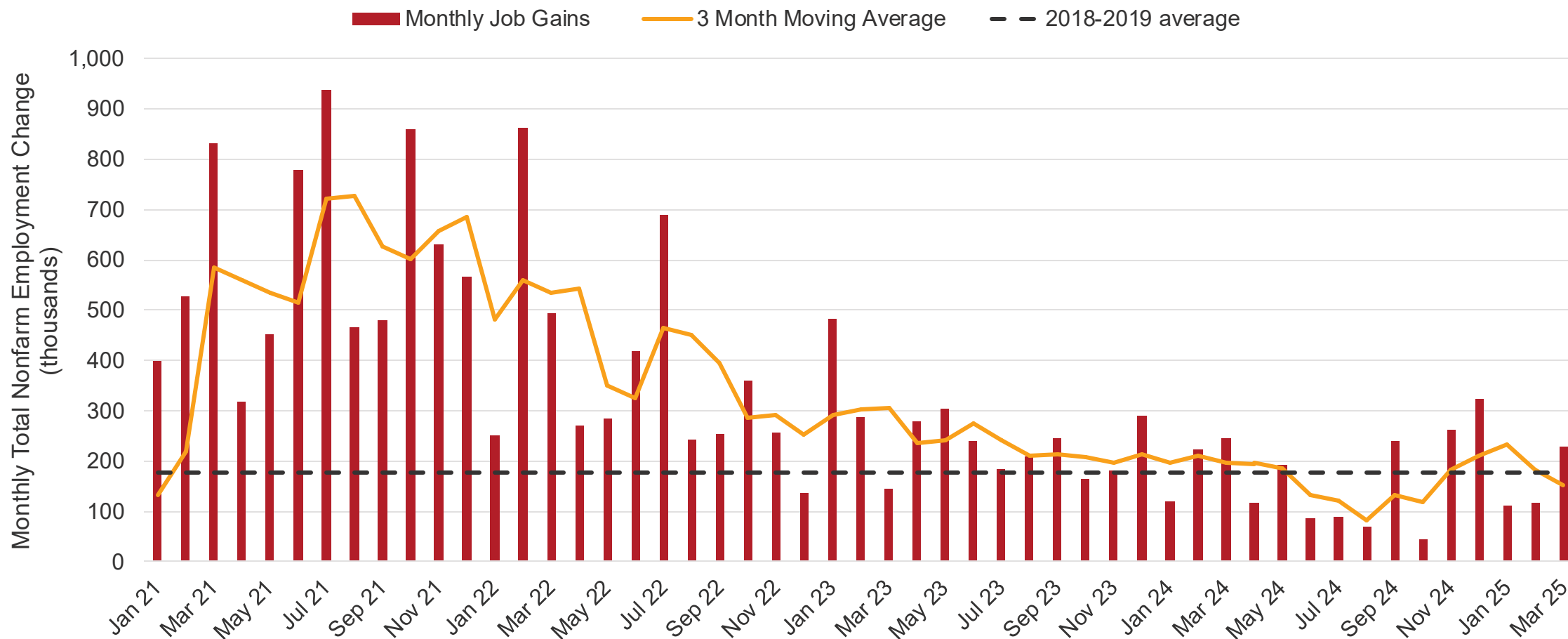


GLOBAL ECONOMIC OUTLOOK & UPDATE

Patrick Manzi, PhD
Chief Economist, NADA

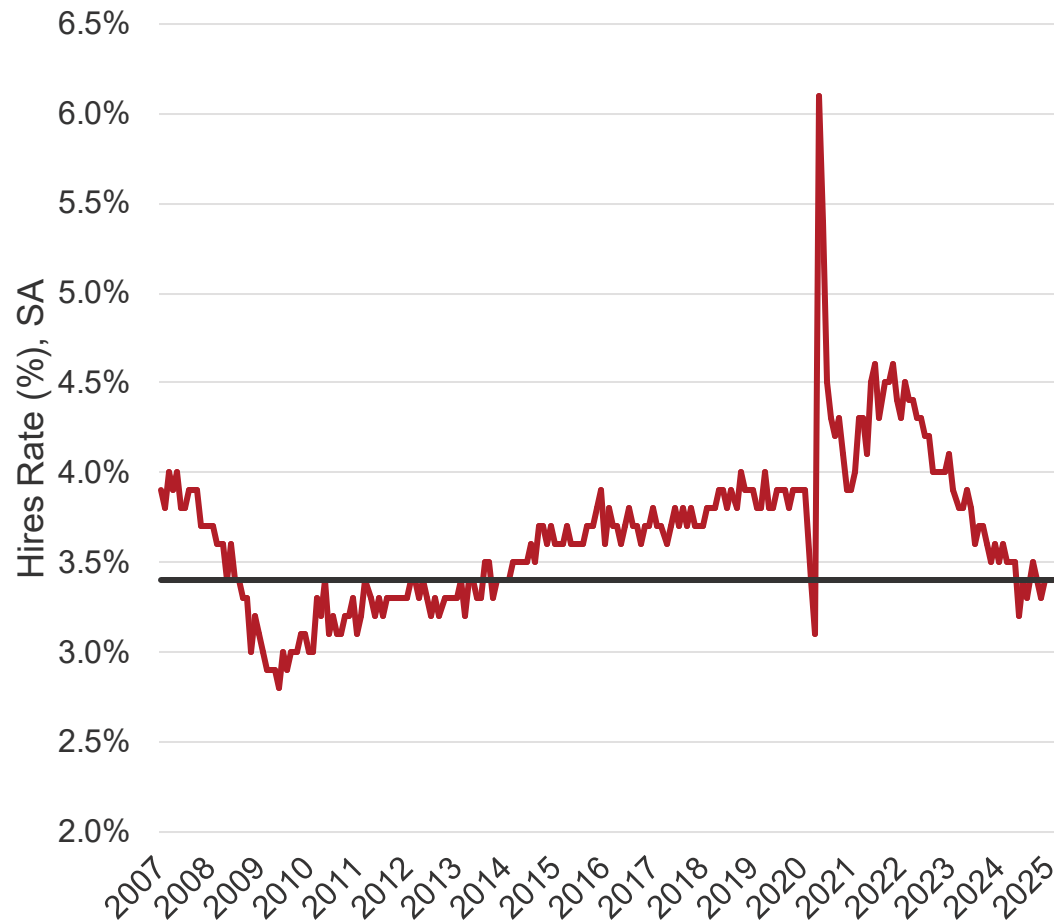
Total Nonfarm Employment Monthly Change



Initial Jobless Claims



Hires Rate Lowest Since 2014



Are small businesses planning to hire?

% planning increase - % planning decrease, Jan. '10 – Mar. '25

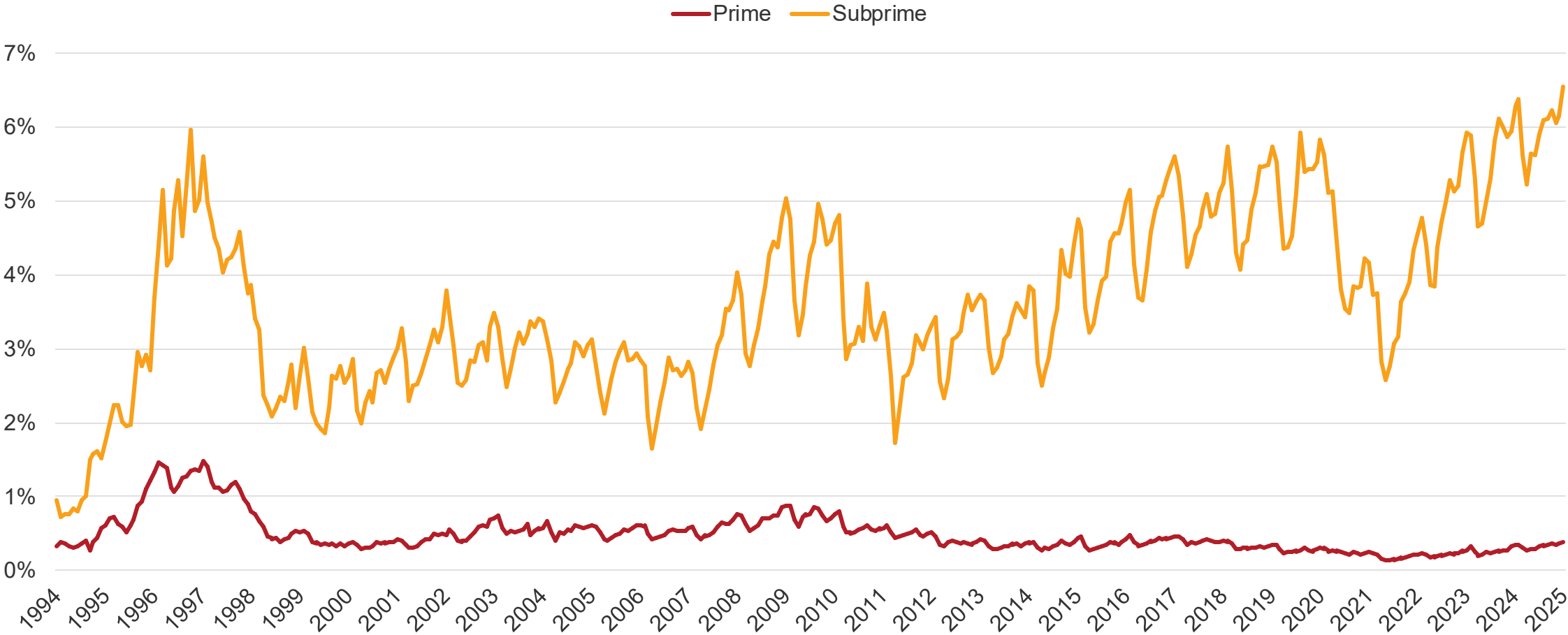


[NFIB.com/jobs](https://www.nfib.com/jobs)

