

# Understanding Today's Economic Landscape

October 23, 2025

Current information as of  
8 AM this morning.

Things may be different  
by 5 PM.



# CDR/DR Mary Kelly

CPAE, CSP, US Navy (ret)  
(Not that kind of doctor)





# Catalyst Strategic Summit: Where Innovation Meets Action

The world economy faces a critical juncture as we enter 2026. We plan on:

- slower growth
- persistent inflation
- 50 bps drop by Jan 2026
- escalating trade tensions
- geopolitical conflicts

# Crises are all around us



## Geopolitical

- Hamas invades Israel
- Russia invades Ukraine
- China Taiwan and Mining
- Iran claims nukes
- North Korea
- Terrorists
- Food insecurity
- Refugees
- **Tariffs/Trade**

## Economics

- **Taxes**
- **Inflation**
- **Housing/rental costs**
- **Jobs**
- **GDP**
- **National Debt**
- **Labor force participation**
- **Labor costs**
- **Medical costs**

## Workplace

- Attract and retain
- Quiet quitting
- Great resignation
- Talent acquisition
- Employee engagement
- Morale
- Collegiality/Teamwork
- Regulations
- **Cybersecurity**
- **AI**

## Domestic

- Crime
- Justice
- Education
- Supply chains
- Immigration
- Elections
- Social capital
- Healthcare
- Climate issues



# Economic Issues for Credit Unions Regarding Cybersecurity in 2025

Jordan and Tyler covered this really well.

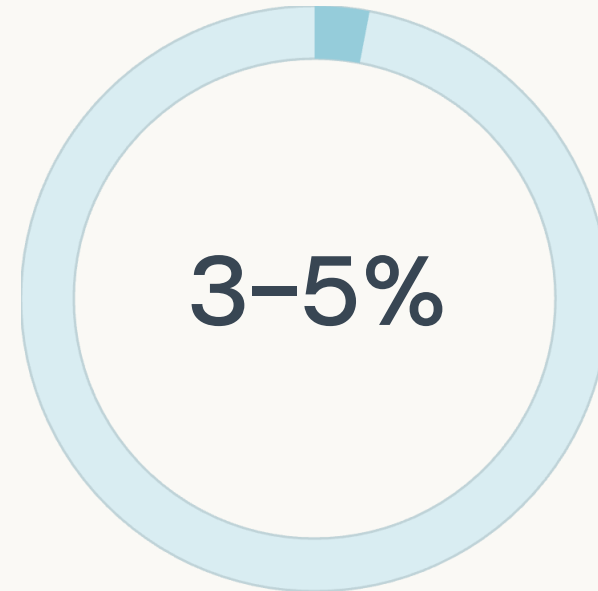
Argh!

# Tight Budgets and Resource Constraints



## IT Staff Size

Average cybersecurity team members at small credit unions compared to 15-20 at regional banks



## IT Budget Allocation

Percentage of operating budget dedicated to technology and security versus 8-12% at larger institutions



## Annual Security Spend

Typical cybersecurity investment for credit unions under \$500M in assets

Credit unions face an impossible choice: invest heavily in cybersecurity and reduce member services or competitive rates, or maintain minimal defenses and accept catastrophic breach risk.

"We're asked to defend against nation-state adversaries with the budget of a small business. The economics simply don't add up."

# The Rising Stakes: Cybersecurity as an Economic Threat

**\$9.3M**

**Average  
Breach Cost**

Financial services data breach costs have reached record highs according to IBM's 2025 Security Report

**72%**

**Business  
Interruption**

Percentage of total breach costs due to operational shutdowns not ransom payments

**35%**

**Member  
Attrition Risk**

Average membership loss following a publicly disclosed cyber incident

Cyber incidents create cascading economic consequences that extend far beyond immediate technical remediation. Member trust erosion leads to revenue decline, competitive disadvantage, and long-term financial instability.



# Emerging Threats Driving Up Costs



## AI-Powered Attacks

Sophisticated phishing campaigns using artificial intelligence, deepfake technology, and machine learning require advanced detection tools and continuous system upgrades costing \$50K-\$200K annually.



## Human Factor Training

**95% of breaches involve human error.** Comprehensive staff training programs are essential. Ongoing education, simulated phishing exercises, and regular updates matter.



## Zero-Trust Architecture

Modern security frameworks demand zero-trust models, multi-factor authentication, continuous monitoring, and network segmentation—infrastructure investments ranging from \$100K to \$500K for implementation.

Threat actors continuously evolve tactics, forcing credit unions into perpetual technology refresh cycles and escalating security expenditures just to maintain baseline protection.



# How AI is Impacting the Economy in 2026

- more efficient and effective marketing to members
- screening and training employees
- better and more communication to teams



# \$8 Trillion Added to Global Economy by 2026

**\$8T**

**2.5%**

**\$4.60**

## Economic Contribution

AI's cumulative impact on global GDP by 2026

## Current GDP Share

Accelerating toward 3.5% by 2030

## Return on Investment

Generated for every \$1 invested in AI

The multiplier effects are staggering: every dollar invested in AI technologies generates \$4.60 in economic output, reflecting the compound benefits of enhanced productivity, innovation acceleration, and new market creation.



This is  
clearly  
not  
Tilly  
Norwood.



AI Readiness Assessment



Wealth transfer from Silent and Baby Boomers over 20 years  
\$84 Trillion of cash, equities, and real estate  
\$72 Trillion to heirs  
\$12 Trillion to charities

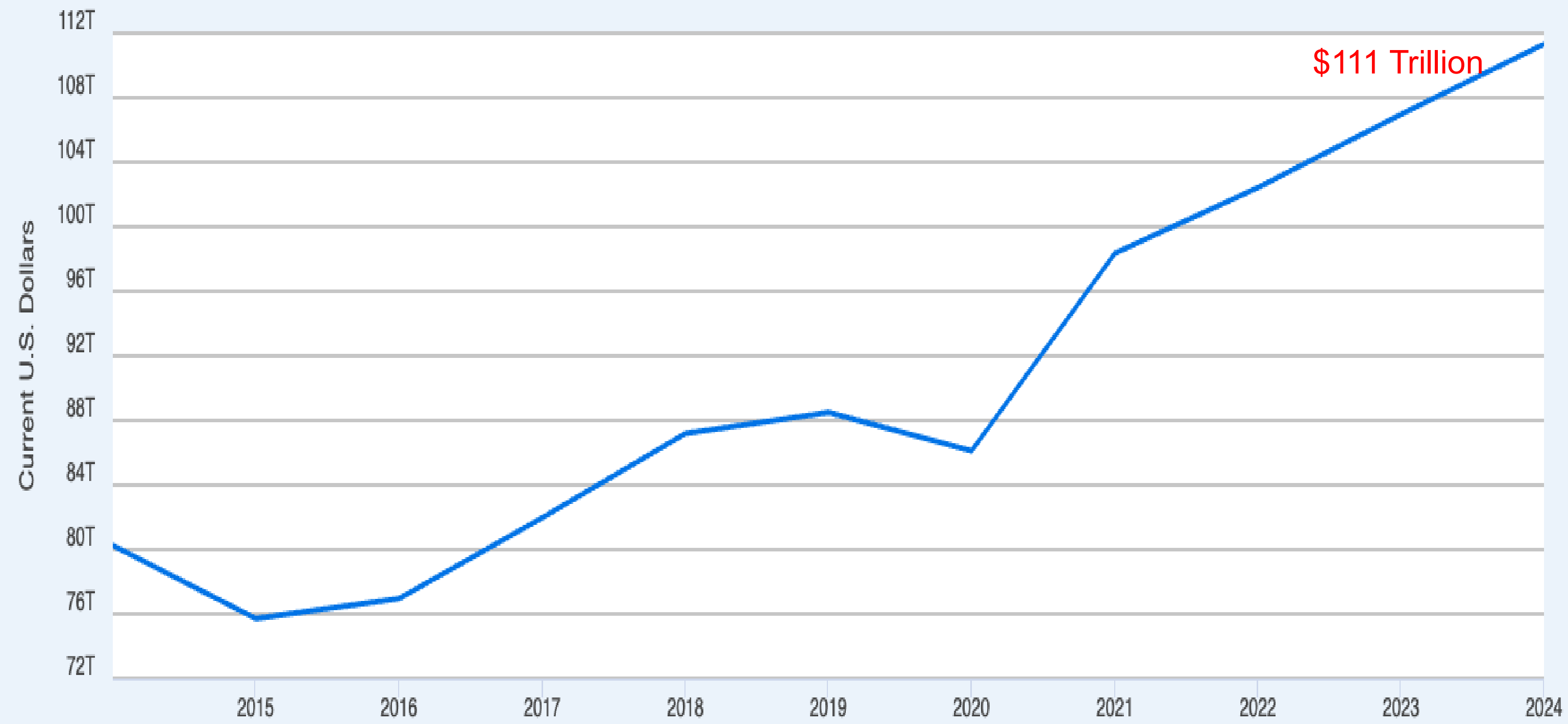
Opportunity:

Advise family members with solid financial literacy

Start them on accounts – Trump Baby accounts (in the OBBS)

# World Economies





SI No	Country Name	GDP (USD)*	GDP Per Capita (Current Prices) (USD)*
1	United States (US)	\$30.50 trillion	\$89,105
2	China	\$19.23 trillion	\$13,657
3	Germany	\$4.74 trillion	\$55,911
4	India	\$4.19 trillion	\$2,934
5	Japan	\$4.19 trillion	\$33,955
6	United Kingdom (U.K.)	\$3.84 trillion	\$54,949
7	France	\$3.21 trillion	\$46,792
8	Italy	\$2.42 trillion	\$41,091
9	Canada	\$2.23 trillion	\$53,558
10	Brazil	\$2.13 trillion	\$10,234

*\*This list is updated as per the latest IMF World Economic Outlook data released in April 2025.*

# Global Growth Forecasts for 2025-2026

## Optimistic Projections

The **IMF** and **The Conference Board** project global GDP growth around **3.0%** in 2025, with expectations of a modest rise to **3.1%** in 2026, signaling continued expansion despite headwinds.

