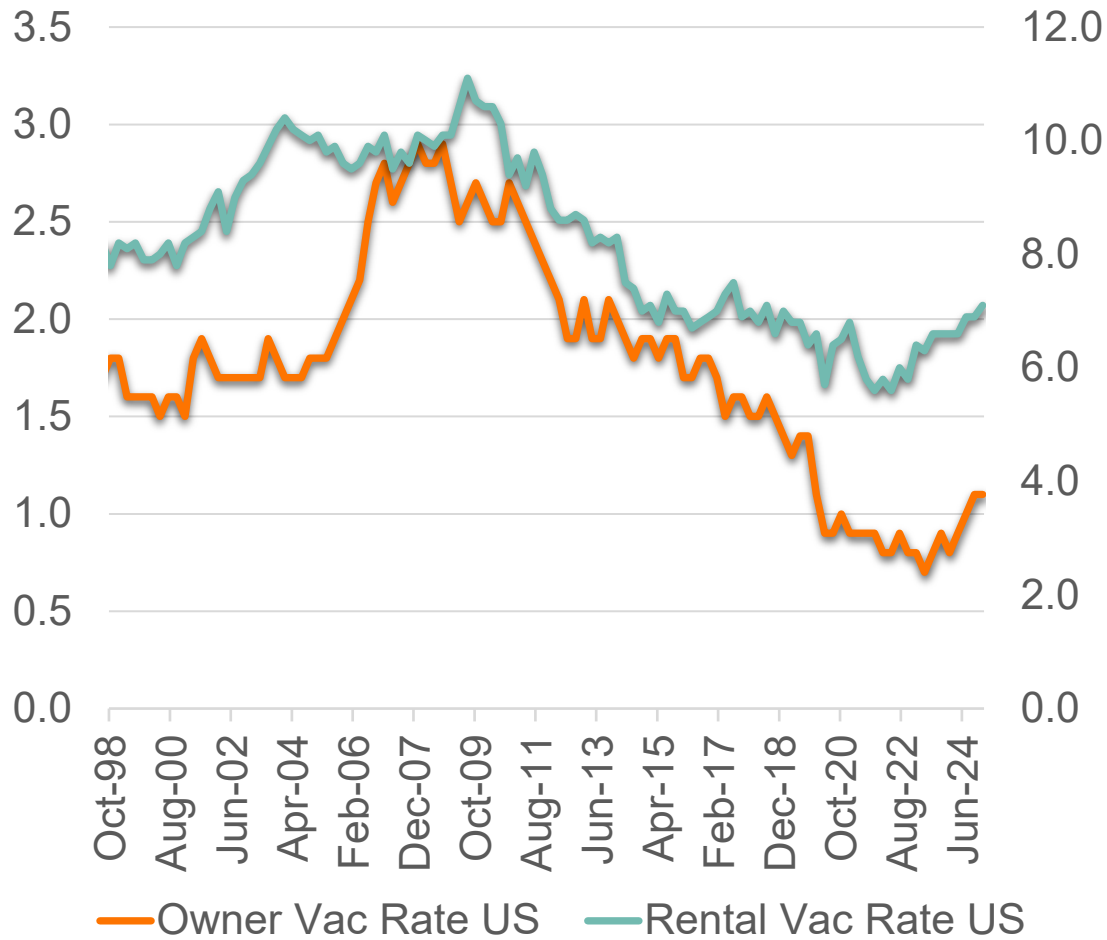


U.S. Median Home Price

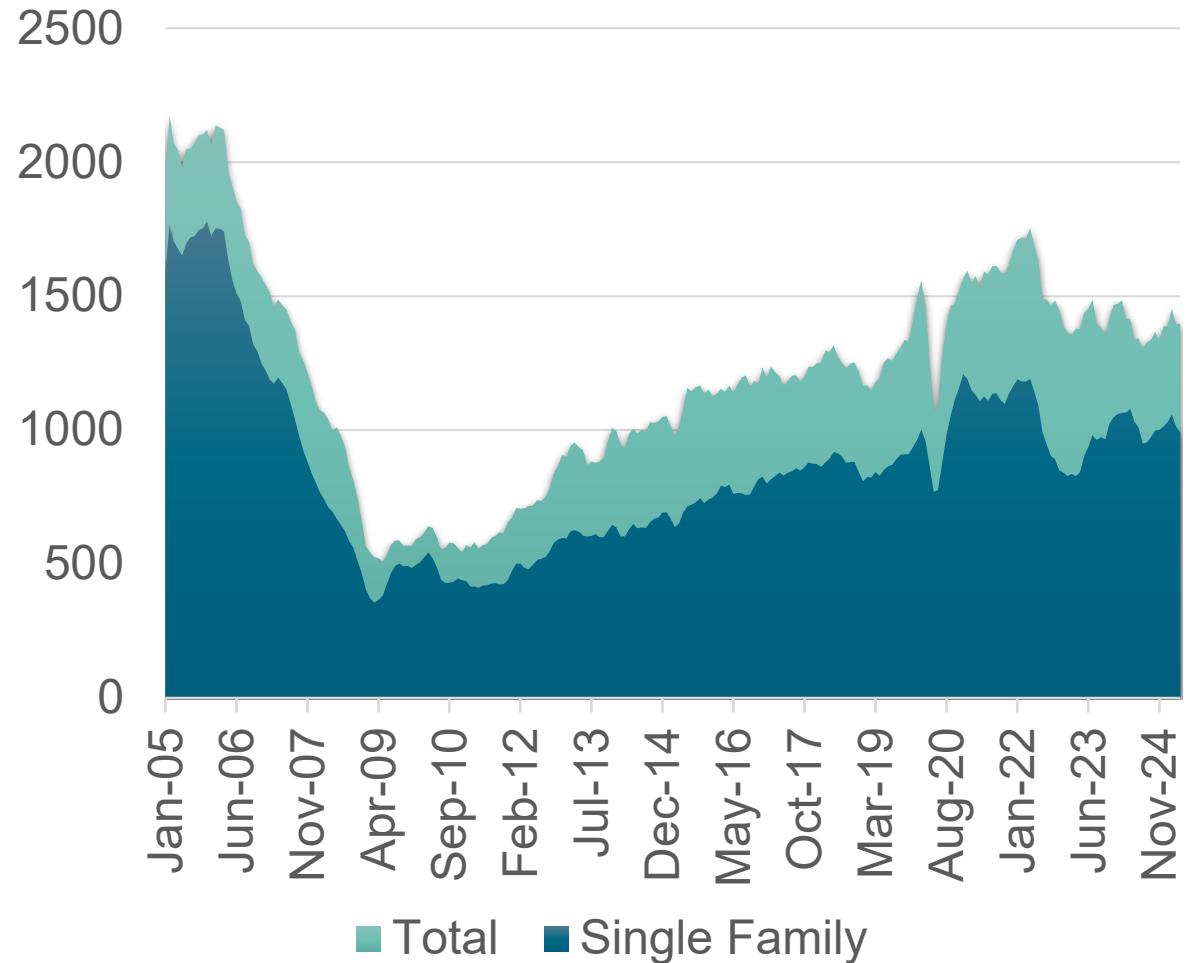


Supply, Supply, Supply...

Housing Vacancy Rate % (HVS)



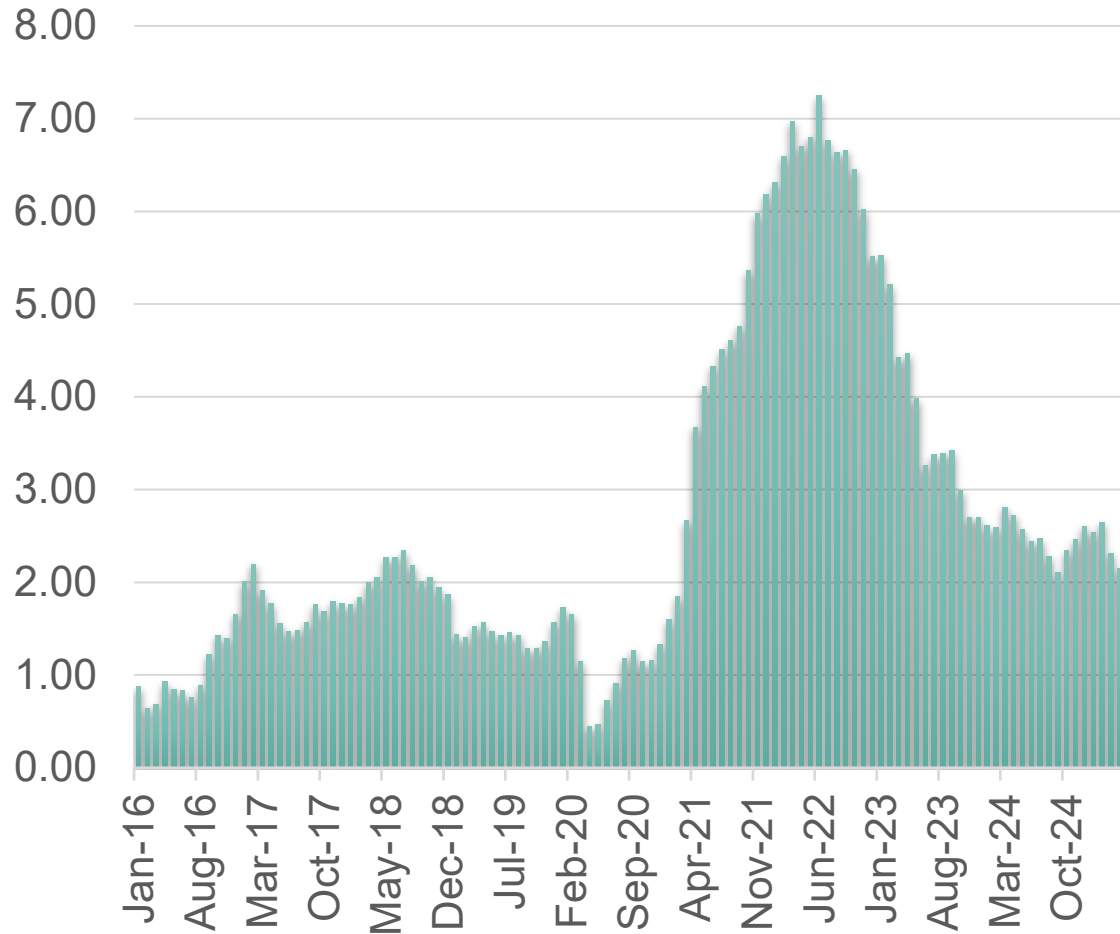
Housing Starts



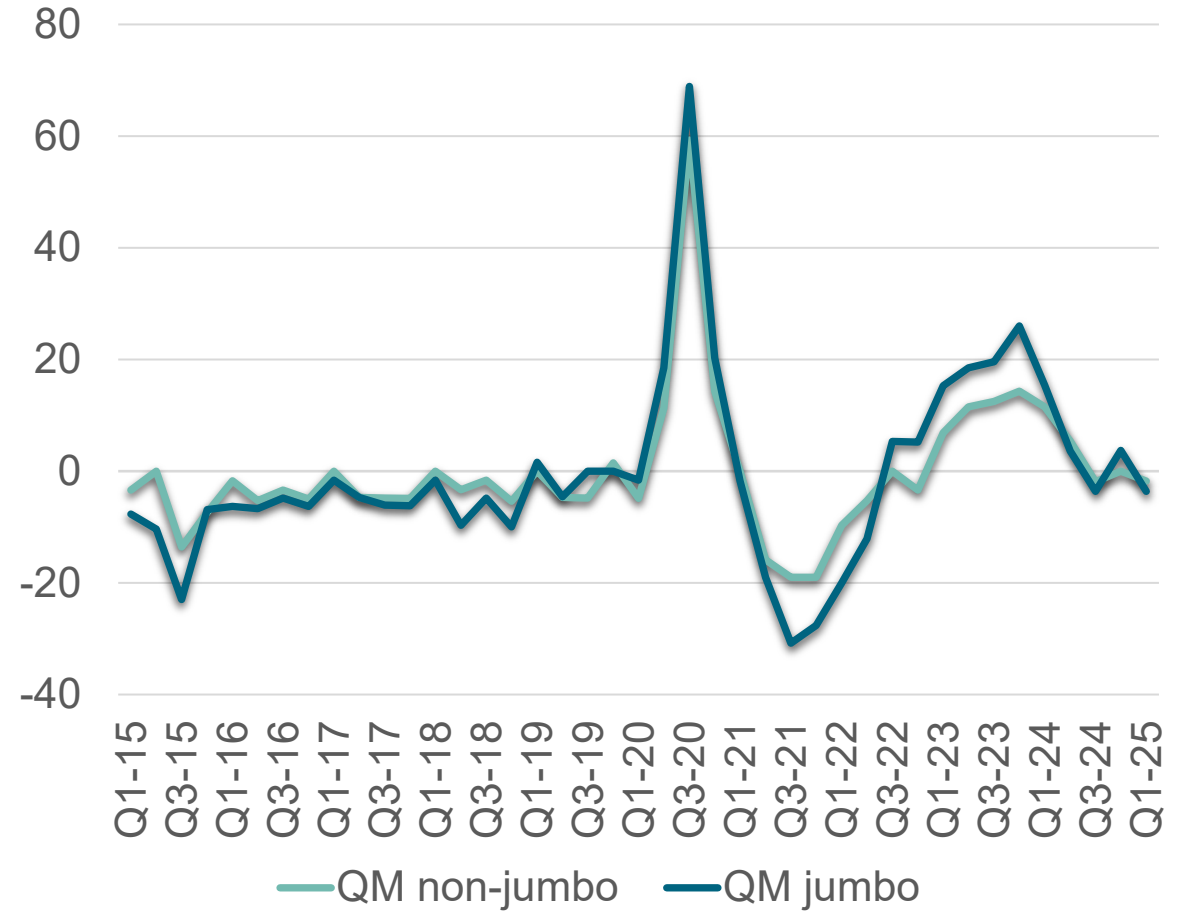
Inflation Cooled, Credit Easier to Find



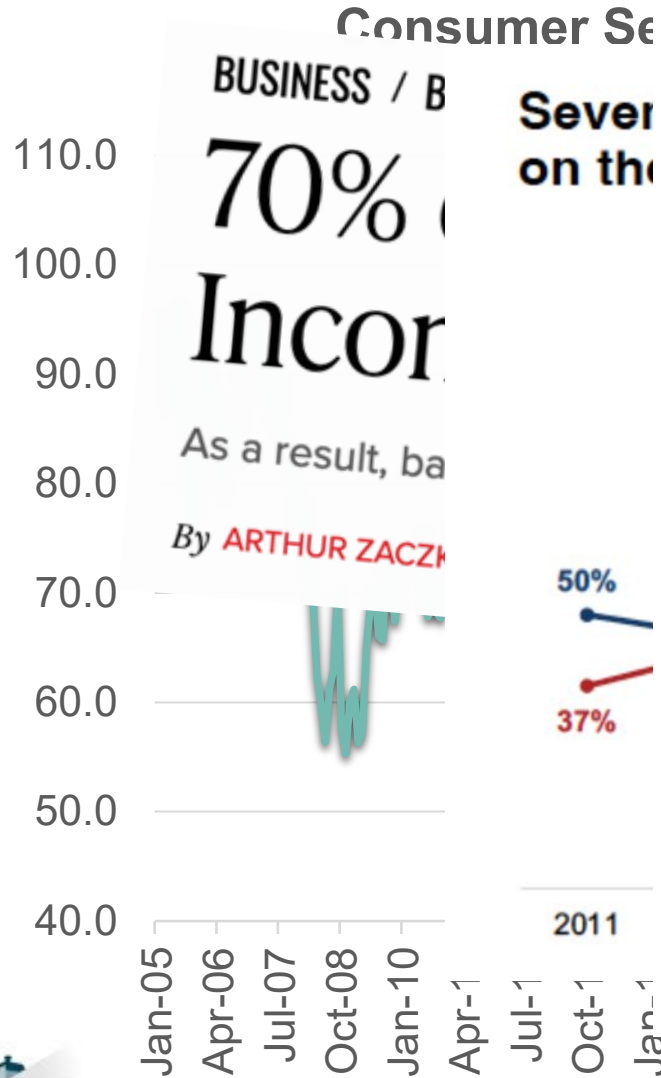
YoY Growth Consumer Prices (PCE)



Net % Tightening Standards for Mortgage Loans

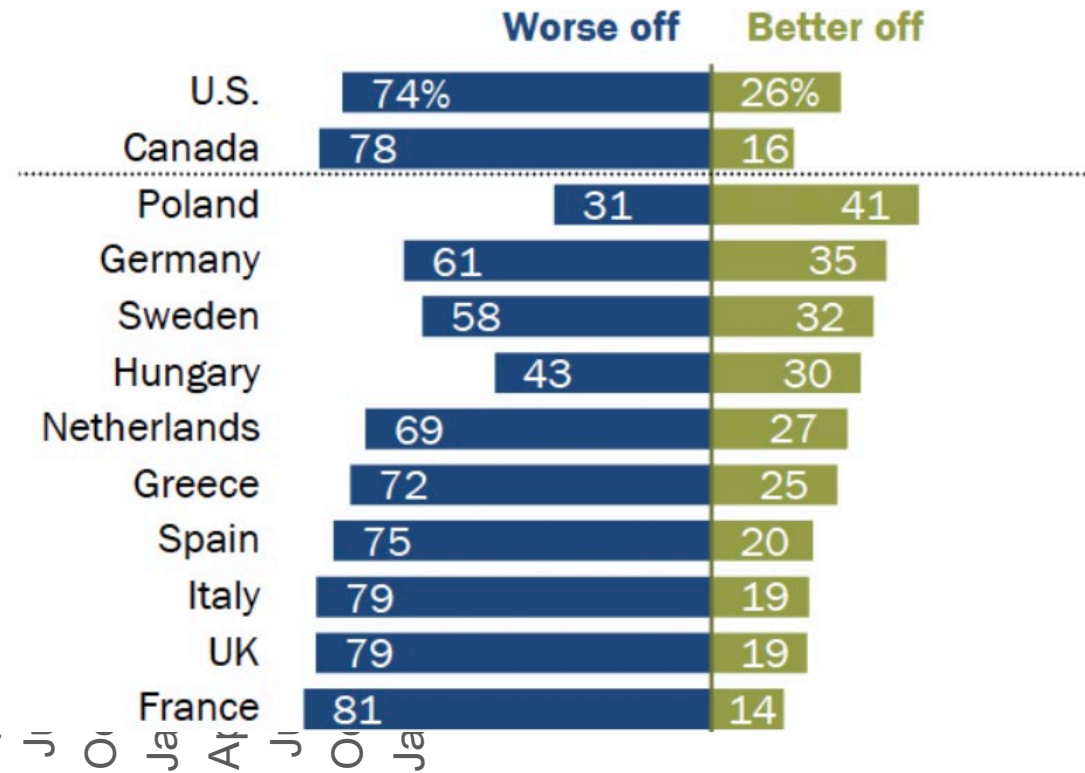


The national mood?

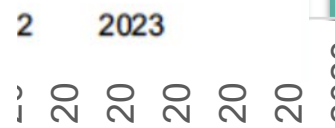


Globally, most think children will be worse off financially than their parents

% who say that when children in their country grow up, they will be ___ financially than their parents



satisfied with
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Beware the Narrative

Social Narratives

Economic Reality

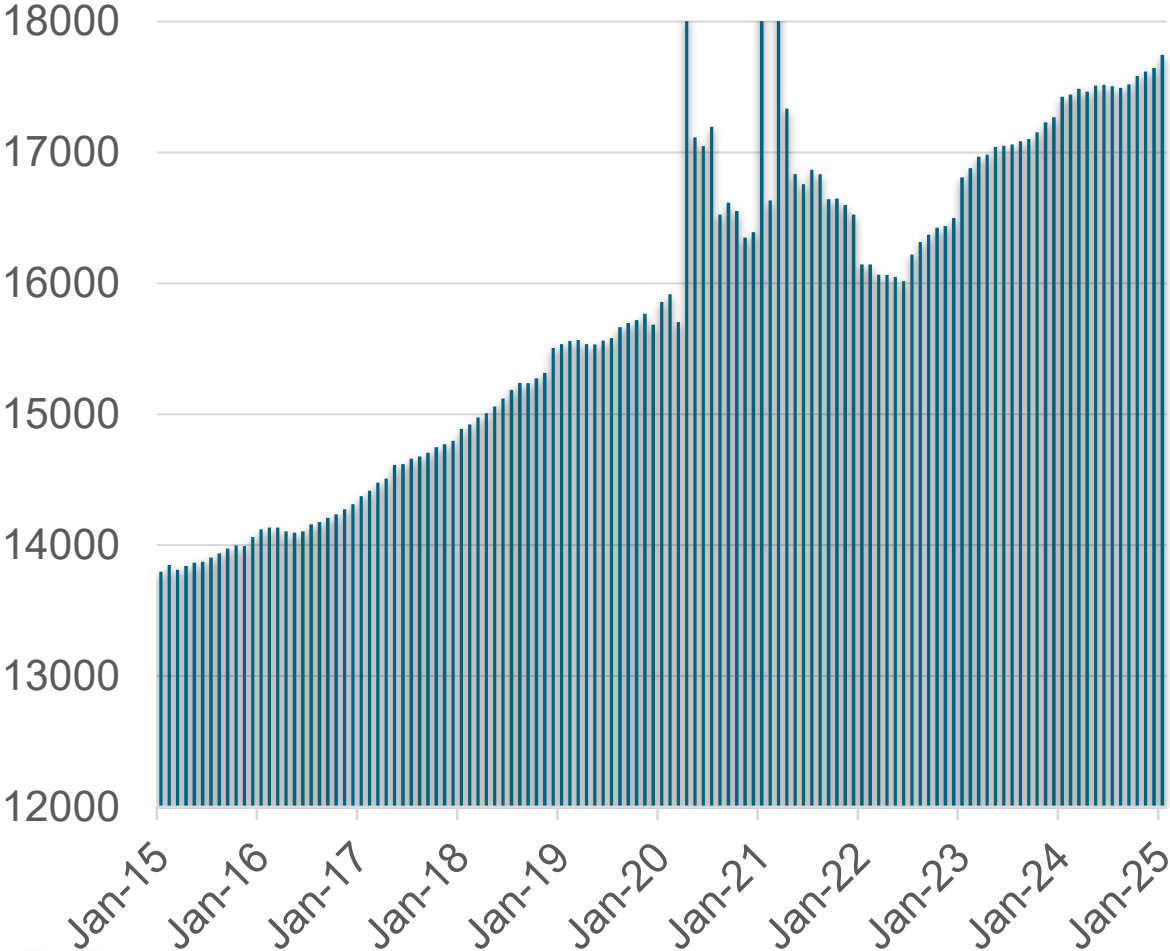
“It isn't what we don't know that gives us trouble, it's what we know that ain't so.”