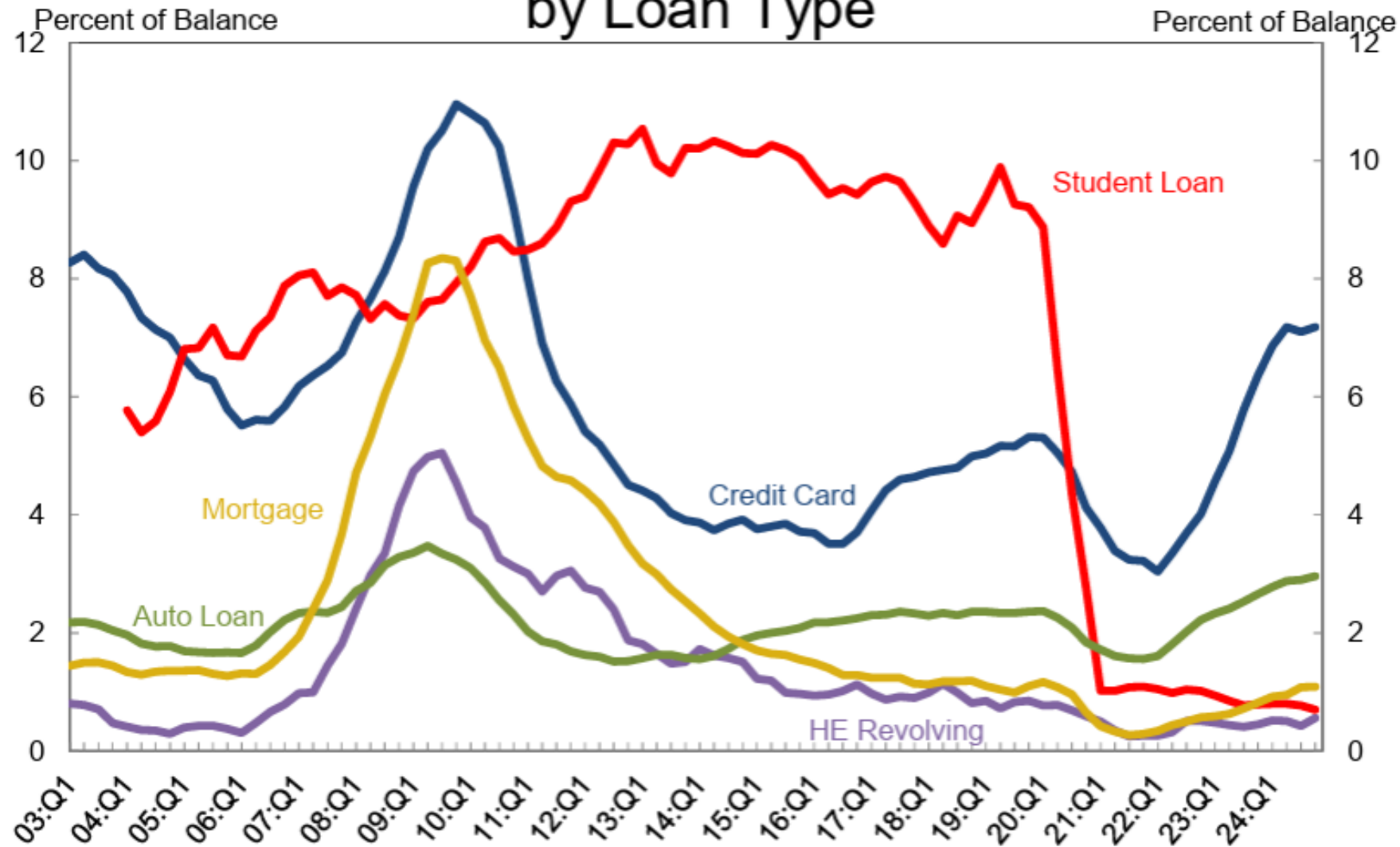
Real Disposable Income Growth Slowing, Overall Consumer Spending Generally Solid



60 Day Auto Loan Delinquencies



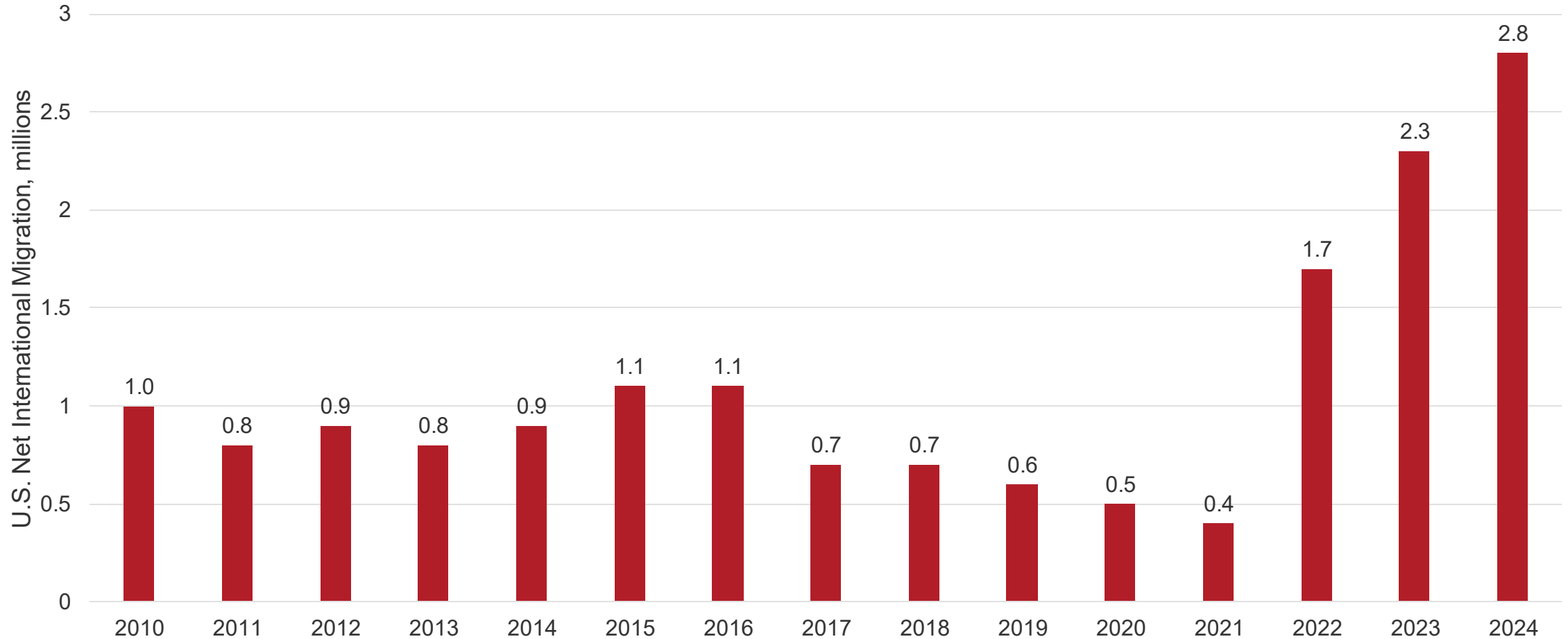
Transition into Serious Delinquency (90+) by Loan Type



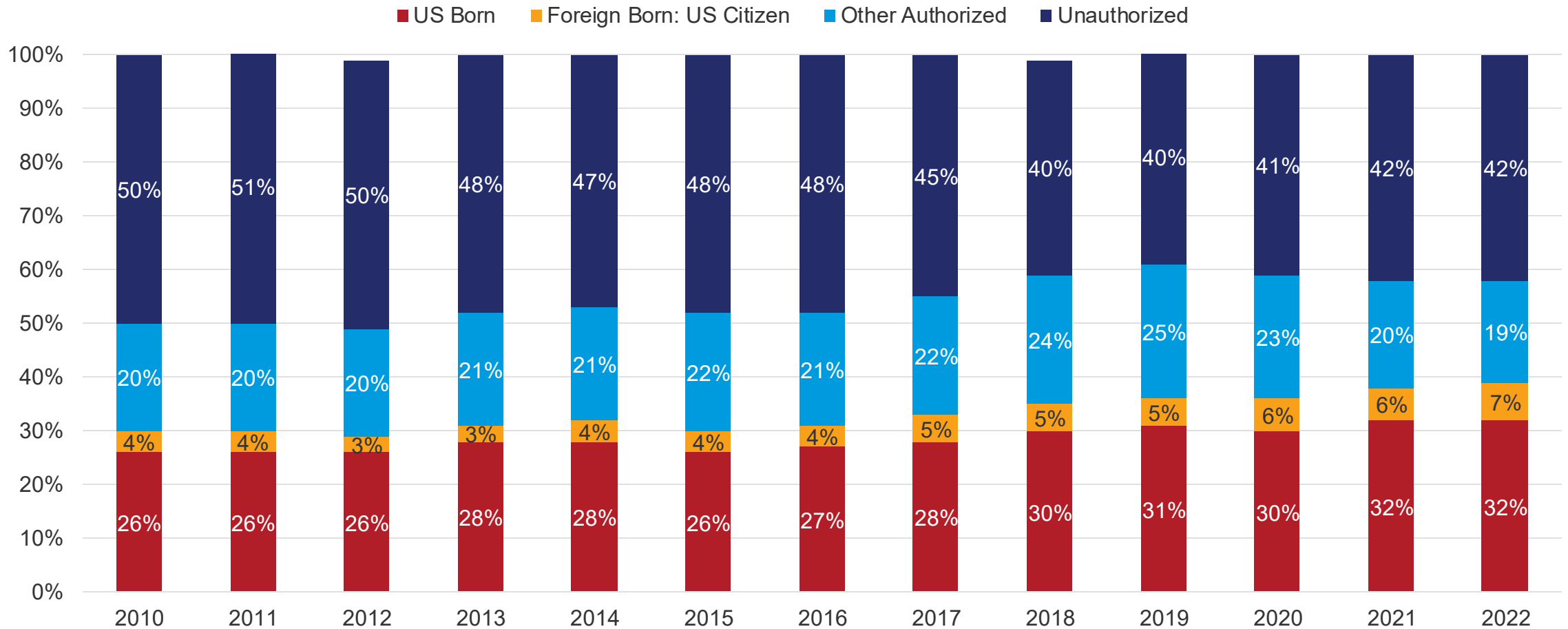
Source: New York Fed Consumer Credit Panel/Equifax

Note: 4 Quarter Moving Sum
Student loan data are not reported prior to 2004 due to uneven reporting