## Cautious Outlooks

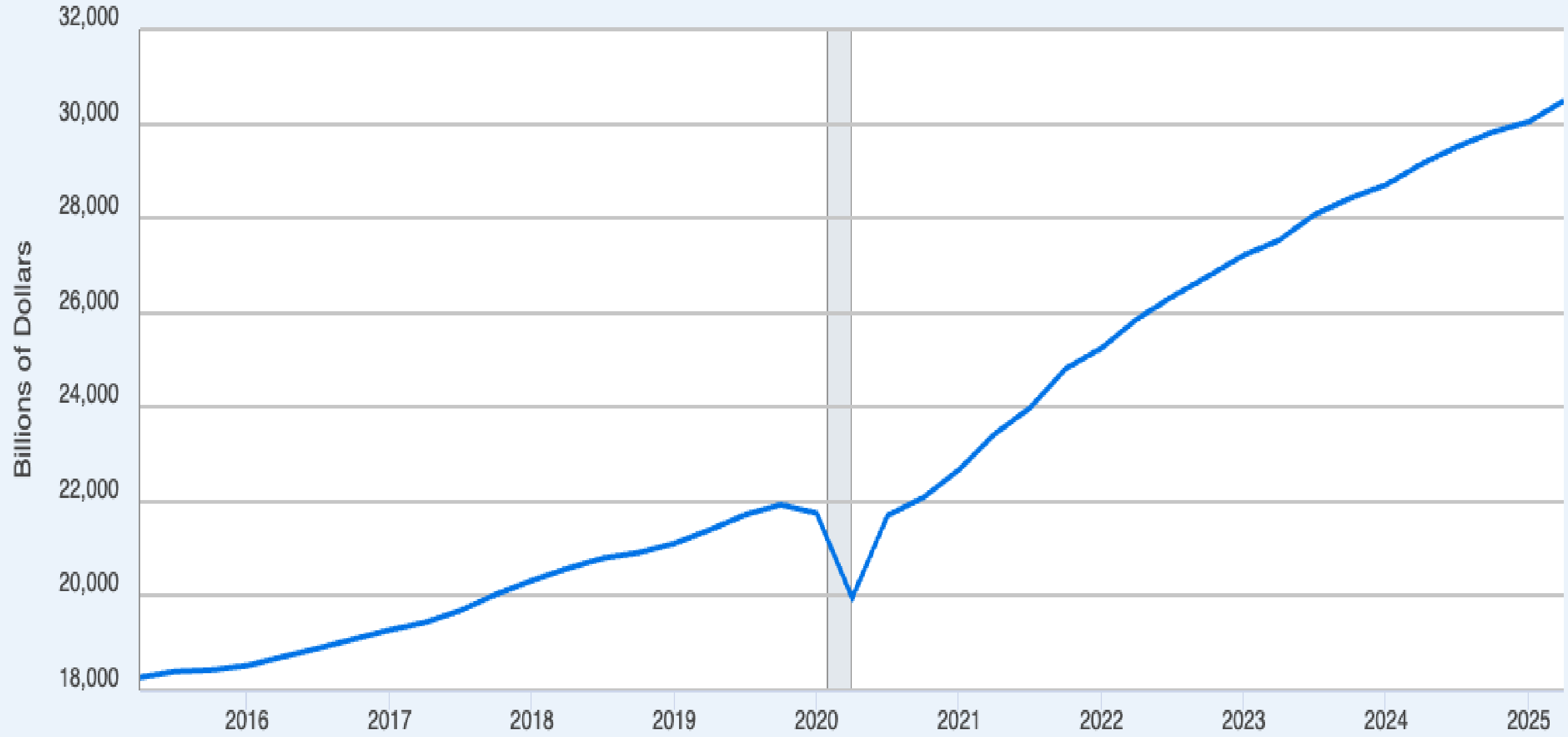
The **World Bank** and **UN** paint a more conservative picture: growth slowing to just **2.3-2.4%** in 2025—the weakest performance since 2008 outside of recession periods, raising concerns about underlying fragility.

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This divergence in forecasts reflects the unprecedented uncertainty facing global policymakers and investors as they navigate competing signals from different economic indicators.

# U.S. Economy Update: GDP, Jobs, Wages, Housing, Autos, and the National Debt





Source: U.S. Bureau of Economic Analysis via FRED®  
Shaded areas indicate U.S. recessions.

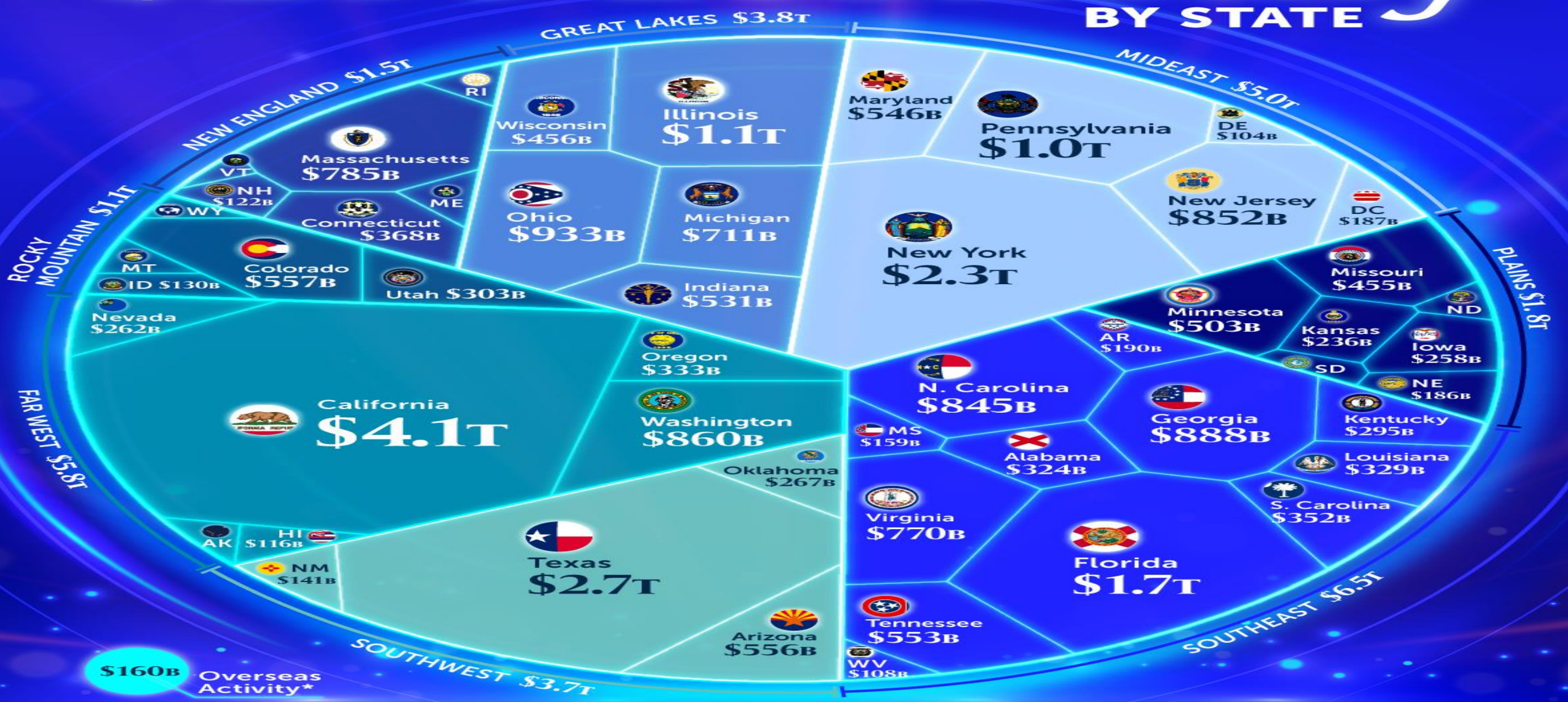
**The economy is okay (highly technical term here)**

$$\mathbf{GDP = C+I+G+(X-M)}$$

**2024 = \$29 Trillion to \$31 Trillion**

**Strong on consumer spending, exports, and  
govt spending**

# AMERICA'S \$29T Economy BY STATE



**\$160B** Overseas Activity\*

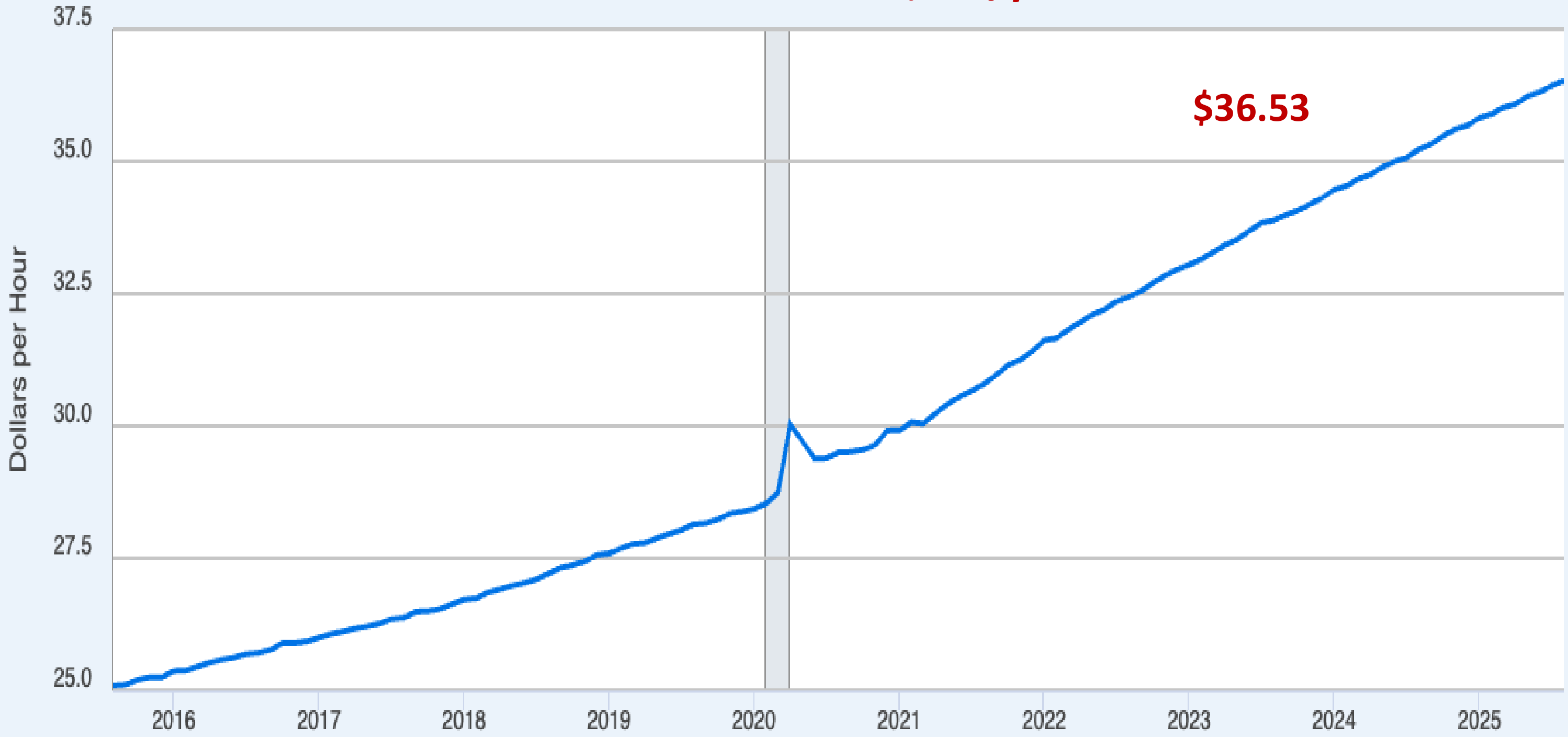
\*U.S. military and federal civilian economic activity abroad.