- Will Rogers

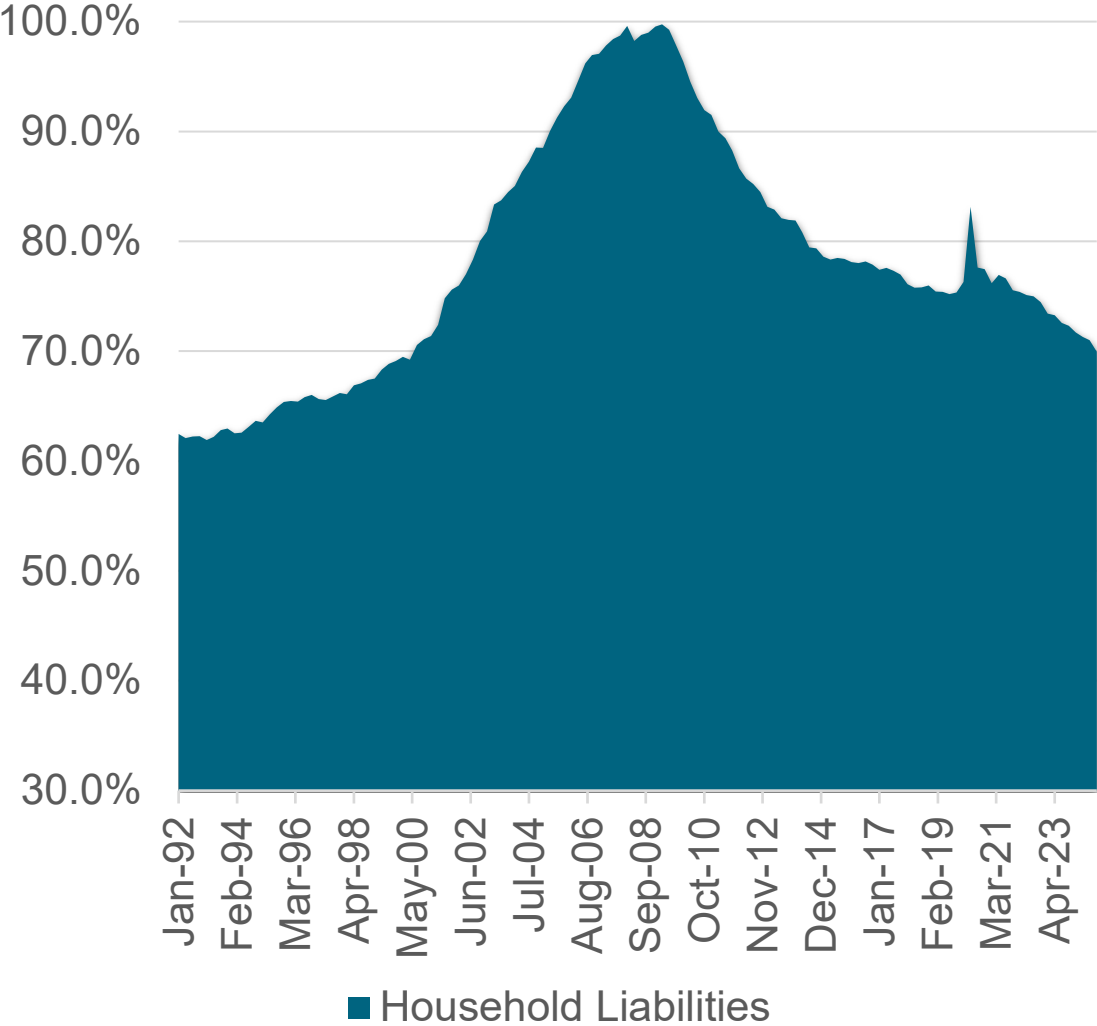


Household Finances: *Too Strong*

Real Disposable Income



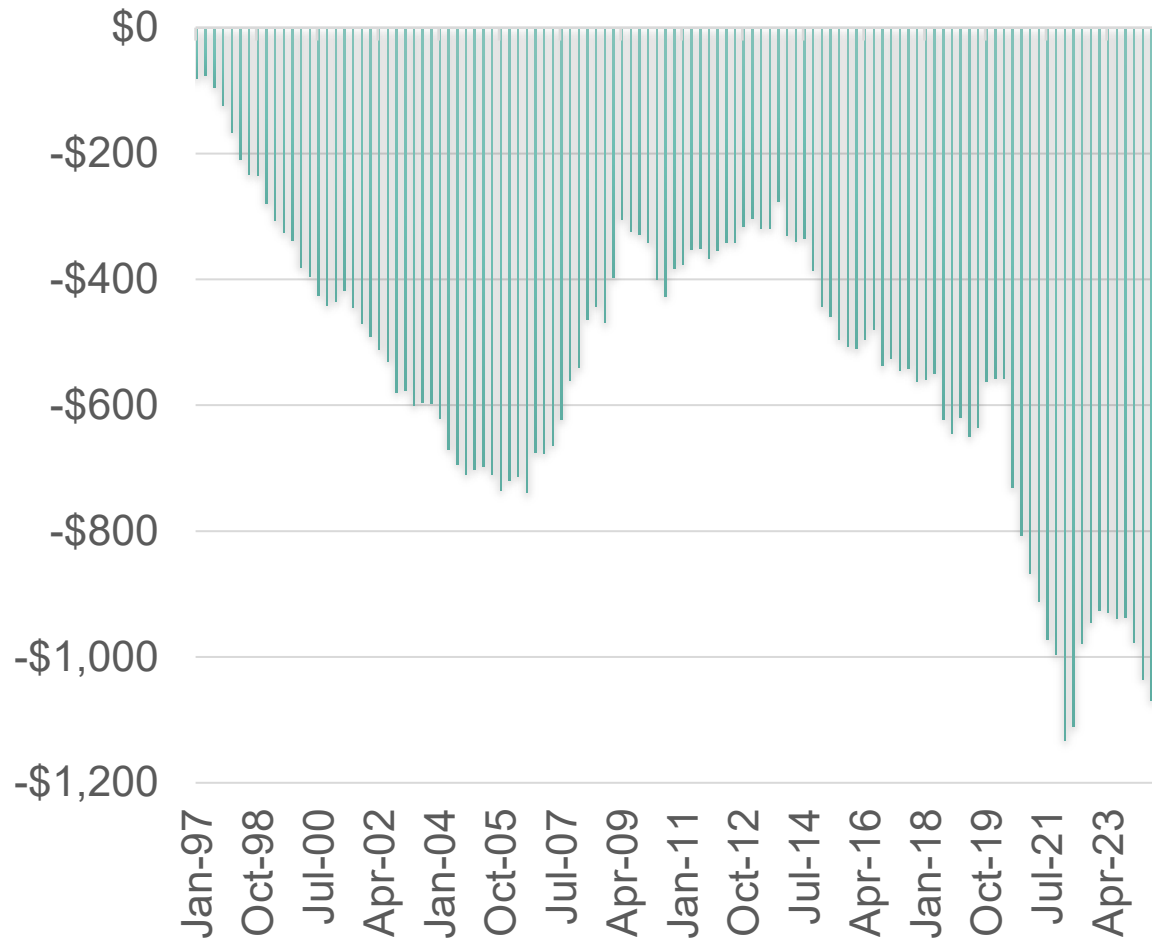
Household Debt as % of GDP



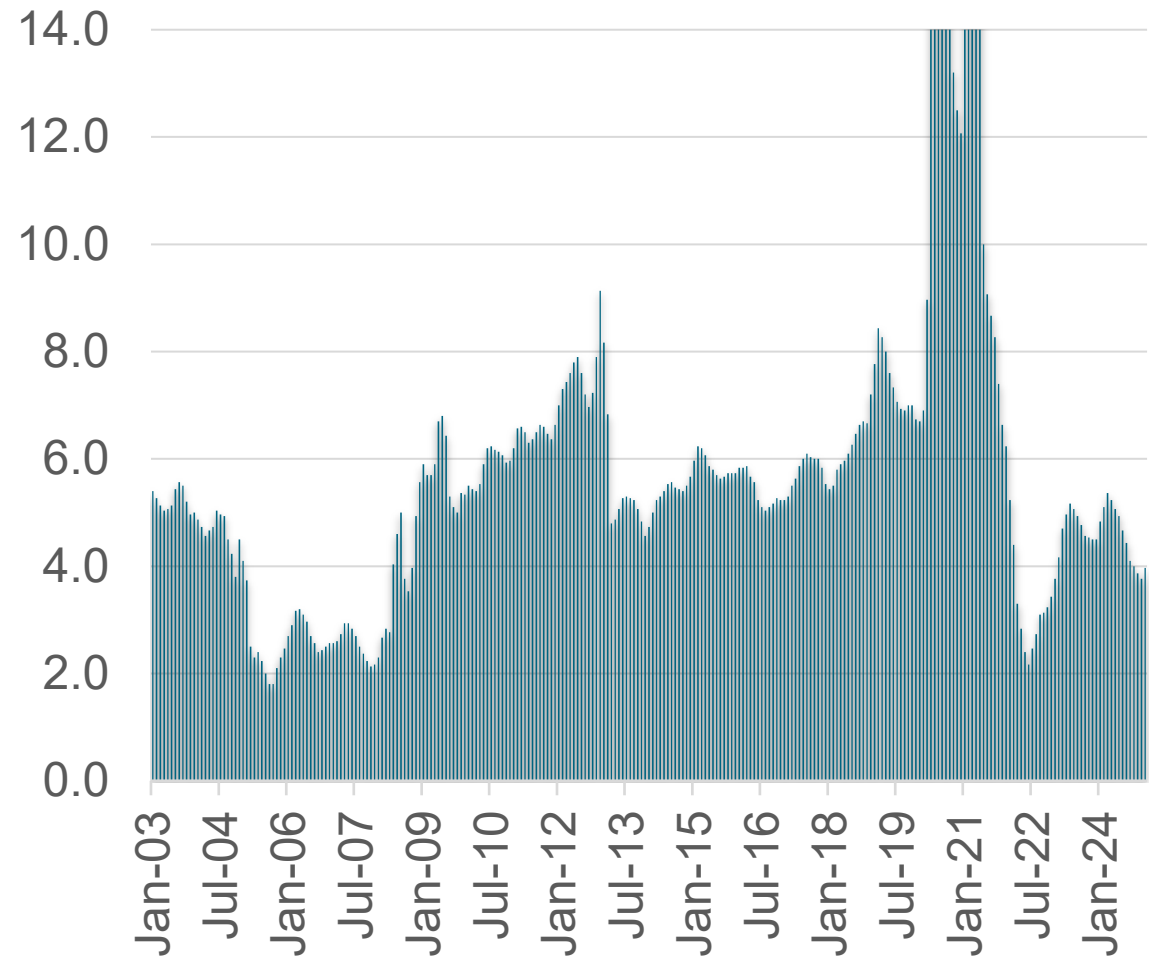
■ Household Liabilities

An Over-Consumption Problem...

US Trade Deficit (\$Bil, Real)



Household Savings Rate (% DPI)



The Original Sin

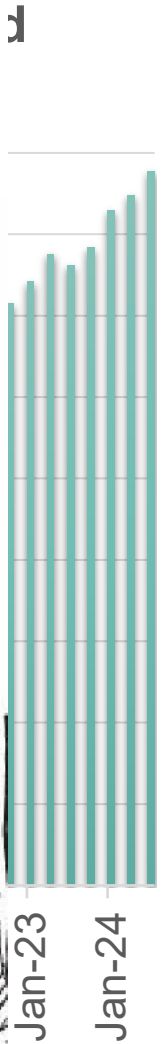
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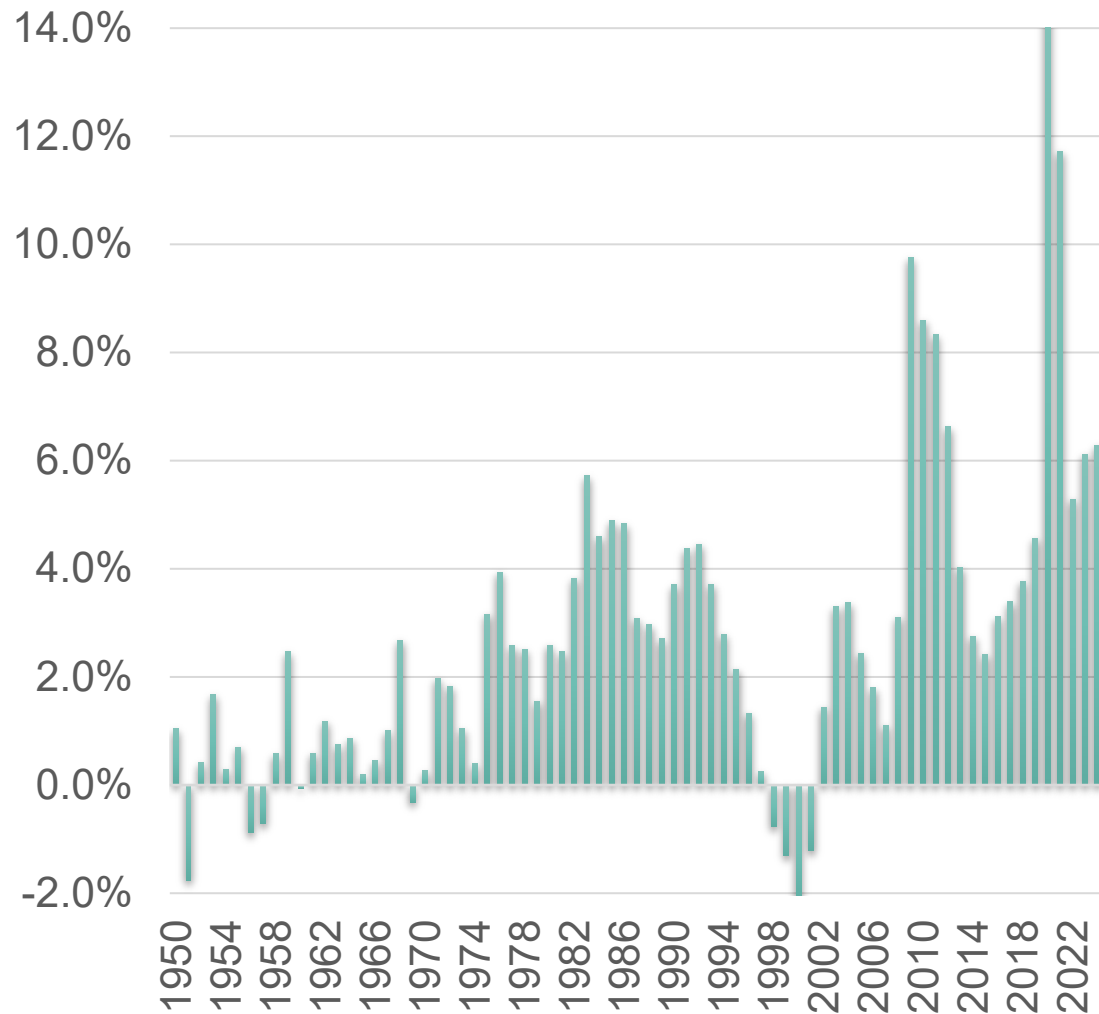
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The Federal Deficit

Federal Deficit % of GDP

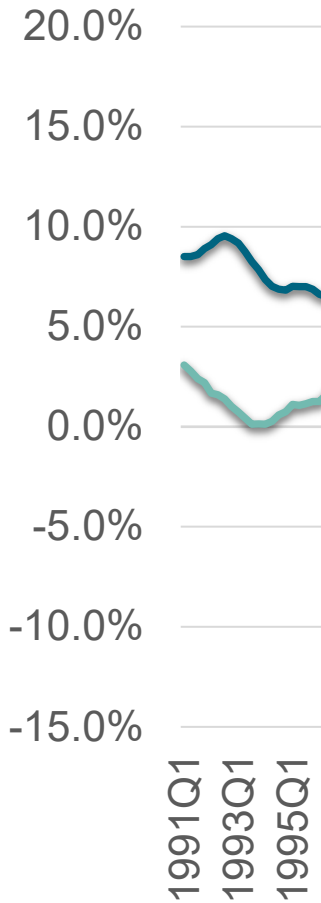


A Spending Issue



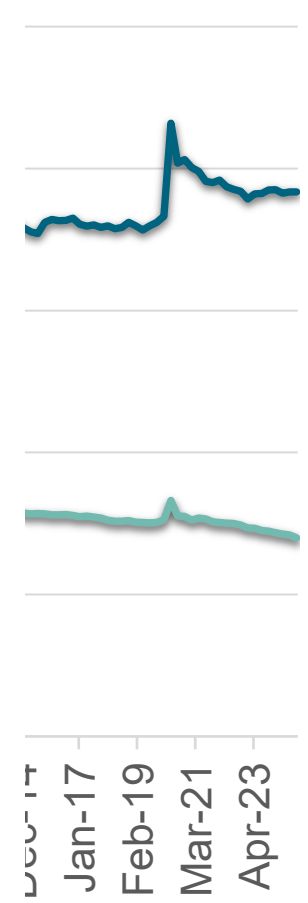
The Wealth / Income Mirage

Household Savings as % of DPI



— Household & Gov Savings Rate
 — Household Savings Rate

Household Debt as % of GDP



— Household Liabilities
 — Household Liabilities + Federal Debt

Deficit Closing?

- \$15,500 per household per year
- Higher Taxes: 8% of Household Disposable Household Income
- Reduced Spending: 25% of total current Fed expenditures



Excess Money + Demand = Inflation

Money and Prices



Who should Trump thank for his high unemployment weeks?

MONEYWATCH

Layoffs across the U.S. soar to highest level since 2020. led by DOGE cuts

MONEY WATCH

Trump's effort to withhold federal funding

Trump vows March 4 tariffs for Mexico, Canada

Here are the cities where ICE raids are taking place

CNN Politics SCOTUS Congress Facts First 2024 Elections

Trump to sign order Thursday to begin dismantling of Education Department

By Jeff Zeleny and Sunlen Serfaty, CNN
3 minute read · Updated 9:54 PM EDT, Wed March 19, 2025

Get the data • Download image

GALLUP



And How About California?



DARREN GARLAND



California's Poverty Rate Soars to Alarming High Levels in 2023

New Census Data Show Disproportionate Hardship for Black and Latinx Californians, as the End of Pandemic-Era Policies Reverses Progress

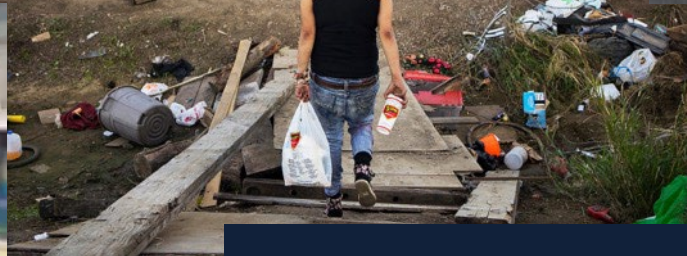


The Bay Area Narrative

TECH

Elon Musk called downtown San Francisco — where Twitter is headquartered — a 'derelict zombie apocalypse' amid its huge homelessness and drug issues

By [Sawdah Bhaimiya](#)



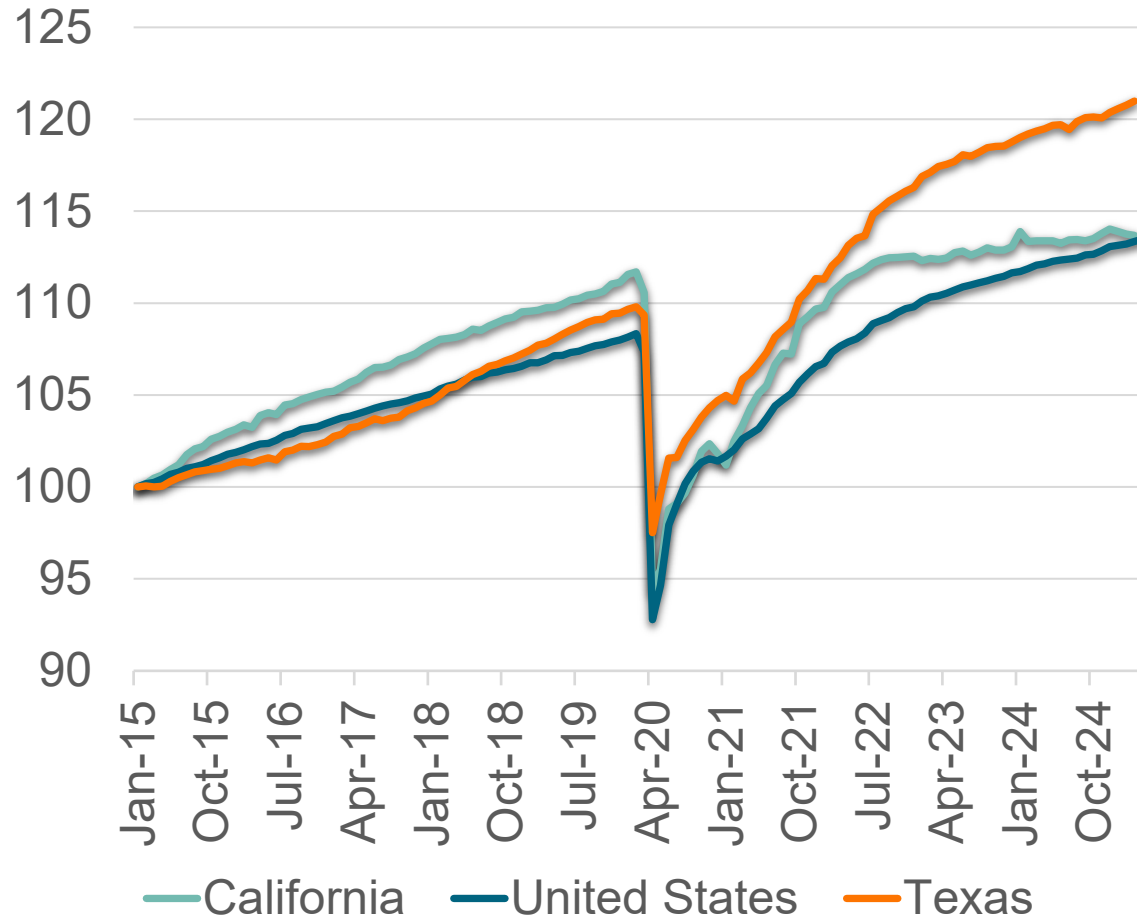
Another tech bubble bursts: 2022 has been brutal for Silicon Valley workers

The breadth of the layoffs this year is breathtaking, affecting every part of the tech sector from farming robots and cryptocurrency to social media and semi-autonomous vehicles.

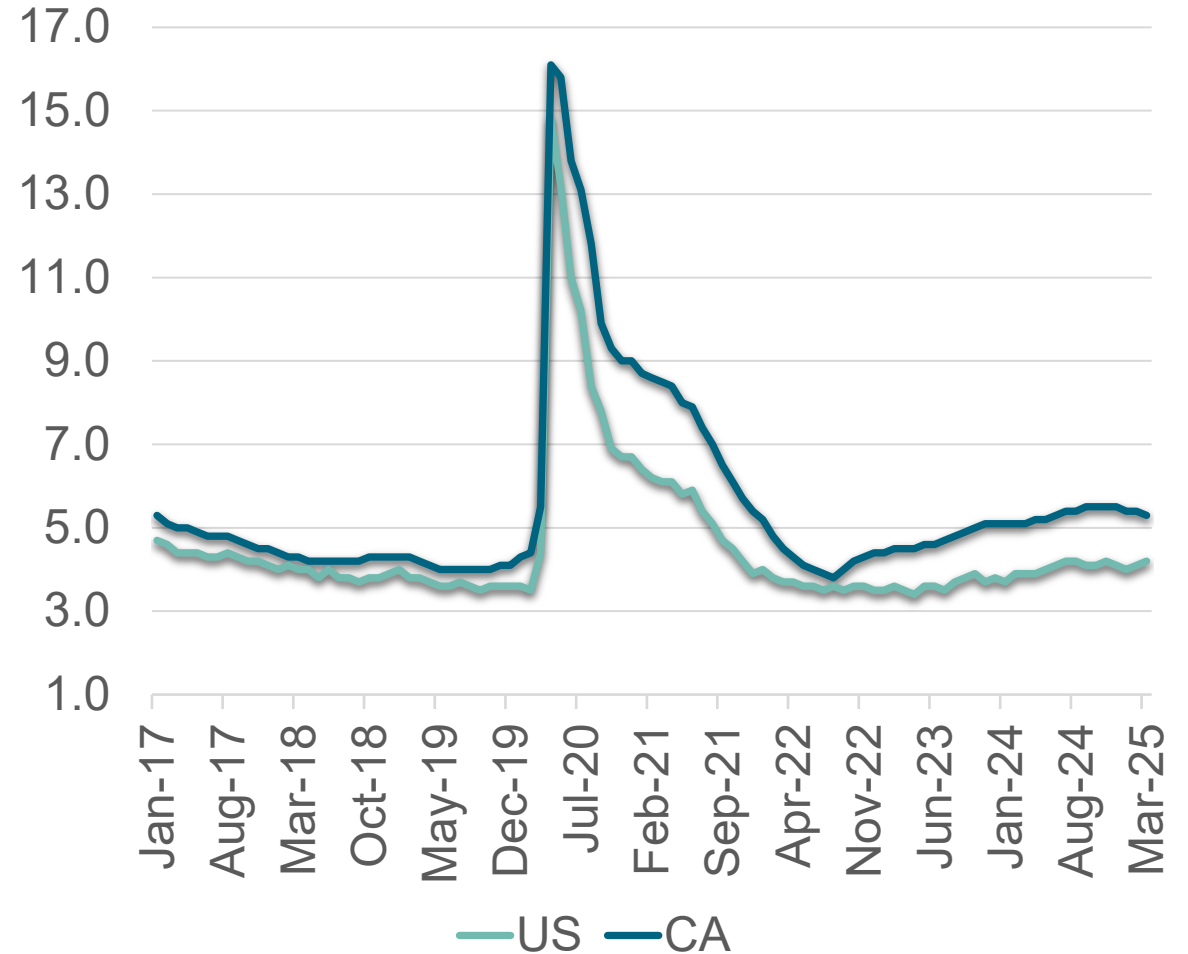


California Employment

Index of Employment

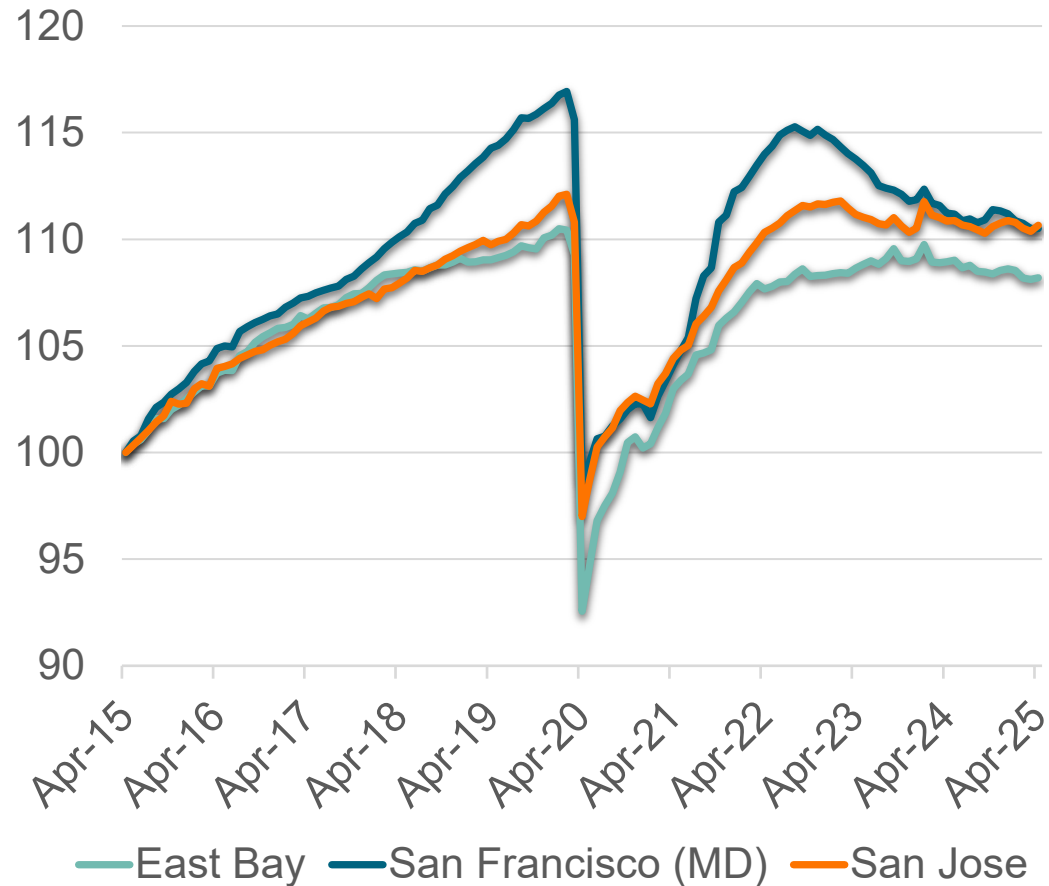


Unemployment Rate



Bay Area Nonfarm Employment

Indexed Nonfarm Employment

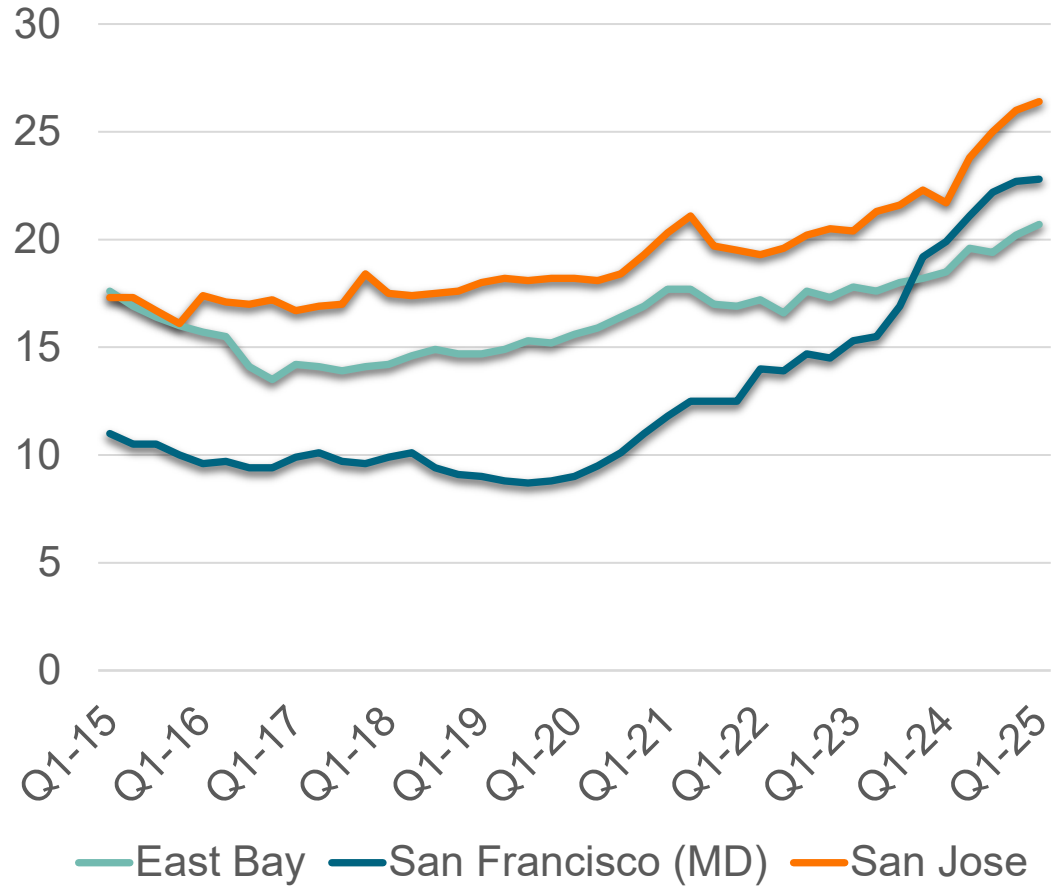


Location	Apr-25 Emplt (000s)	1-Year Chg. (%)	Chg. Feb-20 (%)
Austin	1,372.7	1.3	16.8
Dallas	4,303.4	1.2	11.2
Phoenix	2,460.7	0.5	9.9
Napa	77.2	3.3	2.7
Seattle	2,151.0	0.6	1.5
Vallejo	143.9	-0.6	0.3
Boston	2,760.7	0.0	-0.8
Los Angeles (MD)	4,590.1	0.1	-1.0
San Jose	1,150.3	-0.2	-1.3
Oakland (MD)	1,176.2	-0.7	-2.1
Santa Rosa	204.4	0.4	-3.7
San Rafael (MD)	112.7	1.2	-3.9
San Francisco (MD)	1,139.5	-0.6	-5.8



