Monetary Masala

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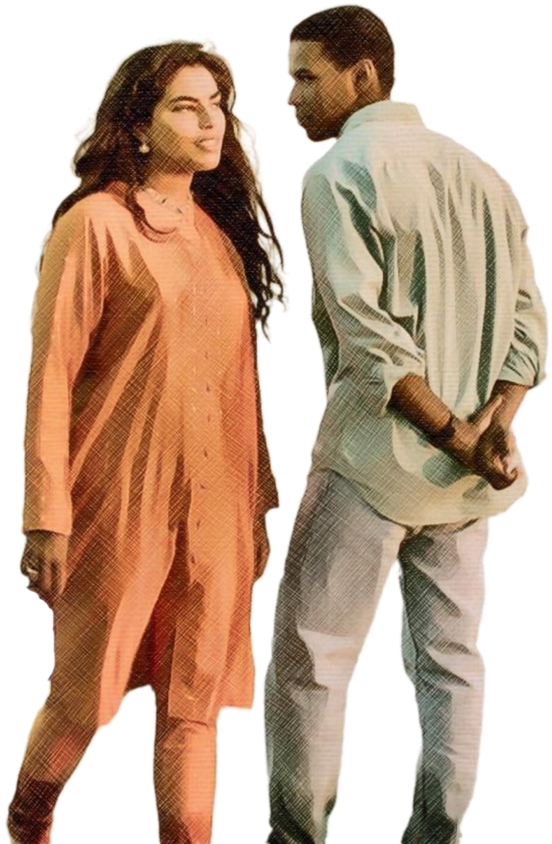
Sage Policy Group, Inc.

On Behalf of
ESCA Summer Educational Conference

July 1, 2025

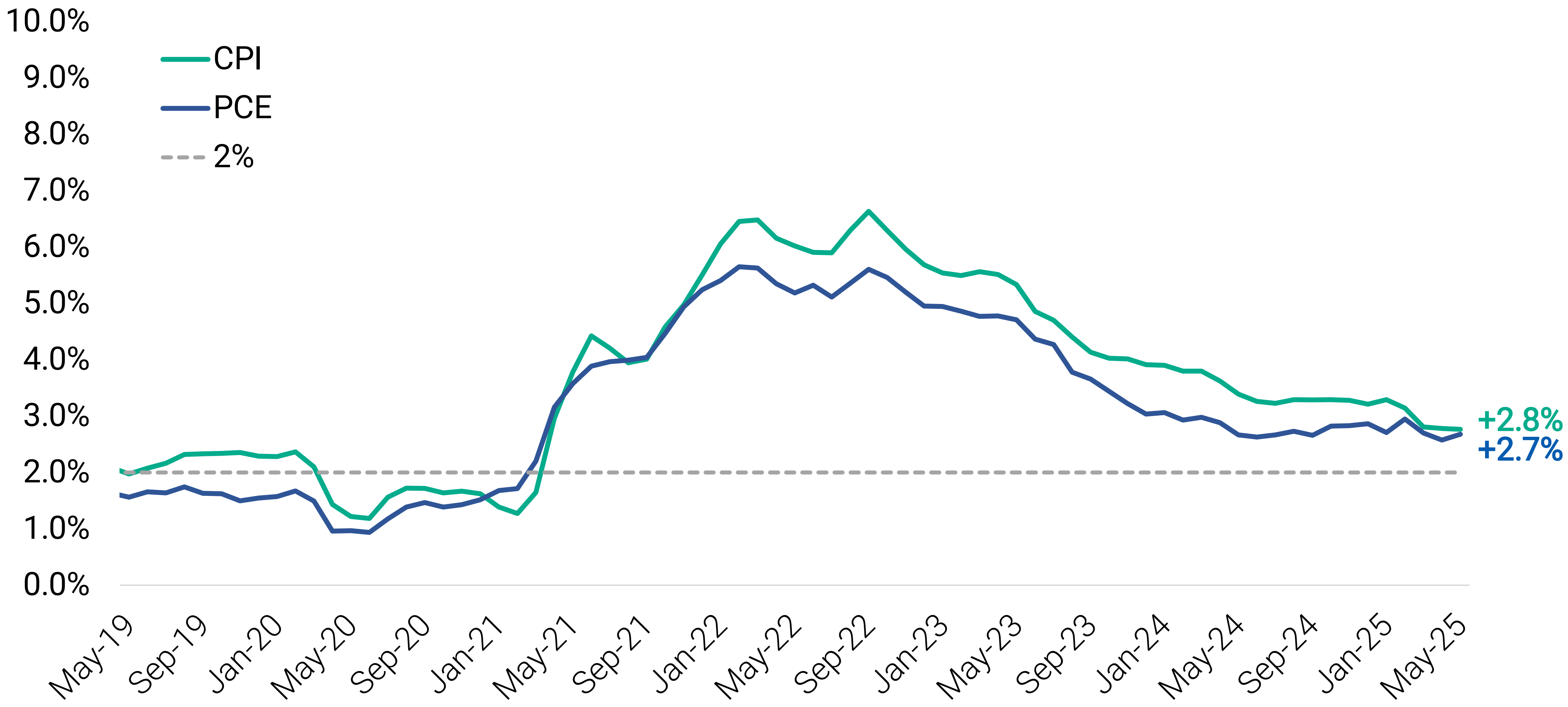


The Taking of Inflation 2.0

The Taking of Pelham 123 (2009)—Denzel Washington as Train Dispatcher

Core CPI & PCE, 12-Month % Change (SA)

2019 – May 2025



Source: U.S. Bureau of Labor Statistics; U.S. Bureau of Economic Analysis *Core: All items less food and energy

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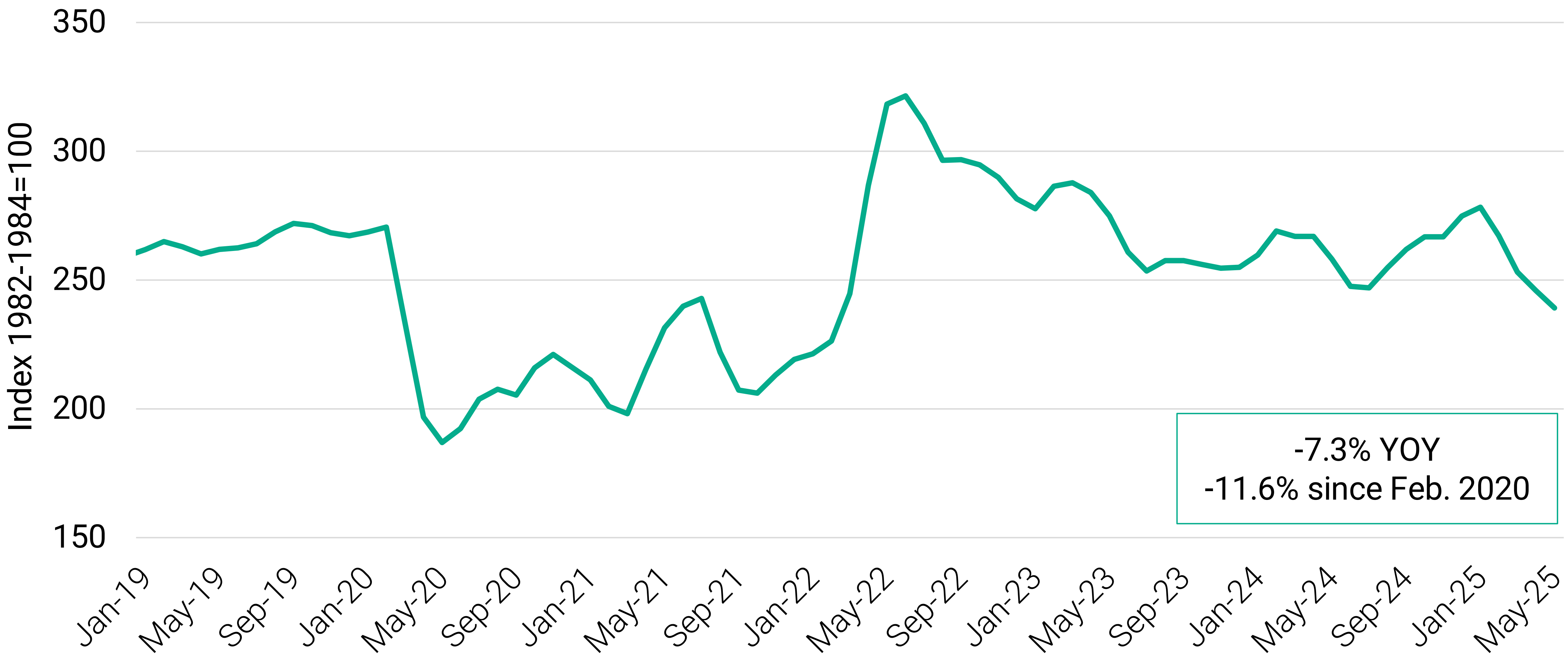
Consumer Price Index for U.S. Airline Fares, 2019 – May 2025



Source: U.S. Bureau of Labor Statistics

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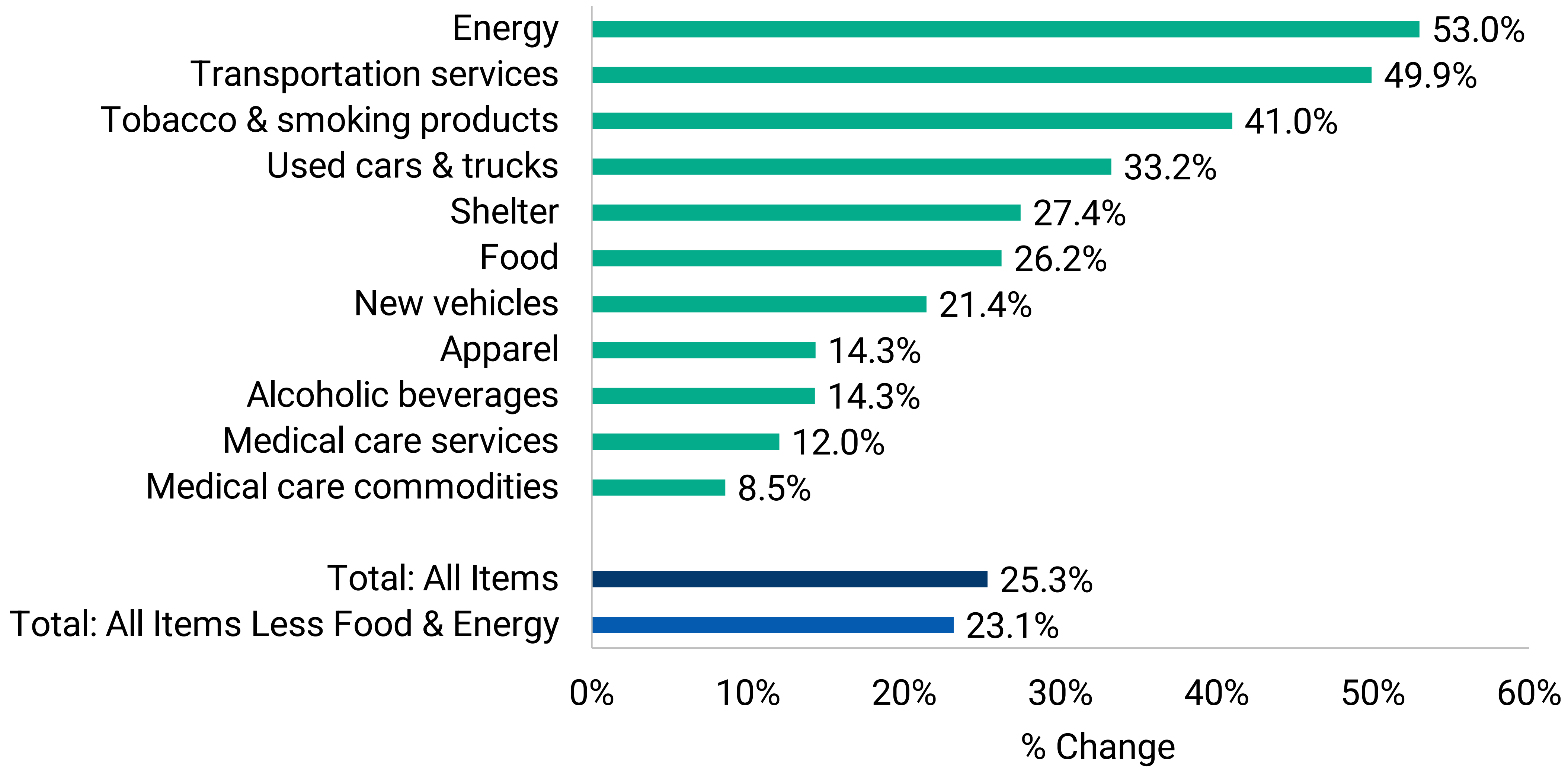
Consumer Price Index, Select Categories (SA)