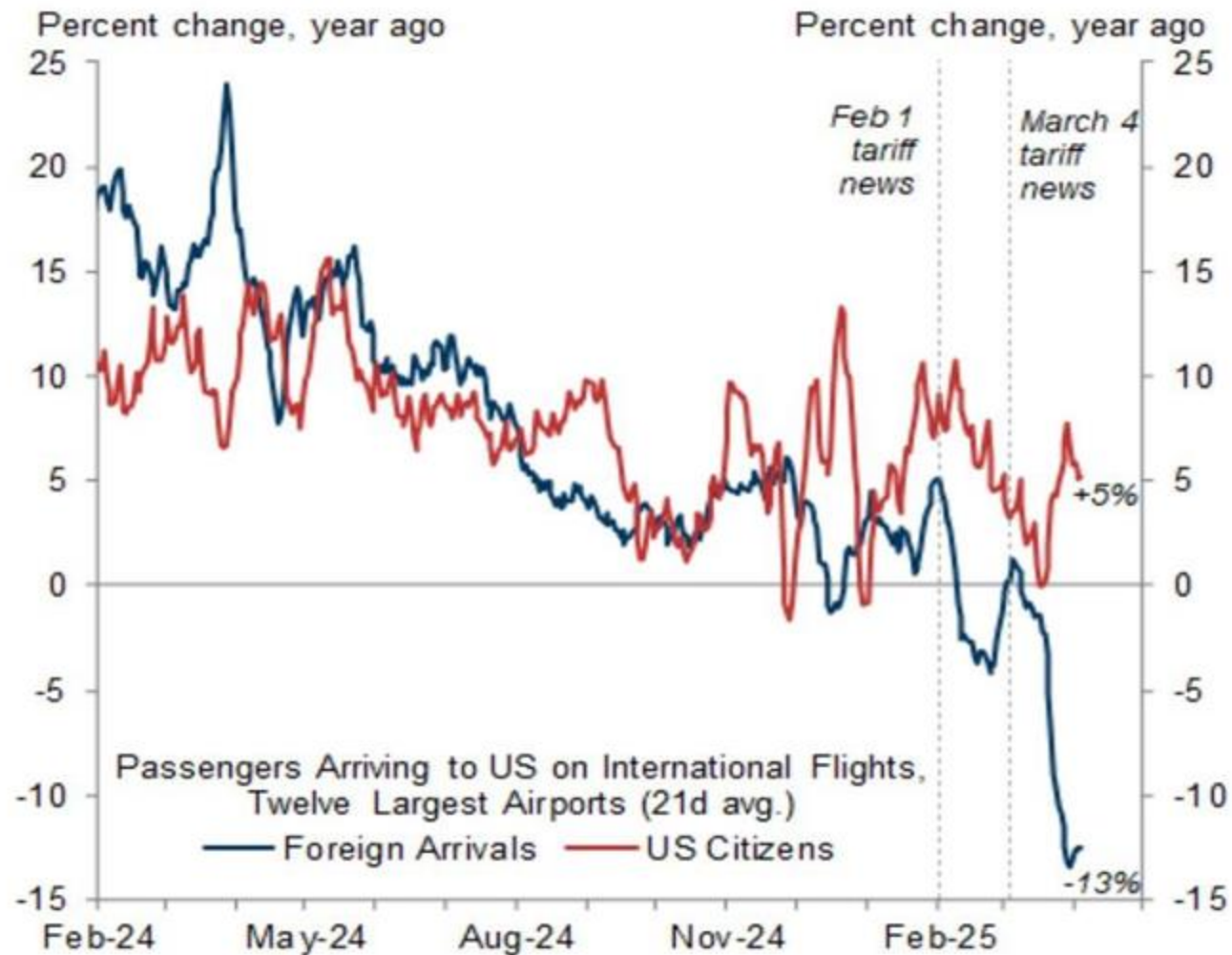
Expected Decline in Net Migration Will Drag on Growth and Total Employment



Unauthorized Immigrants Largest Share of Crop Farmworkers

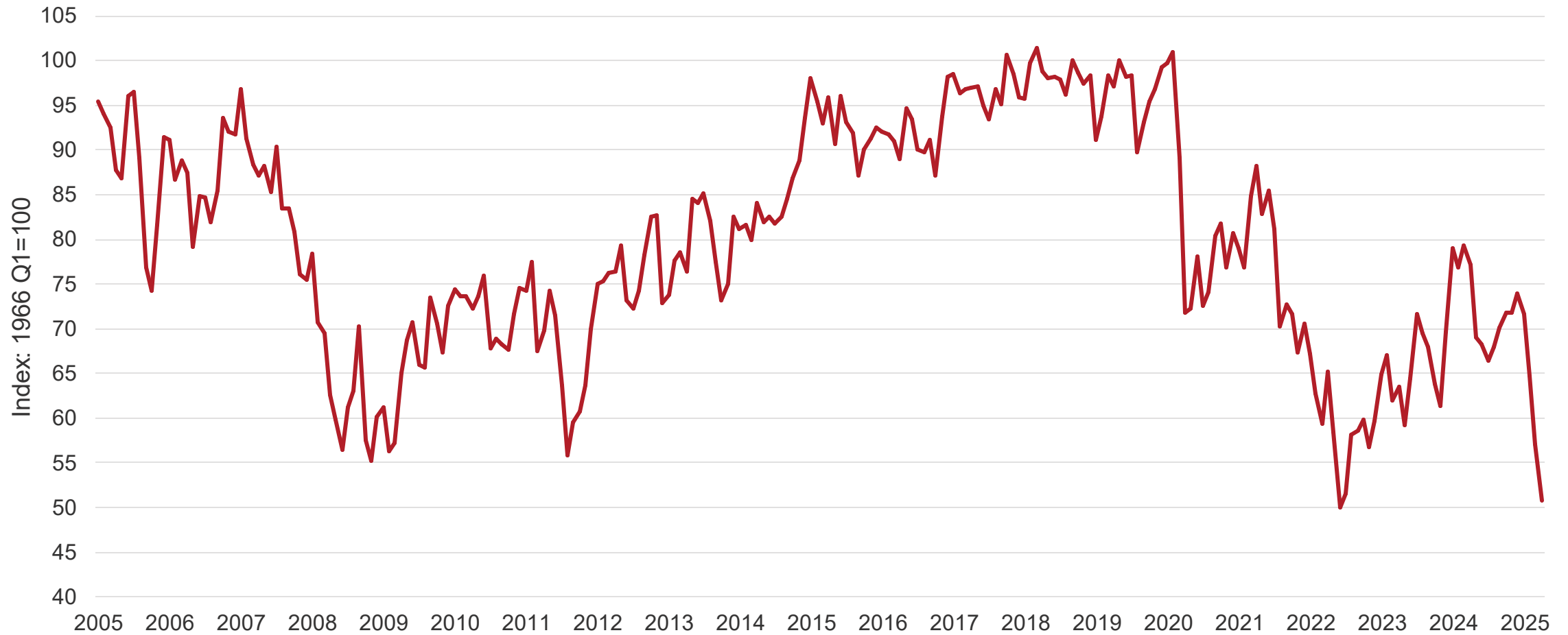


Significant Declines in Foreign Arrivals to US



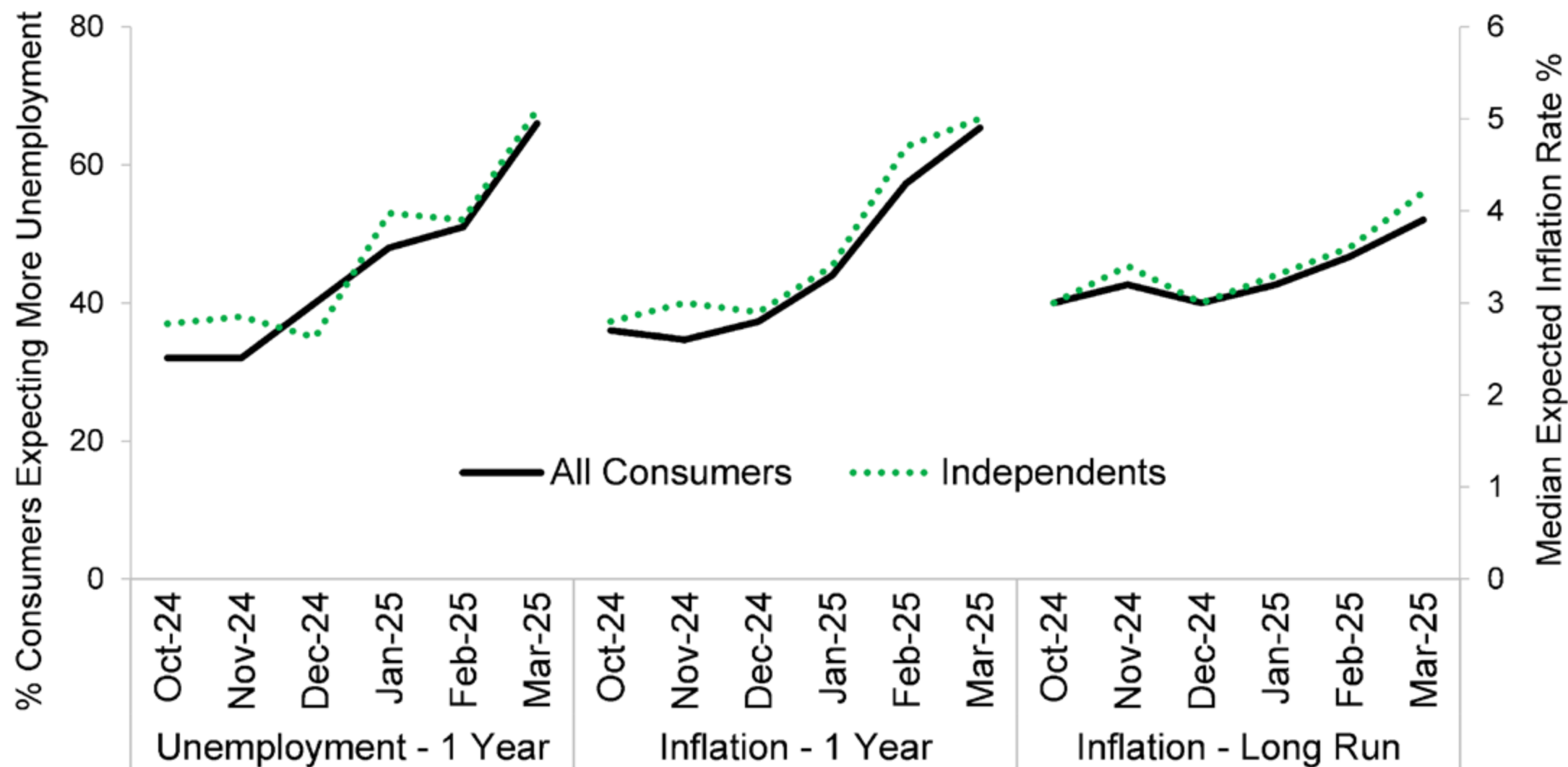
Source: US Customs and Border Protection, Goldman Sachs Global Investment Research

Consumer Sentiment Declined Since Start of Trade War



Unemployment and Inflation Expectations Worsen

Views of Independents Aligned With National Estimates



Growing Share of Businesses Planning to Raise Prices and Slow Capital Investments

Respondents Currently Raising Prices

United States: *NFIB Small Business Economic Trends*
(percent balance)