Office Market

Office Vacancy Rate

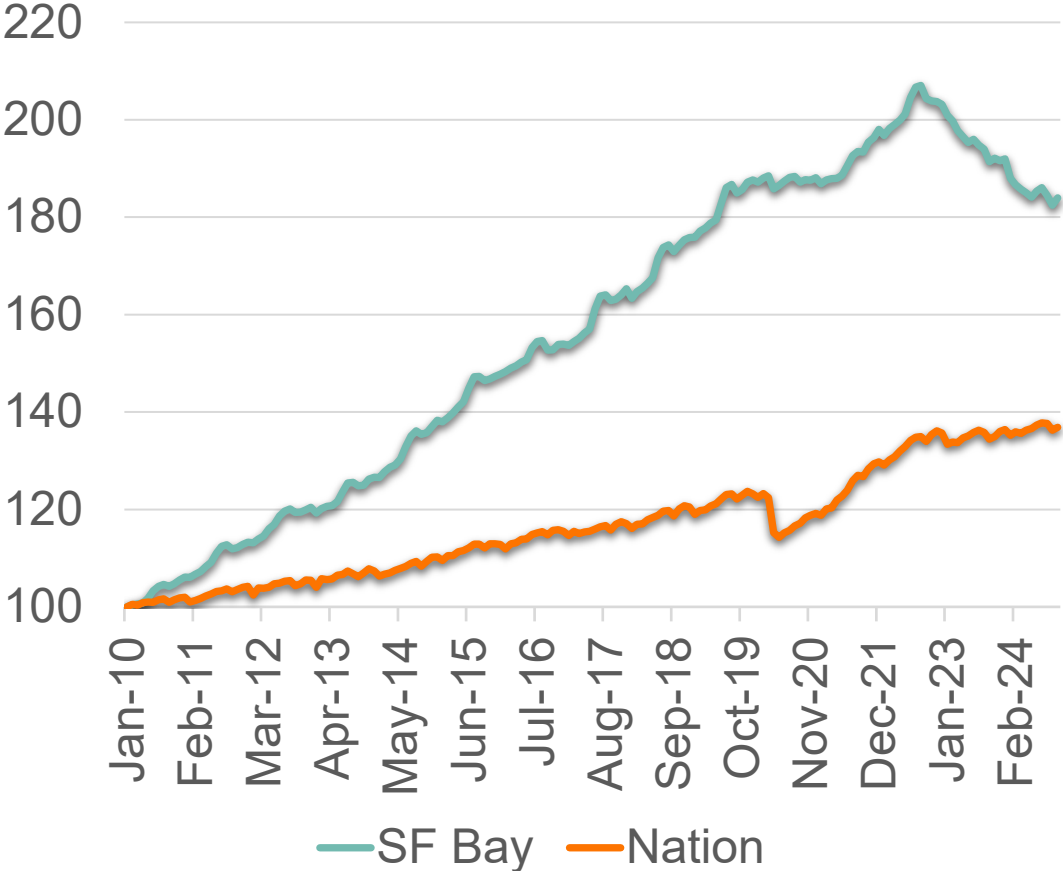


Location	Q1-25 (000s sq. ft.)	Empty Sq. Ft. per Office Using Emp.
Los Angeles (MD)	40,307	38.8
Boston	26,140	33.7
Denver	25,258	52.1
San Francisco (MD)	24,151	51.2
Phoenix	20,440	32.3
San Jose	19,989	48.7
Seattle	18,390	29.3
Austin	16,018	38.2
Oakland (MD)	11,445	44.9

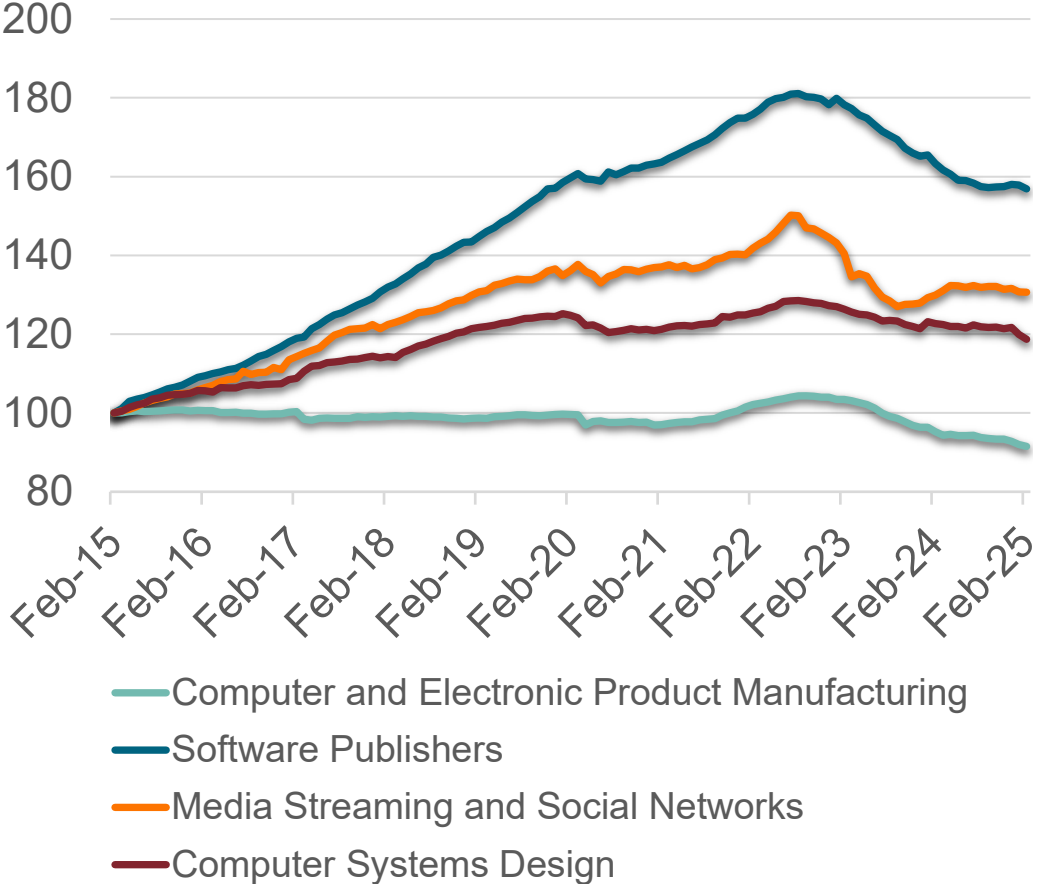


California Tech Employment

Index of tech jobs

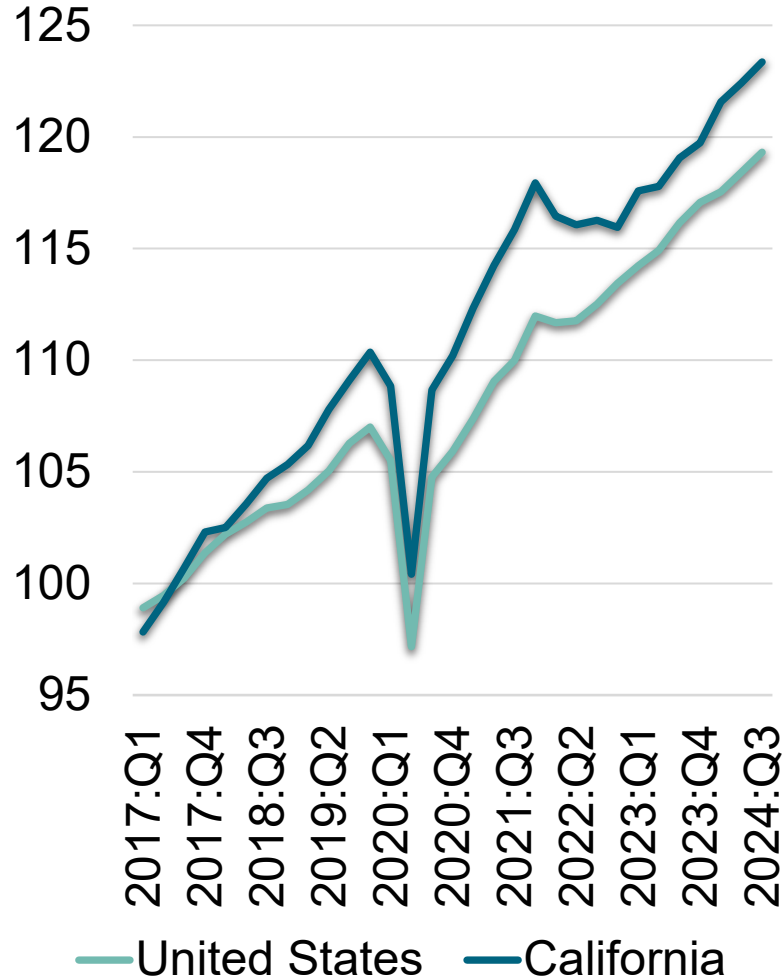


California Tech Employment

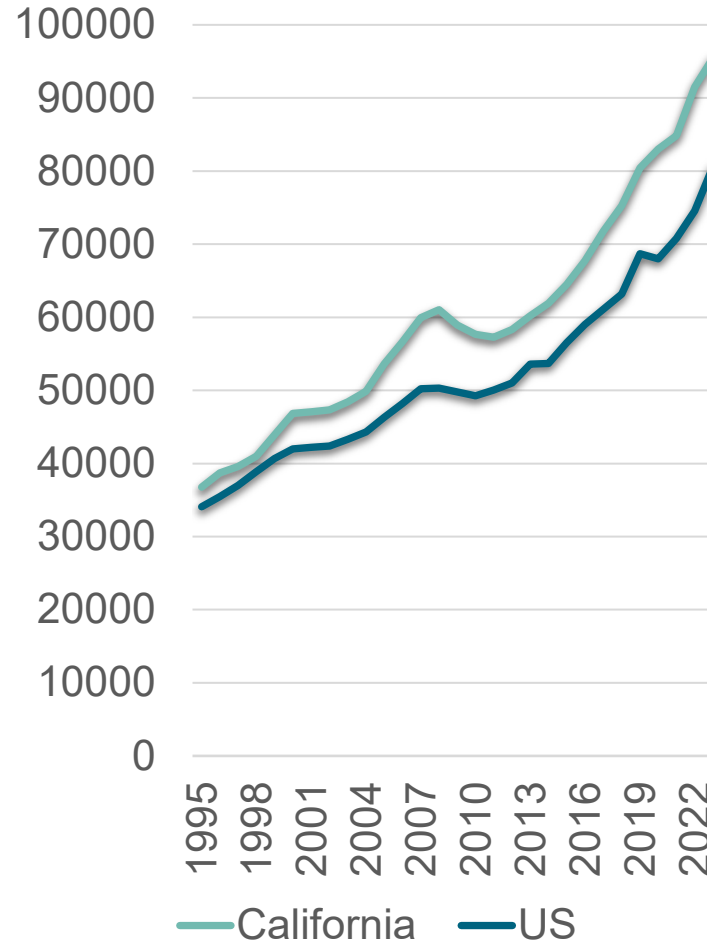


Growth on the Intensive Margin

Real GDP (Index)



Median HH Incomes



Ranked Median Household Income by County

Rank out of 3,200	County	2023 Med HH Inc
2	Santa Clara	\$154,954
3	San Mateo	\$151,485
10	Marin	\$139,644
18	San Francisco	\$126,730
25	Contra Costa	\$122,794
30	Alameda	\$119,931
52	Orange	\$110,042
54	Placer	\$109,713
56	El Dorado	\$108,594
59	Ventura	\$107,667
61	San Benito	\$107,324
70	Santa Cruz	\$105,631
77	Napa	\$104,686
82	San Diego	\$103,674



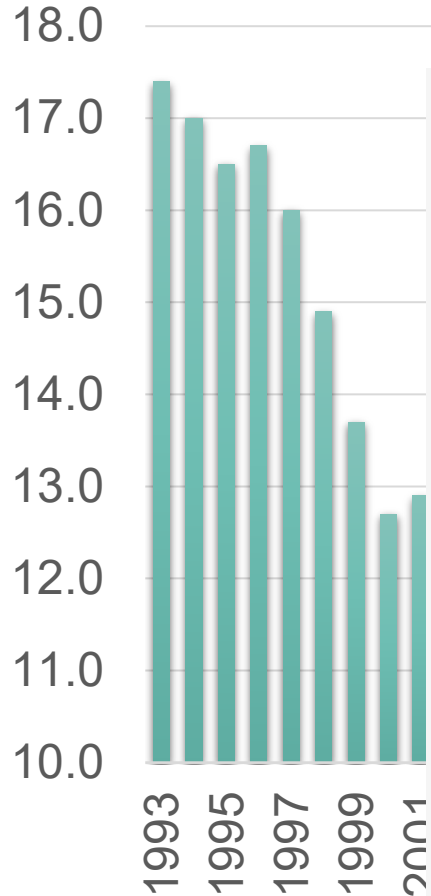
State Inequality?

California Poverty



California Budget & Policy Center

Median Household Income
2019–2023



California's Poverty Rate Soars to Alarming High Levels in 2023

New Census Data Show Disproportionate Hardship for Black and Latinx Californians, as the End of Pandemic-Era Policies Reverses Progress

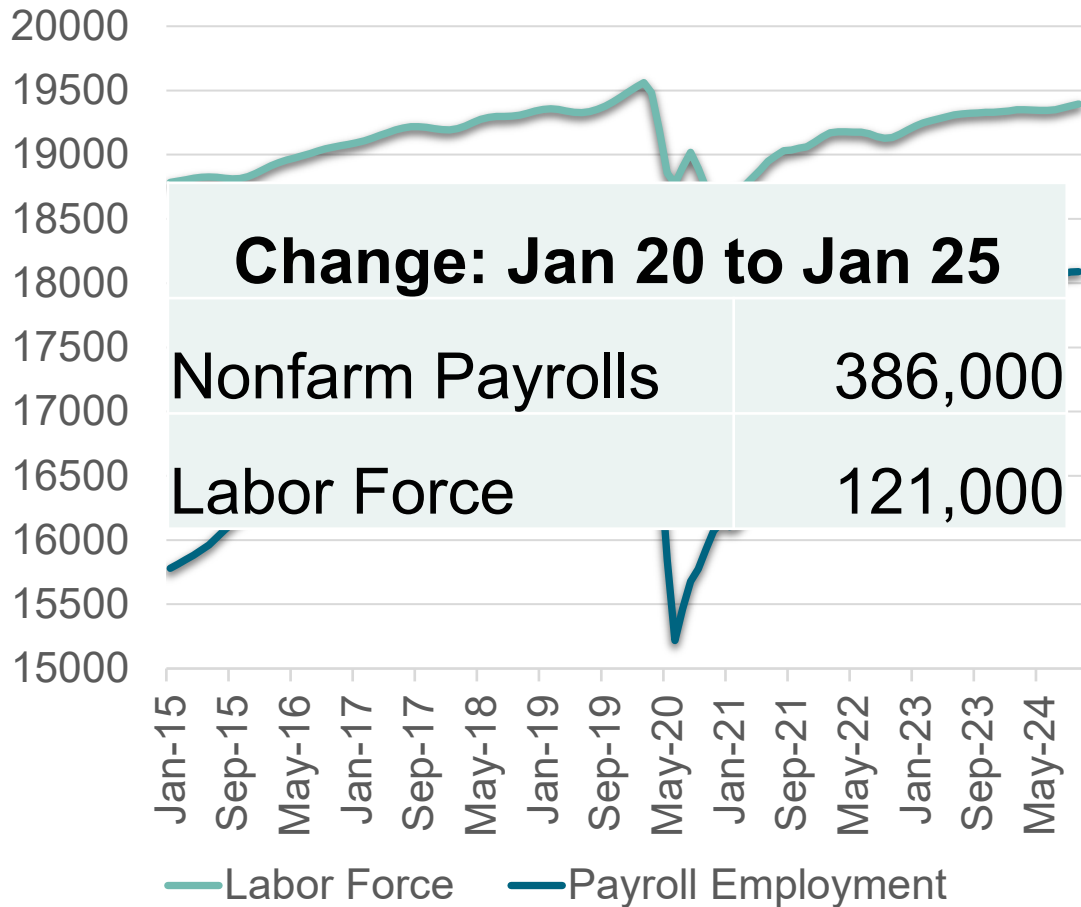
September 2024 | By [Alissa Anderson](#), [Kayla Kitson](#), [Laura Pryor](#), [Adriana Ramos-Yamamoto](#), and [Monica Saucedo](#)

Year	CA / US	GR
2023	22.9%	18.7%
2021	14.0%	24.4%
2019	25.1%	22.4%
2018	10.8%	19.0%
2014	27.8%	15.3%
2004	28.5%	13.7%



Regional Growth Differences?

California Employment and Labor Force



Housing Permits by State



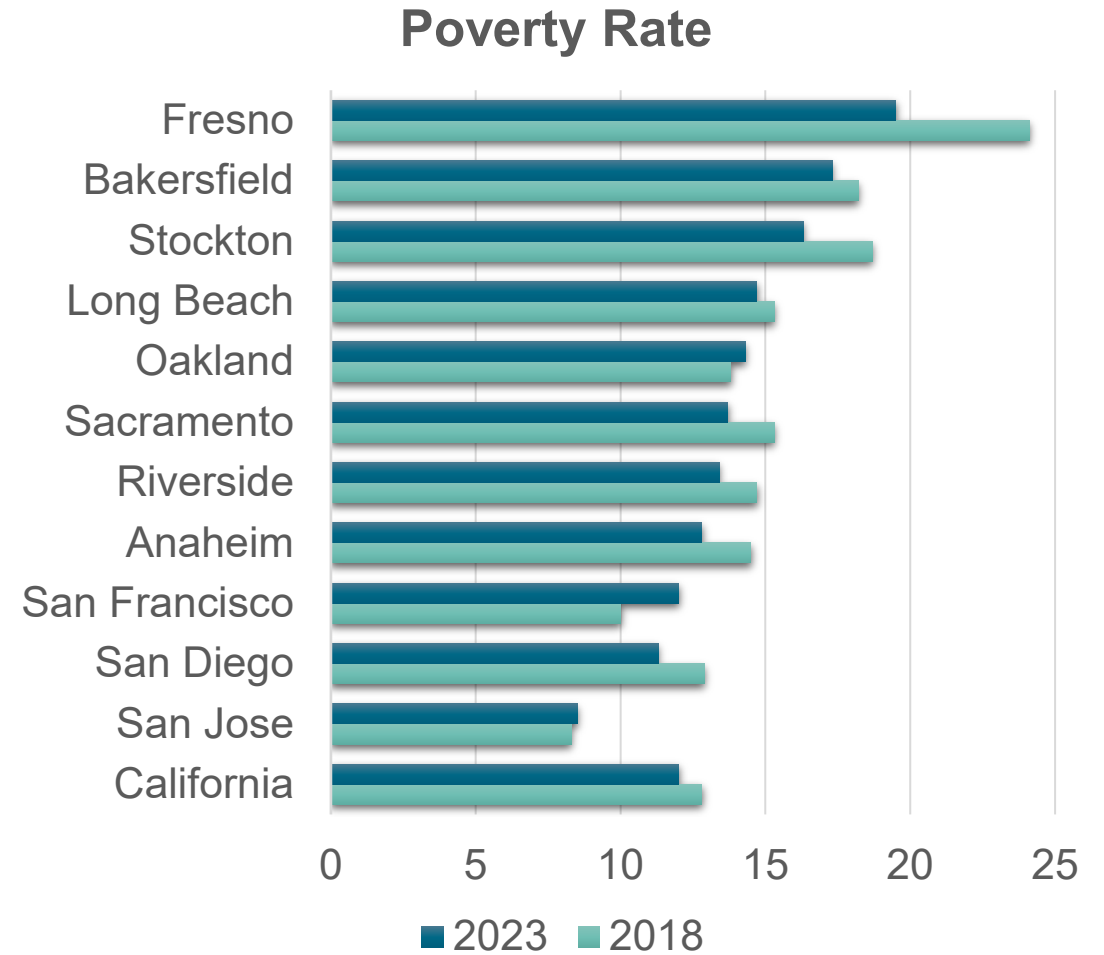
Employment and Labor Force

	Payroll Employment				Labor Force	
	Feb-25	5 Yr Ch	Share		Feb-25	5 Yr Ch
Total Nonfarm	18004	340			19707	79
California	18004	340			19707	79
Inland Empire	1705	117	34.3%		2216	138
Central Valley	1483	110	32.5%		1997	114
Greater Sacramento	1145	59	17.3%		1274	64
San Diego	1564	41	12.2%		1665	47
Central Coast	557	-9	-2.5%		724	0
Orange County (MD)	1692	1	0.3%		1631	-3
San Jose	1151	-15	-4.4%		1058	-9
Oakland (MD)	1178	-22	-6.5%		1449	-28
San Francisco (MD)	1142	-64	-18.8%		928	-47
Los Angeles (MD)	4601	-33	-9.8%		5038	-220



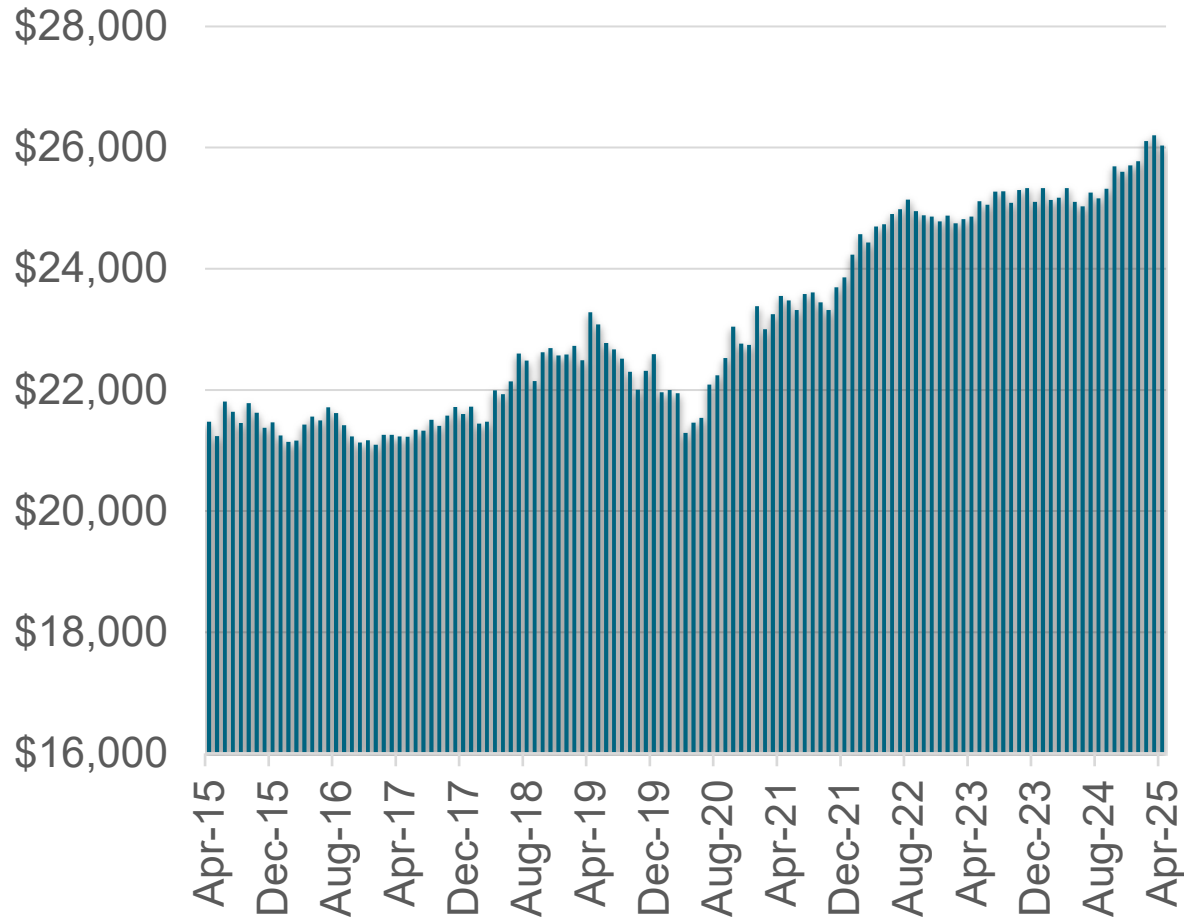
Household Income Growth

City	2023 Median HH Income (\$)	5-Year Chg. (%)
California	95,521	26.9
Stockton	76,191	40.3
Fresno	67,603	35.7
San Diego	105,780	32.8
Long Beach	81,606	32.5
Bakersfield	79,355	32.3
Sacramento	85,928	32.1
Riverside	88,175	30.0
Oakland	96,828	26.6
San Jose	136,229	20.5
San Francisco	126,730	12.8
Anaheim	84,872	11.4