% Change May 2020 v. May 2025



Source: U.S. Bureau of Labor Statistics

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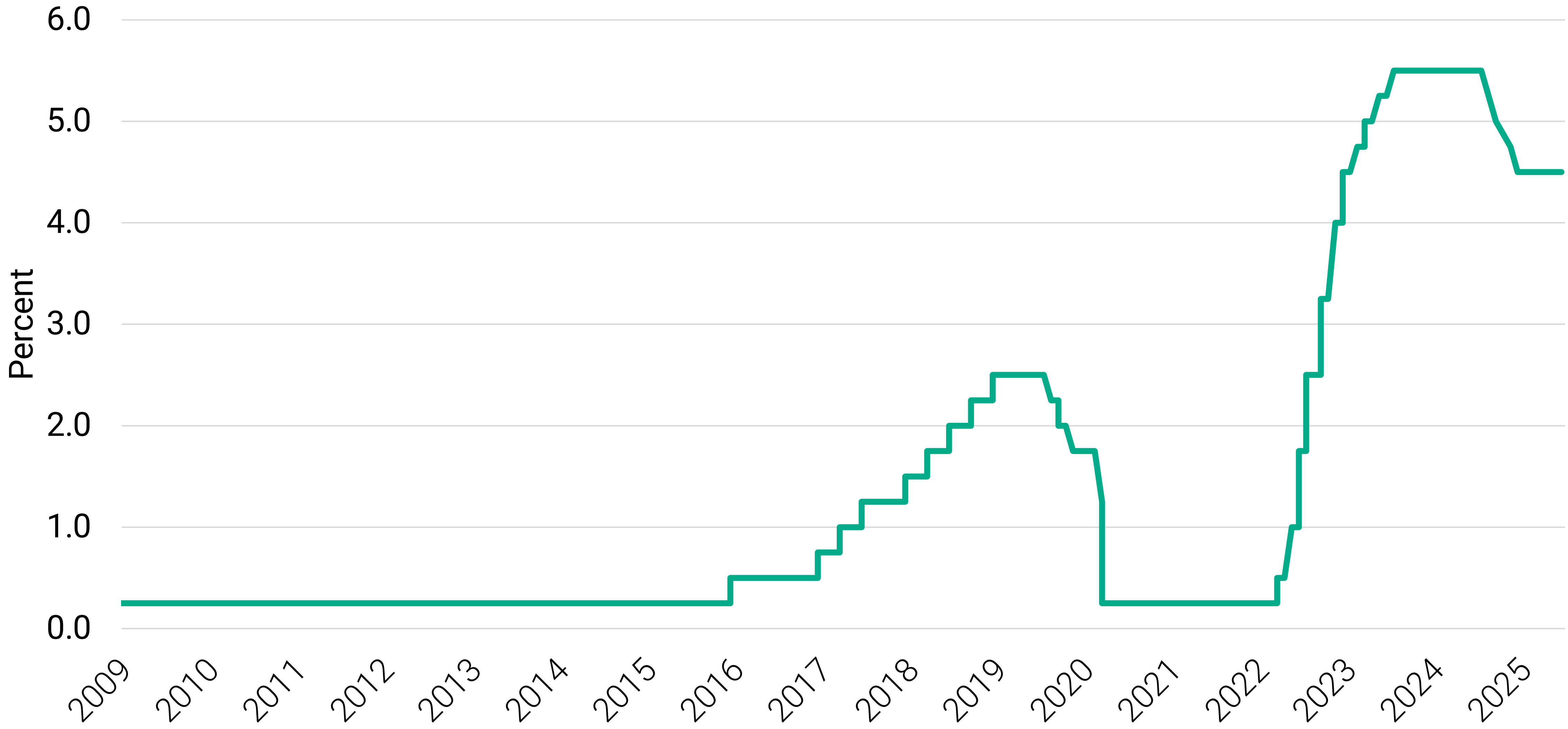
The Manhattan Candidate

2024 Trump Campaign Economic Policy Proposals

- Extend the expiring 2017 Tax Cuts and Jobs Act (TCJA) – *inflationary*
- Additional reduction in the corporate tax rate to 15% – *inflationary*
- Eliminate income taxes on Social Security benefits – *inflationary*
- Eliminate taxes on tips – *inflationary*
- 10% to 25% across-the-board tariff on imports – *inflationary*
- Mass deportation of all undocumented migrants – *inflationary*

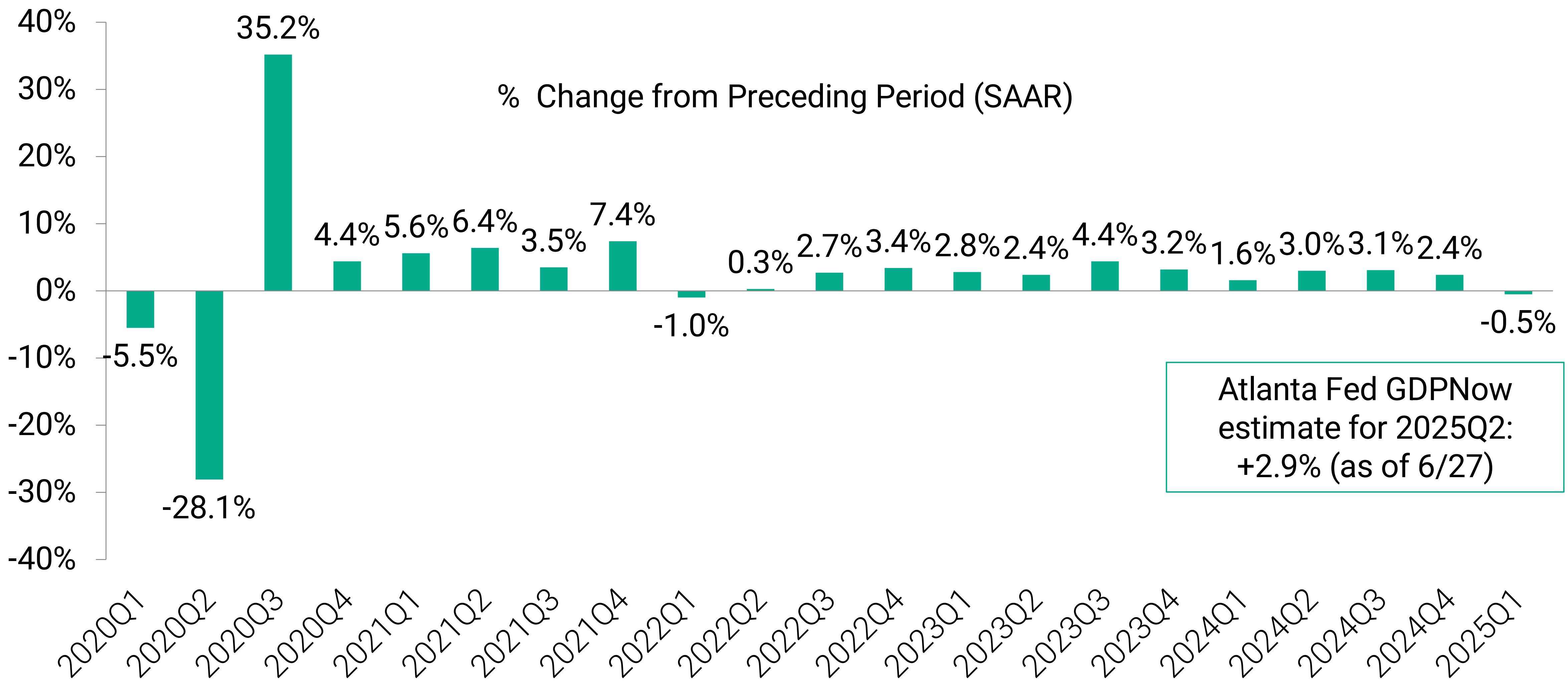
*The Manchurian Candidate (2004)—Denzel Washington as Major Bennett Marco

Federal Funds Rate, Target Rate Upper Limit, 2009 – 2025



Source: Board of Governors of the Federal Reserve System

U.S. Gross Domestic Product Growth, 2020 – 2025Q1



Source: U.S. Bureau of Economic Analysis *2025Q1: 3rd (final) estimate

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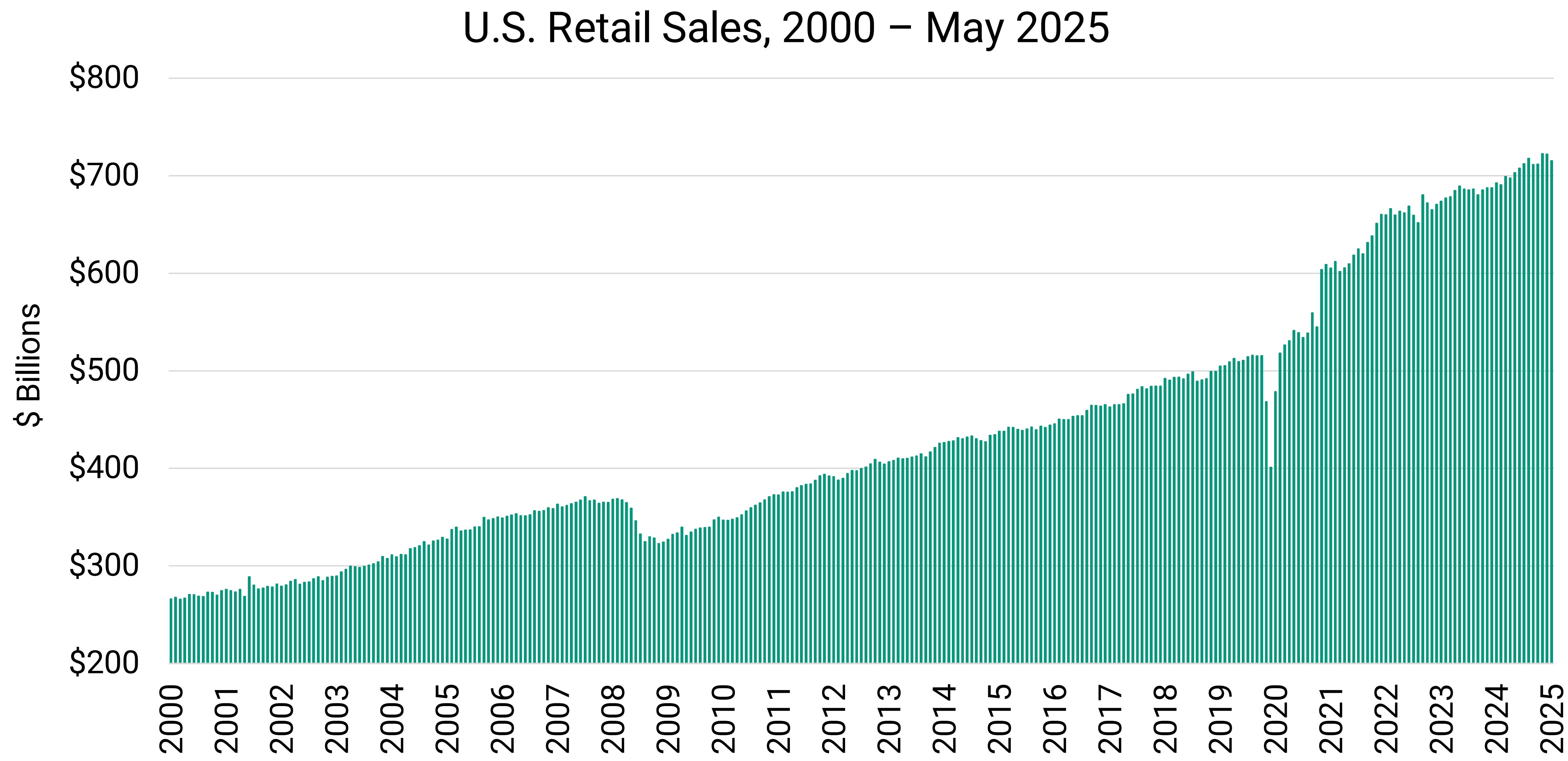
They Got Game