Shading indicates recession

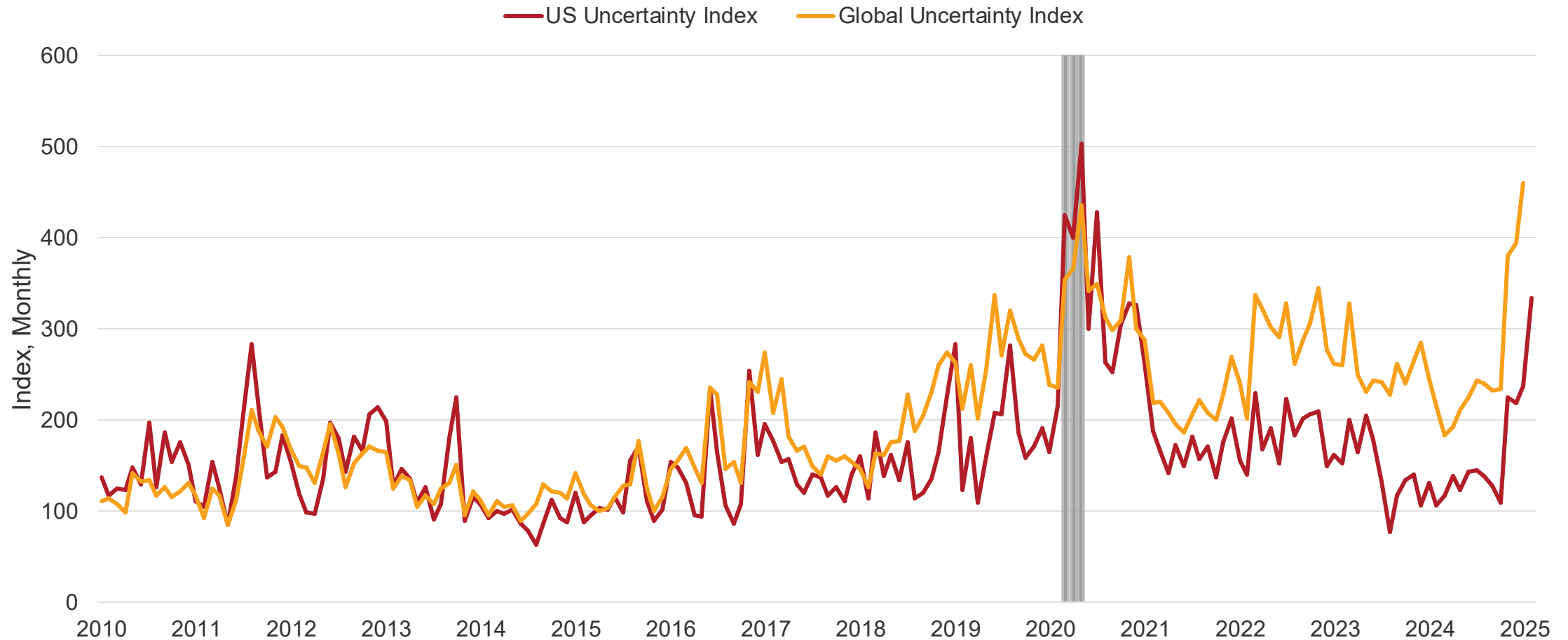
Respondents Planning Capital Expenditures in the Next 3 to 6 Months

United States: *NFIB Small Business Economic Trends*
(percent of respondents)



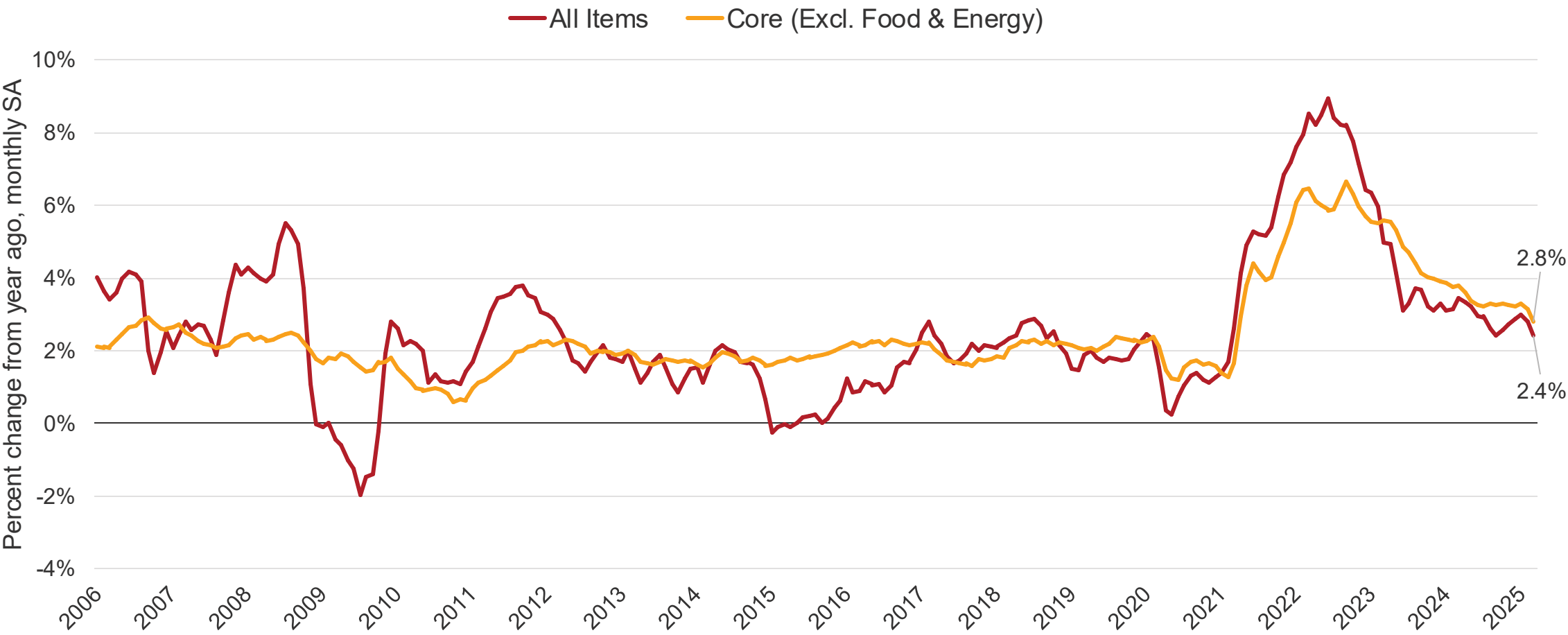
Shading indicates recession

Measures of Uncertainty Approaching Pandemic Levels

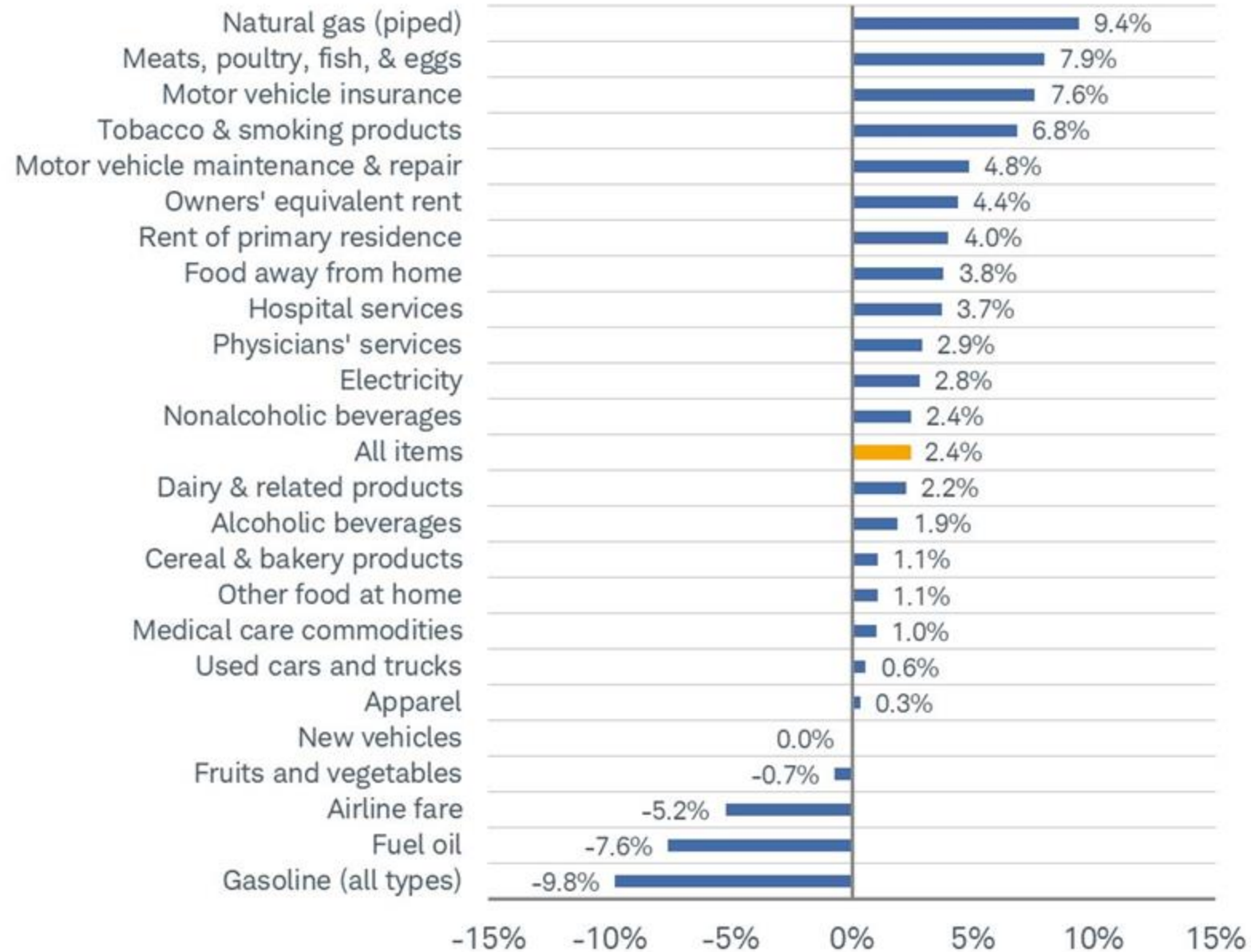


Source: [Economic Policy Uncertainty](#); Scott R. Baker; Nick Bloom; Steven J. Davis
Notes: US Index Components: https://www.policyuncertainty.com/us_monthly.html
Global Index Components: https://www.policyuncertainty.com/global_monthly.html