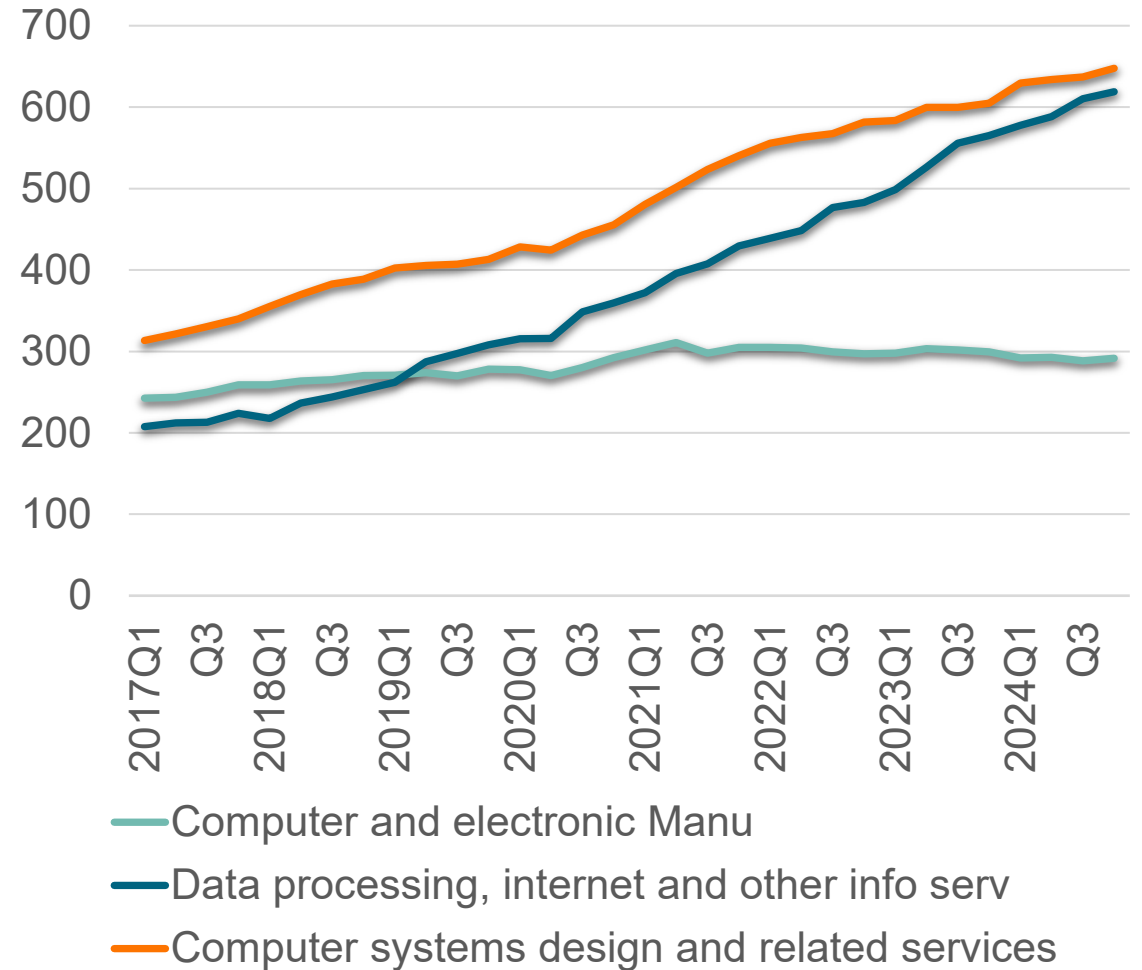


The Tech Space?

Manufacturers' Shipments: Information Technology



Real Value Added by Industry



The AI Narrative vs Reality



Venture Capital Investment

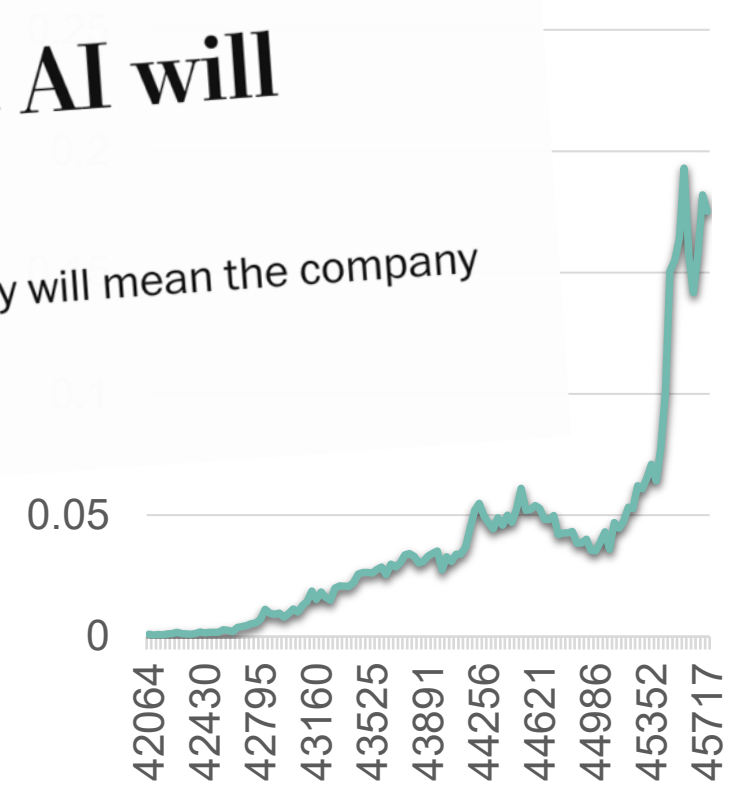
VC Funding in Greater Silicon Valley



VC Funding to AI Companies in Greater Silicon Valley



Share of San Jose MSA Postings with AI in Job Description



Amazon CEO tells employees that AI will shrink its workforce

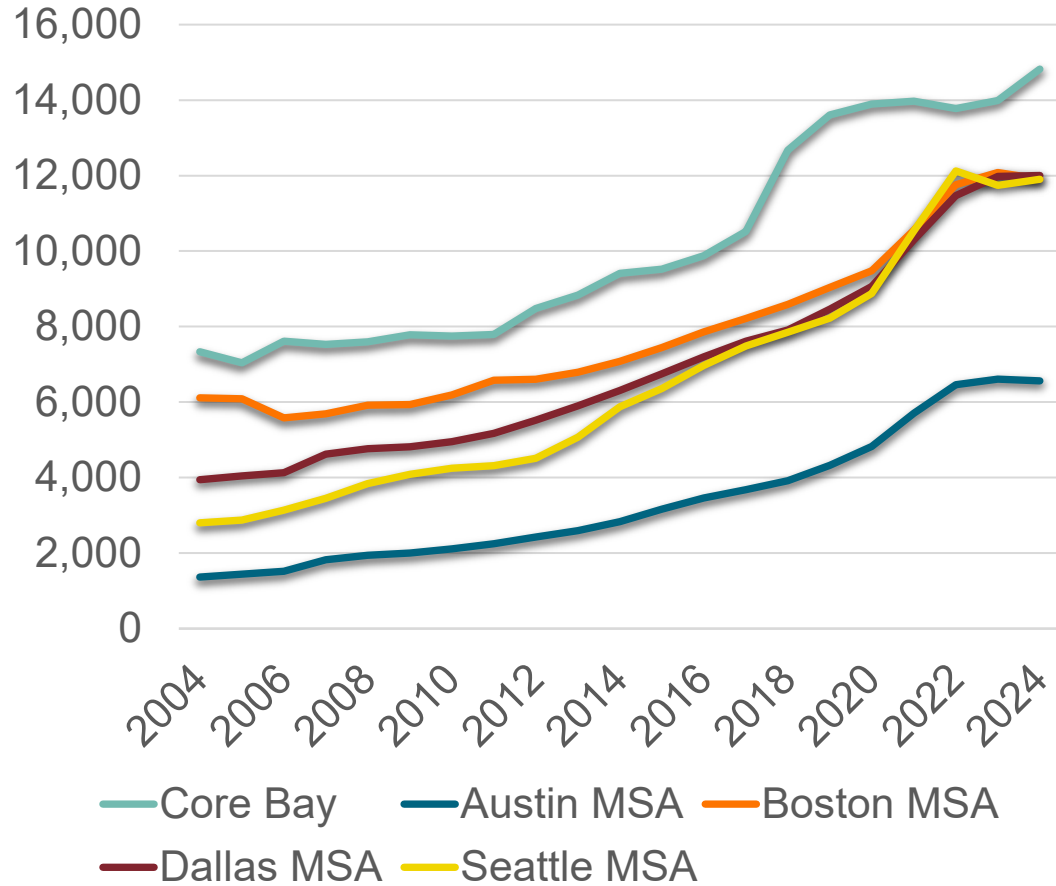
Andy Jassy said in a memo that efficiency gains from the technology will mean the company needs fewer corporate workers.

Updated yesterday at 5:12 p.m. EDT

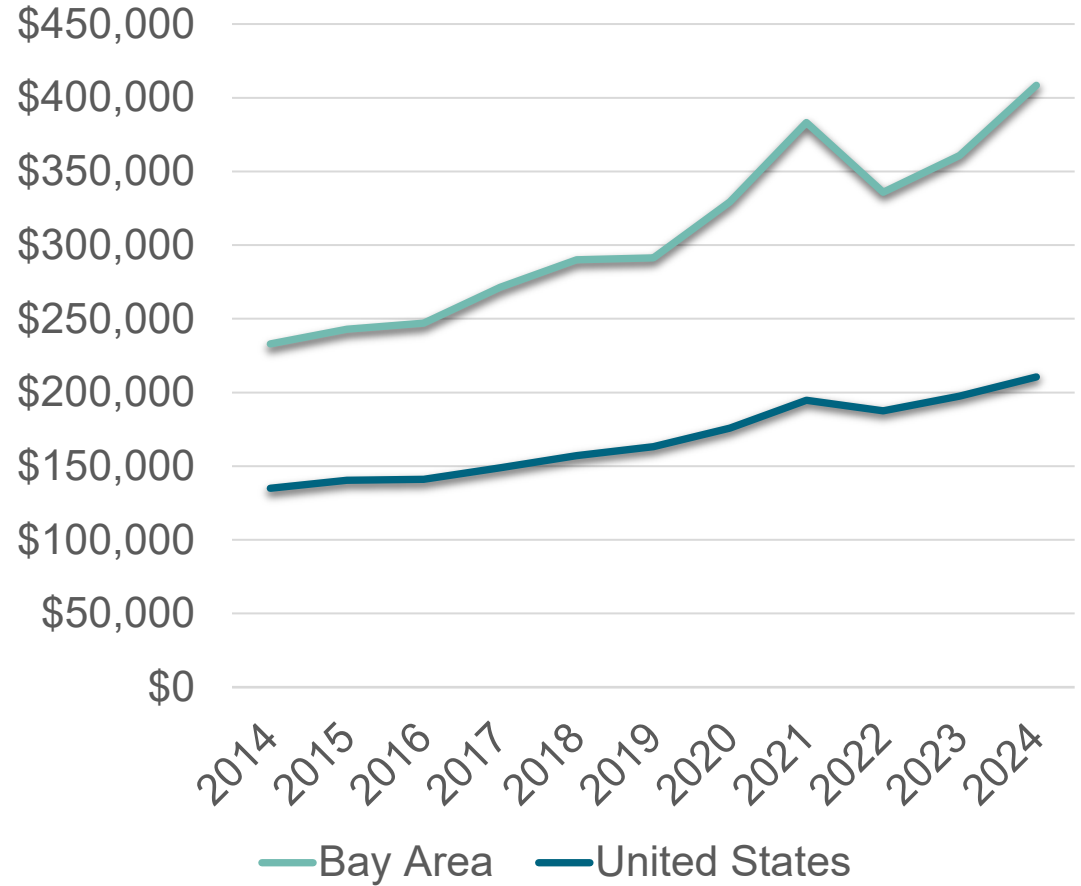


Bay Area Tech Businesses

Tech Establishments

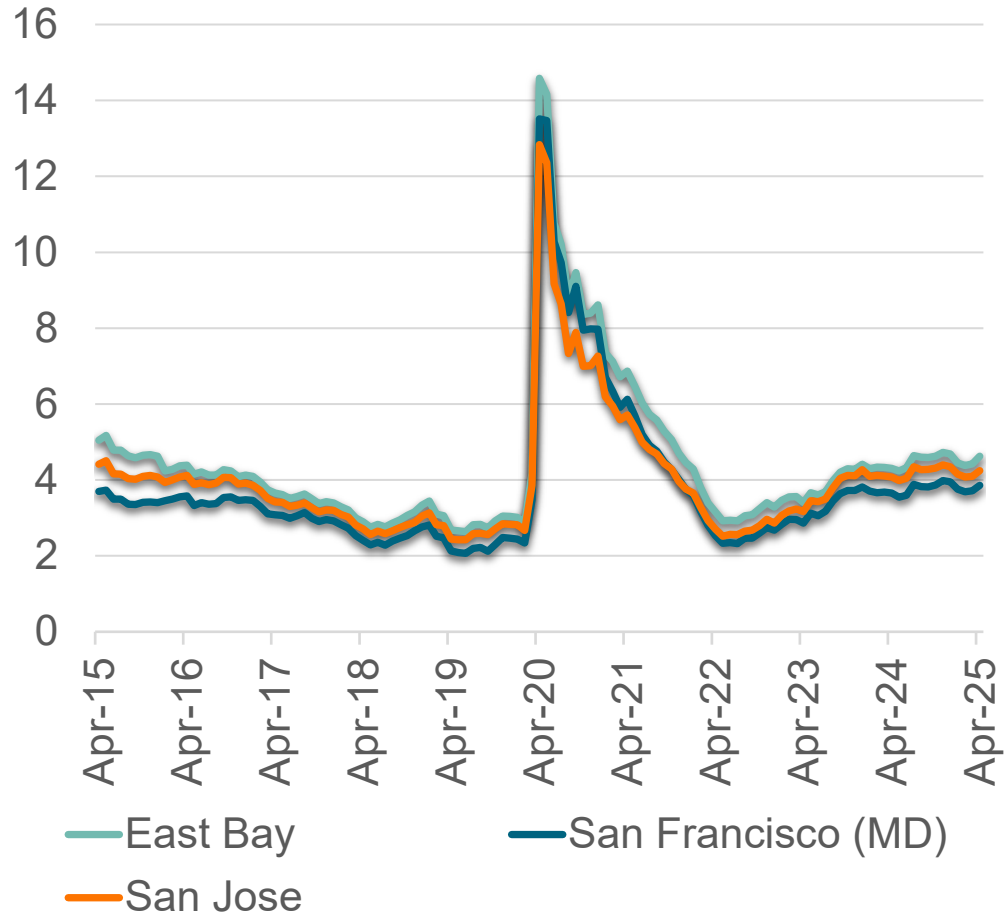


Tech Wages



Unemployment and Payrolls

Unemployment Rate

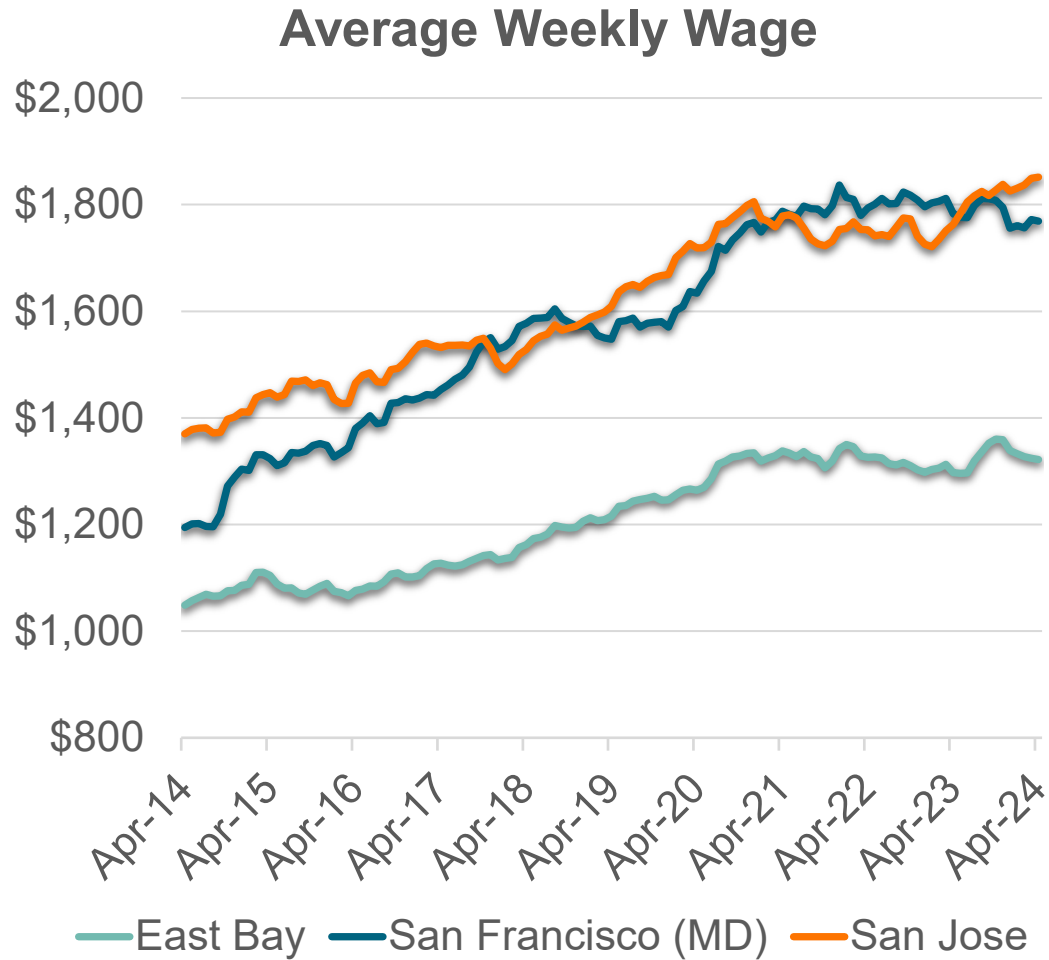


San Jose Payroll Employment

Industry	Feb-25	2 Yr Ch
Total Nonfarm	1150.5	-11.8
Health Care	161.9	17.7
Education	53.1	4.6
Government	101.2	4.0
Other Services	27.3	1.0
Logistics	16.9	0.4
Leisure and Hospitality	102.2	0.2
Wholesale Trade	28.6	-0.7
Management	60.2	-1.0
Retail Trade	72.8	-1.2
Financial Activities	35.7	-2.1
NR/Construction	52.0	-2.8
Admin Support	59.3	-4.8
Information	92.5	-8.1
Manufacturing	124.0	-9.3
Prof Sci Tech	162.7	-9.7



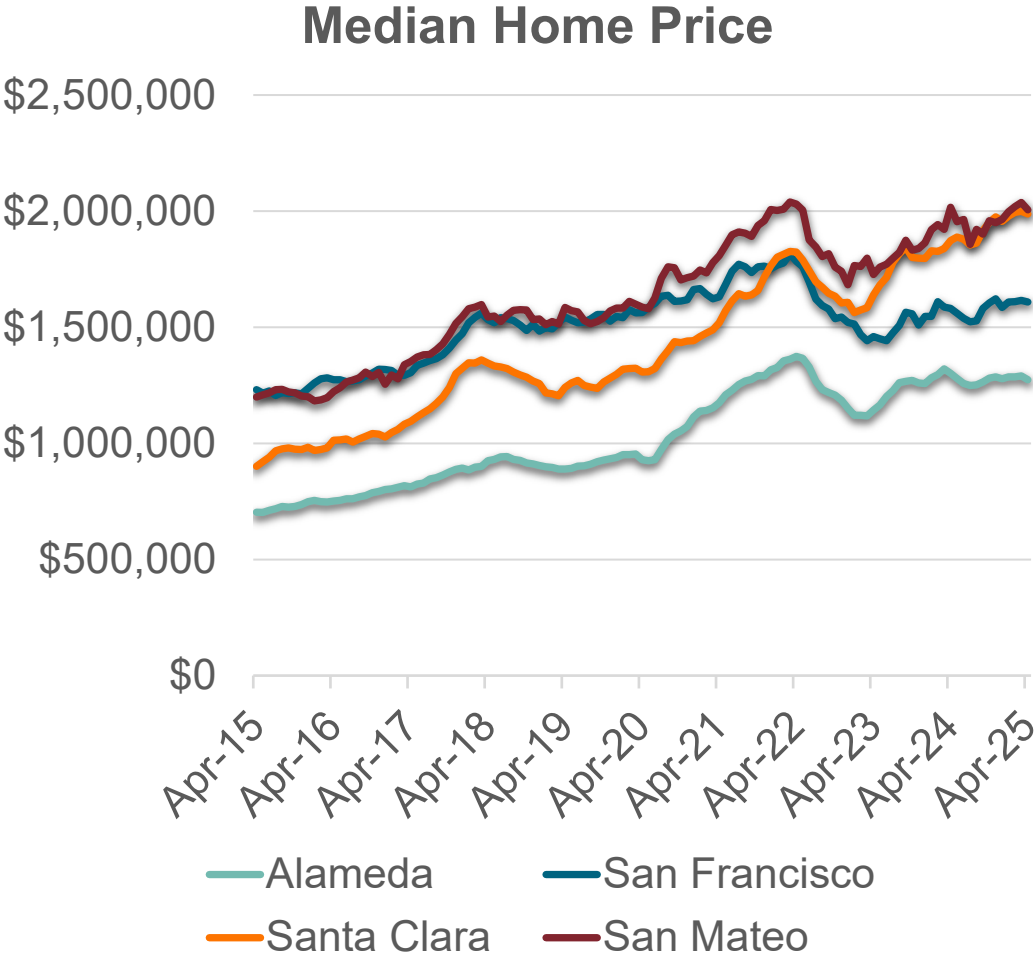
Average Weekly Wages



Location	Apr-25 Avg Weekly Wage (\$)	1-Year Chg. (%)	Chg. since Feb-20 (%)
Dallas	1,323	8.3	21.9
Santa Rosa	1,218	9.7	21.0
Napa	1,323	-3.2	20.1
Phoenix	1,271	5.7	18.3
Austin	1,293	8.0	15.9
Los Angeles (MD)	1,333	2.4	14.3
Seattle	1,567	9.5	13.8
Boston	1,492	2.5	13.1
East Bay	1,452	10.1	13.0
Vallejo	1,136	5.3	9.8
San Francisco (MD)	1,807	1.5	8.7
San Rafael (MD)	1,274	-5.8	8.6
San Jose	1,891	1.6	7.9



Local Home Prices

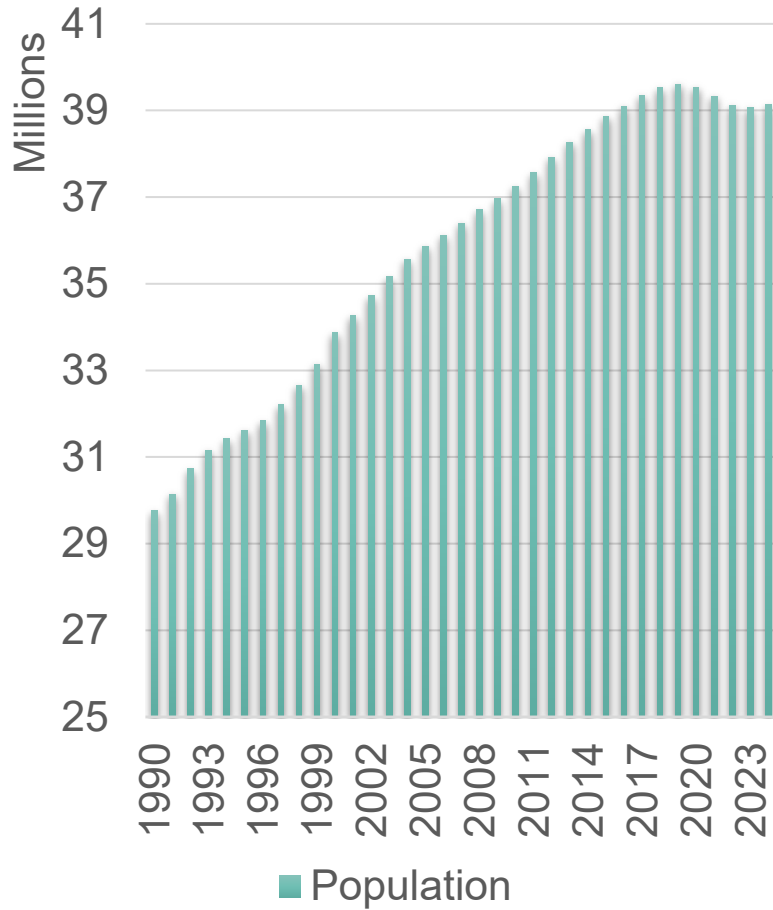


MSA	Apr-25 Median Home Price (\$000s)	1-Year Chg. (%)	Chg. since Feb-20 (%)
Phoenix MSA	478.0	0.1	51.3
Santa Clara County	1,988.0	6.1	50.3
Seattle MSA	932.2	4.4	48.8
Boston MSA	779.1	4.2	45.7
Dallas MSA	420.2	-1.1	38.8
Napa County	972.3	2.9	37.3
Alameda County	1,274.8	-2.0	33.9
Austin MSA	439.6	-1.9	32.4
Sonoma County	839.7	-0.5	29.2
Solano County	588.1	-0.7	25.9
Marin County	1,686.7	-3.6	25.9
Contra Costa County	851.7	-2.1	24.9
San Mateo County	2,005.8	-0.6	24.5
San Francisco County	1,608.2	1.7	2.0



California's "Fleeing" Population?