Source: U.S. Bureau of Economic Analysis

Data as of Q3 2024.



**\$75,982/yr**





# United States: Resilient, but Watchful

1

## Growth Upgrade

US GDP growth forecast upgraded for 2025 following strong Q2 data and the impact of continued fiscal stimulus measures supporting consumer spending.

2

## Inflation Persistence

Inflation remains stubbornly above the Federal Reserve's 2% target, prompting cautious monetary policy with only two 25-basis-point rate cuts anticipated for the rest of 2025.

3

## Tariff Pressures

Tariff-related inflation pressures intensifying, with inflation hitting **2.9%** in August 2025.  
Medical care: 3.4%  
Household furnishings 3.9%  
Car and trucks 6%  
Auto insurance 4.7%

# Top 20 Best-Paying Jobs in the US for 2025

The most lucrative career opportunities  
shaping America's economic  
landscape.



Elevate your potential.

# No Surprise Here: The Pinnacle of Pay: Medical Specialists Dominate

## \$239,200+Median Salary

Multiple physician specialties command top-tier compensation including Anesthesiologists, Cardiologists, and Surgeons

## Years of Training

Extensive medical education, residencies, and fellowships create scarcity and expertise premium

## Life-Saving Impact

High-stakes decisions and critical healthcare delivery justify exceptional compensation levels

Specialties include: Dermatologists, Emergency Medicine, Neurologists, Orthopedic Surgeons, Ophthalmologists, and Orthodontists.





# Advanced Healthcare Practitioners: High Pay, Growing Demand

**\$220K**

**40%**

**23%**

**Nurse Anesthetists**

Critical specialists expanding access to surgical care nationwide

**NP Growth Rate**

Nurse Practitioners seeing explosive demand with \$129,210 median

Health Services Managers earning \$117,960 median salary

Healthcare practitioners beyond physicians command impressive salaries while addressing critical shortages in patient care delivery.

# But My Kid Doesn't Like People or Blood: Tech Titans: AI, Data, and Cybersecurity



## The Digital Revolution Pays

- **AI & Machine Learning Engineers:**  
\$150K–\$300K reshaping every industry
- **Data Scientists:**  
\$112,590 median with 36% growth projected
- **Information Security Analysts:**  
\$124,910 median, 33% growth rate
- **Software Developers & Cloud Architects:**  
\$140K–\$250K powering digital transformation

# Surprising High Earners Beyond Medicine & Tech

## Airline Pilots

Often earn more than some CEOs with extensive training requirements and safety responsibilities

## Aerospace Engineers

**\$141,180 median** designing next-generation aircraft and space exploration systems

## Database Architects

**\$142,620 median** creating data infrastructure for enterprise systems

## Medical Dosimetrists

**\$141,420 median** specialized radiation therapy planning professionals



# Why Skip College?

## Answer:

### High Pay Without the Debt

#### 6 Million Strong

Nearly 6 million U.S. workers earn \$100K+ without a bachelor's degree according to 2023 Census

#### Skills Over Degrees

Certifications, hands-on experience, and specialized training now often trump formal education

#### Debt-Free Success

Avoid soaring tuition costs and student debt while accessing six-figure career opportunities

High-demand industries including **aviation, healthcare, skilled trades, transportation, and technology** are actively seeking talented professionals who can deliver results regardless of educational background.





# The Highest Earners: Six-Figure Jobs Without a Degree

**\$176K**

**Commercial Pilot**  
FAA certification and flight training required. High responsibility with excellent compensation.

**\$169K**

**Dental Hygienist**  
2-3 year specialized program plus state licensure. Growing healthcare demand drives salaries.

**\$158K**

**Ship Mate (First Mate)**  
Coast Guard certification and maritime expertise. International shipping industry offers premium pay.

**Medical Sonographer**

**\$146,000/year:** Certificate or associate's degree in diagnostic medical sonography. Healthcare technology skills in high demand.

**Real Estate Manager**

**\$126,000/year:** Real estate license plus management experience. Top markets like NYC and SF pay significantly more.



# High-Paying Skilled Trades & Technical Roles



## Elevator Installer/Repairer

**\$100K+ median:** Apprenticeship program plus strong mechanical aptitude. Union jobs offer excellent benefits.



## Nuclear Technician

**\$101,740/year:** Specialized on-the-job training in nuclear facilities. High security clearance often required.



## Air Traffic Controller

**\$100K+:** Intensive FAA training program. High-stress but well-compensated position with excellent federal benefits.

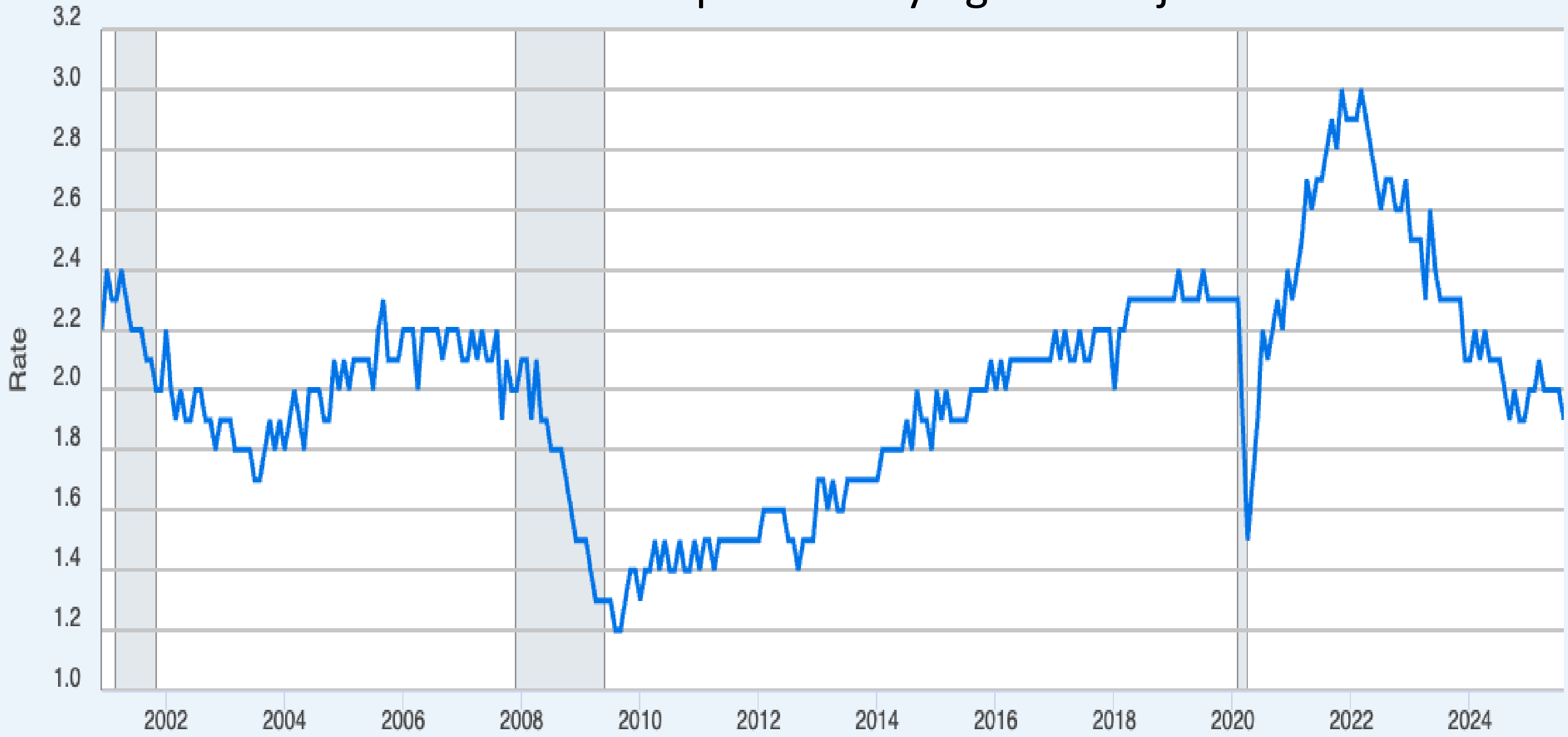
## Owner-Operator Truck Driver

**\$140K+ potential:** CDL license plus business acumen.

## Specialized Welders

**\$80K–\$150K+:** Advanced certifications in underwater, pipeline, or aerospace welding command premium rates.

# People are staying in their jobs



Source: U.S. Bureau of Labor Statistics via FRED®  
Shaded areas indicate U.S. recessions.