Source: U.S. Census Bureau

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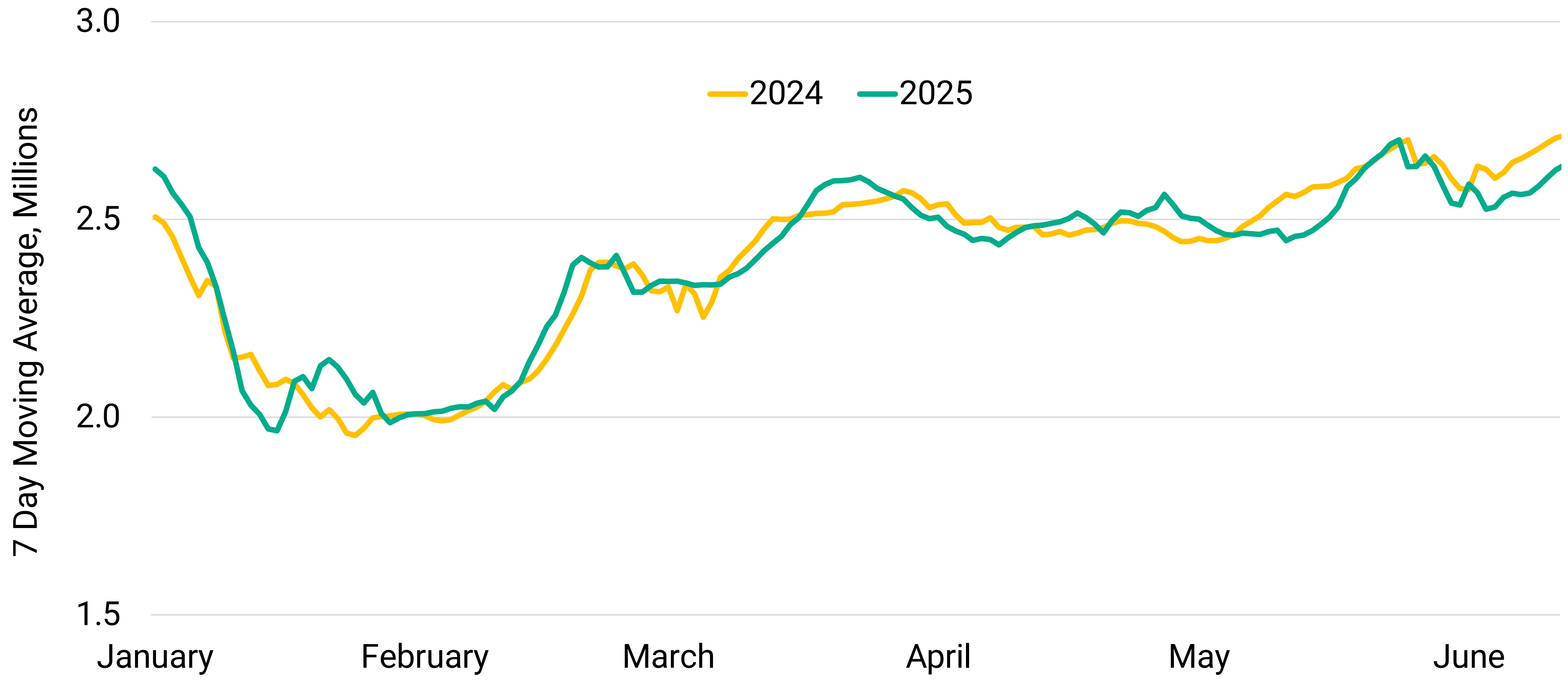
Daily Average TSA Checkpoint Travel Numbers



Source: U.S. Transportation Security Administration (TSA)

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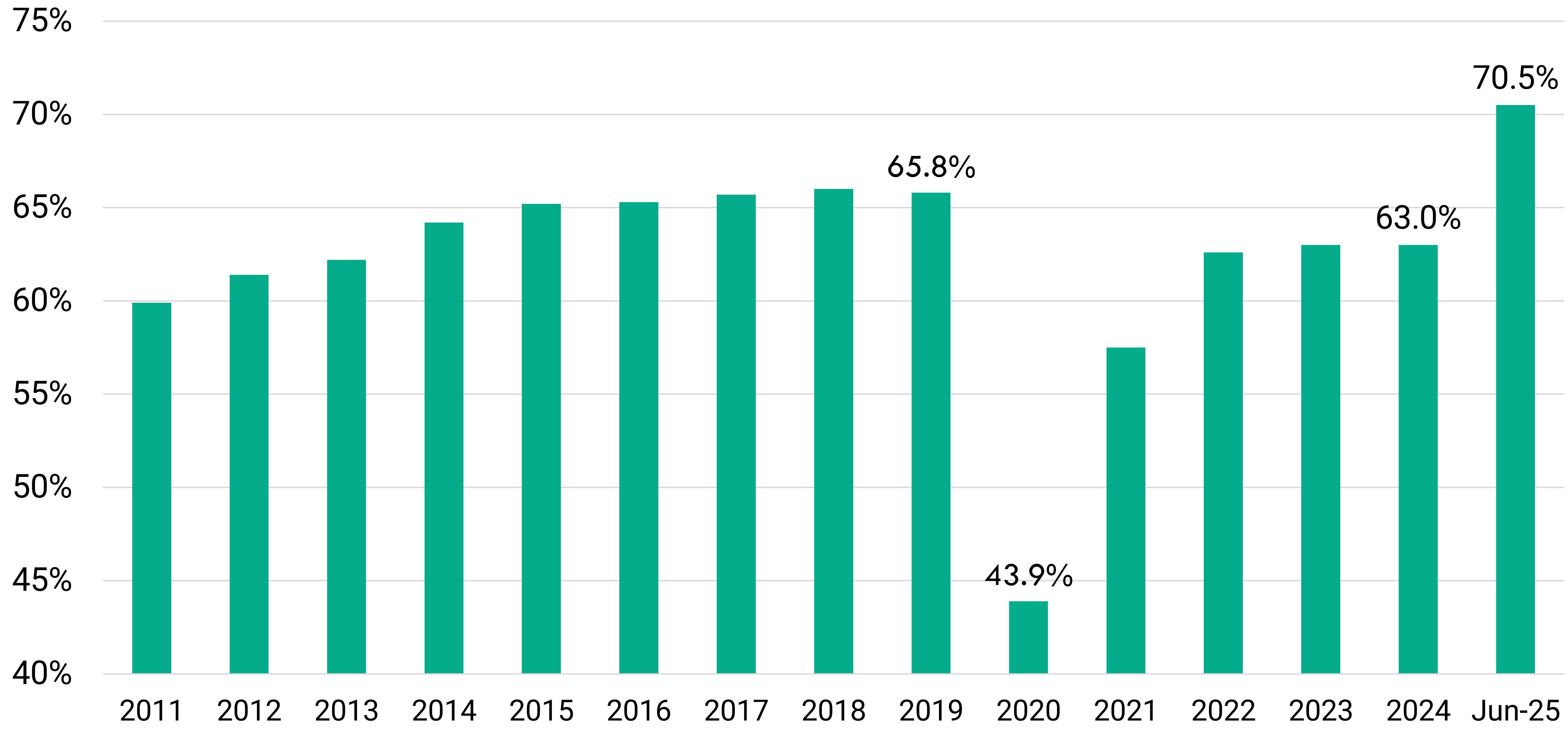
U.S. Hotel Occupancy, 2011 – 2025



Source: Costar

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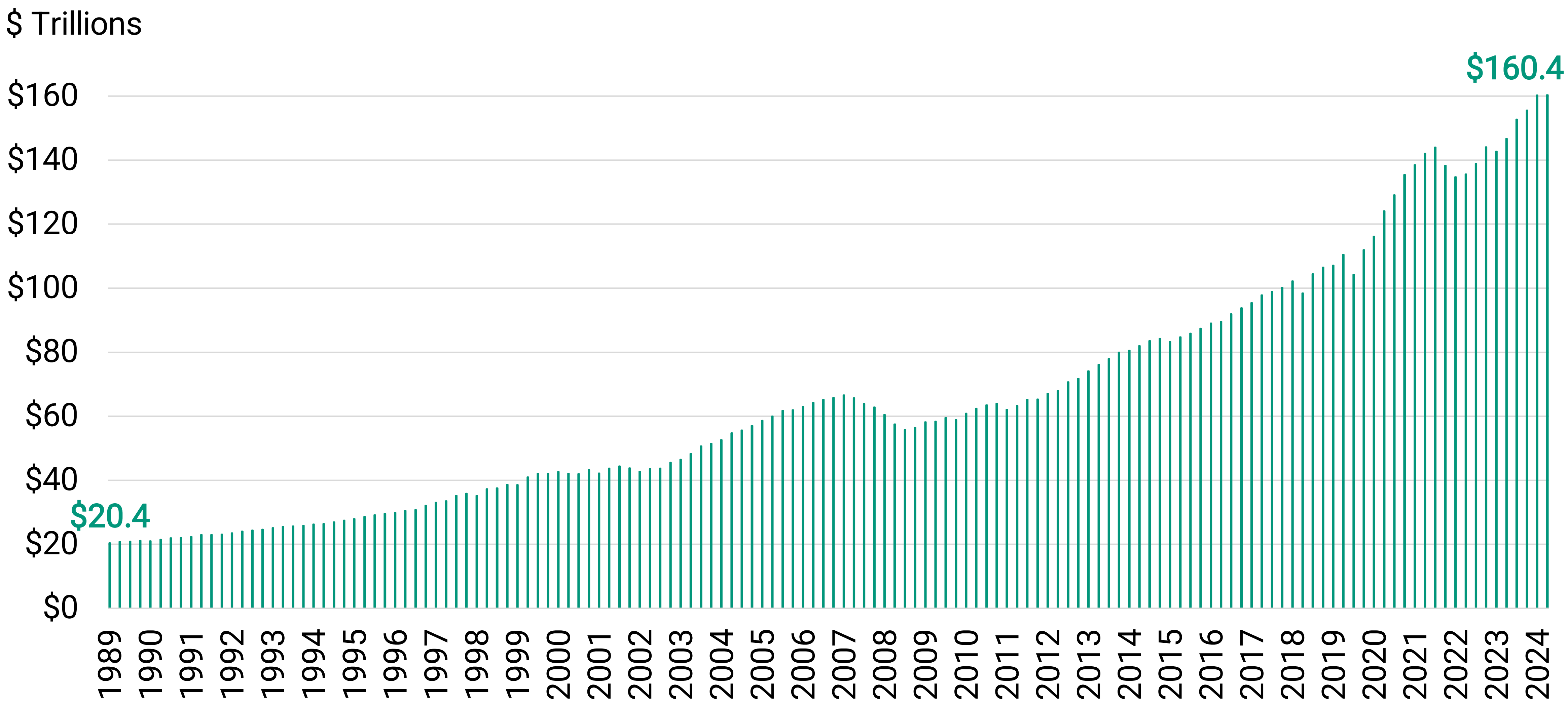
Total U.S. Household Wealth, 1989 – 2024