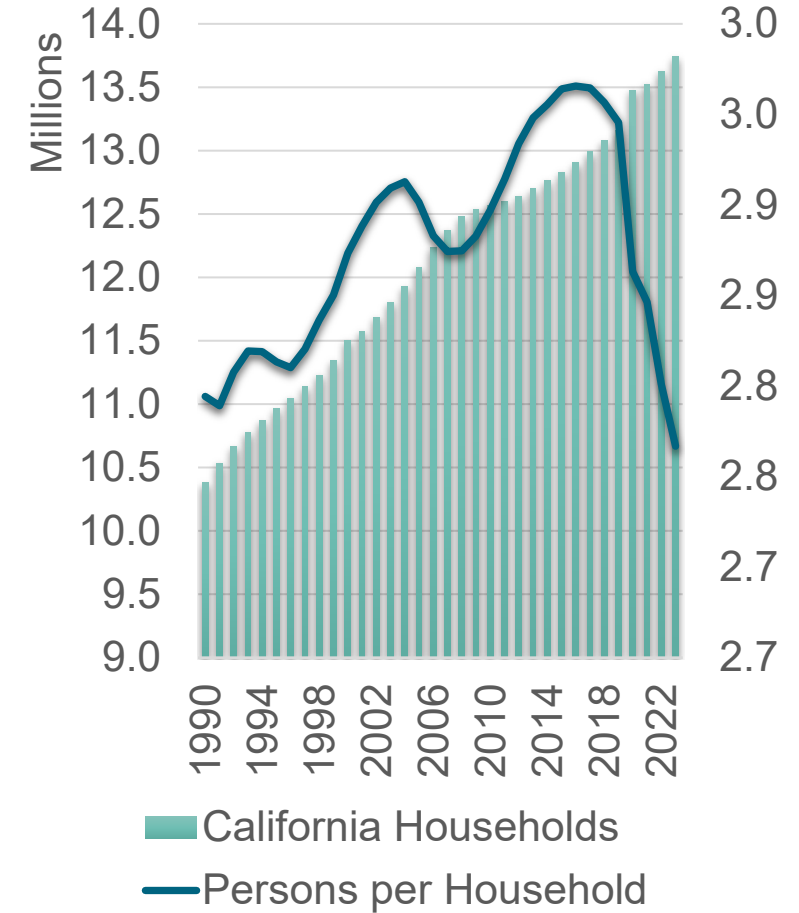
California Population



State Housing Vacancy Rates

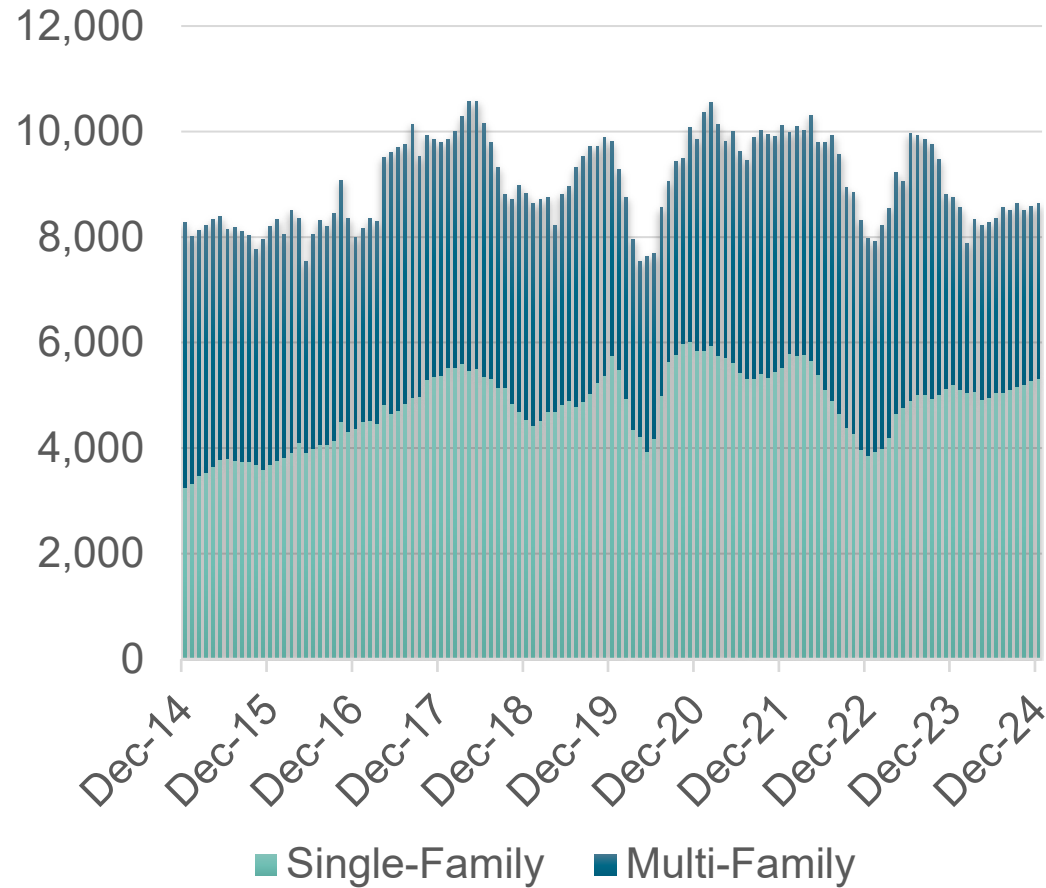


California Households



Residential Permits

California Residential Permits

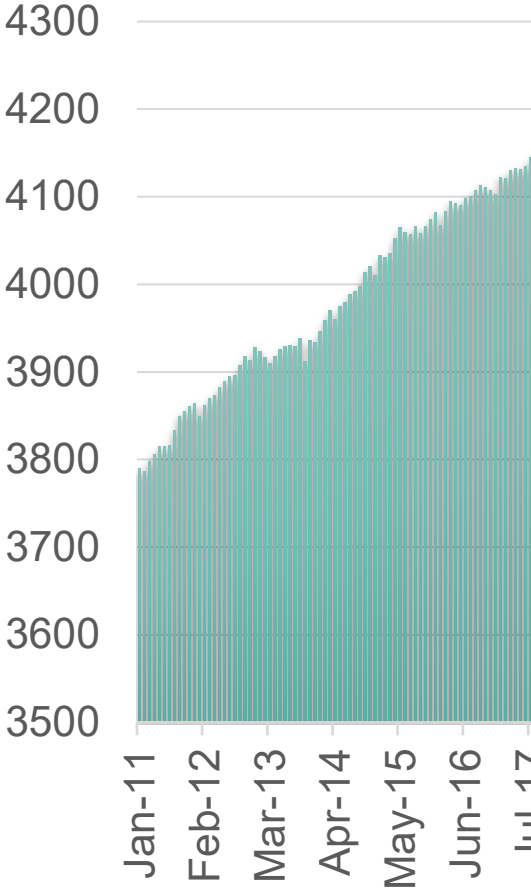


MSA	2024 Res Permits (Units)	1-Year Chg. (%)	5-Year Chg. (%)
Houston	67,376	-10.7	18.0
Dallas	62,552	-18.5	1.1
Phoenix	44,702	-4.8	40.9
Los Angeles	28,969	-7.3	-6.6
Orlando	25,538	-9.1	-11.3
Miami	21,957	6.3	4.8
Denver	21,447	-9.0	-4.7
Inland Empire	18,449	18.5	35.7
Las Vegas	13,078	0.0	11.1
Sacramento	11,679	10.3	50.0
San Diego	10,944	16.3	18.3
San Francisco	8,132	-29.2	-51.5

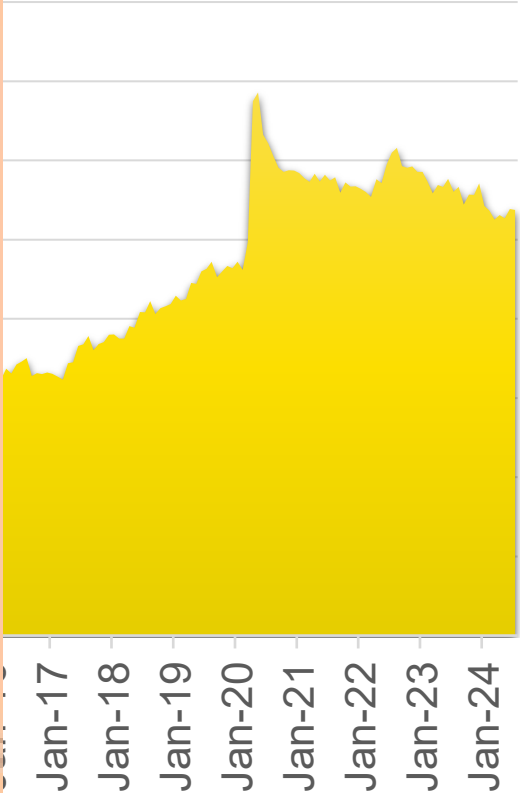


Labor Force Constraints

Bay Area La



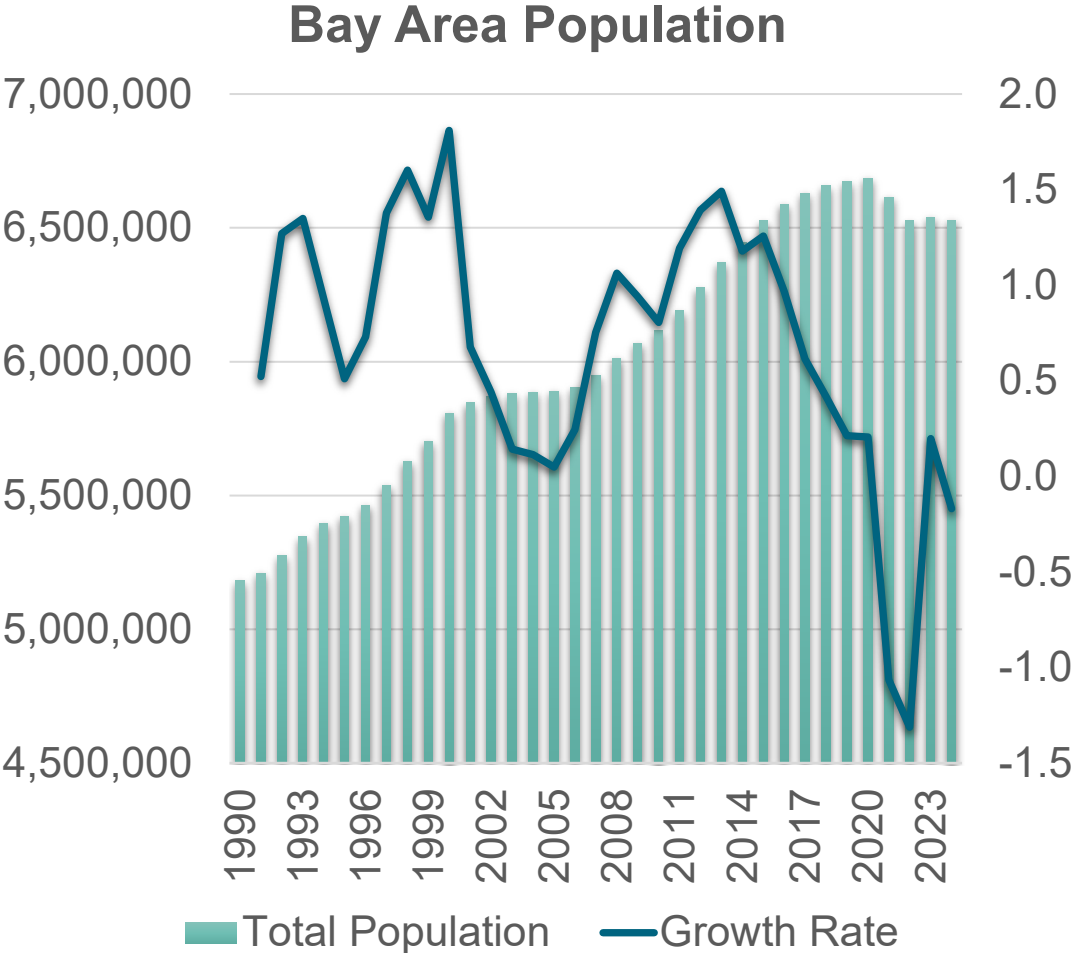
re of HH Emp



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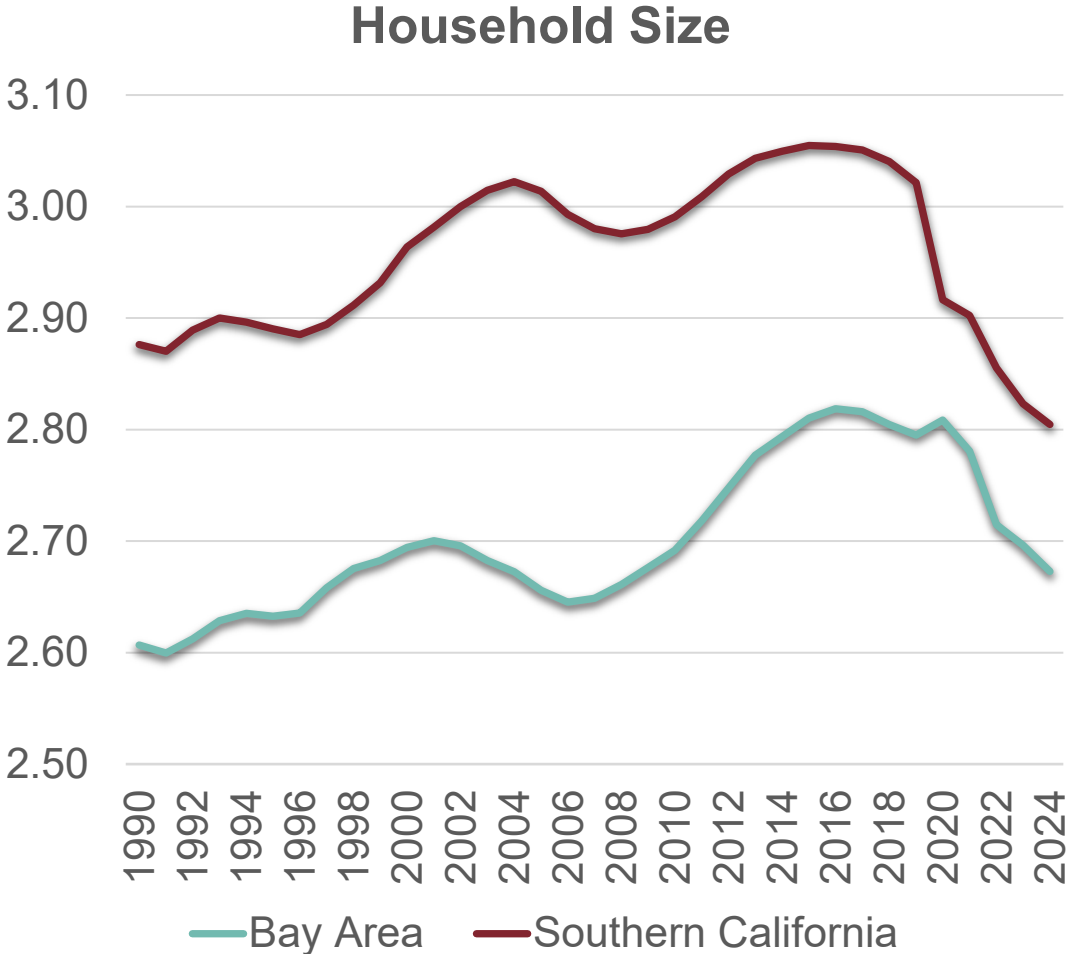
Local Population



County	Alameda	San Mateo	Santa Clara
Population	1,591	731	1,860
Pop 10 Yr Gr	2.5%	-1.4%	0.7%
HHs 10 Yr Gr	10.2%	5.6%	8.4%
PPH	2.58	2.66	2.77
10 Yr Gr	-7.0%	-6.7%	-7.2%



Household Size



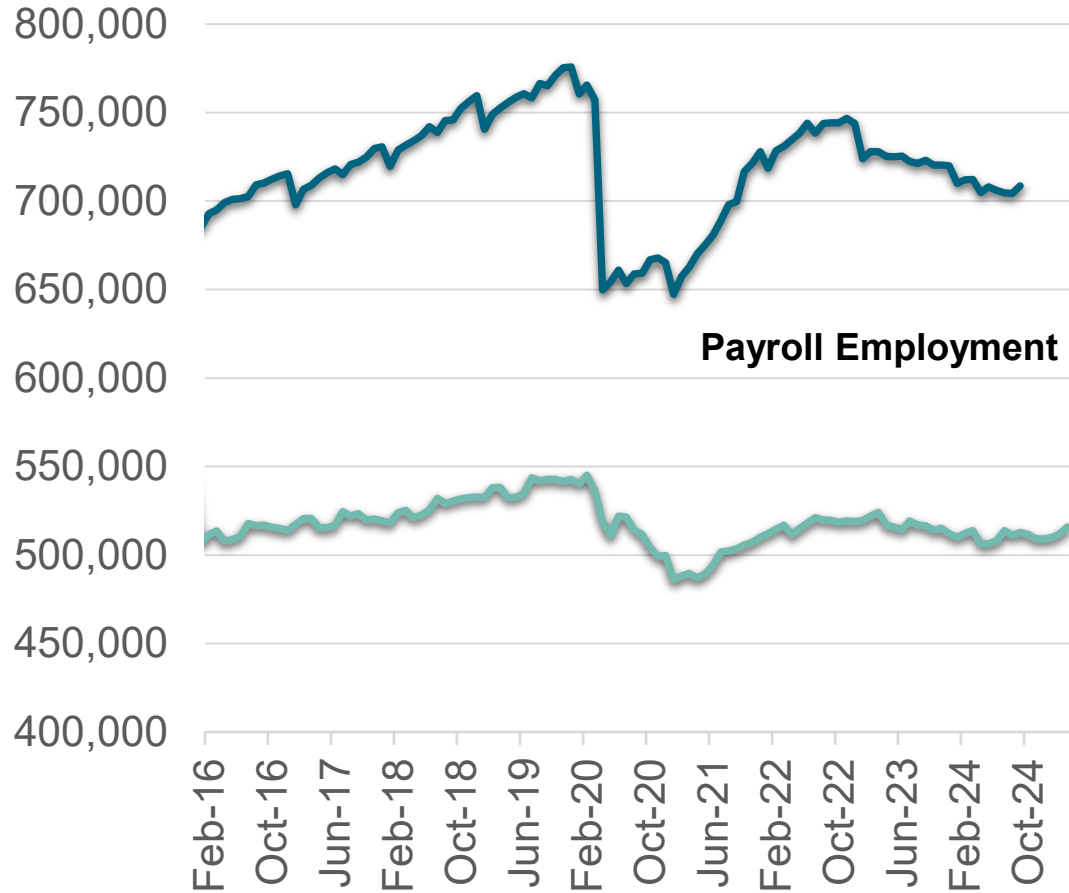
New Housing Supply

County	Housing Units	10-Year Chg. (#)	Post Local Demand
Alameda	652,678	57,172	13,919
Contra Costa	435,790	25,999	10,399
Santa Clara	709,914	51,847	6,653
Solano	167,815	11,660	4,633
Napa	56,839	1,497	-2,011
Marin	113,062	1,766	-3,525
San Mateo	292,078	16,116	-3,588
San Francisco	422,007	36,195	-4,202
Sonoma	212,457	6,320	-7,604

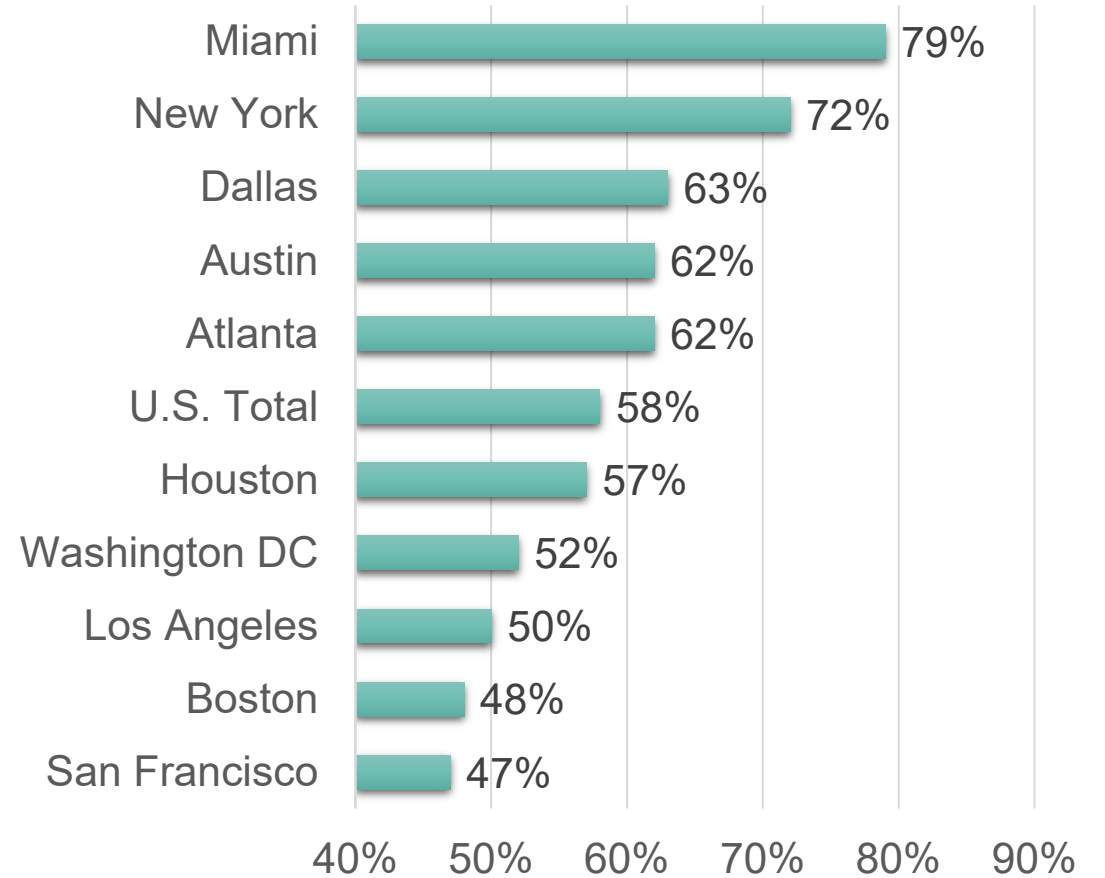


San Francisco Commuting

San Francisco County



Return to Office - Jan-20 vs. Feb-25



Work from Home / Commute

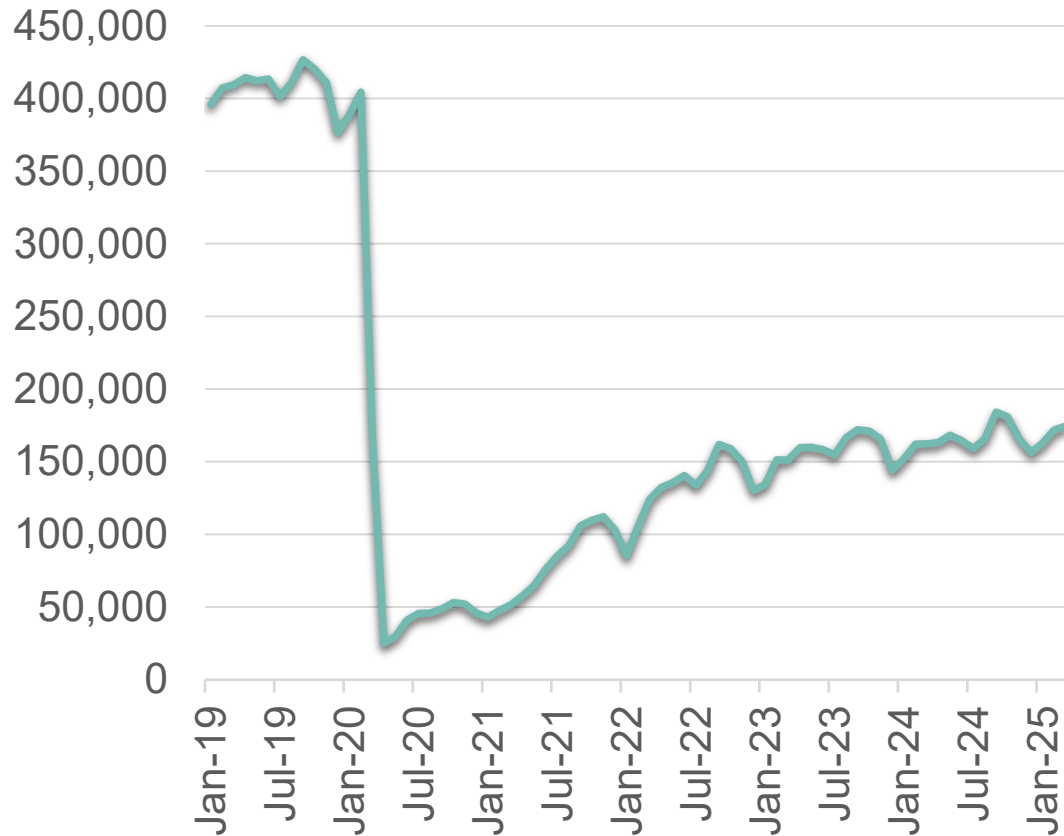
Work from Home	WFH 2018 (%)	WFH 2023 (%)
United States	5.3	13.8
California	6.0	14.6
Alameda	6.9	20.4
Contra Costa	6.8	17.7
Marin	15.4	26.3
San Francisco	6.3	24.4
San Mateo	5.4	18.5
Santa Clara	5.0	16.4