# Labor Market Dynamics



**Unemployment Rate 4.3%**

**Rising Part-Time Work**

**Plateaued Full-Time Growth**

**Financial Stress on Workers**

**Stagnant Wages & Inflation**

Unemployment figures dropped to 4.3%. Deeper analysis reveals concerning trends in job quality and financial stability that directly impact credit union members.

# US HOME PRICING and SALES • Real-Time Totals

New Home Median Sale Price	
2010	\$219,949
2011	\$223,744
2012	\$238,765
2013	\$260,778
2014	\$279,771
2015	\$291,672
2016	\$304,088
2017	\$317,618
2018	\$323,812
2019	\$319,911
2020	\$331,959
2021	\$382,897
2022	\$444,229
2023	\$433,230
2024	\$423,133

Existing Home Median Sale Price	
2010	\$172,912
2011	\$178,705
2012	\$188,123
2013	\$196,011
2014	\$206,742
2015	\$221,094
2016	\$230,473
2017	\$244,009
2018	\$251,963
2019	\$263,346
2020	\$290,415
2021	\$335,368
2022	\$376,561
2023	\$386,435
2024	\$399,988

New Home Sales Annual Rate	
2010	330,947
2011	308,806
2012	356,364
2013	418,364
2014	437,506
2015	491,036
2016	549,112
2017	601,905
2018	624,642
2019	672,328
2020	798,388
2021	781,976
2022	666,123
2023	662,246
2024	671,867

New Housing Starts Annual Rate	
2010	579,994
2011	607,120
2012	751,718
2013	902,600
2014	987,583
2015	1,087,356
2016	1,162,504
2017	1,209,910
2018	1,253,659
2019	1,291,019
2020	1,377,497
2021	1,566,427
2022	1,564,524
2023	1,449,418
2024	1,377,889

Existing Home Sales Annual Rate	
2010	4,210,020
2011	4,259,660
2012	4,588,892
2013	4,995,918
2014	4,948,776
2015	5,173,178
2016	5,400,896
2017	5,526,639
2018	5,446,477
2019	5,344,124
2020	5,594,587
2021	6,039,137
2022	5,152,253
2023	4,306,236
2024	4,050,888

2025	\$421,722
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2025	\$404,118
------	-----------

2025	673,604
------	---------

2025	1,367,455
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2025	4,034,295
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NFCU  
 30 yr conv: 5.614%  
 15 yr conv: 5.06%



Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development via FRED®  
Shaded areas indicate U.S. recessions.

# Autonomous Vehicles Change the Face of the Auto Industry

## Level 5: Full Automation

No human intervention required

## Level 4: High Automation

System handles most driving situations

## Level 3: Conditional Automation

Driver must be ready to take control

## Level 2: Partial Automation

Driver assistance with some automated functions

## Level 1: Driver Assistance

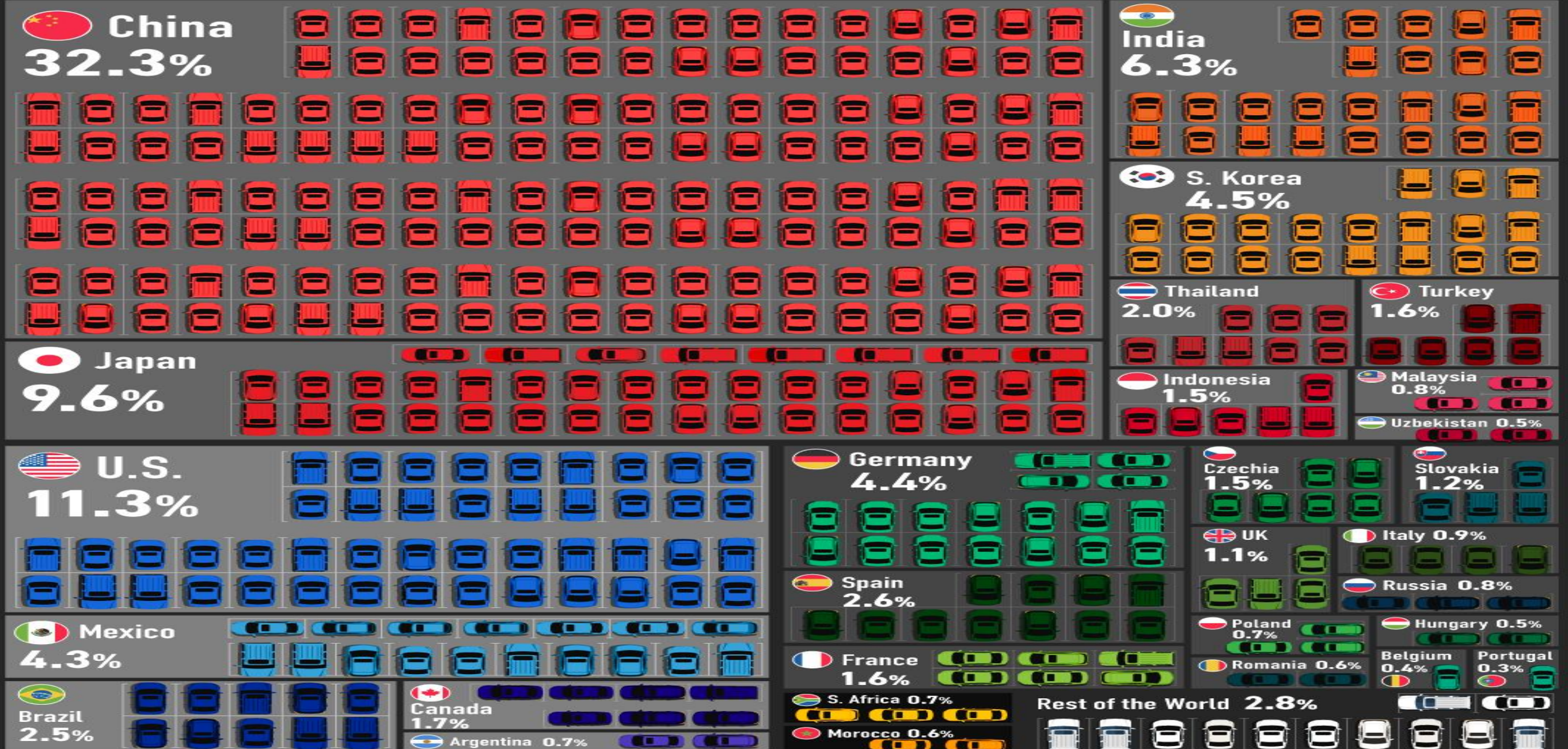
Basic driver support features

Autonomous vehicles (AVs) are set to disrupt the auto industry. While there are only about 1,400 self-driving cars on US roads today, it's estimated that there will be 33 million autonomous vehicles by 2040.

The global autonomous vehicle market is currently valued at \$207.38 billion and is expected to grow by roughly 10x in the next four to six years.

# Global Car Production

GLOBAL CAR PRODUCTION IN 2023: 93.5M



Source: International Organization of Motor Vehicle Manufacturers



# US Debt Clock.org

OPEN Secret Window CLOSE

State Debt Clocks

World Debt Clocks

Time Machine

## US NATIONAL DEBT

**\$37,967,437,939,716**

DEBT PER CITIZEN **\$110,482**

DEBT PER TAXPAYER **\$327,062**

US FEDERAL SPENDING (OFFICIAL)

**\$7,018,712,920,379**

US FEDERAL BUDGET DEFICIT (OFFICIAL)

**\$1,760,457,108,956**

D.O.G.E. CLOCK (GOAL)

**\$680,480,072,735**

D.O.G.E. CLOCK (NOW)

**\$214,069,202,818**

US FEDERAL DEBT TO GDP RATIO

1960 • **52.27%** 1980 • **34.69%** 2000 • **55.70%** NOW • **120.47%**

US FEDERAL TAX REVENUE

**\$5,258,255,811,423**

REVENUE PER CITIZEN

**\$15,411**

INCOME TAX REVENUE

**\$2,667,980,297,530**

PAYROLL TAX REVENUE

**\$1,753,445,594,442**

EXCISE TAX

**\$206,342,525,479**

CHARITABLE DONATIONS

**\$578,744,133,324**

TOTAL STATE REVENUE

**\$2,724,216,157,490**

TOTAL LOCAL REVENUE

**\$2,079,912,449,606**

CORPORATE TAX REVENUE

**\$444,504,177,101**

FUTURE TARIFF TAX REVENUE

**\$676,390,360,340**

ESTATE & GIFT TAX

**\$30,935,895,644**

PER ADULT

**\$2,191**



STATE DEBT

**\$1,081,137,454,801**

DEBT PER CITIZEN

**\$3,169**

LOCAL DEBT

**\$2,125,785,214,988**

DEBT PER CITIZEN

**\$6,230**

MUNICIPAL EMPLOYEES

**20,988,387**

AVERAGE SALARY

**\$72,206**

US GROSS DOMESTIC PRODUCT

**\$31,524,861,373,534**

TOTAL WORKER COMPENSATION

**\$15,891,947,687,129**

TOTAL FEDERAL/STATE/LOCAL SPENDING

**\$12,245,321,718,871**

TOTAL DEBT TO GDP RATIO

**130.64%**

REVENUE TO GDP RATIO

**31.91%**

SPENDING TO GDP RATIO

**38.85%**

## Largest Budget Items

MEDICARE/MEDICAID

**\$1,706,908,089,549**

SOCIAL SECURITY

**\$1,589,200,350,461**

DEFENSE/WAR

**\$921,292,414,557**

INTEREST ON DEBT (NET)