Source: Federal Reserve Board, Distributional Financial Accounts (DFAs)

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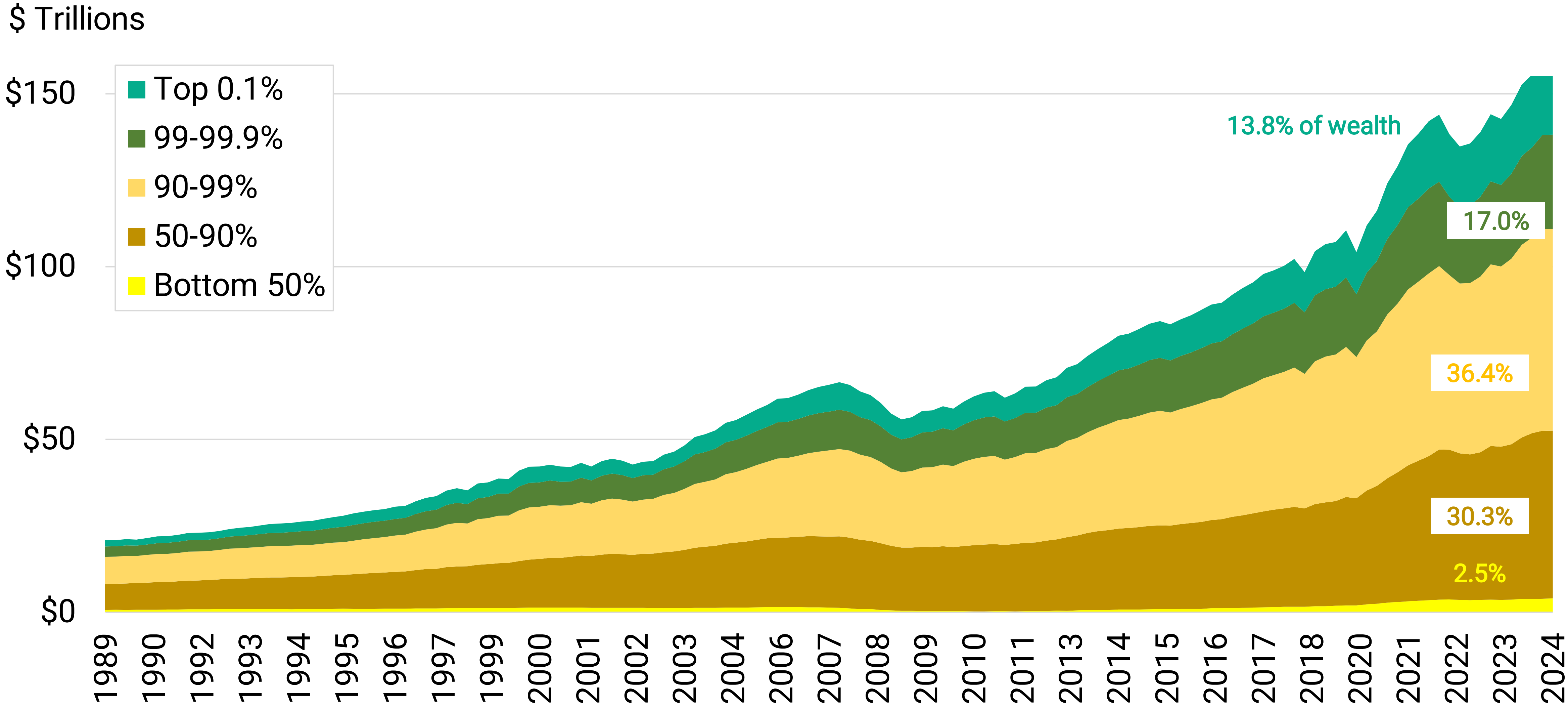
U.S. Household Wealth by Wealth Percentile Group, 1989 – 2024



Source: Federal Reserve Board, Distributional Financial Accounts (DFAs)

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The Equalizer

The Equalizer (2014, 2018, and 2023)—Denzel Washington as mystery man Robert McCall

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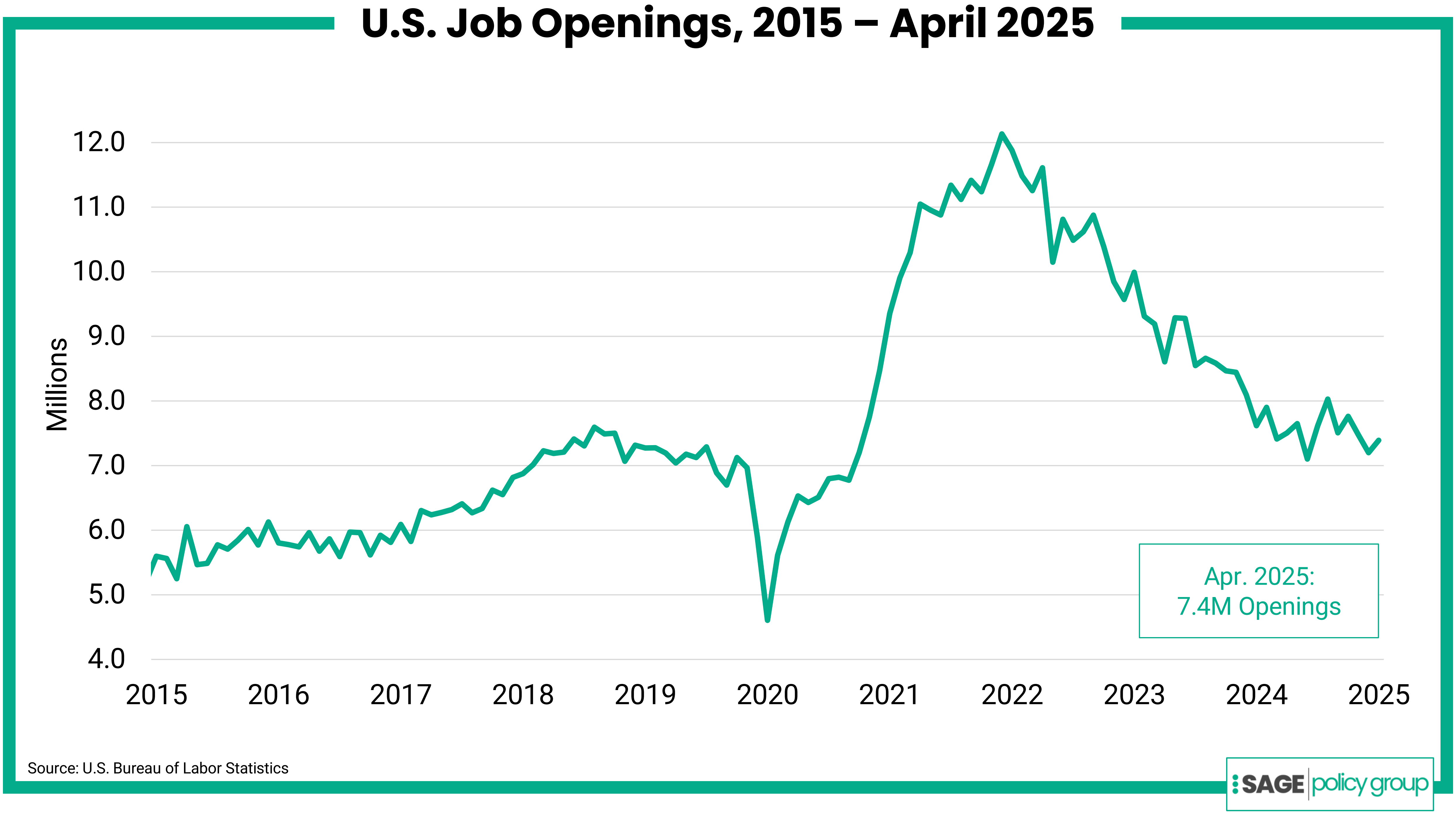
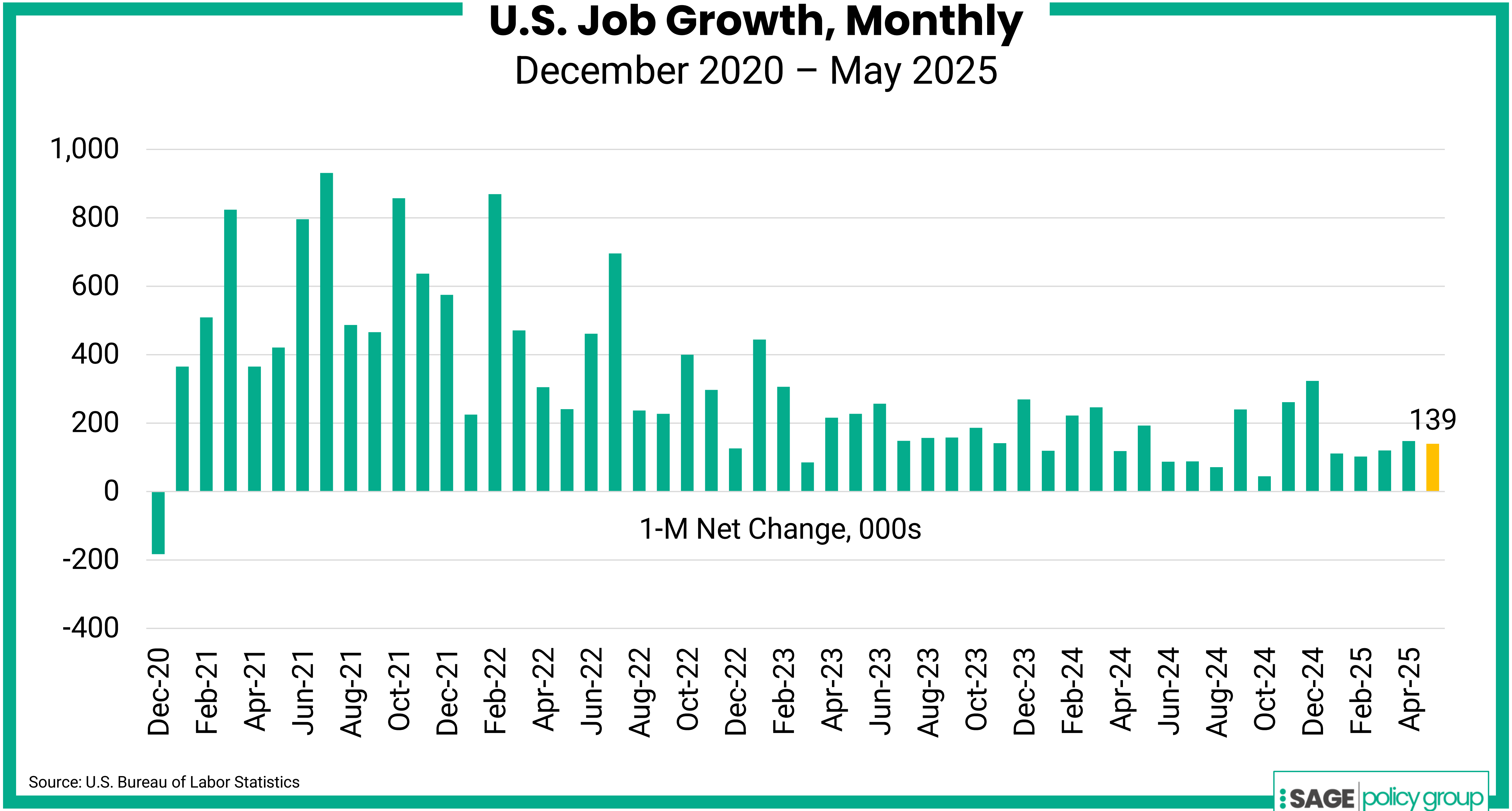