Marin County Workers: Place of Residence	2018	2023
Marin	62.2	73.9
San Francisco	23.0	13.3
San Mateo	1.4	3.9
Other	3.9	3.2
Sonoma	3.7	2.6
Alameda	3.1	2.5
Contra Costa	2.4	0.4
Napa	0.2	0.1



Tax Receipts and Commuters

Number of Average Weekday BART Station Exits

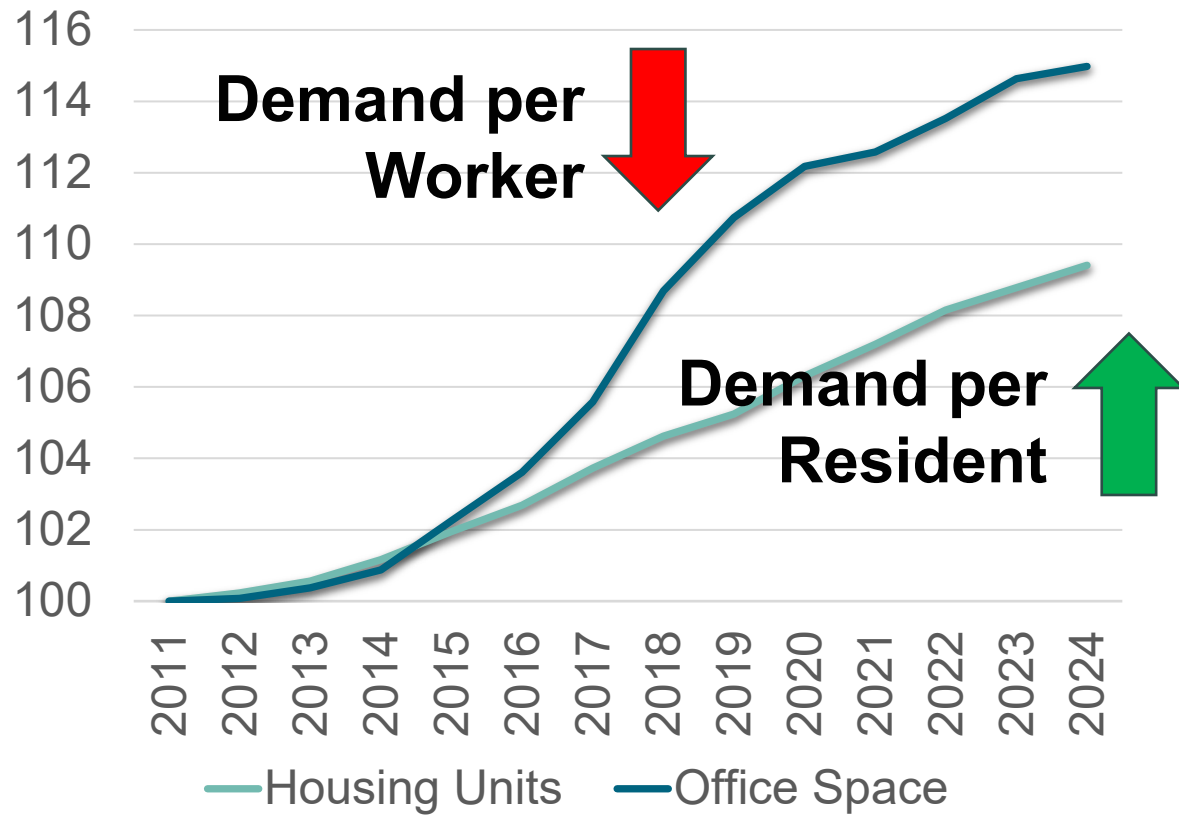


Location	Q4-24 (\$, 000s)	1-Year Chg. (%)	Chg. Since Q4-19 (%)
California	2,281,982	-1.1	22.5
Solano	25,604	-2.5	20.1
Napa	11,193	-1.9	18.1
San Mateo	55,264	-0.9	16.8
Marin	16,444	0.8	16.2
Santa Clara	145,837	3.2	16.0
Contra Costa	54,133	-2.9	12.6
Sonoma	28,775	-3.6	10.0
Alameda	98,365	-0.9	9.2
San Francisco	46,111	-1.1	-12.1

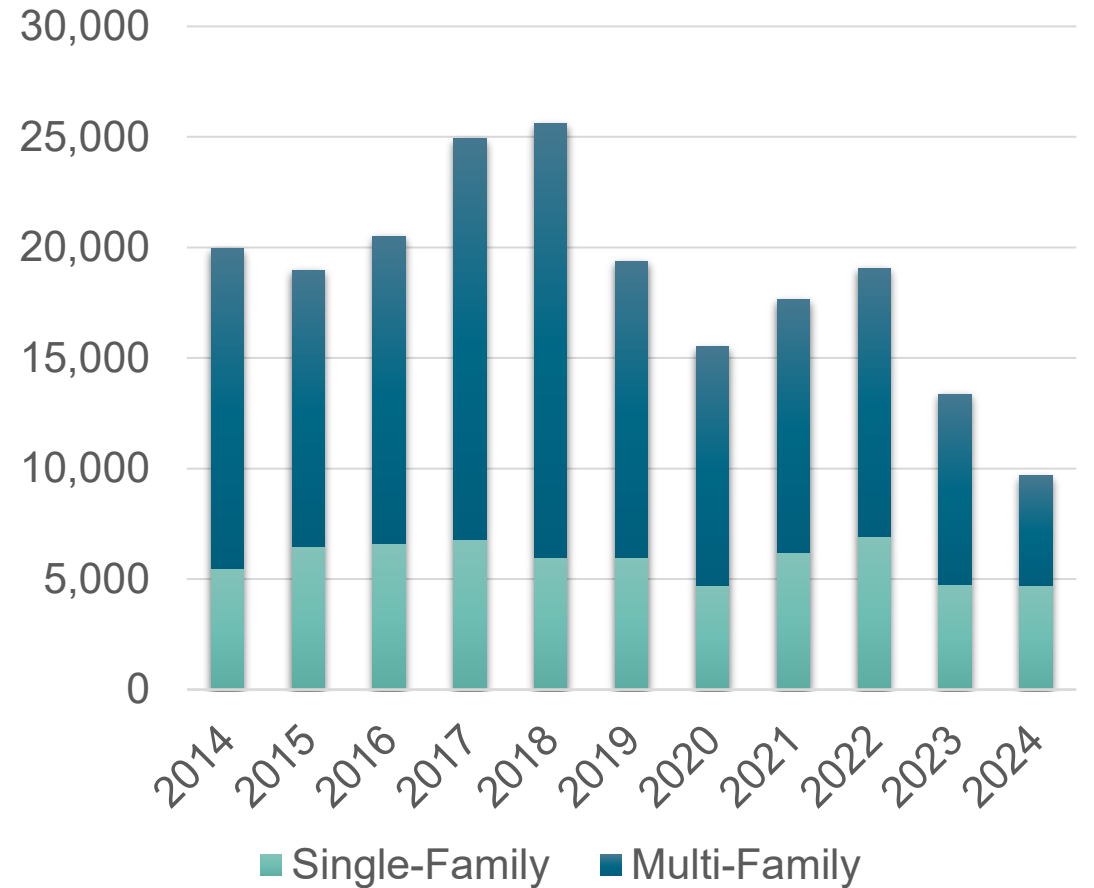


Long Run: Rebalancing Land Use

Index of Office Space and Housing Units San Jose



Bay Area Residential Permits



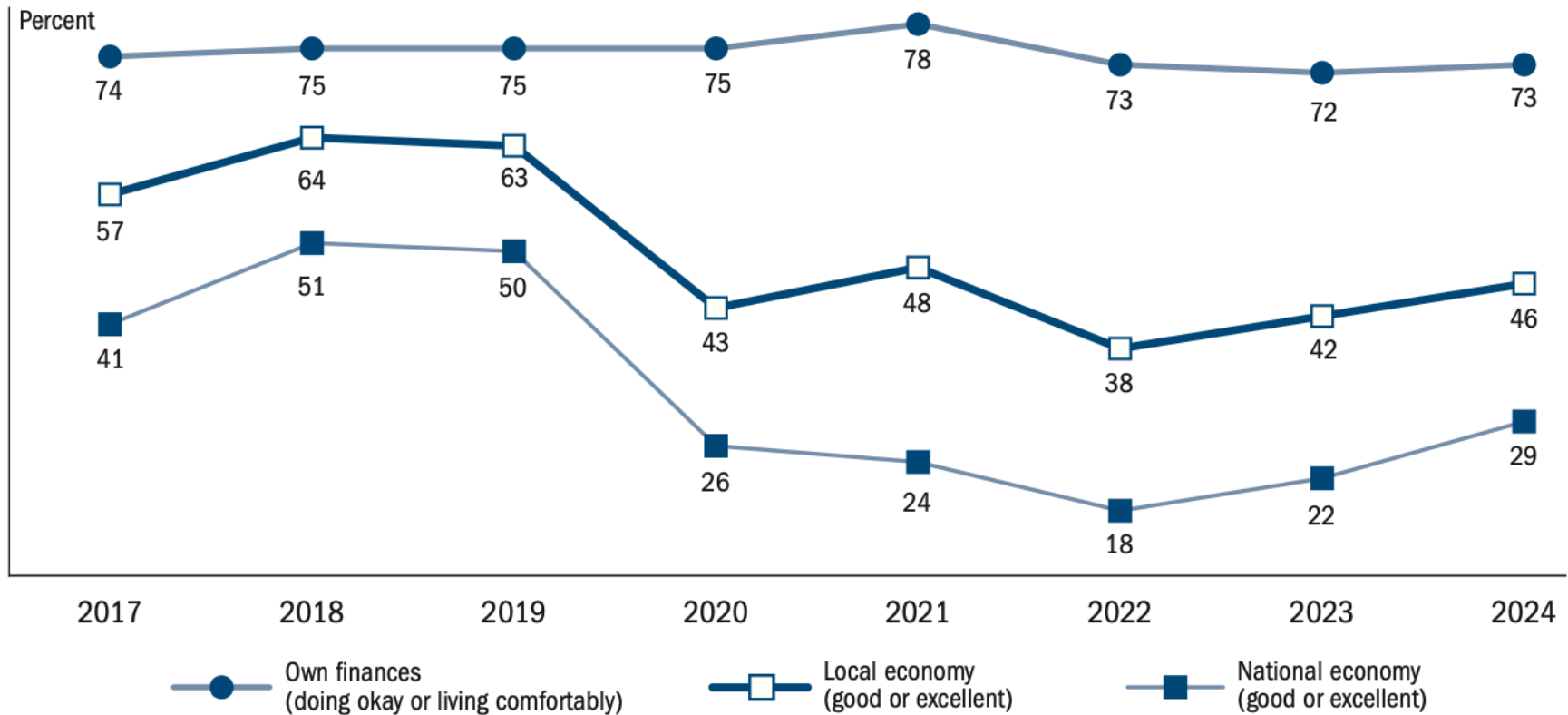
Supply, Not Affordability

<u>Owner Occupied</u>			<u>Tenant Occupied</u>		
	35.0 percent or more			35.0 percent or more	
	2018	2023		2018	2023
Los Angeles	34%	35%	Florida	47%	52%
Orange	30%	31%	Fresno	47%	49%
San Francisco	30%	31%	Orange	47%	49%
California	29%	31%	Los Angeles	48%	48%
Kern	26%	30%	Contra Costa	44%	47%
Florida	26%	29%	California	45%	47%
Alameda	24%	28%	Sacramento	46%	46%
San Mateo	29%	28%	Arizona	38%	45%
Sacramento	24%	25%	Texas	40%	43%
Santa Clara	26%	24%	San Mateo	40%	39%
Texas	21%	23%	Santa Clara	36%	37%
Arizona	20%	22%	San Francisco	28%	32%



How do narratives go astray?

Figure 7. Assessment of own financial well-being, local economy, and national economy (by year)



Note: Among all adults. For each series, the responses presented represent the most favorable two outcomes on a four-point scale.



How About Gen-Z?

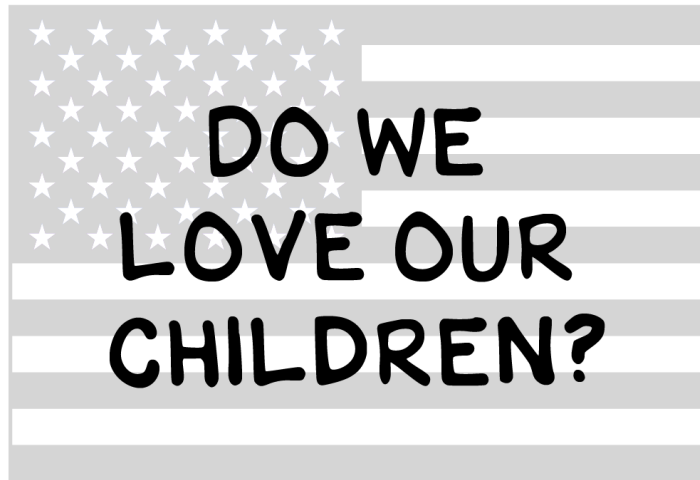
NO MERCY/NO MALICE

War on the Young



Scott Galloway @profgalloway

Published on April 19, 2024



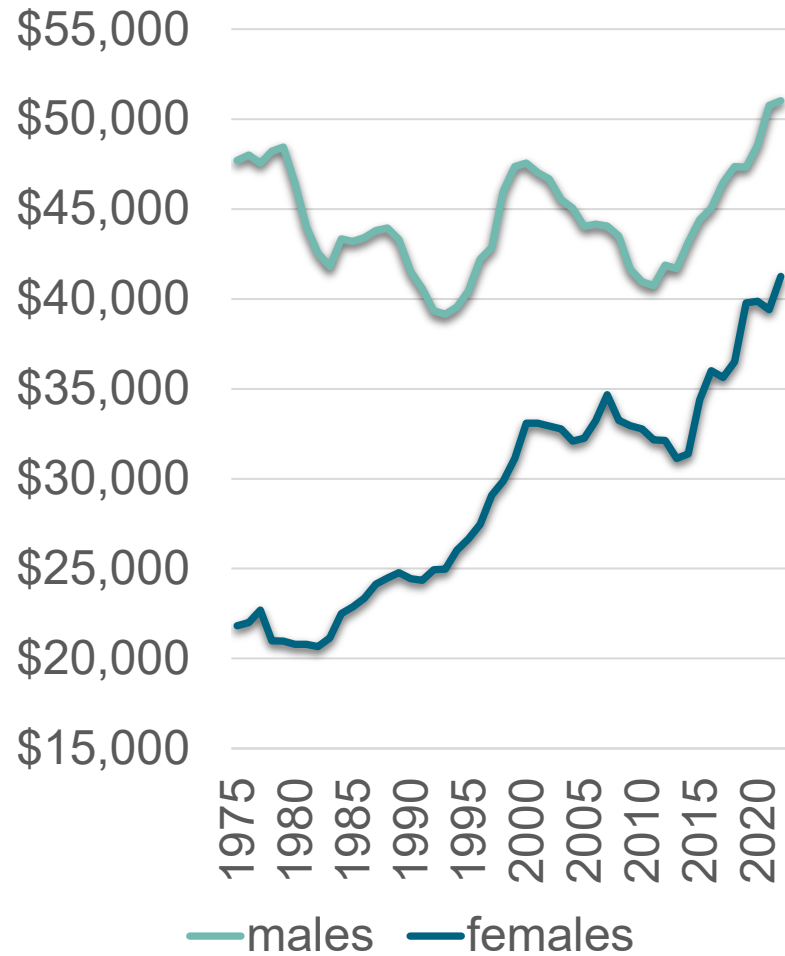
Why the “social contract” has been broken:

- Today’s 25-year-olds make less than their parents and grandparents did at the same age
- They carry student debt loads unimaginable to earlier generations
- Housing costs have outpaced them

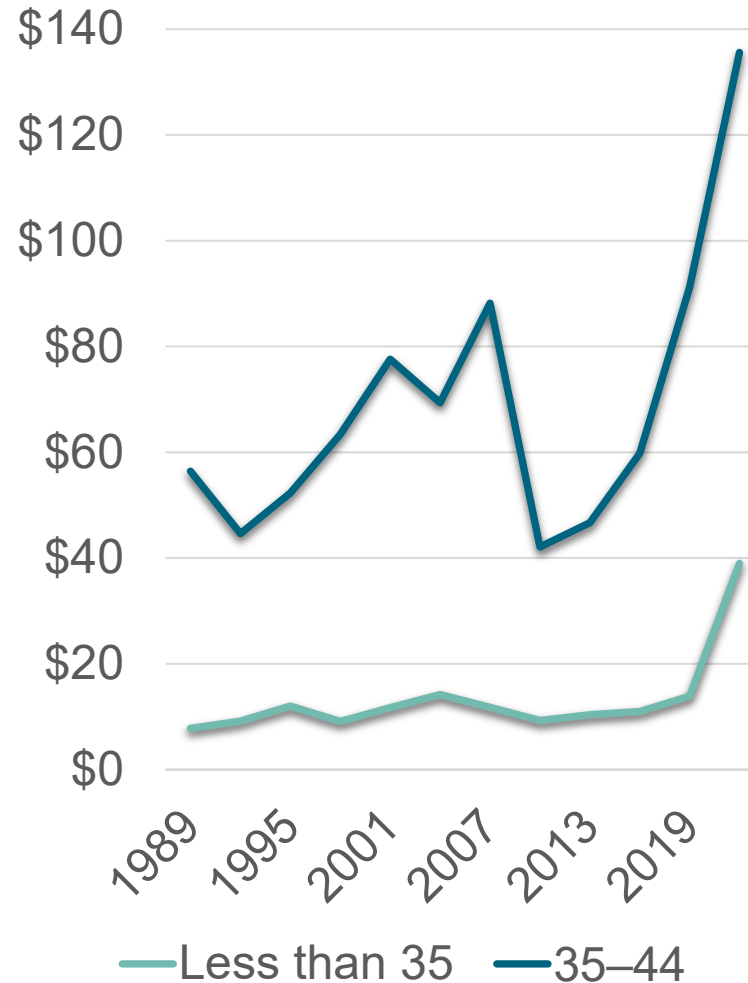


What about Gen Z's income & wealth?

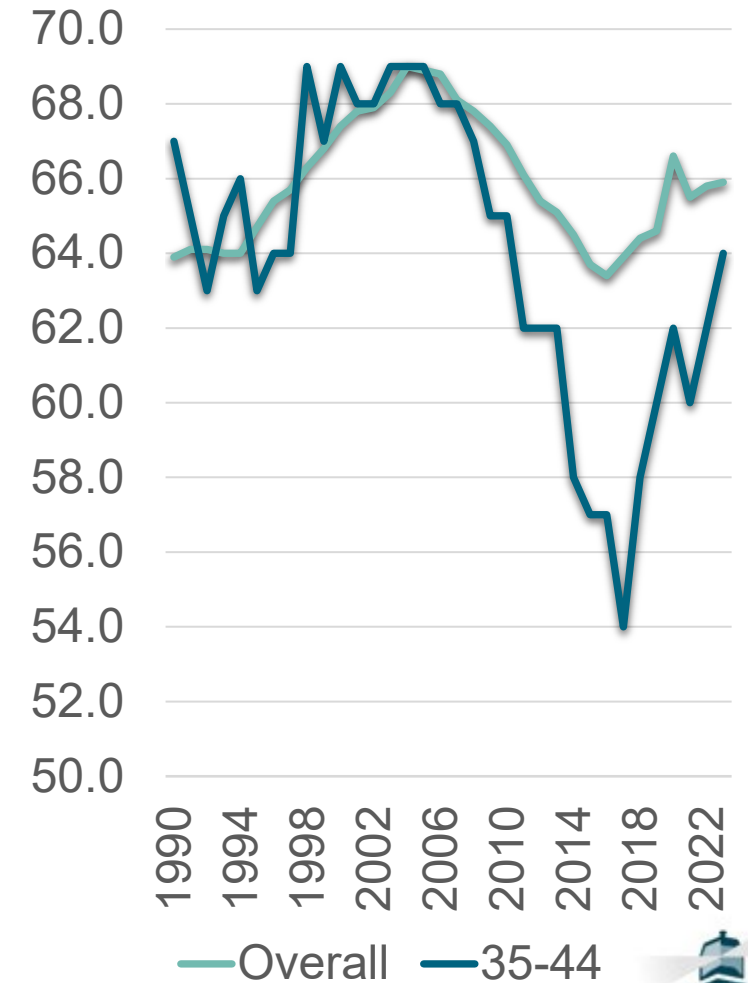
Real Median Income 25-34 Years



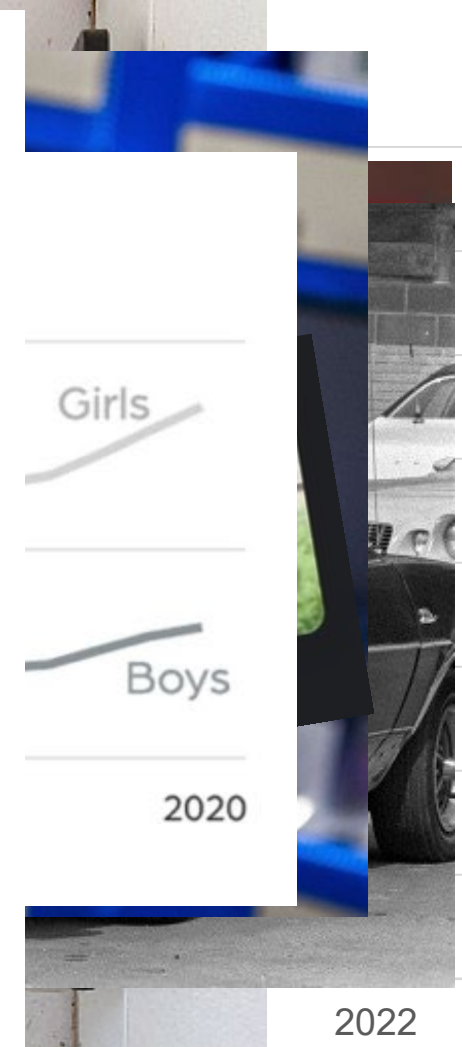
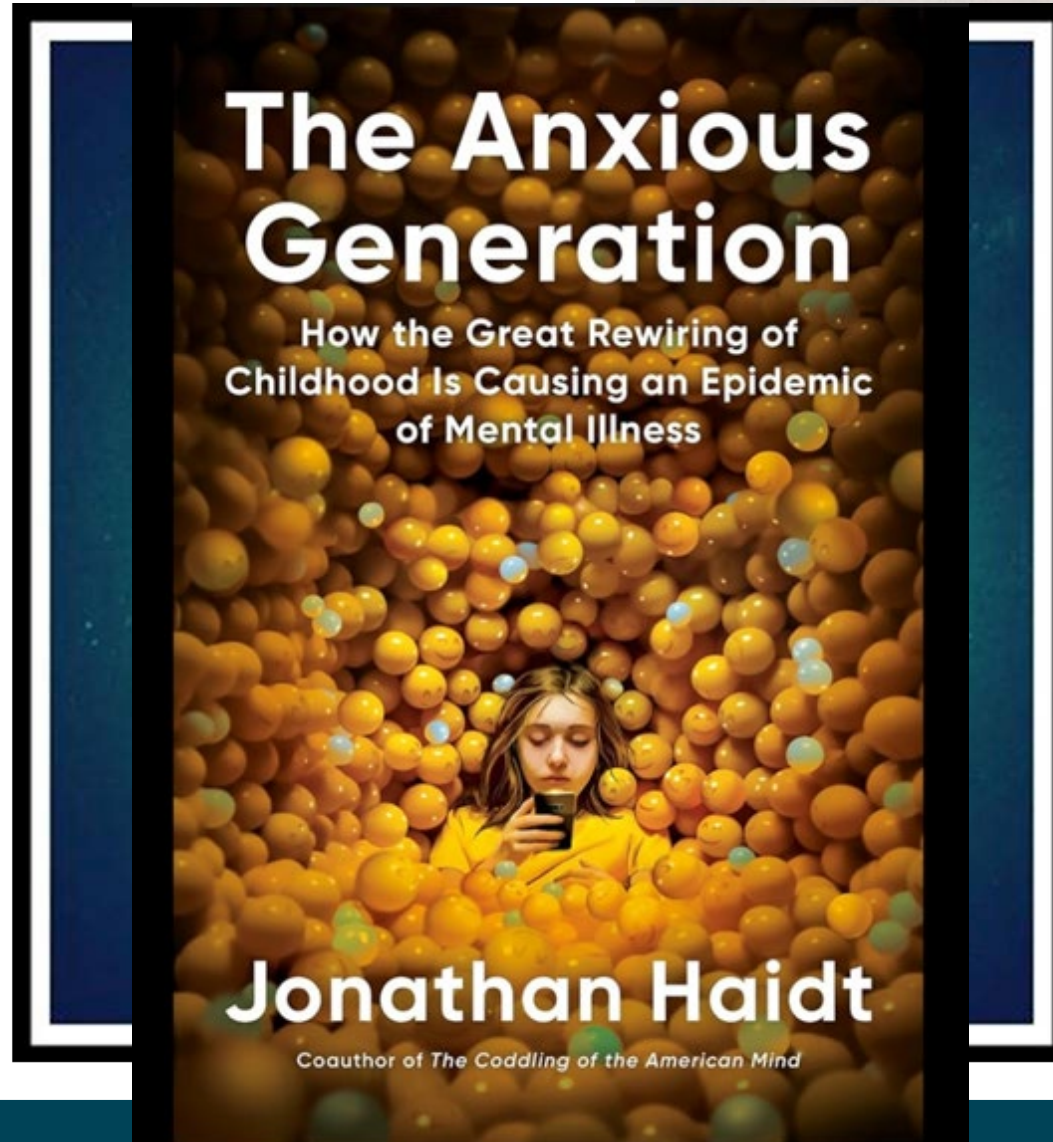
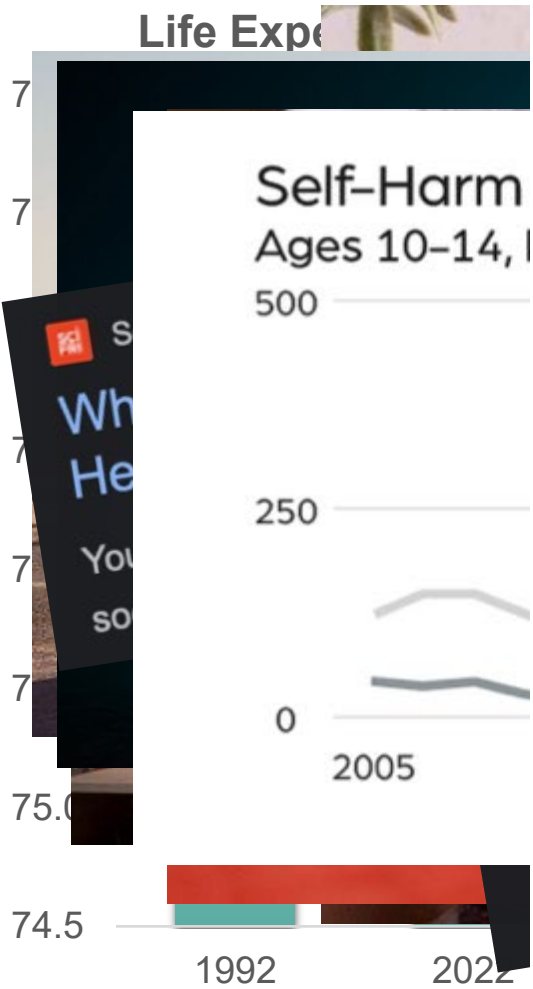
Real Median Net Worth \$000's