**\$969,359,340,866**

## Unfunded Debt/Interest

US TOTAL DEBT

**\$104,966,565,070,949**

US TOTAL INTEREST PAID

**\$5,587,451,935,880**

CREDIT CARD DEBT

**\$1,294,498,218,844**

PER HOLDER

**\$8,080**

## DeFi Bankless Future

USA FEDERAL INTEREST SAVINGS PER YEAR

**\$969,359,341,378**

SAVINGS PER ADULT

**\$8,630**

USA TOTAL INTEREST SAVINGS PER YEAR

**\$4,498,706,741,687**

SAVINGS PER ADULT

**\$40,051**

## Money Creation

FUTURE USA TREASURY DOLLARS

**\$1,738,782,640,680**

US M2 MONEY SUPPLY NOW

**\$22,268,155,090,895**

CURRENCY AND CREDIT DERIVATIVES NOW

**\$725,846,872,967,999**

## National Security

US DEBT HELD BY FOREIGN COUNTRIES

**\$9,326,768,112,665**

US TRADE DEFICIT

**\$1,382,116,801,167**

US TRADE DEFICIT - CHINA

**\$259,451,200,096**

US IMPORTED OIL

**\$175,706,790,972**

BORDER ENCOUNTERS 2024

**1,765,908**

BORDER ENCOUNTERS 2025

**69,019**

CHANGE

**↓ 96.09%**

TOTAL SAVINGS PER YEAR

**\$34,872,066,713**

SAVINGS PER TAXPAYER

**\$310.46**

US POPULATION 342,356,438	US WORKFORCE NOW 163,542,347	OFFICIAL UNEMPLOYED 7,279,568	HEALTHCARE COST NOW \$15,843	OIL TO SOLAR RATIO NOW \$ = 269.08 WATTS	DOLLAR SUPPLY ADDED NOW \$1,010,372,910,990
US INCOME TAXPAYERS 113,379,536	US WORKFORCE 2000 164,435,884	ACTUAL UNEMPLOYED 14,824,078	HEALTHCARE COST 2000 \$5,509	OIL TO SOLAR RATIO 2000 \$ = 4.71 WATTS	DOLLAR SUPPLY ADDED 1913 \$654,084,195
PRIVATE SECTOR JOBS 130,602,857	NOT IN LABOR FORCE NOW 104,162,916	FULL-TIME WORKERS 135,111,886	COLLEGE TUITION NOW \$27,640	DOLLAR TO SILVER RATIO NOW \$1,221 PER OUNCE	DOLLAR TO SILVER RATIO 5 YR \$1,555 PER OUNCE
US SELF-EMPLOYED 9,029,023	NOT IN LABOR FORCE 2000 83,912,523	PART-TIME WORKERS 28,032,645	COLLEGE TUITION 2000 \$10,852	DOLLAR TO SILVER RATIO 1913 \$2.71 PER OUNCE	DOLLAR TO SILVER RATIO 10 YR \$1,119 PER OUNCE
US UNION WORKERS 15,798,747	MEDIAN INCOME NOW \$48,735	MEDIAN NEW HOME NOW \$408,772	AVERAGE NEW CAR NOW \$47,934	DOLLAR TO GOLD RATIO NOW \$9,678 PER OUNCE	DOLLAR TO GOLD RATIO 5 YR \$12,576 PER OUNCE
GOVERNMENT EMPLOYEES 24,243,460	MEDIAN INCOME 2000 \$32,057	MEDIAN NEW HOME 2000 \$167,496	AVERAGE NEW CAR 2000 \$22,529	DOLLAR TO GOLD RATIO 1913 \$26.21 PER OUNCE	DOLLAR TO GOLD RATIO 10 YR \$9,311 PER OUNCE
MANUFACTURING JOBS NOW 12,700,876	US BANKRUPTCIES 549,357	LIVING IN POVERTY 37,276,015	US HOMELESS 729,112	PAPER TO SILVER RATIO NOW 359.43 TO 1	DOLLAR TO CRYPTO RATIO NOW \$5.90 TO \$1
MANUFACTURING JOBS 2000 17,137,838	US FORECLOSURES 91,080	WITHOUT INSURANCE 27,037,597	US DRUG DEATHS 118,675	PAPER TO GOLD RATIO NOW 139.26 TO 1	DOLLAR TO CRYPTO RATIO 2013 \$9,473 TO \$1
US RETIREES 62,049,618	MEDICARE ENROLLEES 65,464,701	US MILLIONAIRES 23,802,798	TOP 1% WEALTH \$19,614,649	FED FLAT DOLLAR DOLLAR LOSS IN VALUE 1913 TO NOW ↓ 96.23%	USA DIVIDEND DOLLAR DOLLAR GAIN IN VALUE TEN YEARS ↑ 34.44%
US DISABLED 8,089,268	MEDICAID RECIPIENTS 89,217,225	FOOD STAMP RECIPIENTS 41,731,636	BOTTOM 50% WEALTH \$34,326		

## USA Hidden Wealth ASSET-BACKED DOLLAR

PRECIOUS METAL RESERVES

**\$1,248,720,666,623**

MINERAL RESERVES

**\$9,469,465,060,131**

REAL ESTATE

**\$77,004,441,137,426**

LAND

**\$25,042,052,378,220**

STOCK MARKET

**\$52,030,027,797,288**

RECAPTURED ASSETS

**\$7,703,826,066,287**

TOTAL HIDDEN WEALTH

**\$176,556,875,273,138**

WEALTH PER CITIZEN

**\$517,459**

MORTGAGE/LOAN CALCULATOR

Au GOLD SUPPLY/DEMAND

HOME SALES

SOURCES

AUTO SALES

ABOUT

ENERGY OUTPUT

GOLD/PRECIOUS METALS

# US NATIONAL DEBT

**\$37,967,438,305,965**

DEBT PER CITIZEN

**\$110,482**

DEBT PER TAXPAYER

**\$327,062**

US FEDERAL SPENDING (OFFICIAL)

**\$7,018,712,953,219**

US FEDERAL BUDGET DEFICIT (OFFICIAL)

**\$1,760,457,054,142**



D.O.G.E. CLOCK (GOAL)

**\$680,480,182,891**

D.O.G.E. CLOCK (NOW)

**\$214,069,207,224**



US FEDERAL DEBT TO GDP RATIO

1960 •

**52.27%**

1980 •

**34.69%**

2000 •

**55.70%**

NOW •

**120.47%**

## Largest Budget Items

MEDICARE/MEDICAID



\$1,706,908,121,670

SOCIAL SECURITY



\$1,589,200,417,862

DEFENSE/WAR



\$921,292,449,838

INTEREST ON DEBT (NET)



\$969,359,335,600

## Unfunded Debt/Interest

## US NATIONAL DEBT

**\$47,382,384,054,074**

## DEBT PER CITIZEN

**\$132,958**

## DEBT PER TAXPAYER

**\$384,083**

## US FEDERAL SPENDING (OFFICIAL)

**\$11,071,424,977,431**

## US FEDERAL BUDGET DEFICIT (OFFICIAL)

**\$3,607,673,330,228**

## US FEDERAL SPENDING (ACTUAL)

**\$11,735,710,473,566**

## US FEDERAL BUDGET DEFICIT (ACTUAL)

**\$3,824,133,738,672**

## US FEDERAL DEBT TO GDP RATIO

1960 • **52.27%**

1980 • **34.69%**

2000 • **55.70%**

2029 • **140.93%**

# Gov't Shutdown Frequency & Duration Since 1976

**20**

## Funding Gaps

Total funding lapses since 1976, with 10 resulting in actual shutdowns

**35**

## Longest Shutdown

Days of the record-breaking 2018-19 shutdown under President Trump

**10**

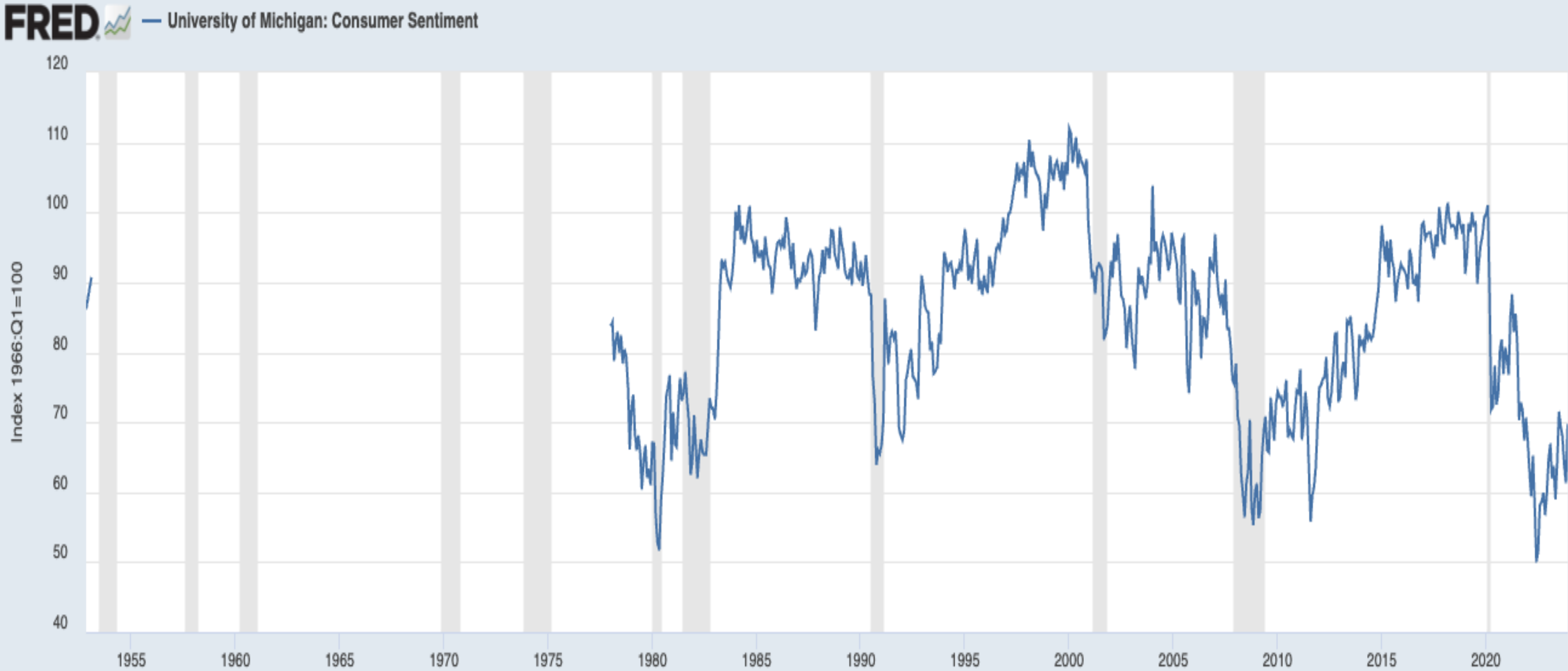
## Official Shutdowns

Shutdowns meeting the legal definition since 1980

The three most significant shutdowns by duration include:  
-21-day closure in 1995-96 during the Clinton administration,  
-16-day shutdown in 2013 over the Affordable Care Act  
-35-day impasse from December 2018 to January 2019

About \$15 Billion lost per week in 2025

Fell to lowest of all time July 2022 at 51.5. Low again at 55.4 (Sept 2025).