Consumer Price Index



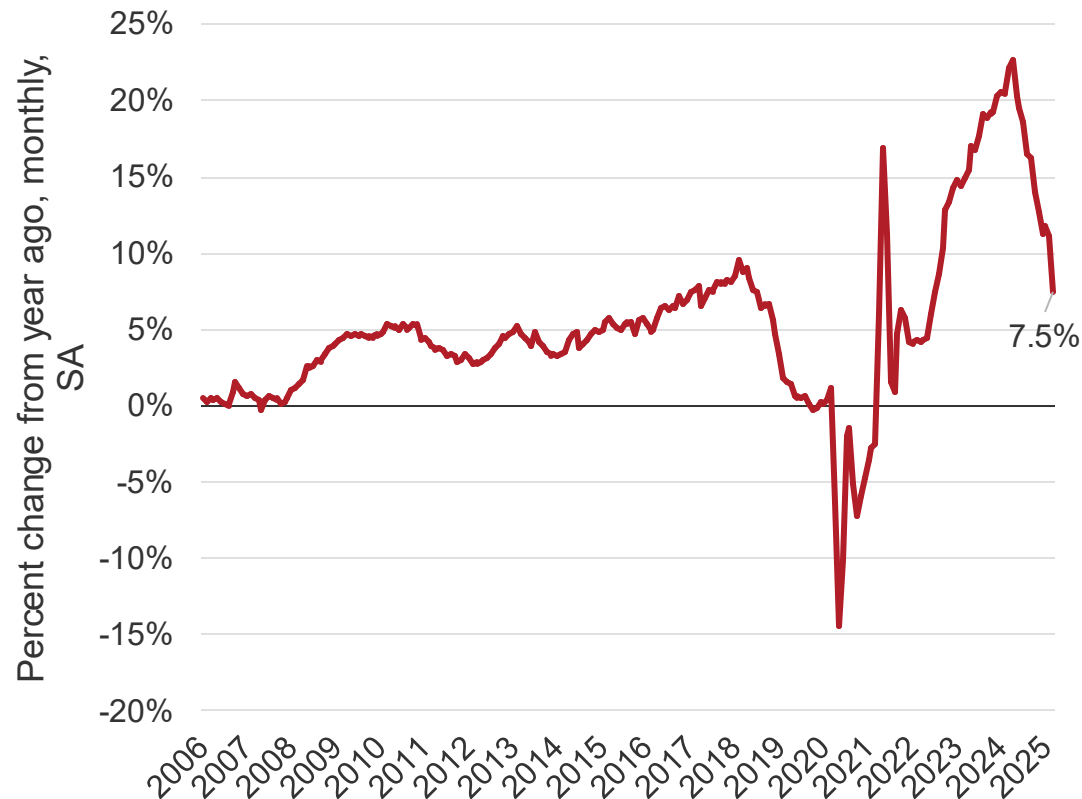
CPI select categories (y/y % change)



Source: Charles Schwab, Bureau of Labor Statistics, as of 3/31/2025.

Motor Vehicle Insurance CPI Up ~54% Since Just Before Pandemic

Motor Vehicle Insurance CPI



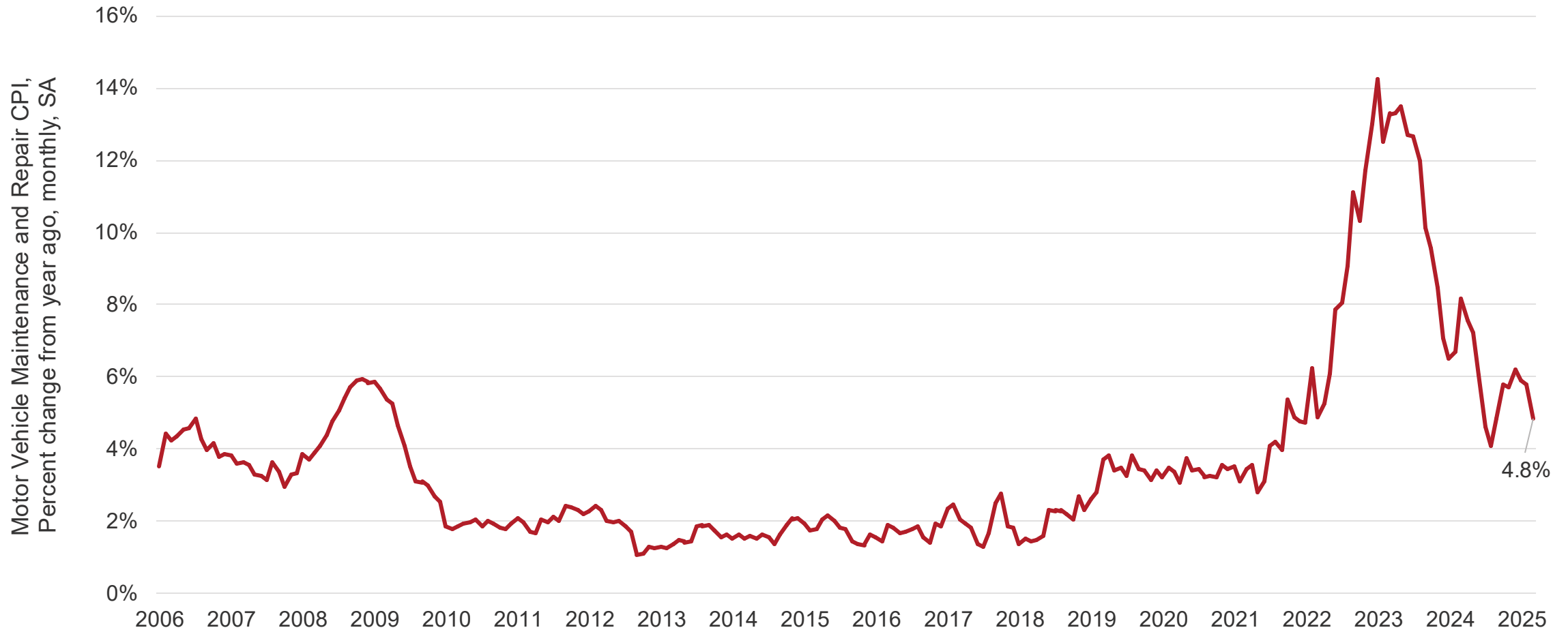
AAA Driving Costs Insurance Estimates

- 2019 Average Full Coverage Insurance Cost*: \$1,194
- 2024 Average Full Coverage Insurance Cost*: \$1,715
- Insurance Costs up 43.6% according to AAA
- Cost increase of \$521/year or \$43/month

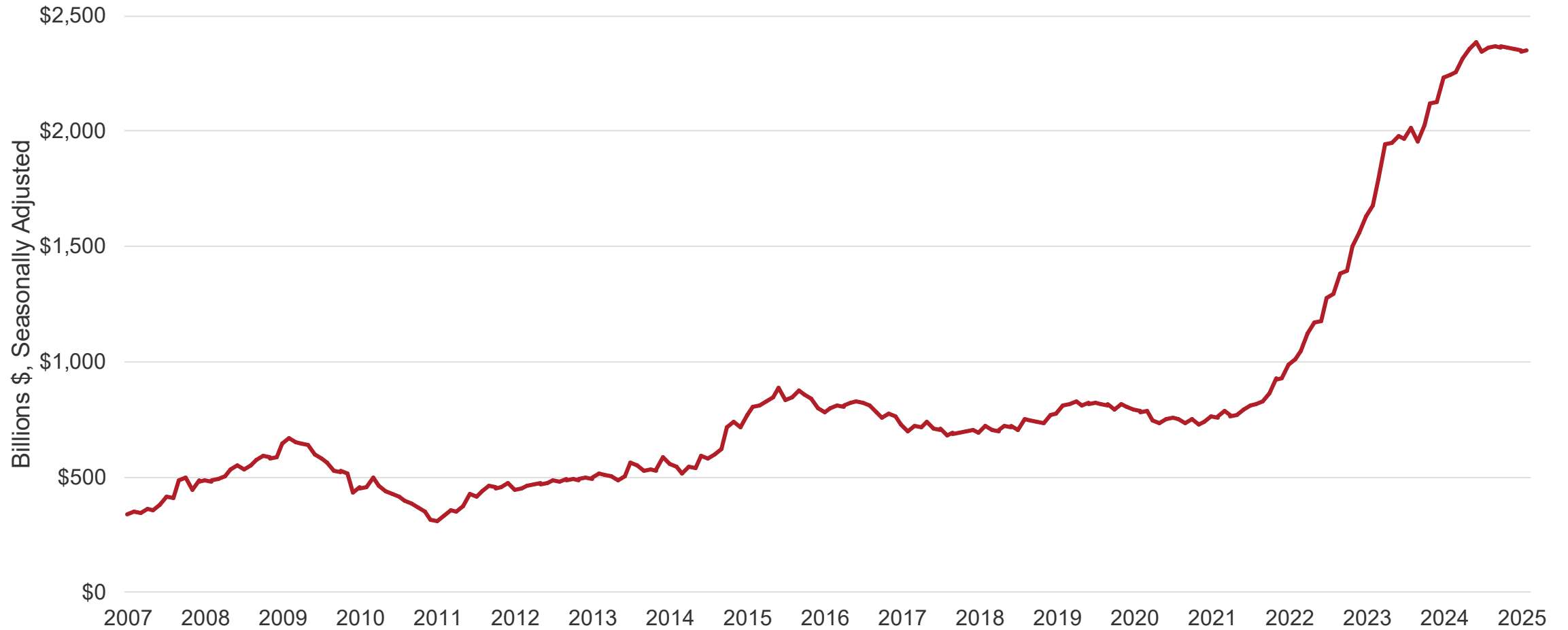
Source: U.S. Bureau of Labor Statistics; AAA

*: Costs are based on a full-coverage policy for personal use of a vehicle by a driver who is under 65 years of age, has more than six years of driving experience, no accidents and lives in a suburban/urban location. The policy includes discounts for passive restraints and an anti-theft system, and provides \$100,000/\$300,000 personal liability, \$25,000 medical, \$100,000 property and \$25,000/\$50,000 uninsured/underinsured motorist coverage. A \$500 deductible applies to all collision and comprehensive claims.