Home Ownership Rates



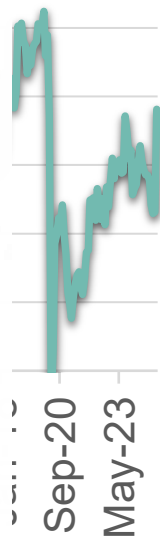
Other Quality of Life Metrics



Labor Supply Issues

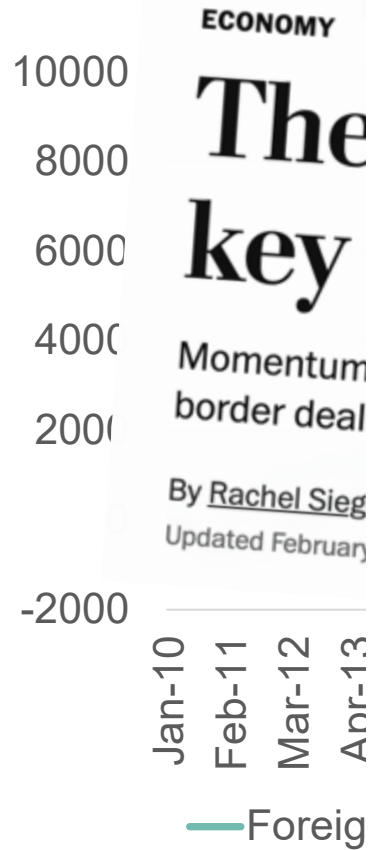
Figure 8: Increase in Average Annual Growth Rate With Estimated Policy Shifts

	Policy Change	Boost in Annual Growth Rate	Estimated By
2	Enact immigration reform to increase number of workers	0.3%	<u>CBO</u>
2	Reform the income tax code	0.05% - 0.3%	<u>JCT, Treasury</u>
1	Increase the Social Security retirement ages by two years	0.15%	<u>CBO</u>
1	Reduce deficits by \$4 trillion over ten years	0.1%	<u>CBO</u>
1	Expand energy production at level of shale boom*	0.09%	<u>CBO</u>
1	Repeal the Affordable Care Act ("Obamacare")	0.08%	<u>CBO</u>
1	Ratify the Trans-Pacific Partnership	0.01%	<u>U.S. ITC</u>
	Increase public investment in infrastructure, education, and research by \$400 billion	0 - 0.01%	<u>CBO</u>



Migration and the US Labor Force

US Labor Force Growth by



POLITICS APRIL 30, 2024

Immigration Named Top U.S. Problem for Third Straight Month

Immigration has been the most politically polarizing issue mentioned in past 25 years

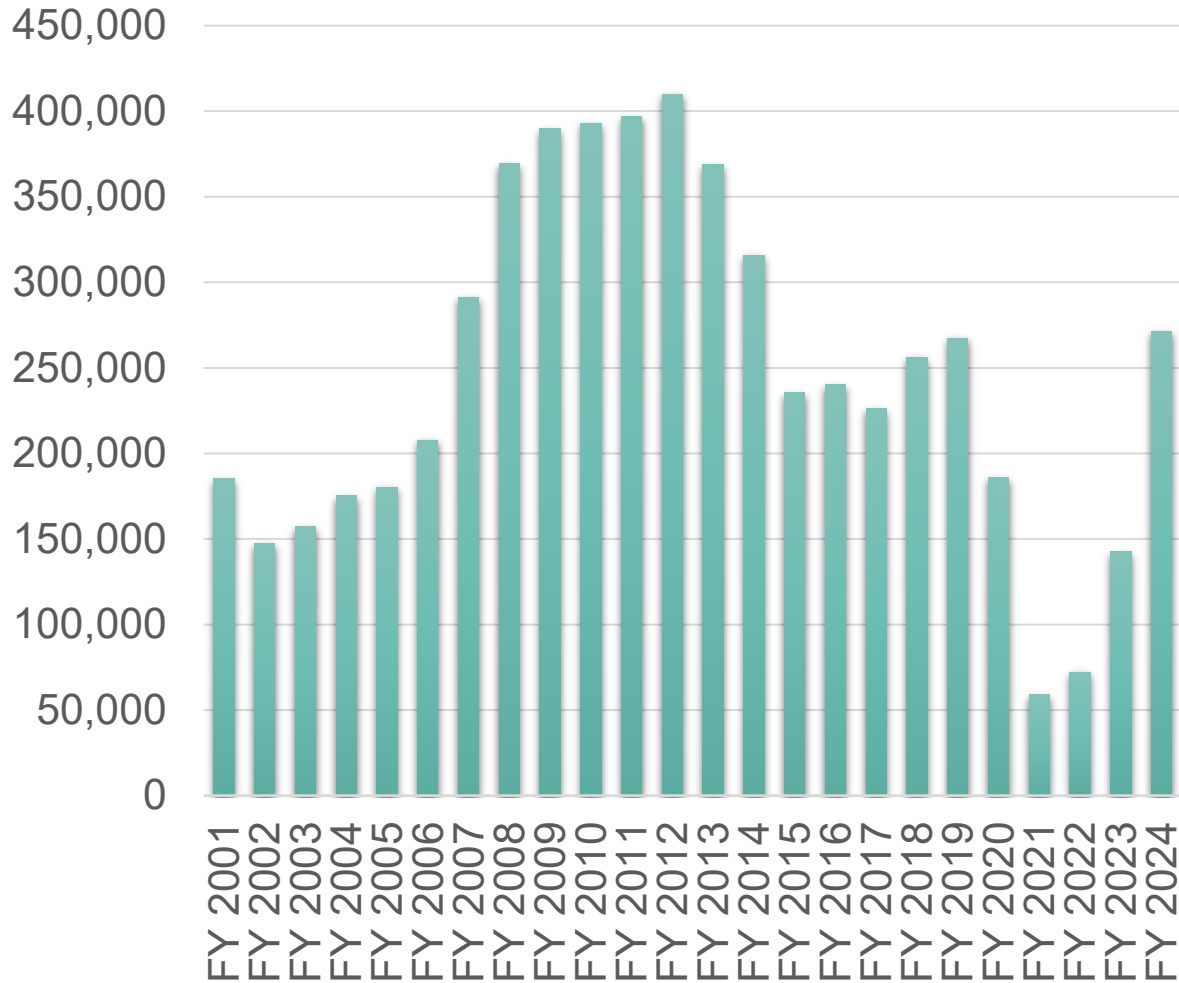
BY MEGAN BRENNAN

State	2023 Foreign Born % of LF
Washington	20.1
New Mexico	13.1
California	17.3
Florida	16.7
Illinois	16.5
Arizona	16.3
Texas	15.5
Colorado	8.4
Georgia	15.2
North Carolina	9.5
Michigan	8.7

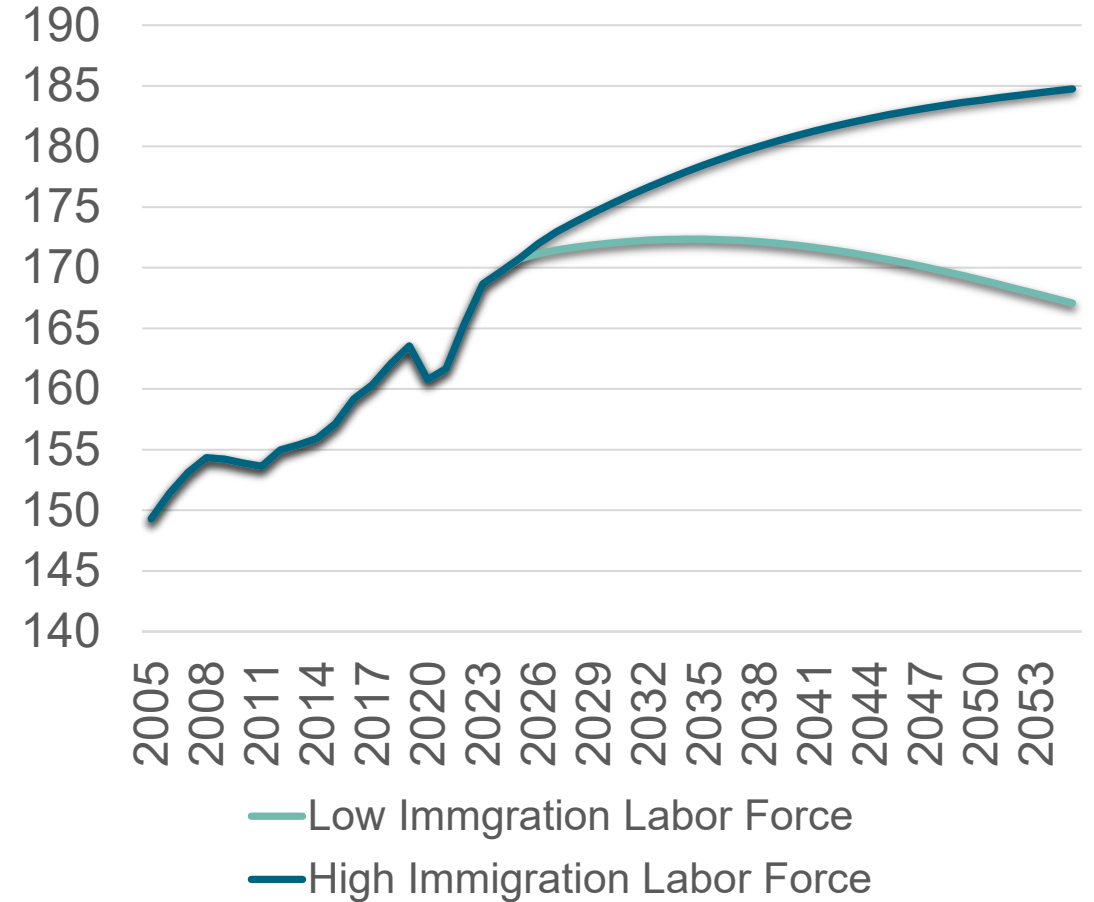


Which is the bigger issue?

Total Removal by Fiscal Year



Immigration and Labor Force Levels (Millions workers)

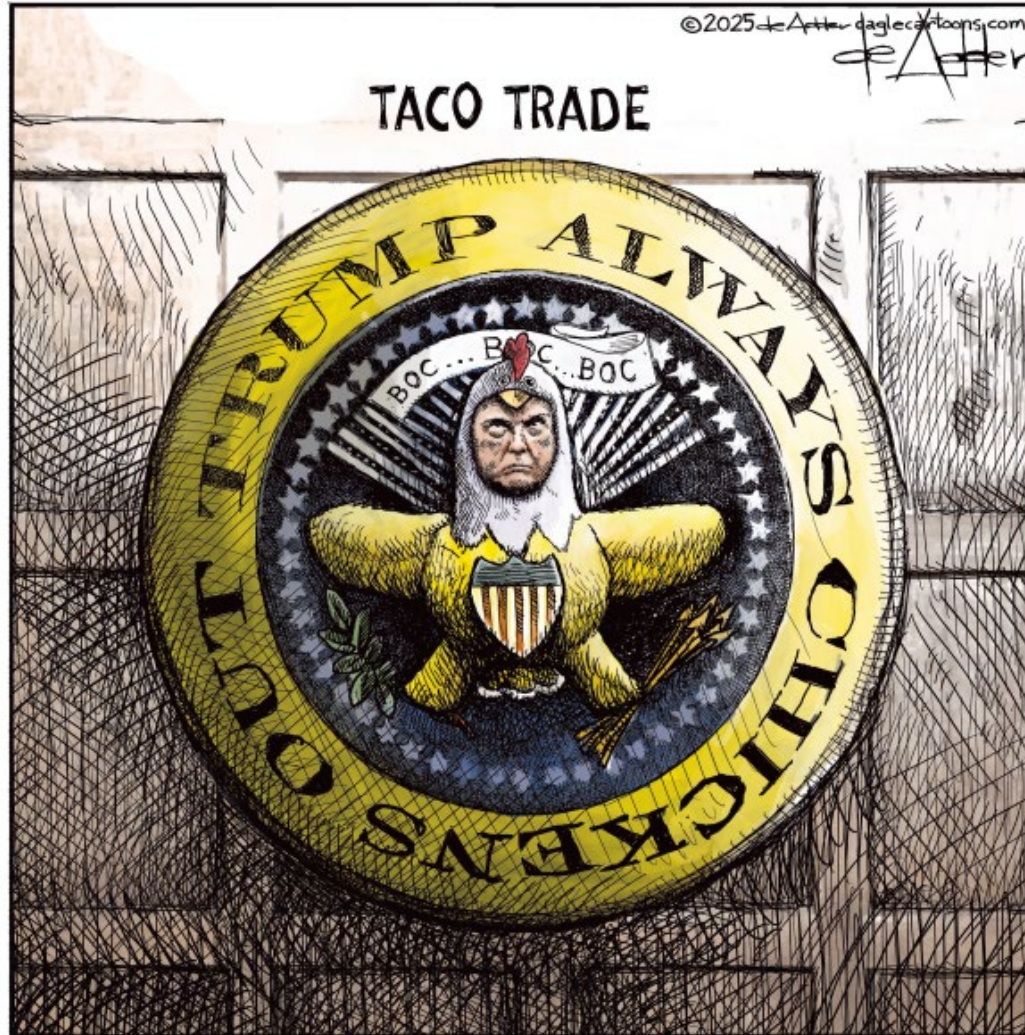
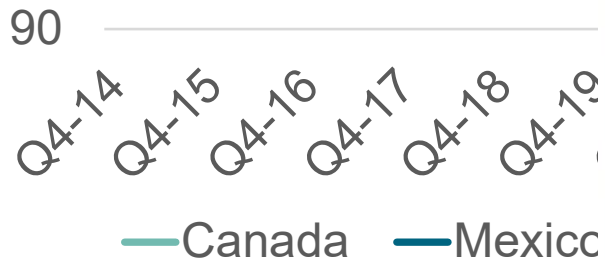


North American Labor Force Trends

Indexed Labor
120
CNN Business

Trump announces pause on 'reciprocity' with exception

By Elisabeth Buchwald and Kevin Lipton
7 minute read · Updated 5:14 PM E



Price Indexes

will go into

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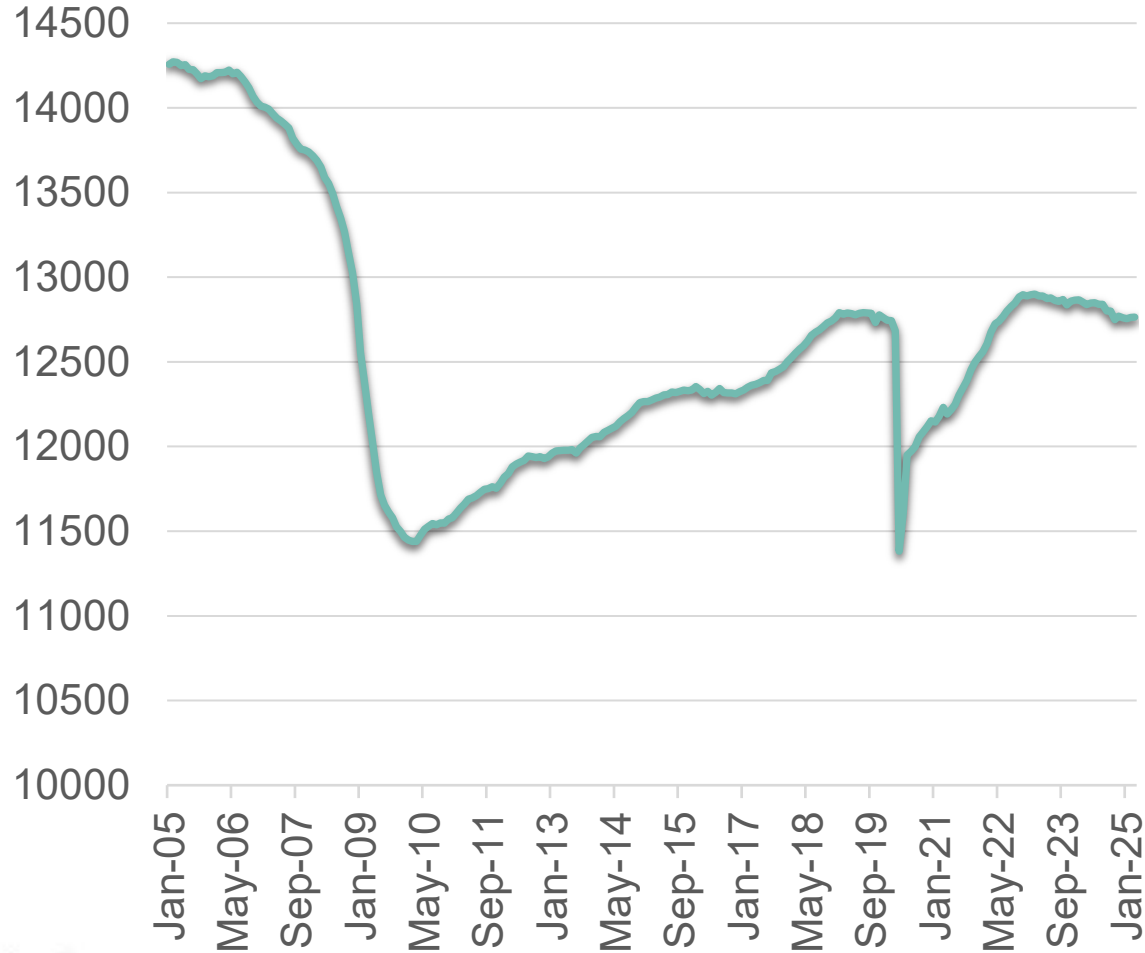
and tariffs will substantially, a partial U-turn

dated April 23, 2025

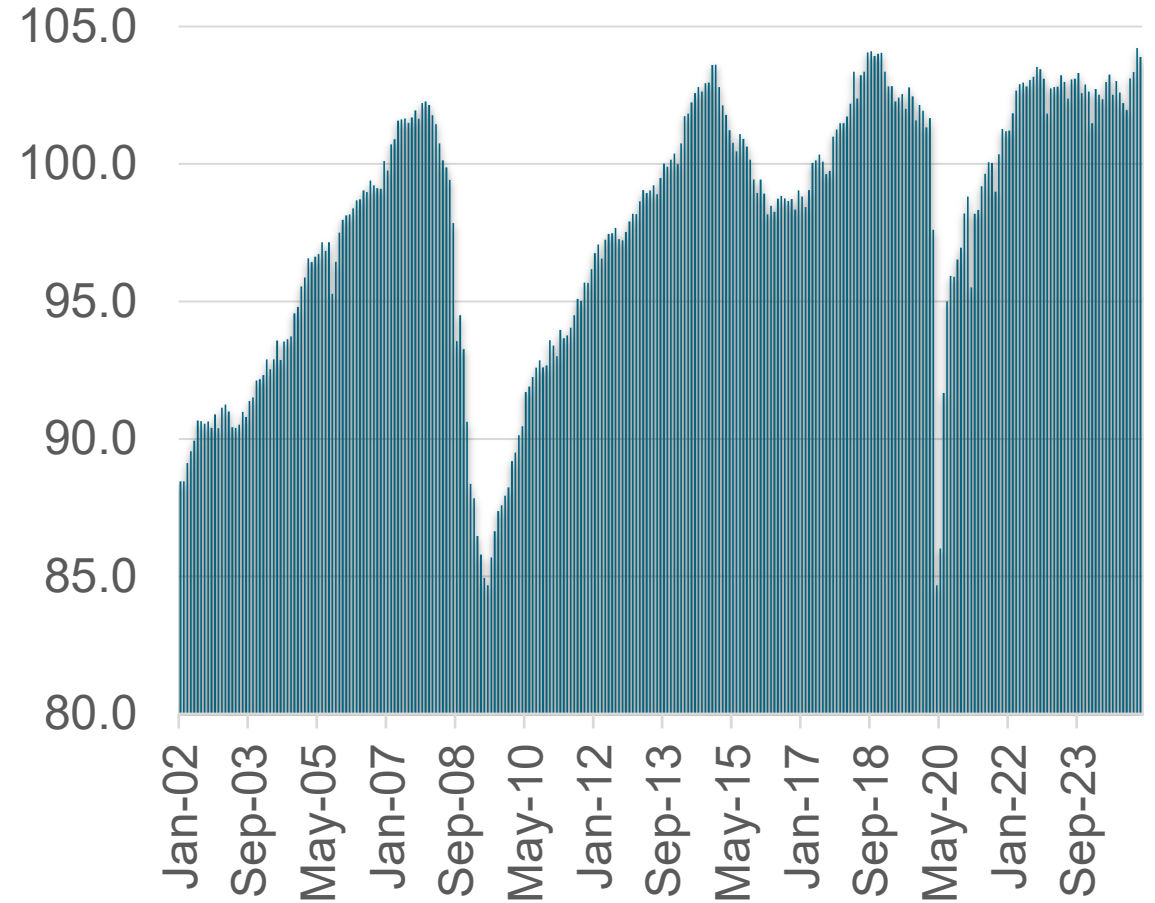


How About Manufacturing?