Shaded areas indicate U.S. recessions.

Source: University of Michigan

fred.stlouisfed.org



# Inflation and Monetary Policy: The Fed's Balancing Act

## Inflation Pressures

Core PCE inflation forecast at 3.6% year-over-year by Q4 2025, primarily driven by tariff-induced cost increases flowing through to consumers

## Cautious Rate Cuts

Fed expected to implement measured 50 basis point cuts in late 2025.

## Treasury Yields

Long-term Treasury yields projected to hover around 4.5% through 2025, gradually easing to 4.1% by 2027 as inflation moderates

# US Labor Markets and Inflation Effects



## Rising Unemployment

US unemployment rate expected to climb to **4.6% in 2026** as companies slow hiring and trim workforces amid economic uncertainty



## Eroding Real Incomes

Persistent inflation outpaces wage growth, reducing purchasing power and squeezing household budgets across income levels



## Consumer Spending Pressures

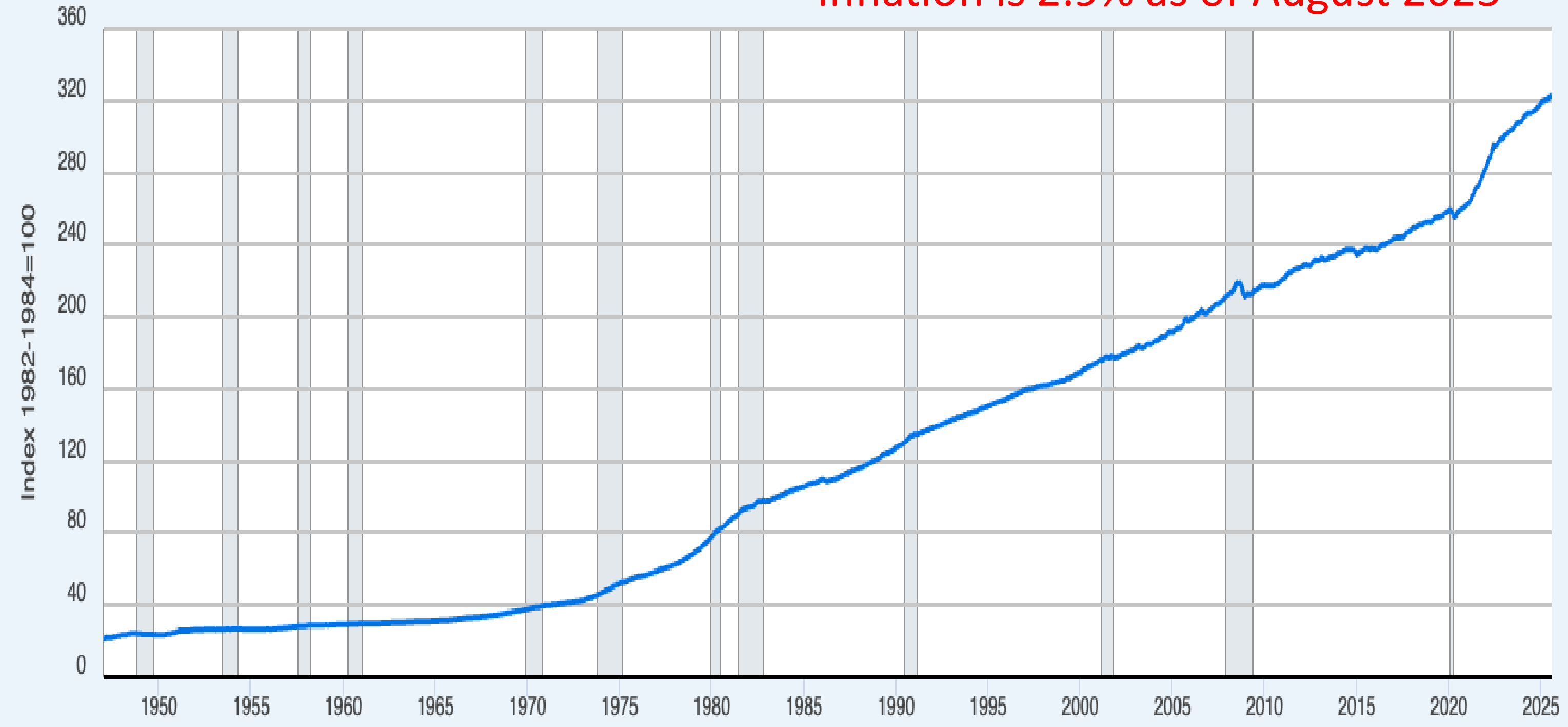
Reduced real incomes and employment anxiety dampen consumer spending, the primary engine of economic growth



## Social Stability Concerns

Economic pressures complicate social cohesion, potentially fueling political tensions and policy gridlock

**Inflation is 2.9% as of August 2025**

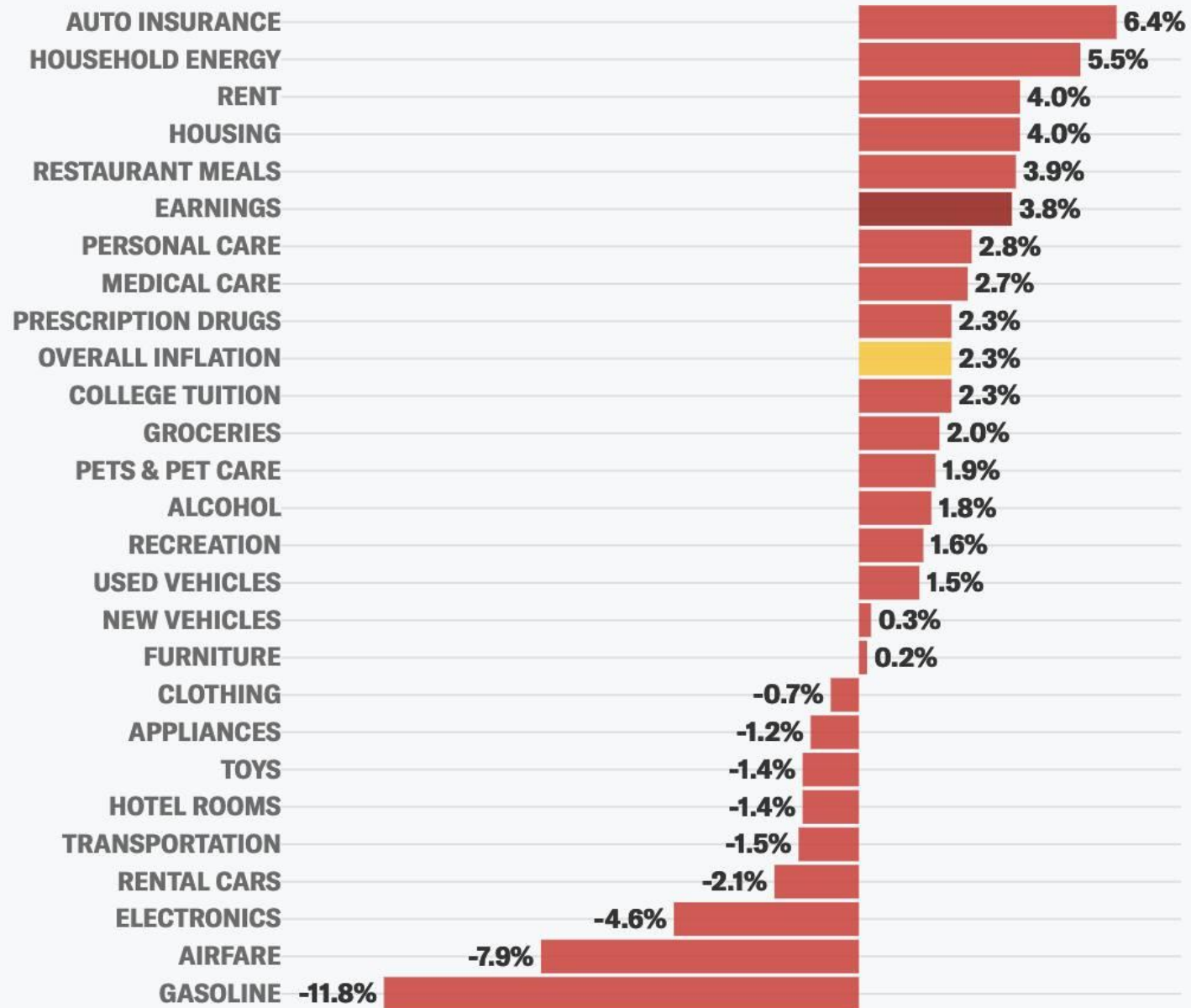


Source: U.S. Bureau of Labor Statistics via FRED®

Shaded areas indicate U.S. recessions.