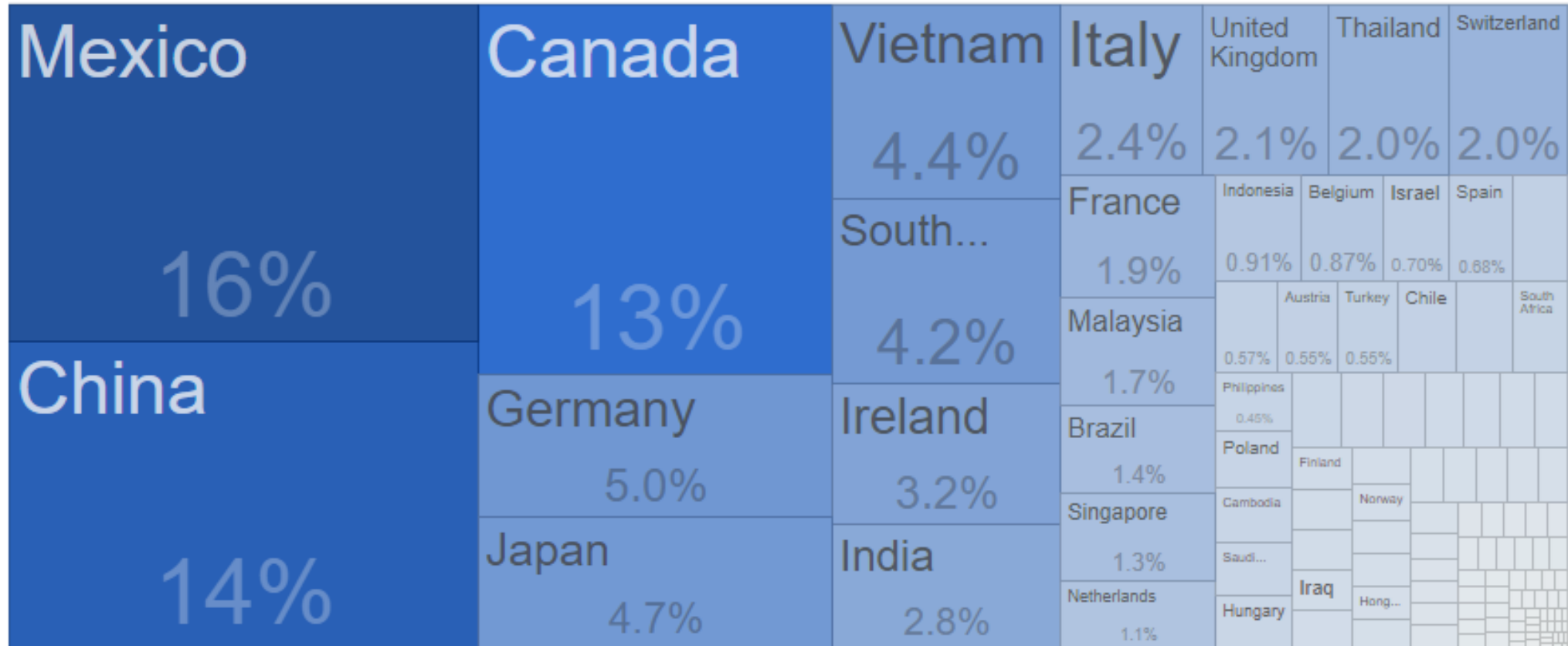
Motor Vehicle Maintenance and Repair Costs Up ~40% Since Pandemic



U.S. Manufacturing Construction Spending



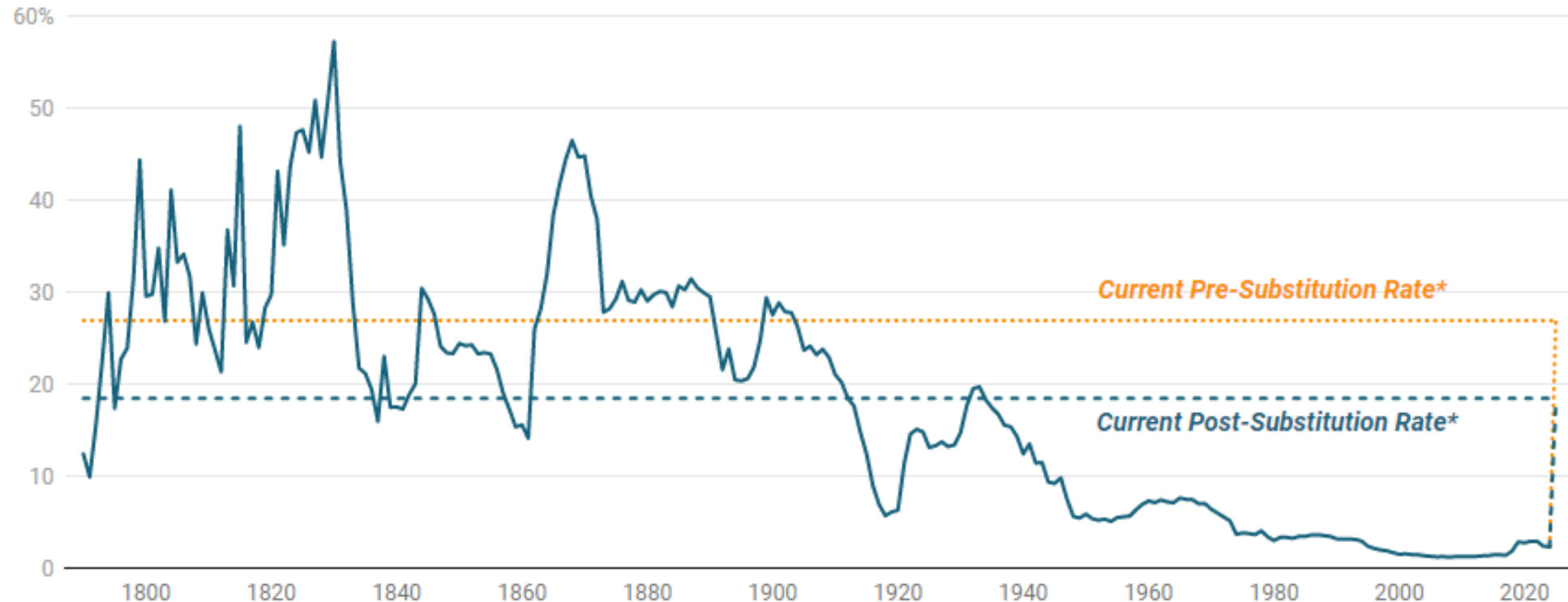
Share of US Imports by Country



US Average Tariffs Rise to Highest Level Since 1903

Figure 2. U.S. Average Effective Tariff Rate Since 1790

Customs duty revenue as a percent of goods imports

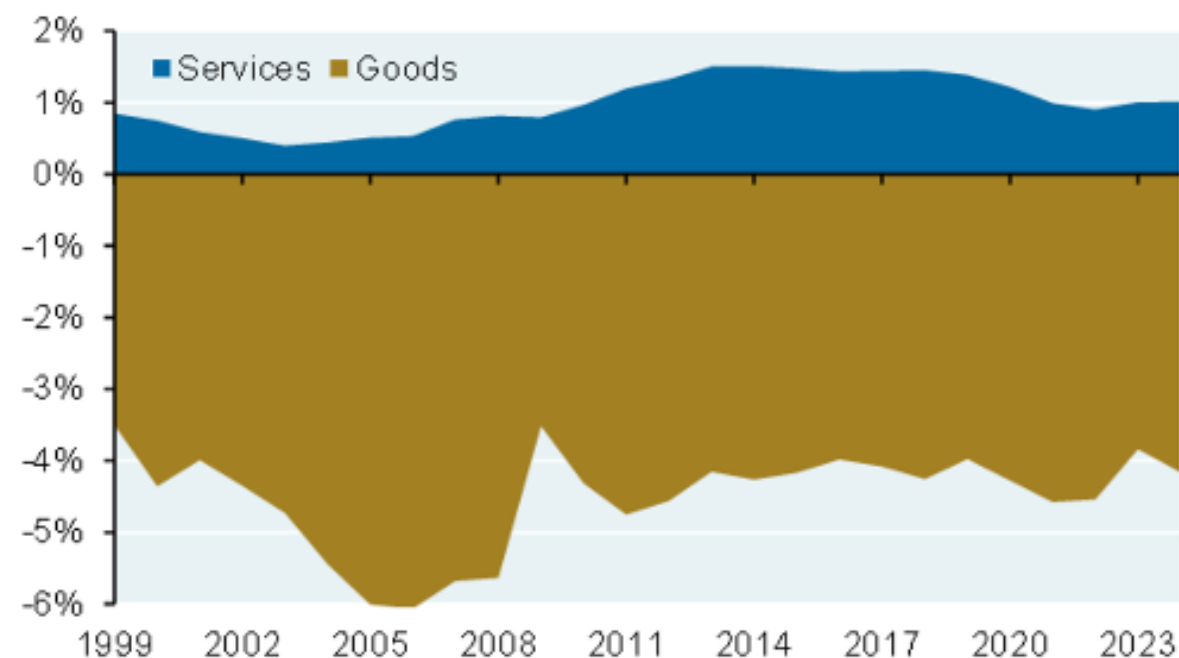


* Through April 9, including revised April 9 announcement.

Chart: The Budget Lab • Source: Historical Statistics of the United States Ea424-434, Monthly Treasury Statement, Bureau of Economic Analysis, The Budget Lab analysis. • Created with [Datawrapper](#)

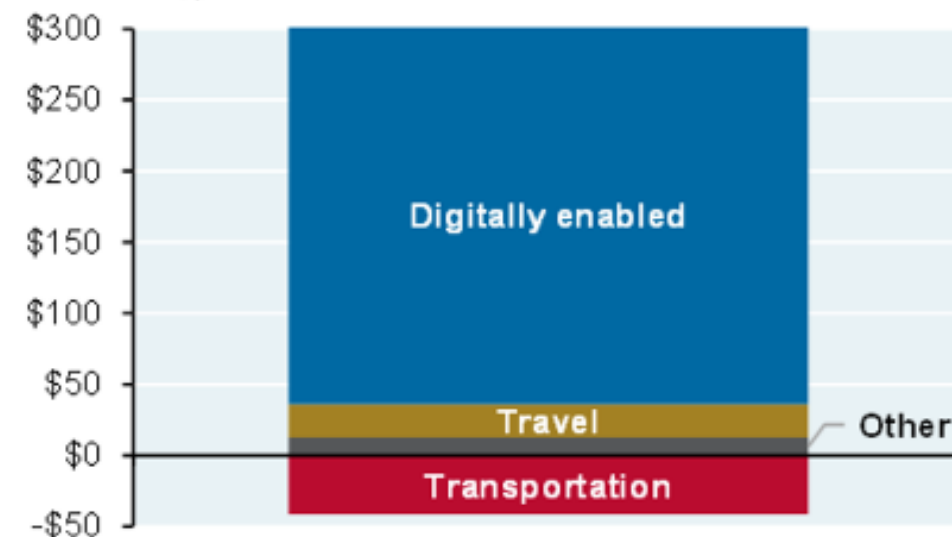
Countries May Retaliate Against U.S. Services