U.S. Job Openings, 2015 – April 2025
Millions
12.0
11.0
10.0
9.0
8.0
7.0
6.0
5.0
4.0
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
Apr. 2025:
7.4M Openings
Source: U.S. Bureau of Labor Statistics



Source: U.S. Bureau of Labor Statistics

Employment Growth, 25 Largest Metros

February 2020 v. May 2025 % Change

Rank	MSA	%
1	Austin-Round Rock-San Marcos, TX	20.4%
2	Orlando-Kissimmee-Sanford, FL	13.1%
3	Dallas-Fort Worth-Arlington, TX	12.9%
4	San Antonio-New Braunfels, TX	11.5%
5	Charlotte-Concord-Gastonia, NC-SC	11.1%
6	Tampa-St. Petersburg-Clearwater, FL	10.8%
7	Phoenix-Mesa-Chandler, AZ	10.2%
8	Houston-Pasadena-The Woodlands, TX	8.7%
9	Miami-Fort Lauderdale-West Palm Beach, FL	8.5%
10	Atlanta-Sandy Springs-Roswell, GA	8.0%
11	Riverside-San Bernardino-Ontario, CA	7.4%
12	Denver-Aurora-Centennial, CO	7.0%
13	Philadelphia-Camden-Wilm., PA-NJ-DE-MD	6.0%

Rank	MSA	%
14	New York-Newark-Jersey City, NY-NJ	4.1%
15	San Diego-Chula Vista-Carlsbad, CA	4.0%
16	Baltimore-Columbia-Towson, MD	3.6%
17	Seattle-Tacoma-Bellevue, WA	2.8%
18	Chicago-Naperville-Elgin, IL-IN-WI	2.7%
19	Detroit-Warren-Dearborn, MI	2.6%
19	Washington-Arlington-Alexandria, DC-VA-MD-WV	2.6%
21	St. Louis, MO-IL	2.5%
22	Minneapolis-St. Paul-Bloomington, MN-WI	2.3%
23	Boston-Cambridge-Newton, MA-NH	0.6%
24	Los Angeles-Long Beach-Anaheim, CA	0.0%
25	San Francisco-Oakland-Fremont, CA	-3.2%

Source: Bureau of Labor Statistics
Current Employment Statistics (CES) Survey. Note: data are not seasonally adjusted.

U.S. % Change 2/2020 v. 5/2025: +4.8%

Unemployment Rates, 25 Largest Metros, April 2025

Rank	MSA	%
1	Atlanta-Sandy Springs-Roswell, GA	3.0%
1	Baltimore-Columbia-Towson, MD	3.0%
1	Miami-Fort Lauderdale-West Palm Beach, FL	3.0%
1	Minneapolis-St. Paul-Bloomington, MN-WI	3.0%
5	Austin-Round Rock-San Marcos, TX	3.1%
5	Phoenix-Mesa-Chandler, AZ	3.1%
7	Orlando-Kissimmee-Sanford, FL	3.3%
8	Charlotte-Concord-Gastonia, NC-SC	3.4%
8	San Antonio-New Braunfels, TX	3.4%
8	Washington-Arlington-Alexandria, DC-VA-MD-WV	3.4%
11	Dallas-Fort Worth-Arlington, TX	3.5%
11	Tampa-St. Petersburg-Clearwater, FL	3.5%

Rank	MSA	%
13	St. Louis, MO-IL	3.6%
14	Detroit-Warren-Dearborn, MI	3.7%
15	Philadelphia-Camden-Wilm., PA-NJ-DE-MD	3.8%
16	Houston-Pasadena-The Woodlands, TX	3.9%
16	San Francisco-Oakland-Fremont, CA	3.9%
18	San Diego-Chula Vista-Carlsbad, CA	4.0%
19	New York-Newark-Jersey City, NY-NJ	4.1%
20	Boston-Cambridge-Newton, MA-NH	4.2%
20	Seattle-Tacoma-Bellevue, WA	4.2%
22	Denver-Aurora-Centennial, CO	4.6%
23	Chicago-Naperville-Elgin, IL-IN-WI	4.8%
23	Los Angeles-Long Beach-Anaheim, CA	4.8%
25	Riverside-San Bernardino-Ontario, CA	4.9%

Source: Bureau of Labor Statistics
Local Area Unemployment Statistics (LAUS) program. Note: data are not seasonally adjusted

U.S. Unemployment Rate: 4.2%

Devil in a Bunch of Data

Devil in a Blue Dress (1995)—Denzel Washington as Easy Rawlins

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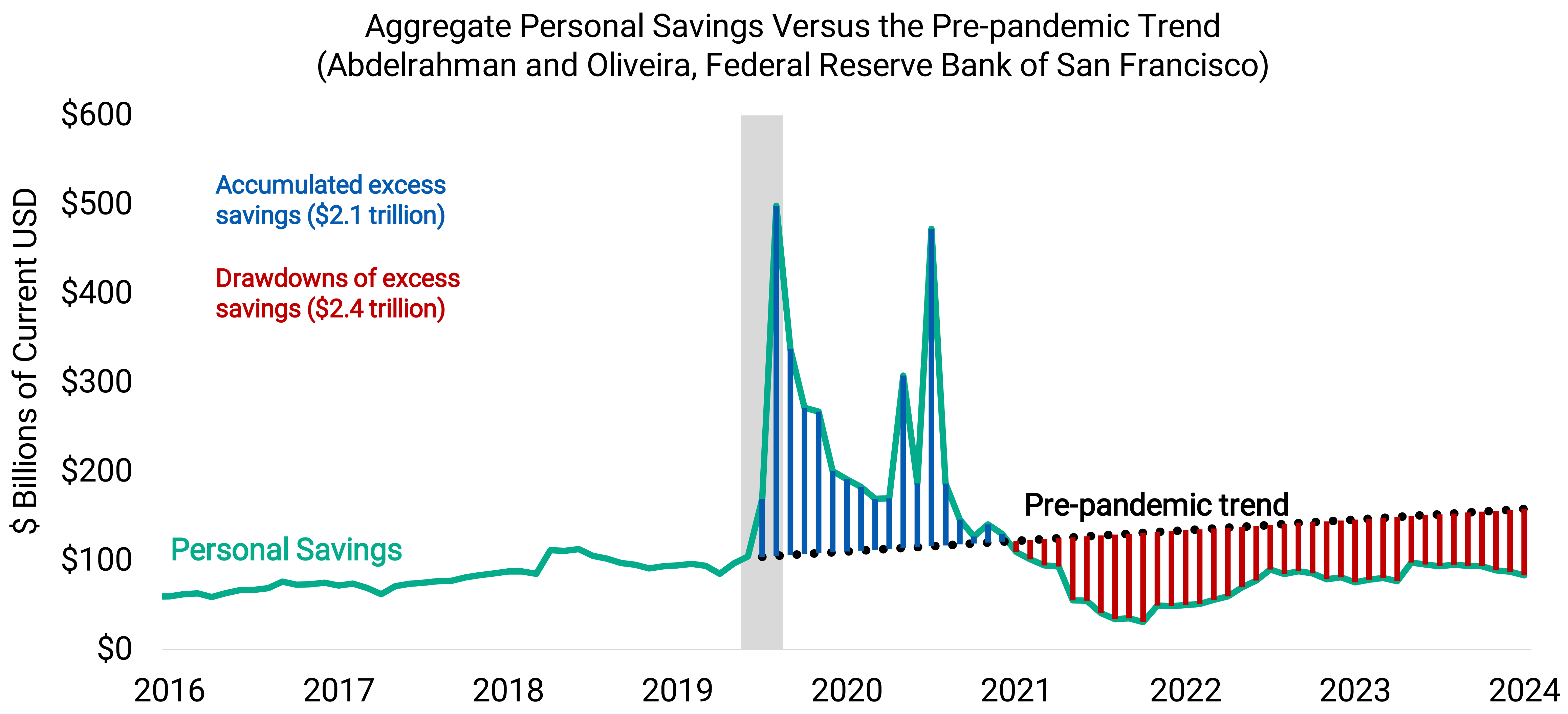
Drawdown of Pandemic Related Excess Savings



Source: Federal Reserve Bank of San Francisco

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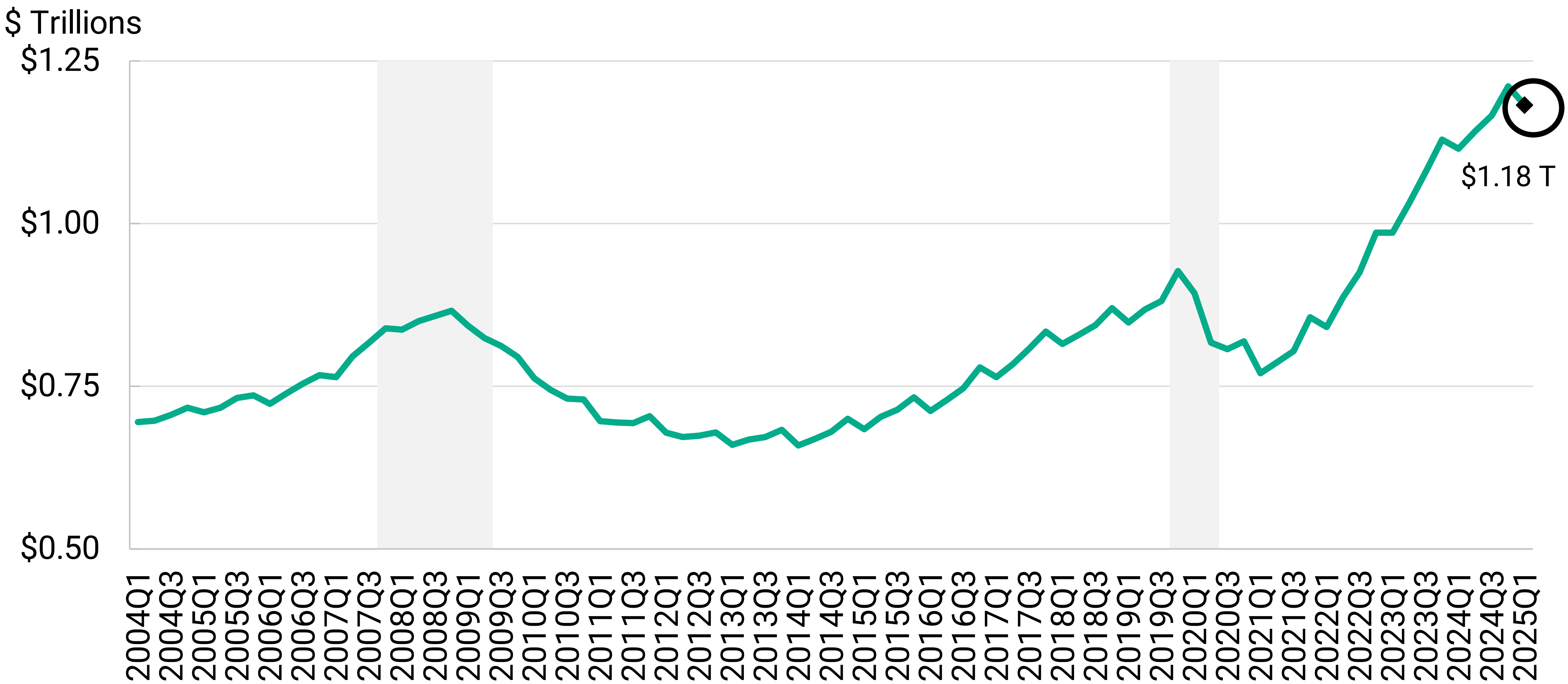
U.S. Credit Card Debt, 2004 – 2025