Manufacturing Employment

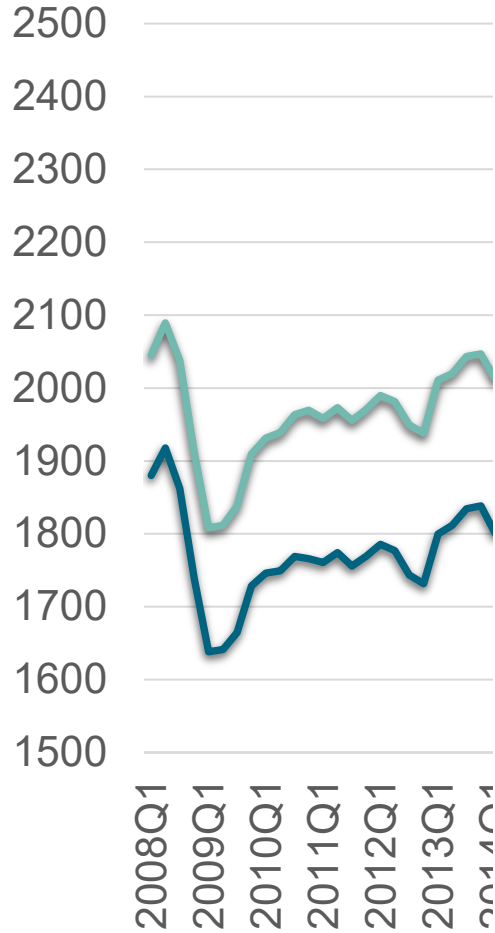


Industrial Production

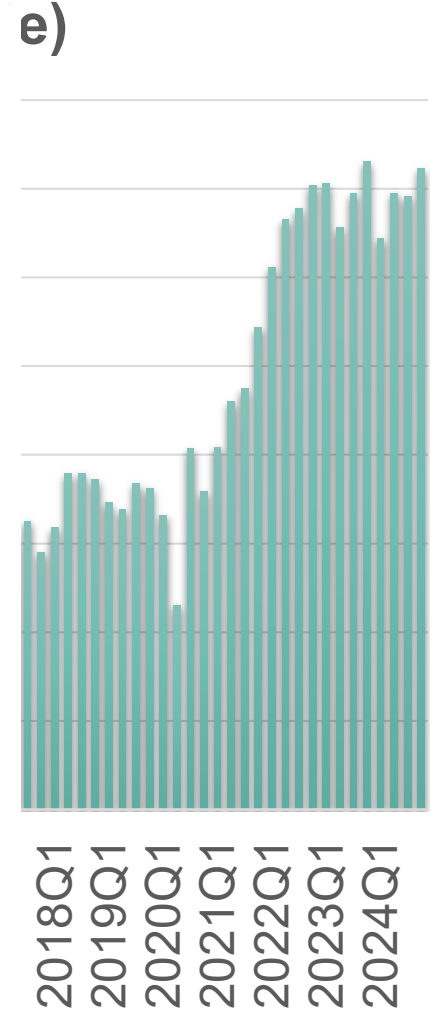


Growth on the Intensive Margin

US Real Value Added



Manufacturing Profits



BENZINGA

80% Of Americans Say The Country Would Be Better Off With More Manufacturing Jobs —But Only 25% Want One Themselves

Adrian Volenik

April 17, 2025 • 4 min read



Manufacturing



The Potential Trade Impact

The Tariff Tax: Context

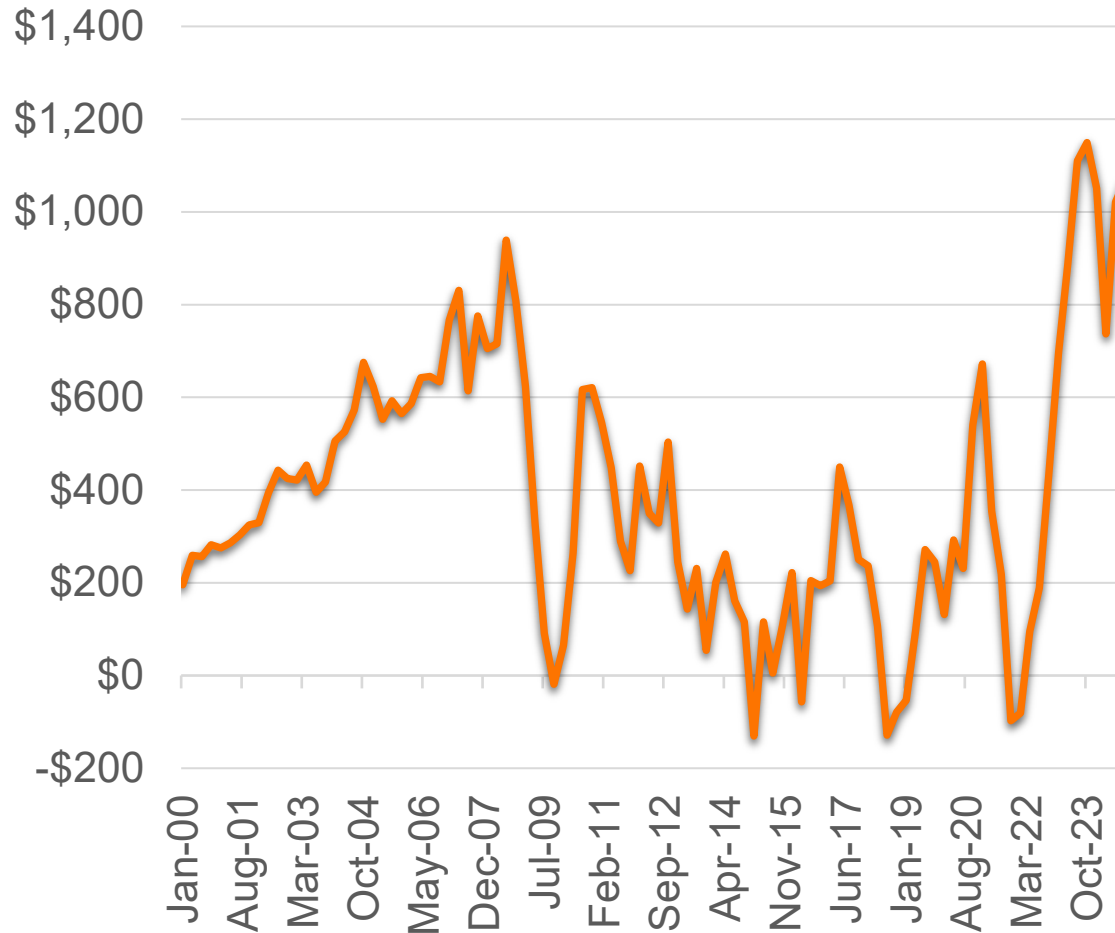
	Billions	Share GDP
GDP	\$29,723	
Total Imports Goods	\$3,267	11.0%
~~New Tariffs	\$653	2.2%
Federal Deficit	-\$1,847	-6.2%
Personal Taxes to Feds	\$2,391	8.0%
Corp Taxes to Fed	\$490	1.6%

Imports of goods 2024 \$Billions	3261	
Industrial equipment	295.6	9.1%
Petroleum and products	251.9	7.7%
Engines, parts, bodies	196.6	6.0%
Metals and products	137.5	4.2%
Electrical equipment	102.6	3.1%
Telecommunications eq	84.3	2.6%
Semiconductors and related	82.1	2.5%
Chemicals	73.2	2.2%
Civilian aircraft, engines parts	62.7	1.9%
Scientific, hospital, and medical	62.5	1.9%
Building materials	45.7	1.4%
Mining, and construction eq	27.3	0.8%
Consumer goods	803.5	24.6%
Automotive vehicles	278.8	8.5%
Computers, peripherals, and parts	216	6.6%

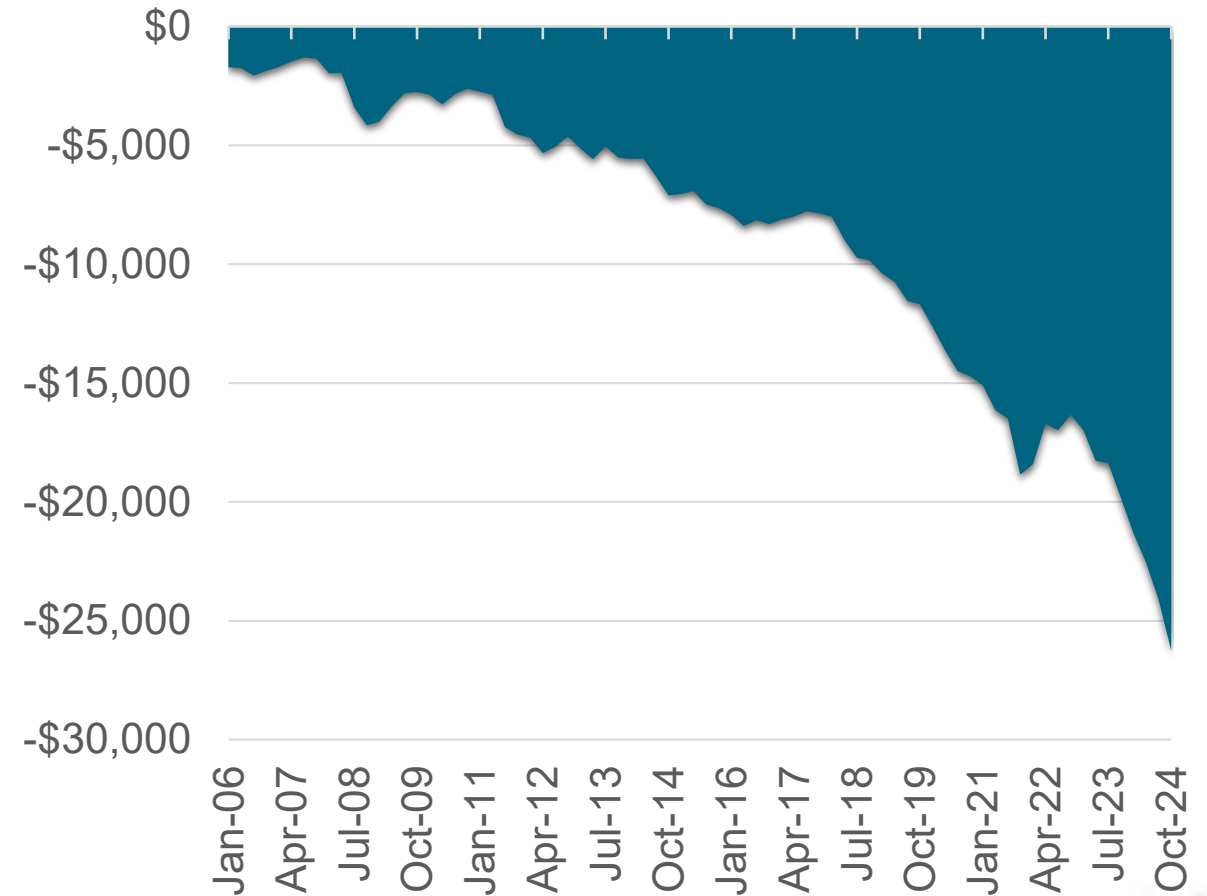


Who is Paying the Bills?

Net Inflows of Portfolio Investment (\$Billions, SAAR)

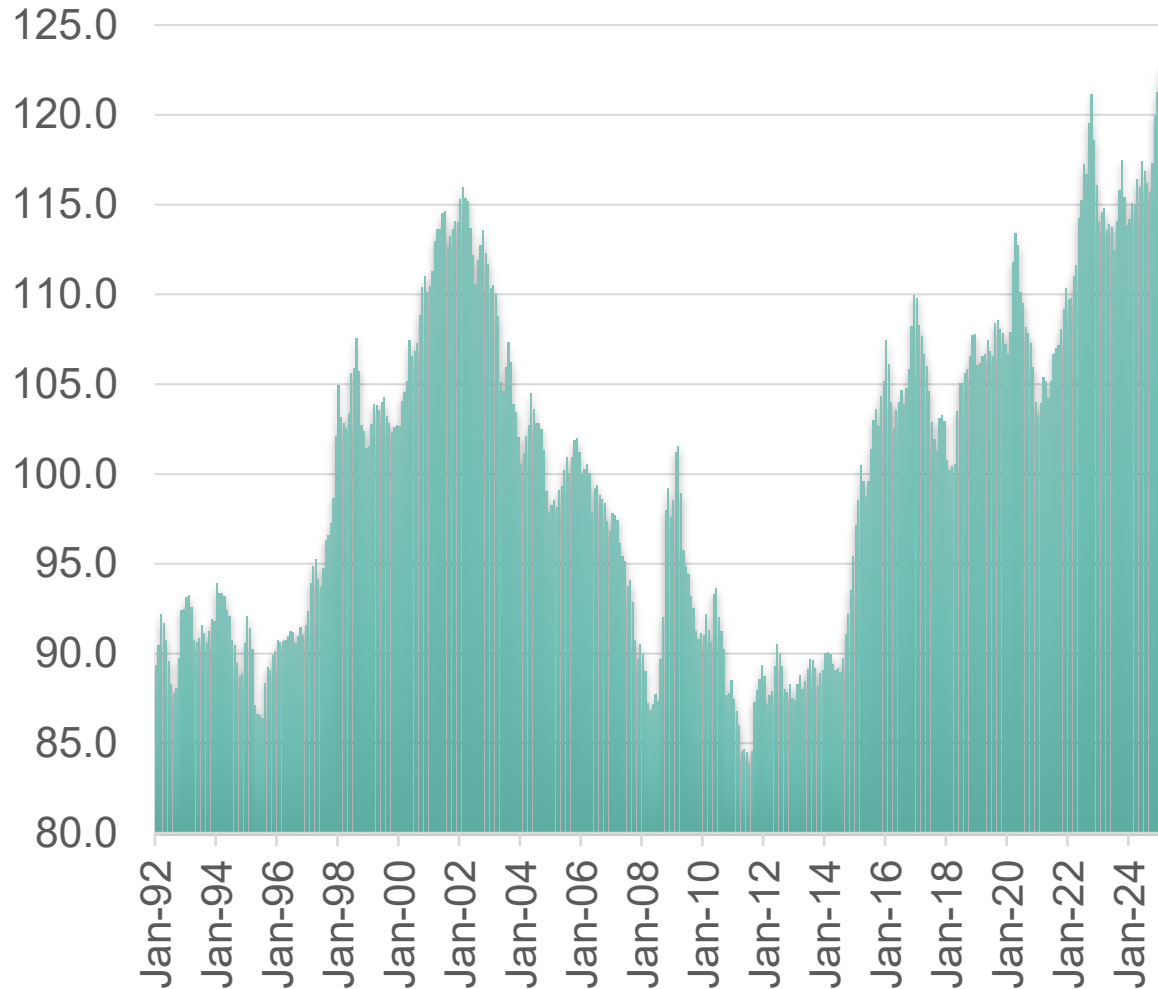


U.S. Net International Investment Position \$Billions

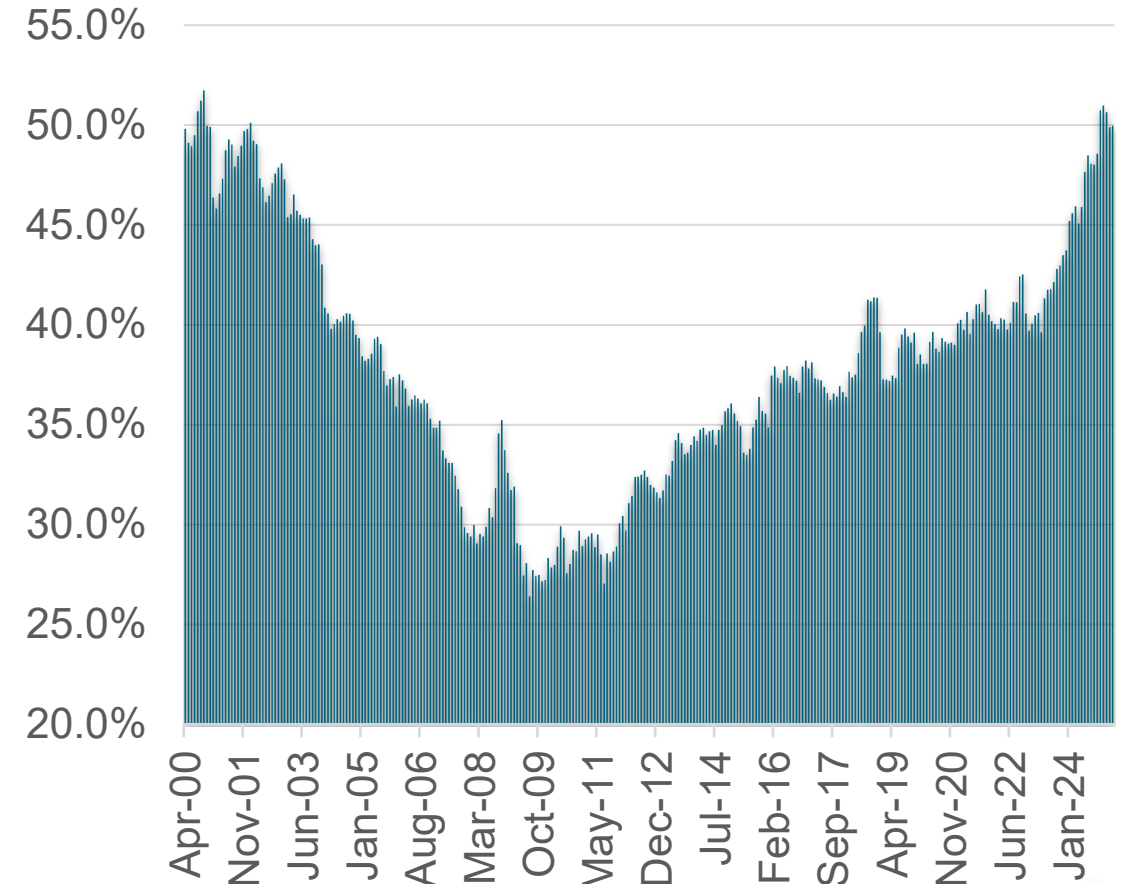


Chasing Yield, Not Value

Real Value \$US (Broad Index)



US Equity Market Capitalization as Share of Global Total



Powell's Other Legacy; Asset Bubbles

Market Summary > Bitcoin

Fartcoin FARTCOIN 78K [Chart](#) [Markets](#) [News](#) [Community](#) [Yield](#) [About](#) [Buy FARTCOIN](#)

**Be fearful when others are greedy,
be greedy when others are fearful.
- Warren Buffett**



0 1880 1890 1900 1910 1920 1930 1940 1950 1960 1970 1980 1990 2000 2010 2020



The Recent Reactions to Turbulence



FINANCE · BUDGET DEFICIT

Congressional Budget Office digs further into 'Big, Beautiful Bill' and now says it will raise deficit by \$2.8 trillion, \$441 billion more than before



BY FATIMA HUSSEIN

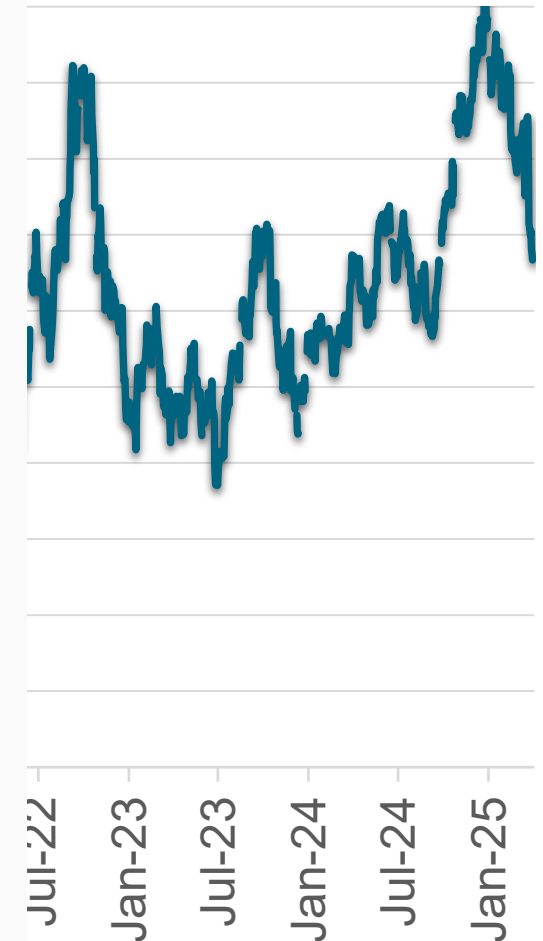


BY LISA MASCARO

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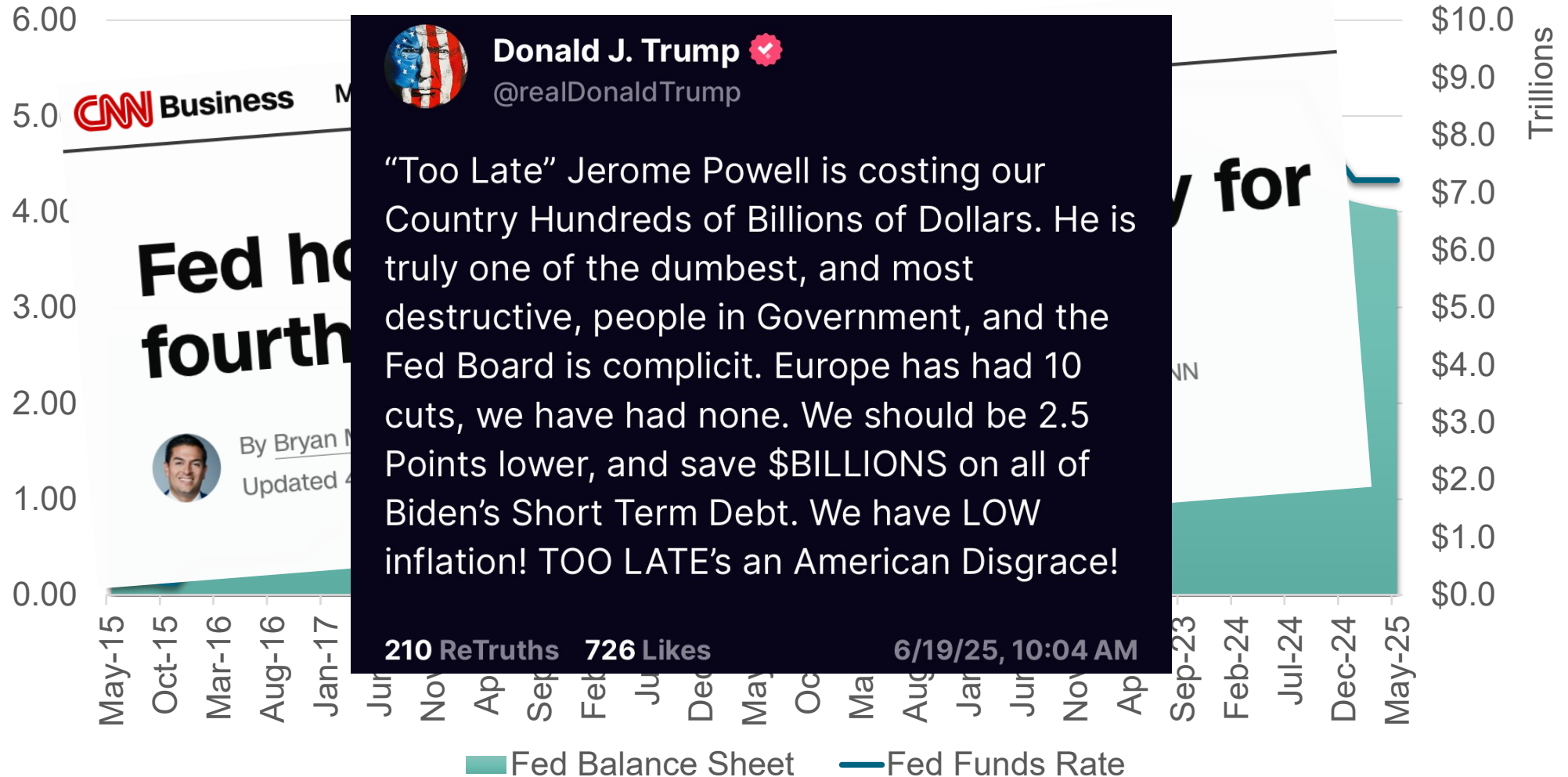
June 18, 2025 at 4:18 AM EDT

Dollar Index



Where is the Fed?

Fed Policy Direction



CNN Business

Fed has fourth



By Bryan M.
Updated 4



Donald J. Trump ✓
@realDonaldTrump

“Too Late” Jerome Powell is costing our Country Hundreds of Billions of Dollars. He is truly one of the dumbest, and most destructive, people in Government, and the Fed Board is complicit. Europe has had 10 cuts, we have had none. We should be 2.5 Points lower, and save \$BILLIONS on all of Biden’s Short Term Debt. We have LOW inflation! TOO LATE’s an American Disgrace!

210 ReTruths 726 Likes 6/19/25, 10:04 AM

Fed Balance Sheet Fed Funds Rate



The Narrative / Reality Gap

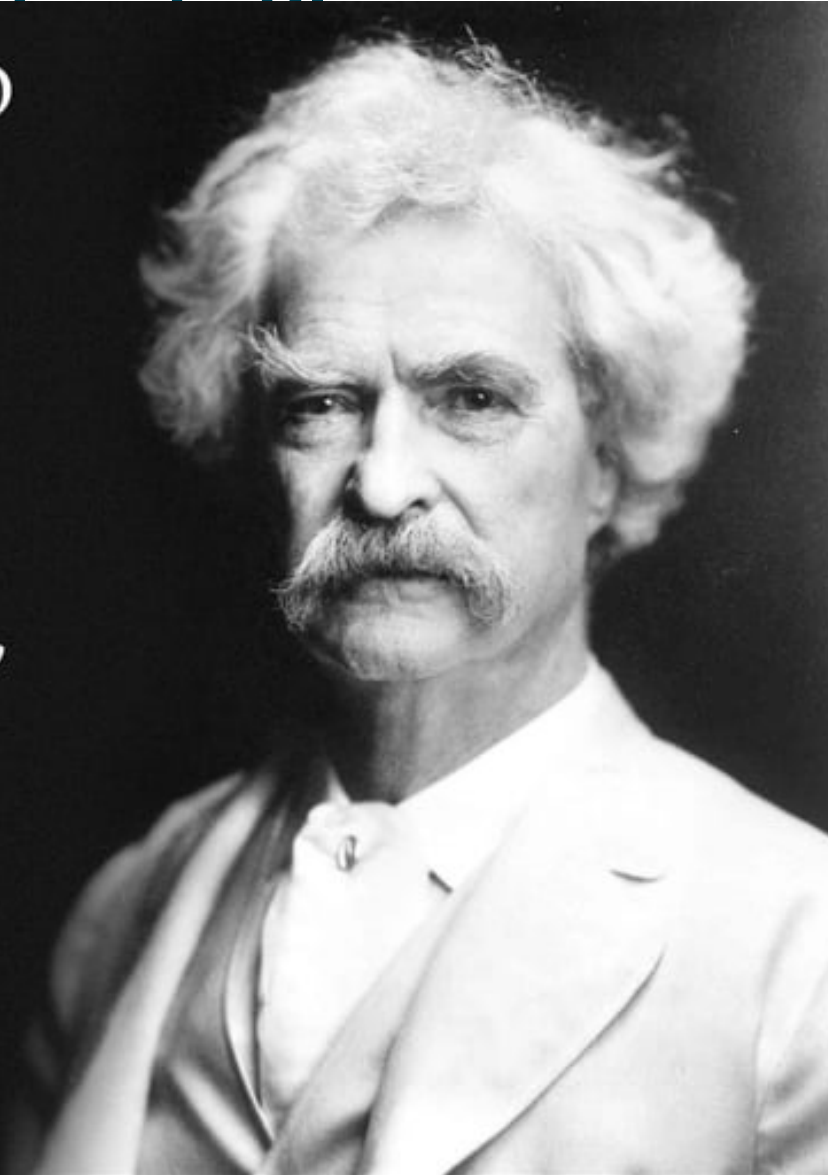
	Q4 12	Q4 16	Q4 20	Q4 24
	Obama	Trump	Biden	Trump
Real GDP Growth YoY Gr	1.6%	2.2%	-1.0%	2.5%
Unemployment Rate	7.8%	4.8%	6.8%	4.1%
Real Per Capita DPI	\$42,342	\$43,846	\$49,476	\$51,637
Household Debt (% GDP)	84.5%	77.9%	77.5%	70.0%
Household Net Worth (% GDP)	413.9%	469.3%	562.3%	539.5%
UM: Consumer Sentiment	79.4	93.1	79.8	72.1
Federal Deficit % GDP	-6.5%	-3.1%	-16.2%	-6.9%
Federal Debt: % GDP	100.1%	104.6%	125.7%	121.9%
Current Account (% GDP)	-2.3%	-2.0%	-3.3%	-4.0%
Net Int Investment (% GDP)	-27.8%	-43.3%	-66.7%	-88.3%
\$Dollar (Broad Real)	87.9	108.0	105.7	119.5
Shiller P/E Ratio	21.24	27.08	32.51	37.22



Growing Risks

“IT'S EASIER TO
FOOL PEOPLE
THAN TO
CONVINCE
THEM THAT
THEY HAVE
BEEN FOOLED.”

~MARK TWAIN



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