US trade balance in goods and services
Percent of GDP



Source: Bloomberg, Census Bureau, BEA, 2024

Real services trade balance by sector, 2023
2022 US\$, billions



Source: BEA, CEA, May 2024. Digitally enabled: can be delivered remotely over tech networks including insurance, financial, telecom and computer services; Other: maintenance, construction, cultural and recreational services

Average Household Real Disposable Income Loss of \$4,700 from Tariffs

Figure 5. Short-Run Distributional Impact of 2025 Tariffs to Date

Through April 9

Percentage points of disposable income by household income decile

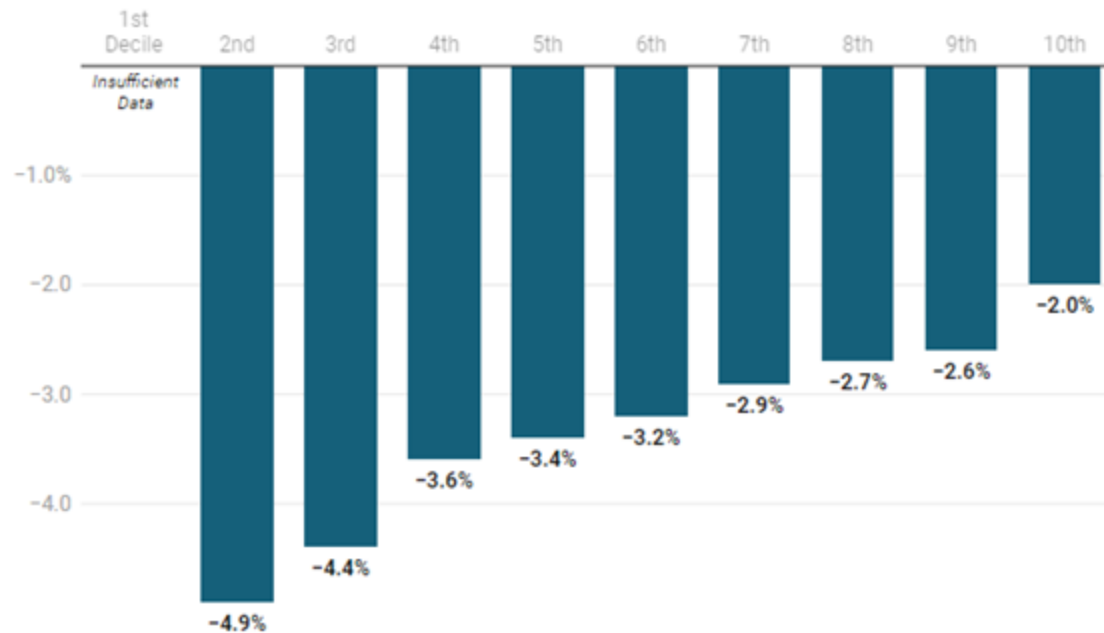


Chart: The Budget Lab • Source: GTAP v7, Census, BLS, BEA, The Budget Lab analysis. • Created with [Datawrapper](#)

Constant 2024\$ of Average Disposable Income per Household

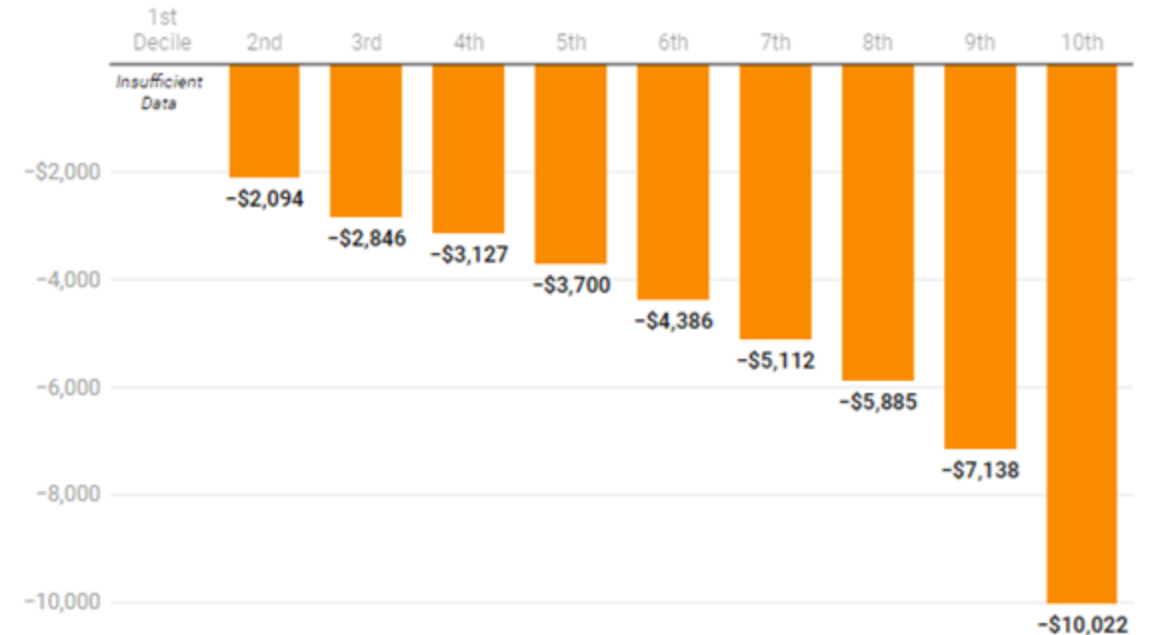
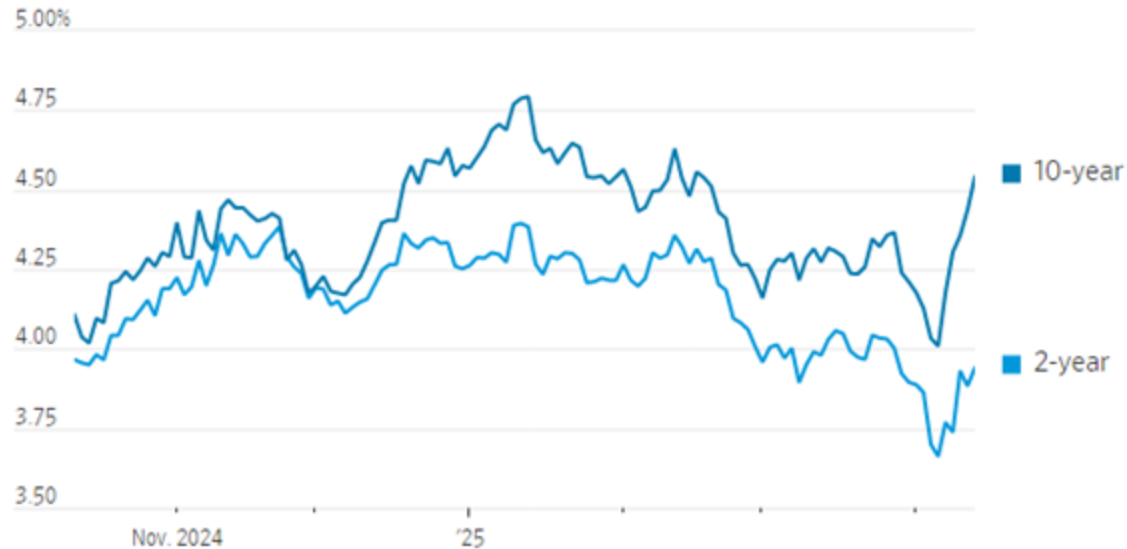


Chart: The Budget Lab • Source: GTAP v7, Census, BLS, BEA, The Budget Lab analysis. • Created with [Datawrapper](#)