Shaded areas indicate U.S. recessions

Source: FRED; New York Fed Consumer Credit Panel/Equifax

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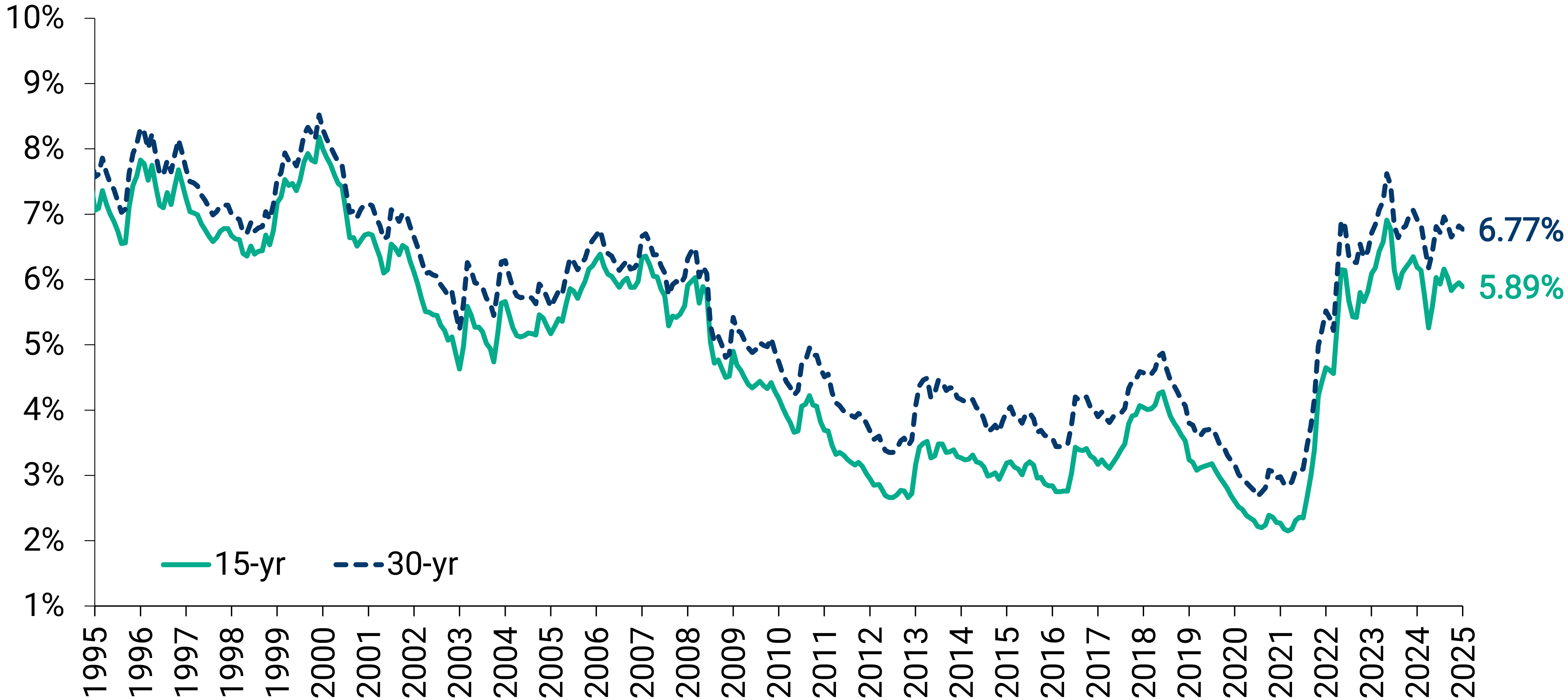
Fences

Fences (2016)—Denzel Washington as Troy Maxson, Pittsburgh sanitation worker

U.S. 15-Year & 30-Year Fixed Mortgage Rates

1995 – June 2025*



Source: Freddie Mac *Week ending 6/26/2025

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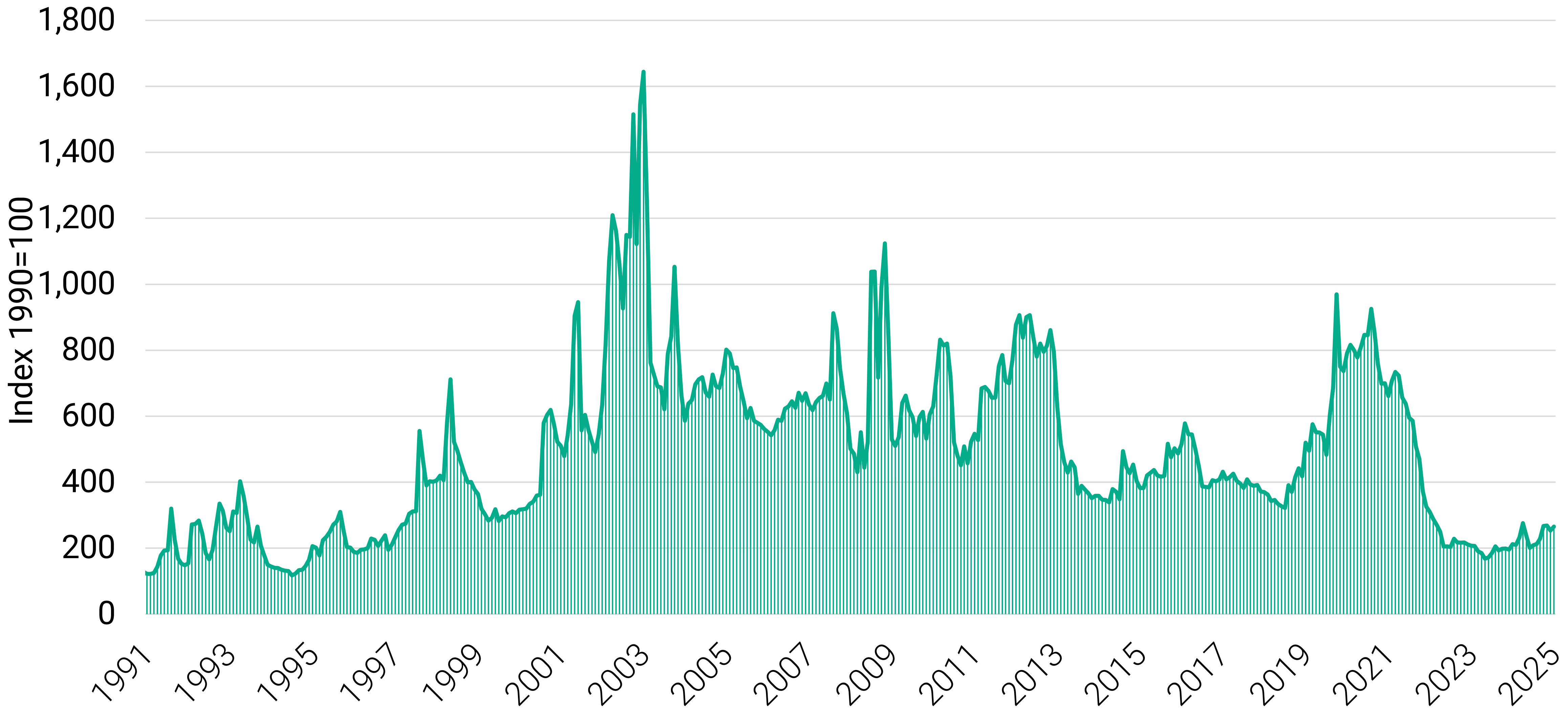
U.S. Mortgage Loan Applications Composite Index

1991 – June 2025



Source: Mortgage Bankers Association (MBA)