# WHERE INFLATION IS... AND ISN'T

12-month change in the price of:

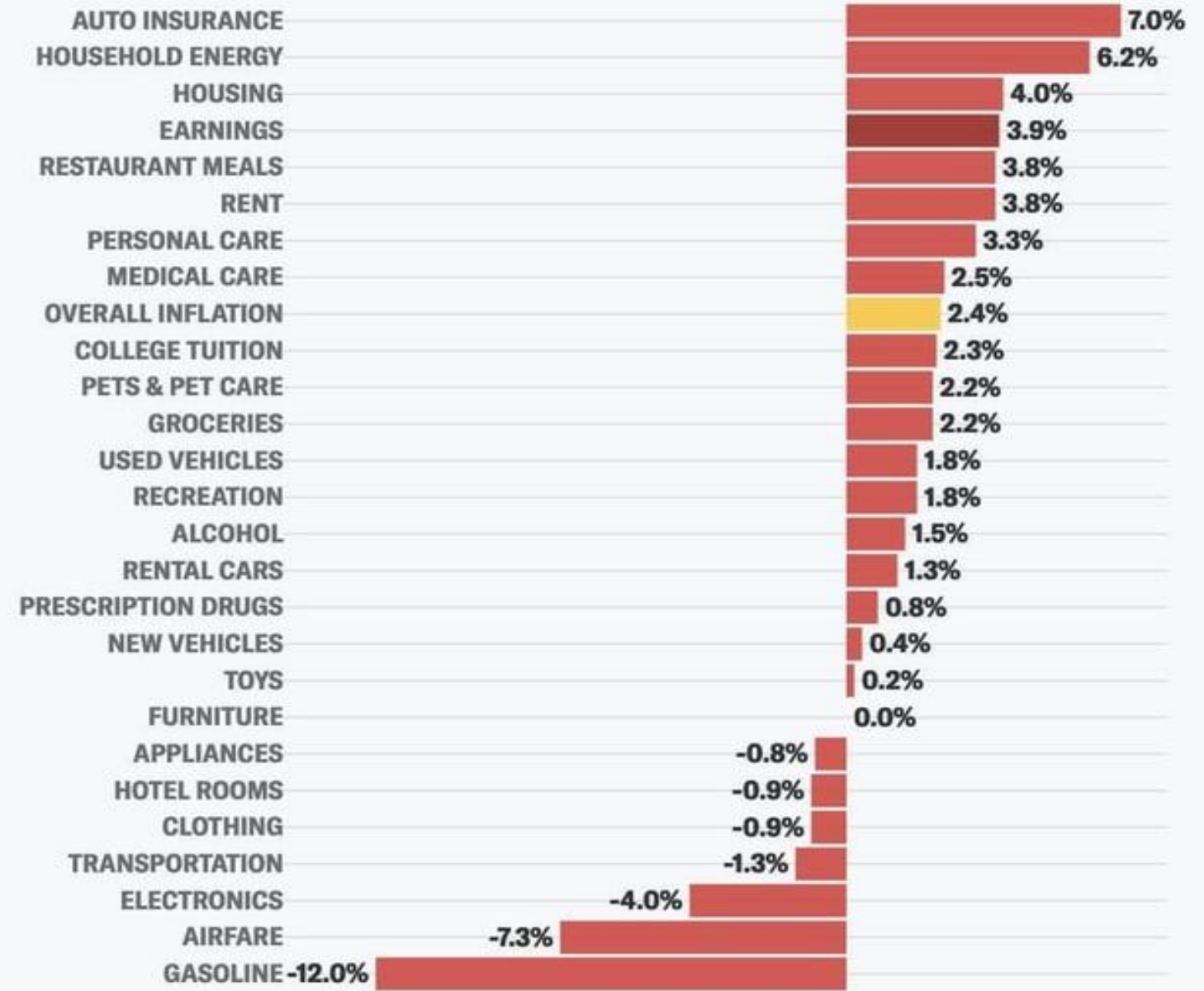


SOURCE: BUREAU OF LABOR STATISTICS. DATA AS OF APRIL 2025

**yahoo!finance**

# WHERE INFLATION IS... AND ISN'T

12-month change in the price of:



SOURCE: BUREAU OF LABOR STATISTICS. DATA AS OF MAY 2025

**yahoo!finance**

# YTD Rates of Return 2025

S&P 500, Dow Jones Industrial Average, and NASDAQ Composite





# S&P 500 YTD Return

## +15.70%

This impressive performance has been driven by robust gains across healthcare, energy, and technology sectors.

1

Palantir Technologies

**+132%**

2

Newmont Corporation

**+121%** YTD in mining sector

3

CVS Health

**+85.84%** YTD healthcare surge



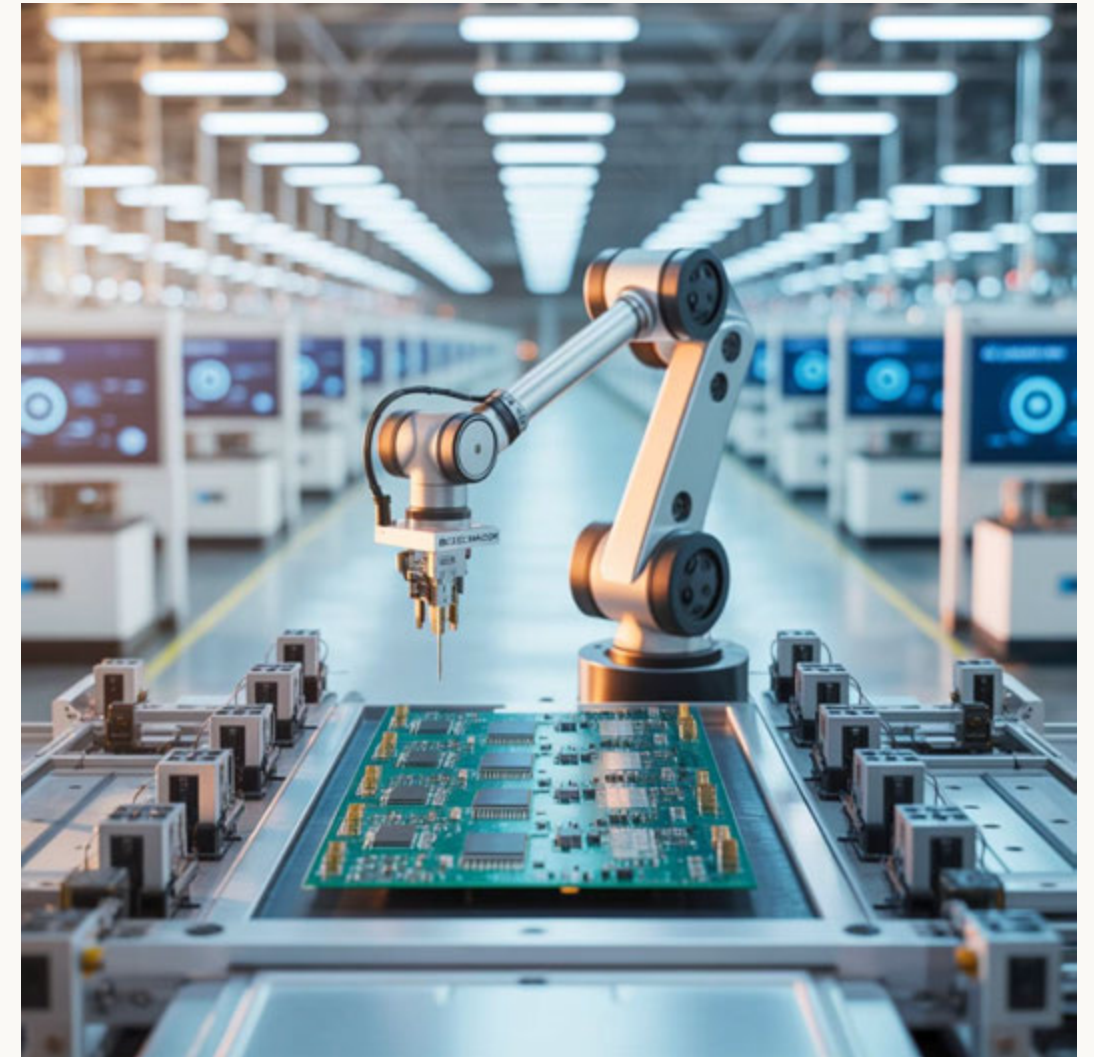


# Dow Jones Industrial Average YTD Return

## +10.3%

Blue-chip portfolio demonstrates steady, reliable gains.

- **Boeing** - aerospace sector recovery
- **Caterpillar** - industrial equipment demand
- **UnitedHealth Group** - healthcare expansion







# NASDAQ Composite YTD Return

## +19.58%

Tech-heavy index maintains solid gains

The NASDAQ demonstrates remarkable resilience despite elevated volatility in recent trading sessions.

While technology giants like Nvidia and Tesla continue to experience significant price swings, they remain fundamental drivers of market momentum and investor sentiment in the innovation-focused index.