Implications of the Recent Spike in Treasury Yields

Treasury yields, by maturity



Source: Tullett Prebon

Mortgage rates surge over 7% as tariffs hit bond market

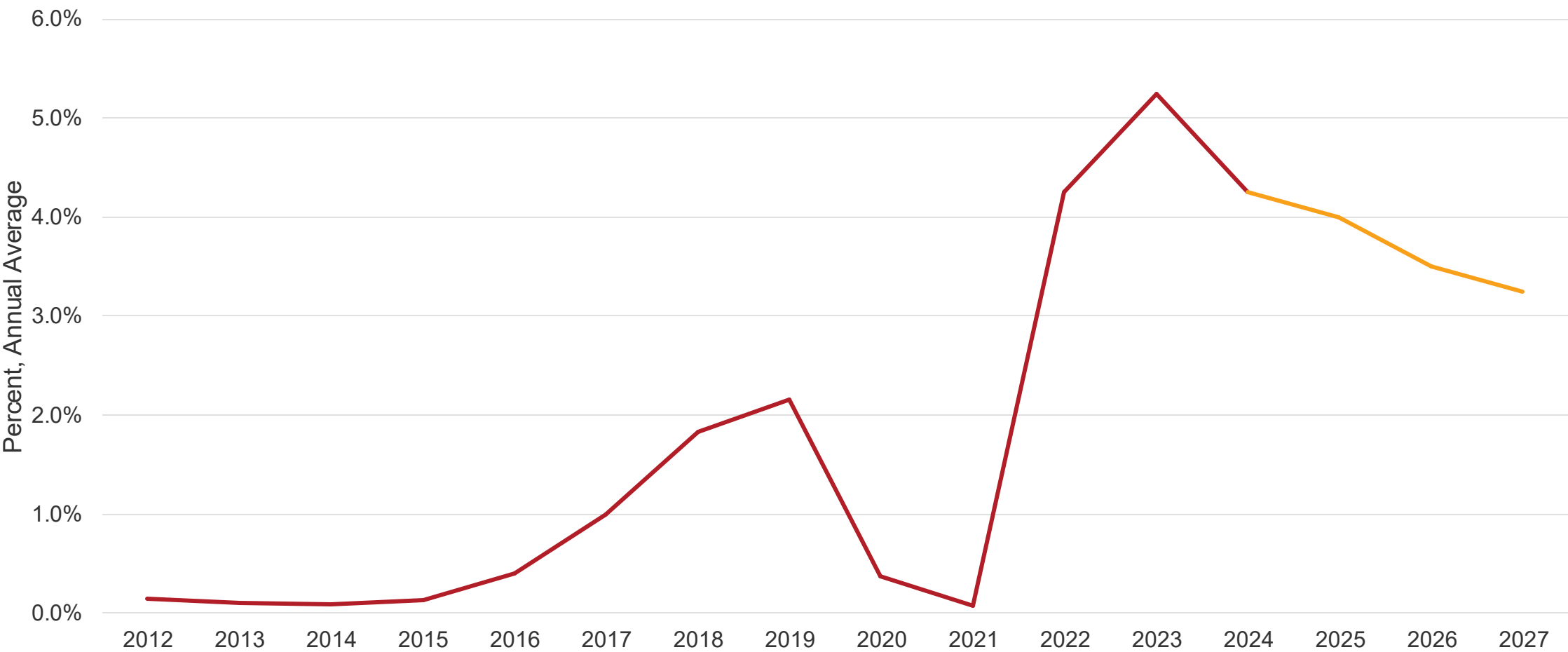
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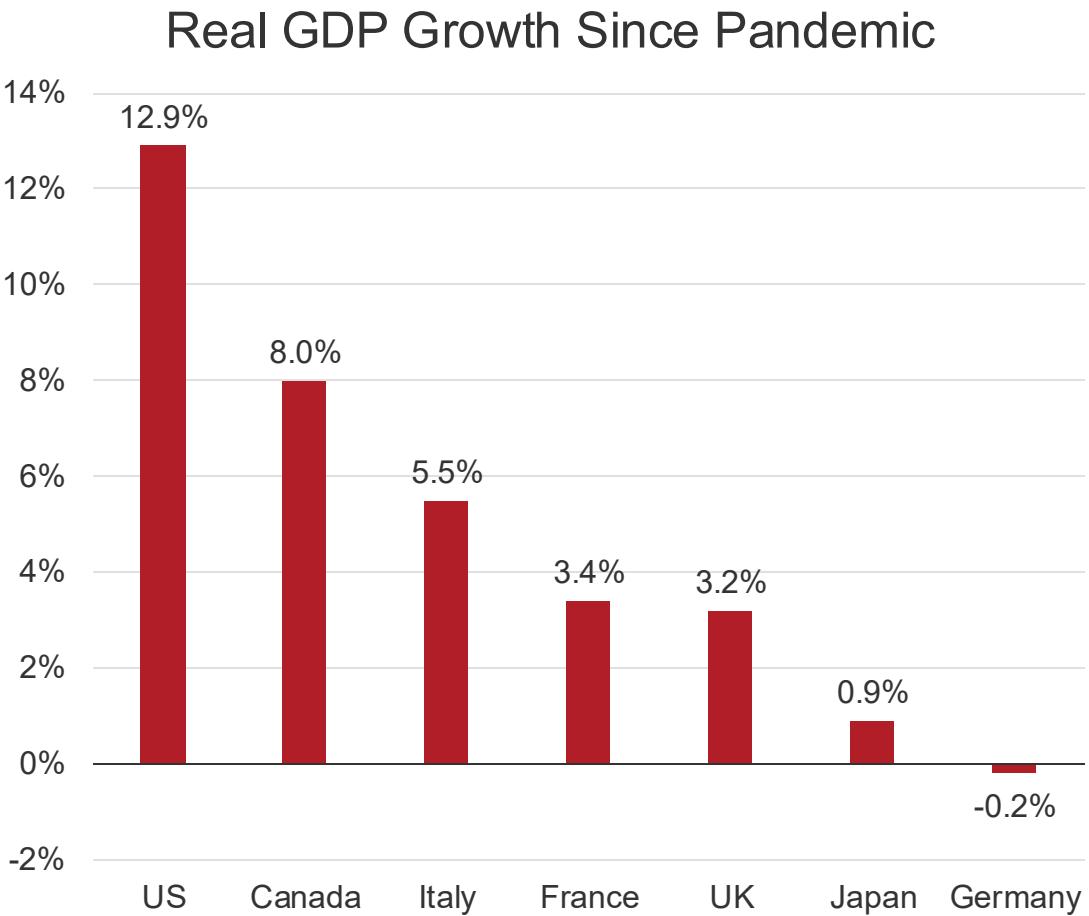
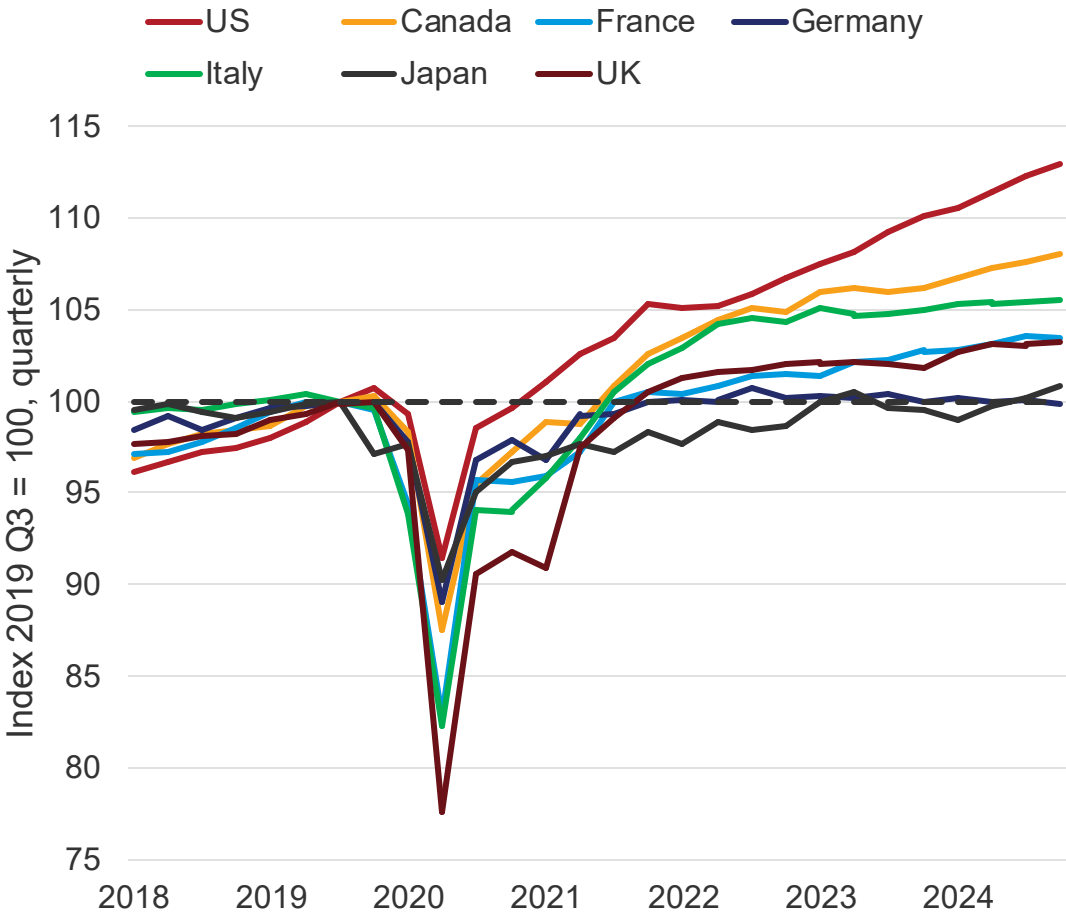
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Federal Funds Rate



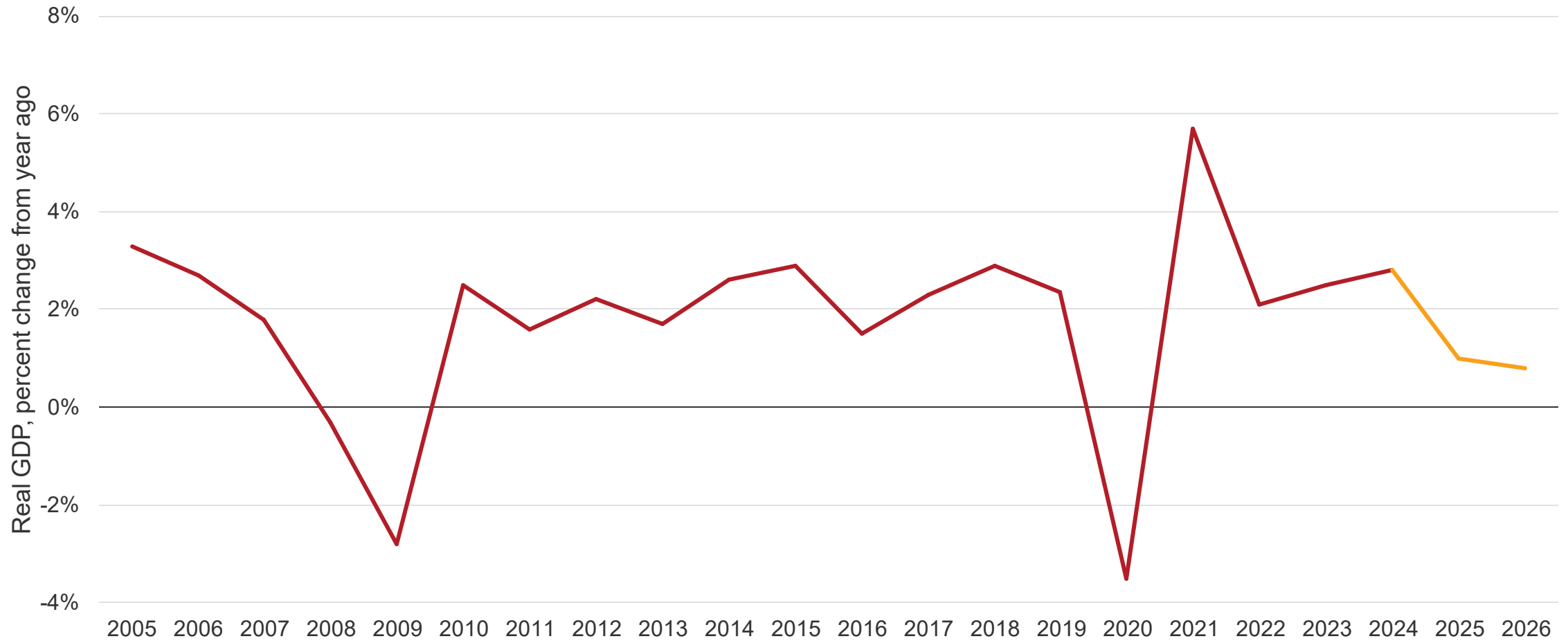
Source: Board of Governors of the Federal Reserve System; St. Louis Federal Reserve

Real GDP Growth in the G7



Source: U.S. Bureau of Economic Analysis; National Accounts Data via St. Louis Federal Reserve; NADA

U.S. GDP Outlook



Thank You



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