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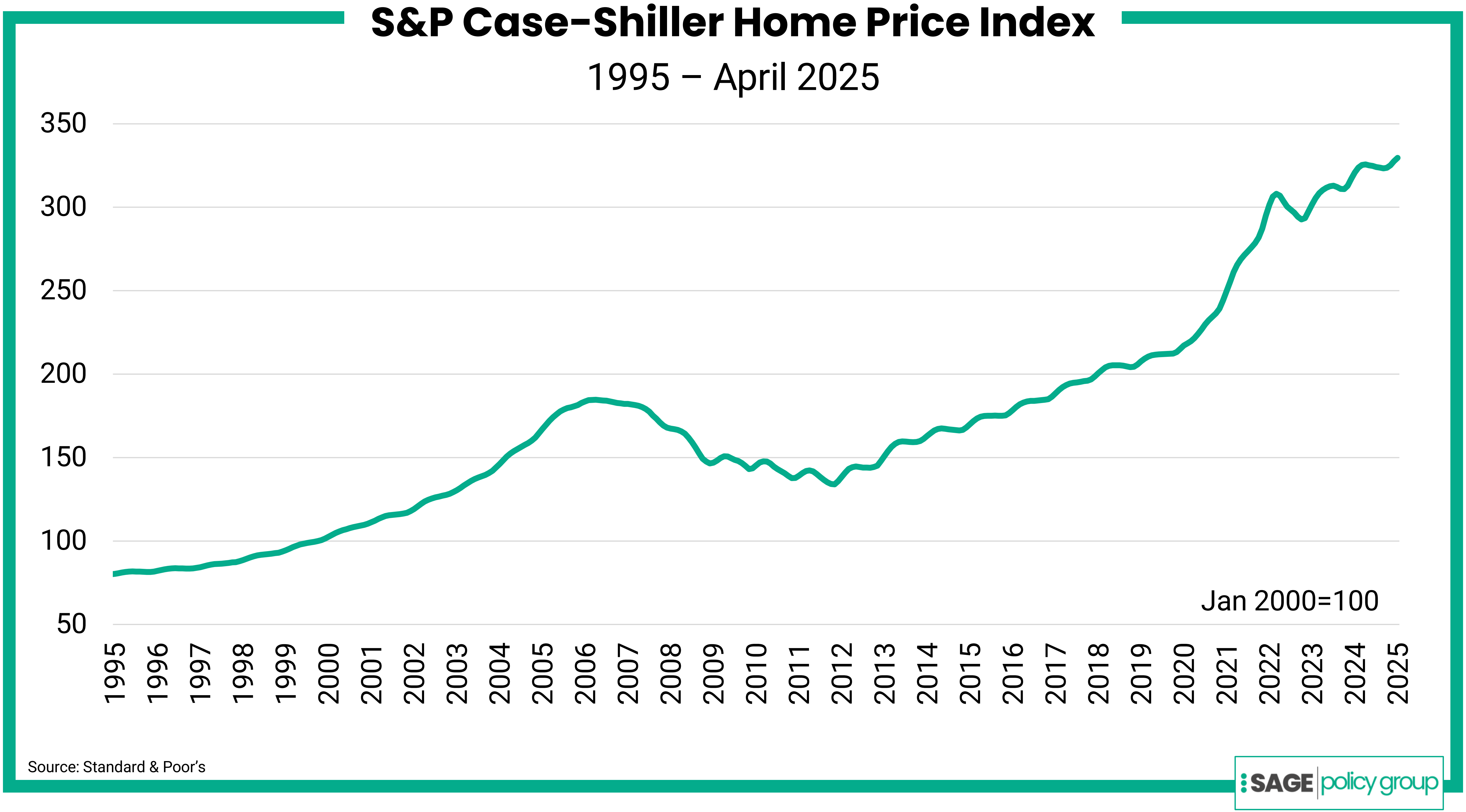
S&P Case-Shiller Home Price Index
1995 – April 2025
350
300
250
200
150
100
50
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
Jan 2000=100
Source: Standard & Poor's
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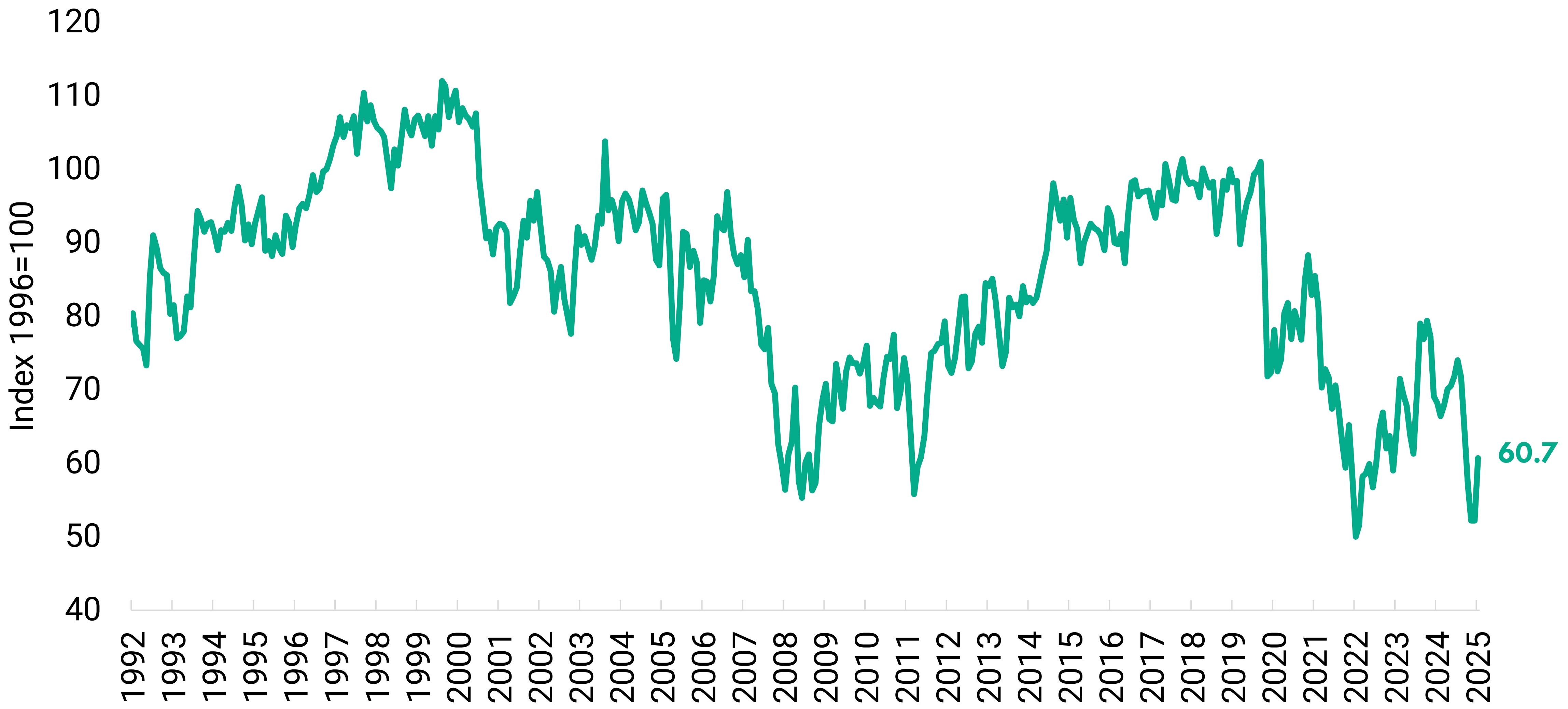
Glory

Glory (1989)—Denzel Washington as Trip, a member of the 54th Massachusetts infantry regiment

University of Michigan Index of Consumer Sentiment

1992 – June 2025



Source: University of Michigan

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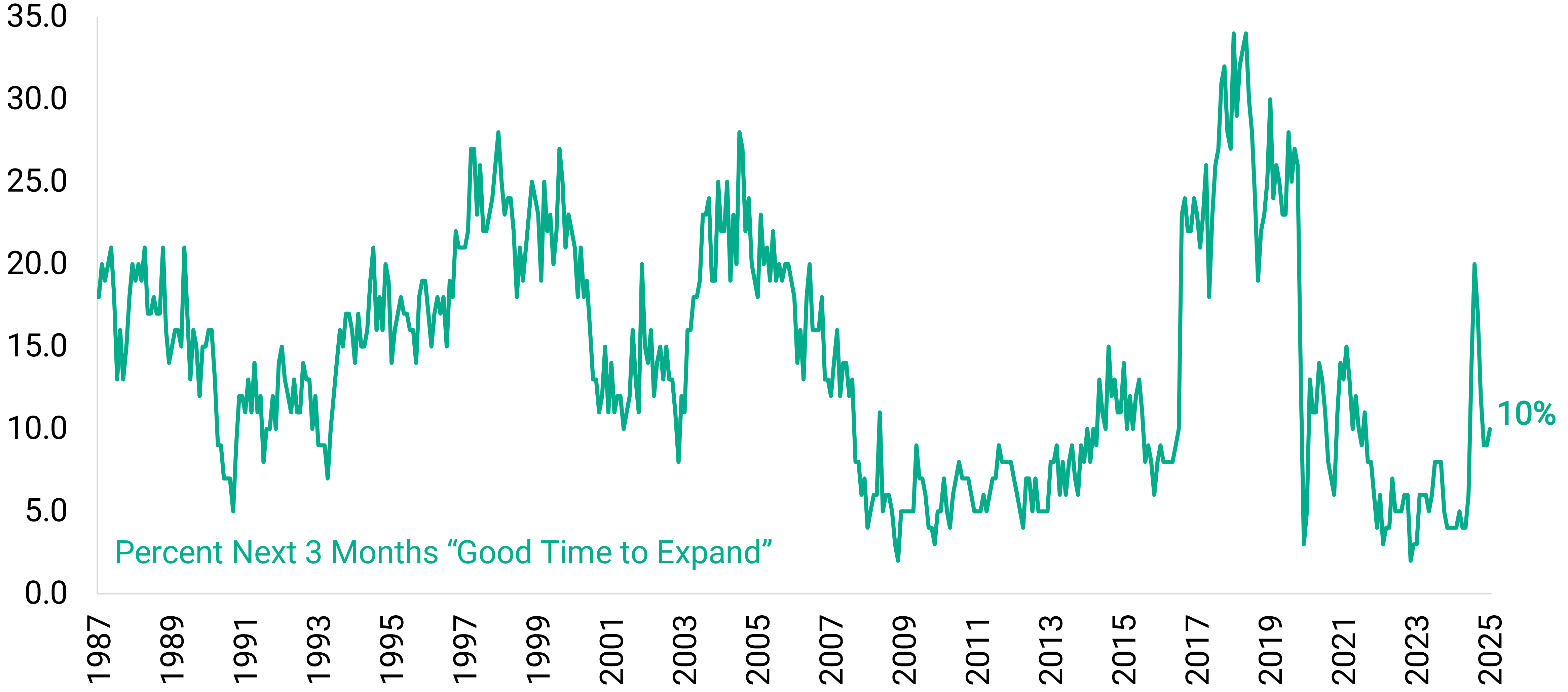
NFIB Index of Small Business Optimism

1987 – May 2025



Source: National Federation of Independent Business (NFIB)

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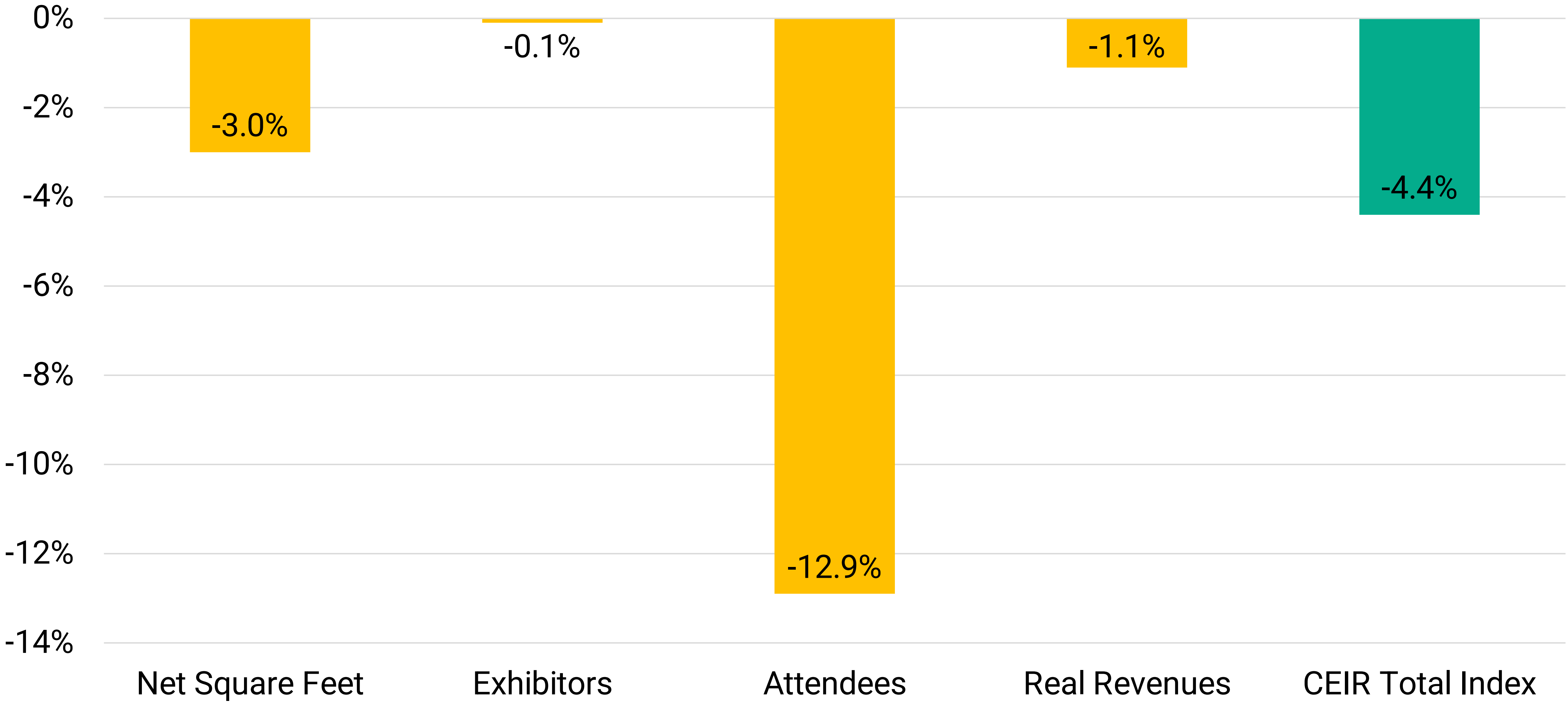
Center for Exhibition Industry Research (CEIR)