# Future:

Trade, Tariffs, Succession

Planning, The Fed Chair

Challenge, Member-Centric Focus



# Tariffs and Trade: Hidden Inflation Driver

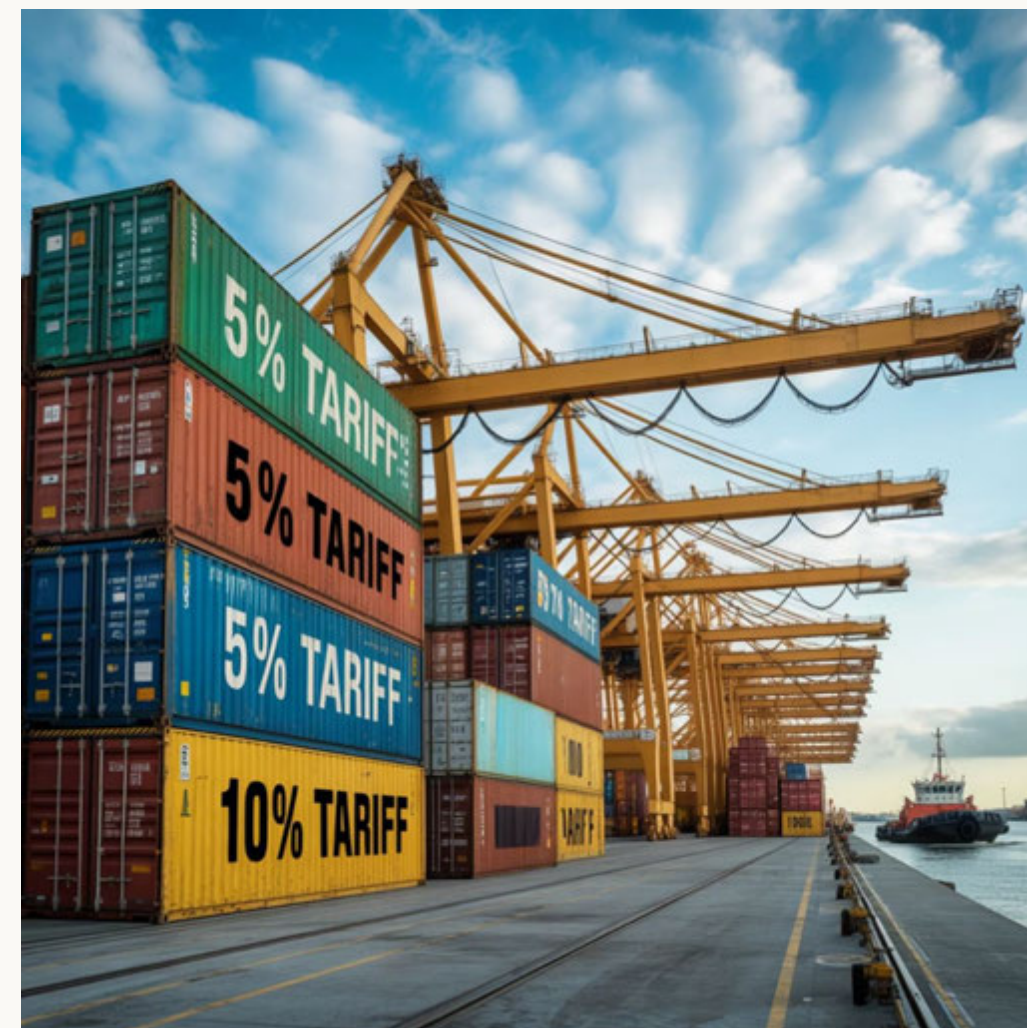
## Tariff Trajectory

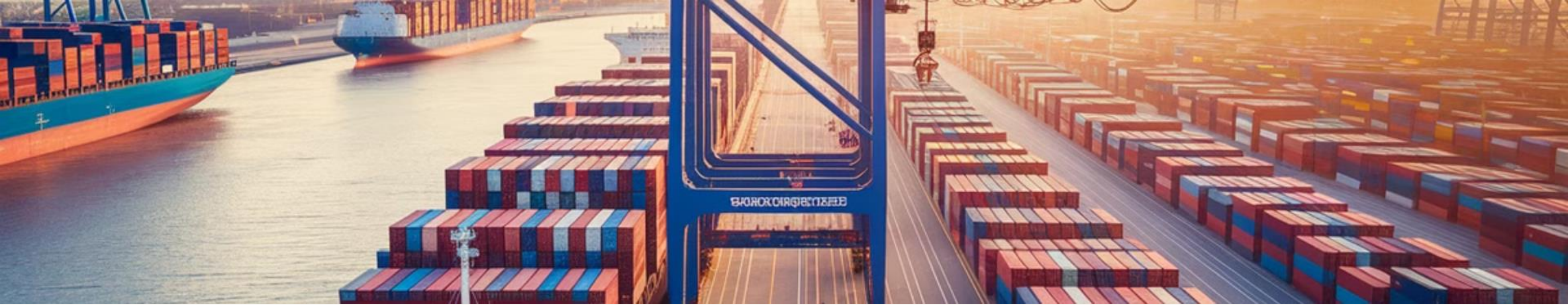
Average tariffs on Chinese imports remain elevated near 50% as of mid-2025.

Tariffs on Canada and Mexico are projected to fall to approximately 3% by 2026, driven by improved USMCA compliance measures.

## Trade Impact

Imports may contract 7.1% in 2026, while exports decline 1.8%, significantly slowing international trade flows and reshaping global supply chains.





# Overview of U.S. International Trade

**\$7T+**

**Annual Trade**

The total value of goods and services exchanged in 2022.

**2nd**

**Global Rank**

America's position in world trade, just behind China.

**200+**

**Trading Partners**

Countries and territories with U.S. trade relations.

April 2, 2025



**BEGUN THE TARIFF WARS HAVE**

How  
countries  
responded...



How  
manufacturers  
responded...

Temu just dropped their  
new Tariff Jeans



How the markets responded...



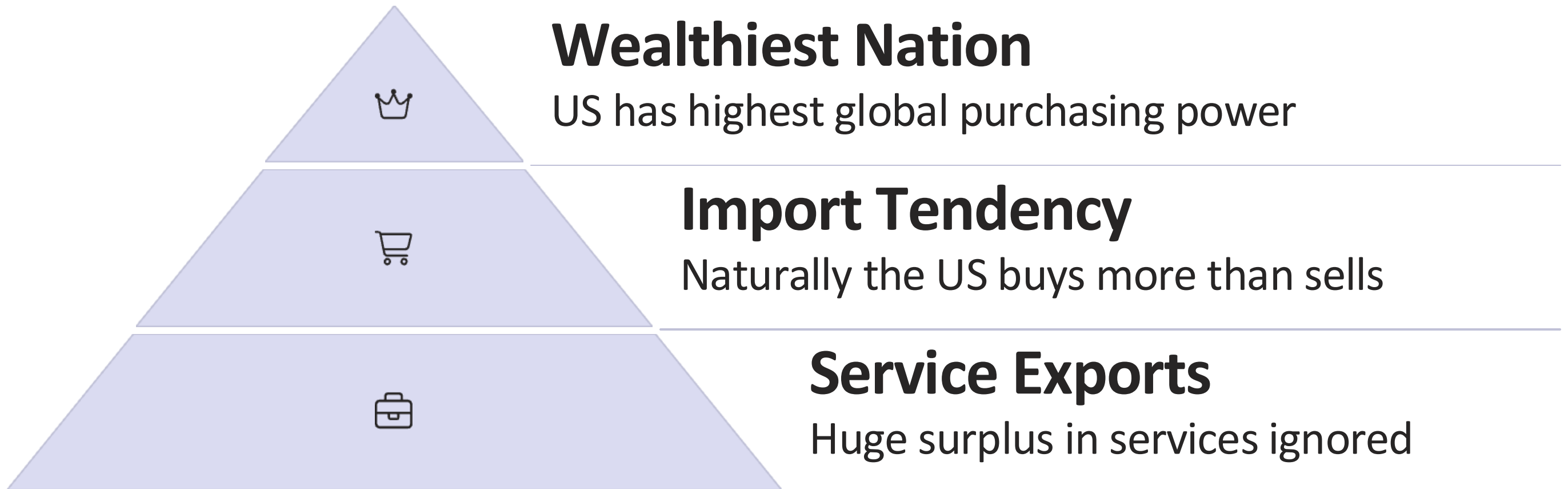
**Morning Brew**



@MorningBrew

Due to tariffs my 401k is now a 301k

# US Trade Reality







# Succession Plan Resources

## Position Identification

Clearly identify all covered positions with anticipated vacancy dates, including planned retirements and board term limit expirations.

## Recruitment Strategies

Develop strategies for permanently filling vacancies and actively recruiting highly qualified candidates from varied backgrounds.

## Financial Planning

Prepare detailed budget estimates covering recruitment costs, executive search fees, relocation expenses, and necessary compensation adjustments.

## Board Familiarization

Ensure board members thoroughly review and understand the succession plan within six months of their appointment or election.



[ProductiveLeaders.com/creditunion](https://ProductiveLeaders.com/creditunion)

Mary@ProductiveLeaders.com



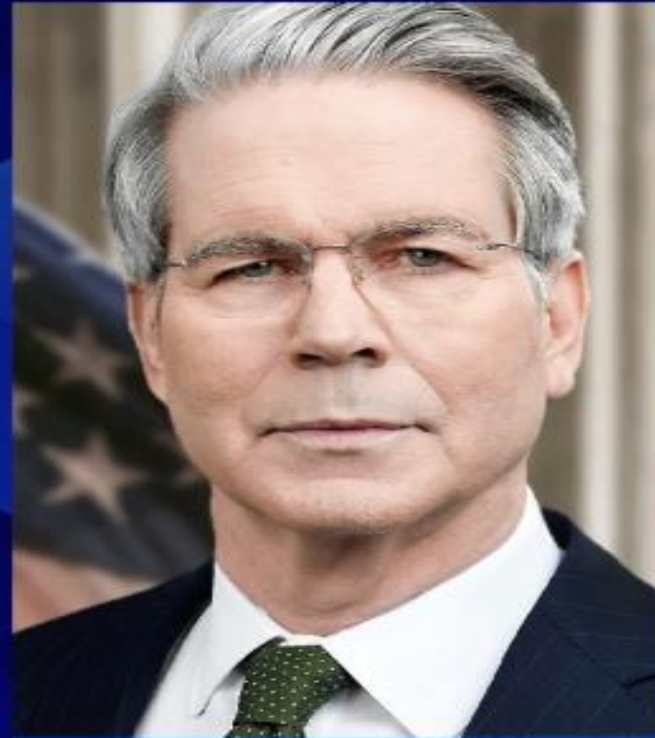
# THE NEXT FED CHAIR

## FORECASTS FROM CNBC SURVEY



KEVIN WARSH

**24%**



SCOTT BESSENT

**24%**



KEVIN HASSETT

**22%**



CHRIS WALLER

**14%**

The Games of Loans:  
A Chair is Coming

1/\$31 Trillion

10%

2/\$7 Trillion

\$37.9 Trillion

\$110,482

\$2.6 Billion

\$4.32 Trillion

144 Million

3.5%

50

1/\$31 Trillion = US is #1 Economy in the world

10% = Cost increase on imported goods due to tariffs

2/\$7 Trillion = Amount we trade

\$37.9 Trillion = US National Debt today

\$110,482 = What your 4-year-old owes

\$2.6 Billion = What we pay per day in interest on the National Debt

\$4.32 Trillion = Market cap NVIDIA today

144 Million = Credit Union Members in the US (out of 342 Million)

3.5% = Wage increase in 2026

50 = bps drop by Jan 1, 2026

A sunset over the ocean with a palm tree on the right. The sky is filled with golden and blue clouds, and the sun is low on the horizon, casting a warm glow over the water.

**KINA'OLE.**

***“Do the right thing, at the right time, to the right person, with the right spirit, every time.”***

**George Kana'hale**

# Economic snapshot

**Mary C. Kelly**

PhD, CDR, US Navy (ret)

Mary@ProductiveLeaders.com

719-357-7360

443-995-8663



[www.ProductiveLeaders.com](http://www.ProductiveLeaders.com)