Exhibition Industry Index, 2019Q4 v. 2024Q4



Source: Center for Exhibition Industry Research (CEIR)

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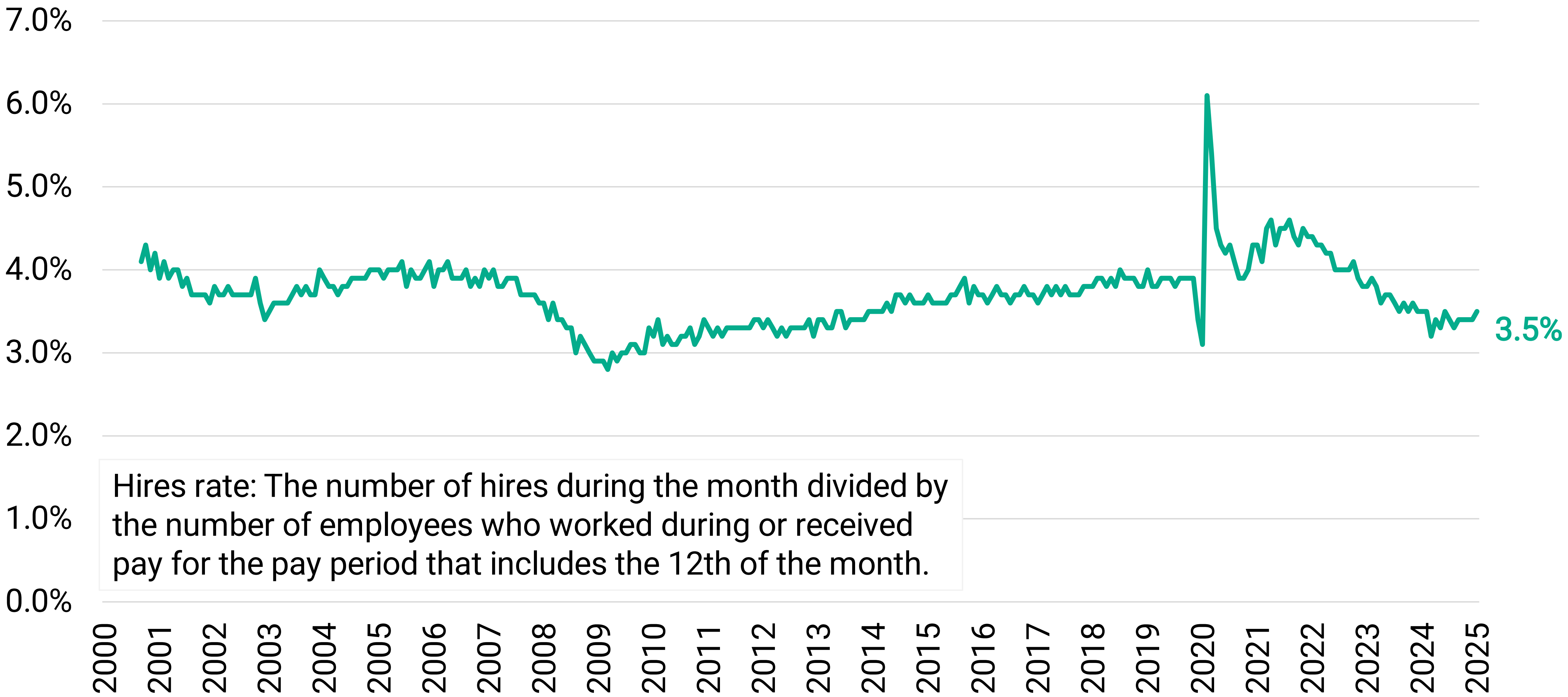
U.S. Hires Rate, 2000 – April 2025



Source: U.S. Bureau of Labor Statistics

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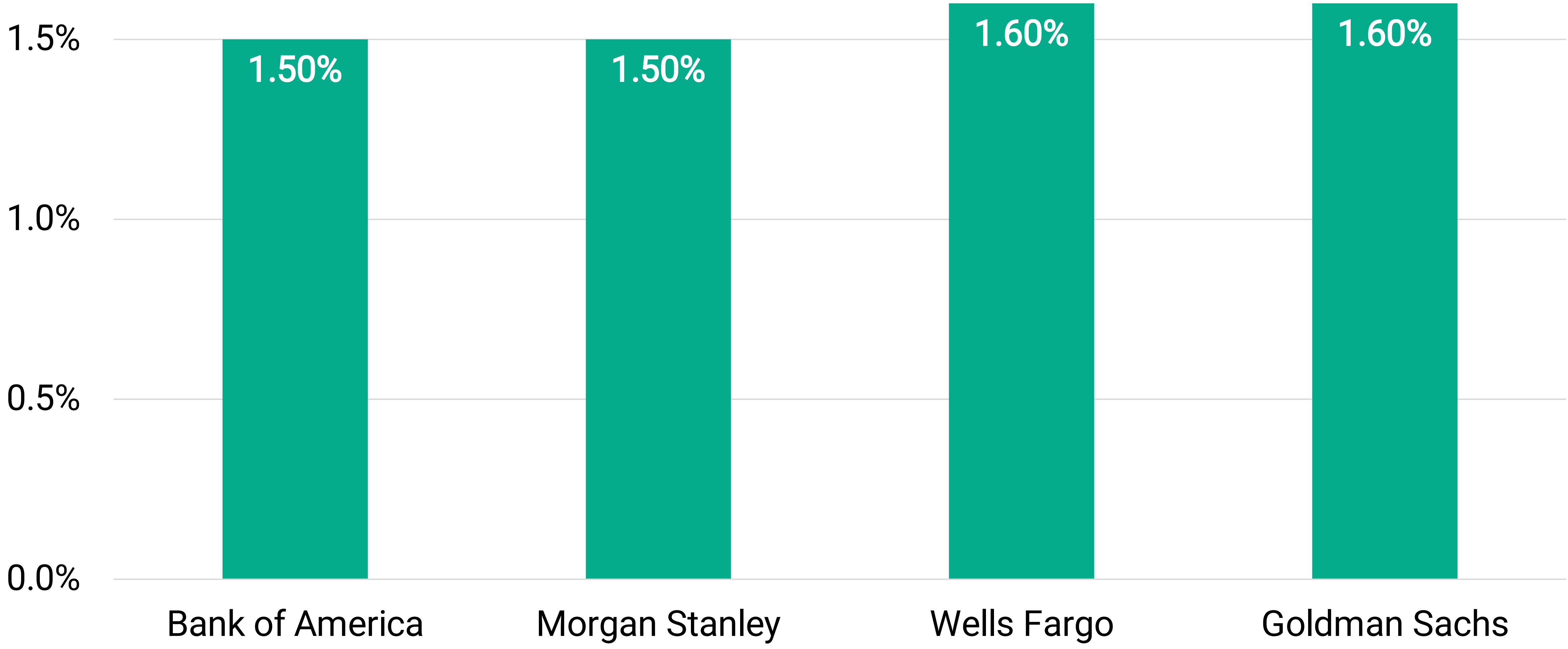
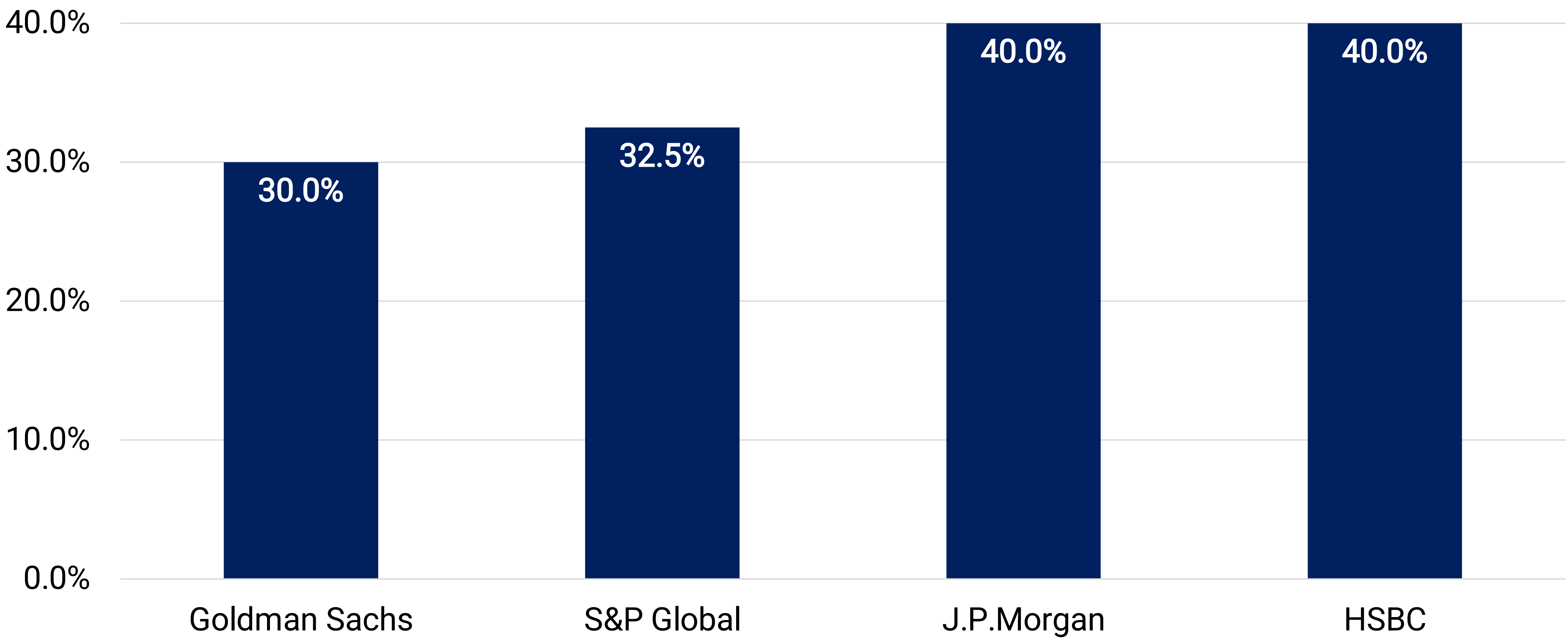
Major Banks' Forecasts for U.S. GDP Growth in 2025



Source: Brokerage and media reports

2025 Recession Probability, Major Brokerage Forecasts



Source: Reuters

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Out of Time

Could N. American Economy Surprise to the Downside?

- Inflation poised to stage a comeback – blame tariffs;
- Interest rates will be higher for longer – ditto;
- Many consumers now exhausted financially, and circumstances could worsen – right, because of tariffs;
- Are asset prices overextended? This may have something to do with tariffs;
- So forecast was for growth in 2025, but there are risks, including rising interest rates and falling asset prices, and that's because of . . . well you know.

*Out of Time (2003)—Denzel Washington as police chief Matt Lee Whitlock

Thank You

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Q&A