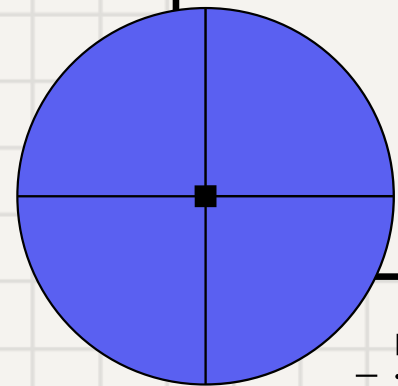


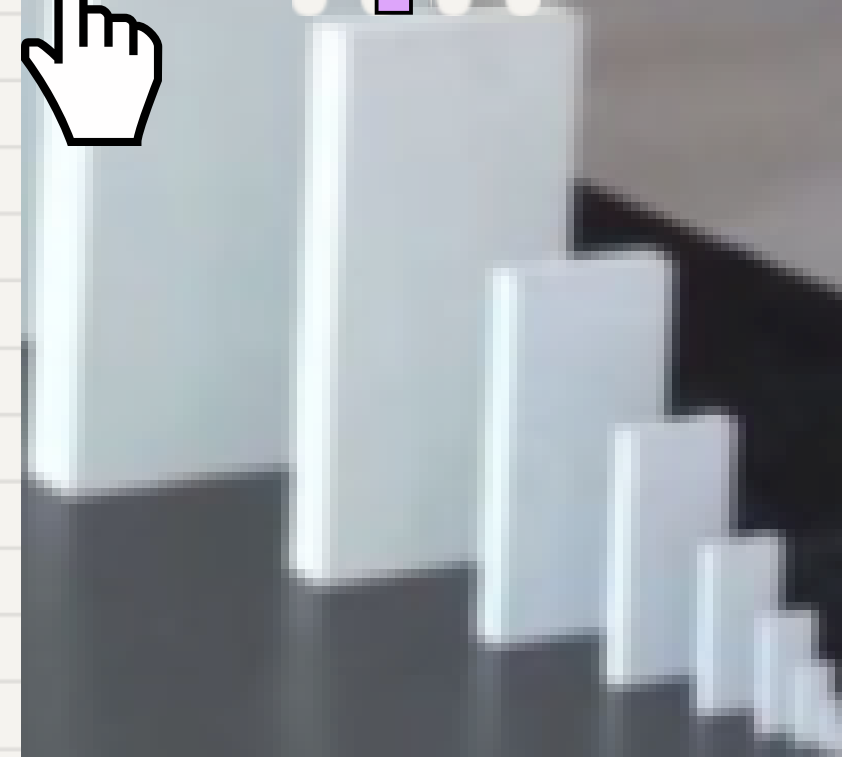
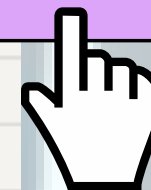
WHAT WE TALK ABOUT WHEN WE TALK ABOUT

THE ECONOMY



W: 150 PX
H: 150 PX

kyla scanlon



OUTLINE

01

Survey

02

Data

03

Social Media

IN THIS ECONOMY?



HOW MONEY
& MARKETS
REALLY WORK

KYLA SCANLON

FOREWORD BY MORGAN HOUSEL, AUTHOR OF THE PSYCHOLOGY OF MONEY

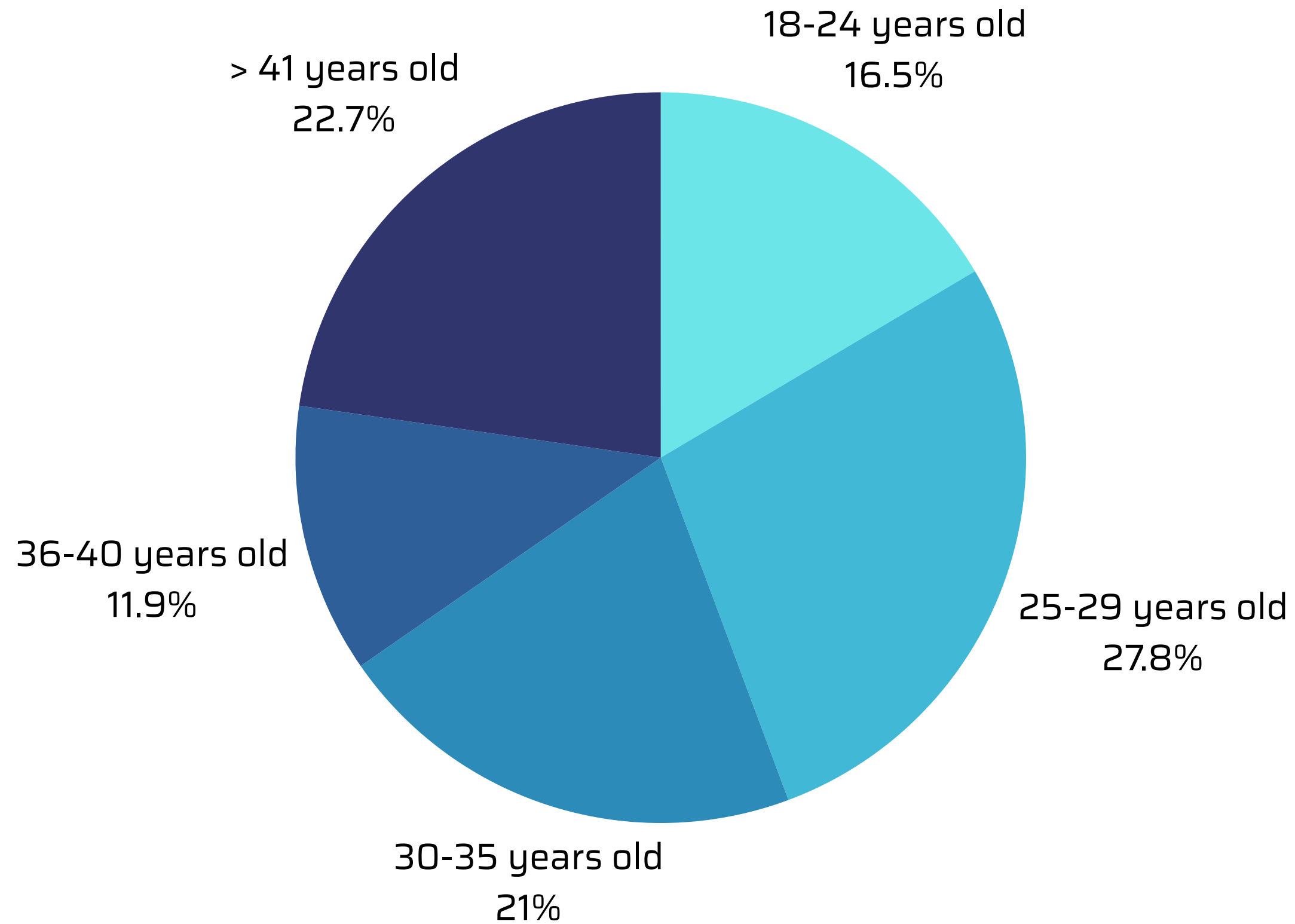


A SURVEY

what are people thinking?

**I ASKED MY AUDIENCE ABOUT THEIR
VIEWS ON ECONOMICS EDUCATION**

HERE IS THE AGE BREAKDOWN

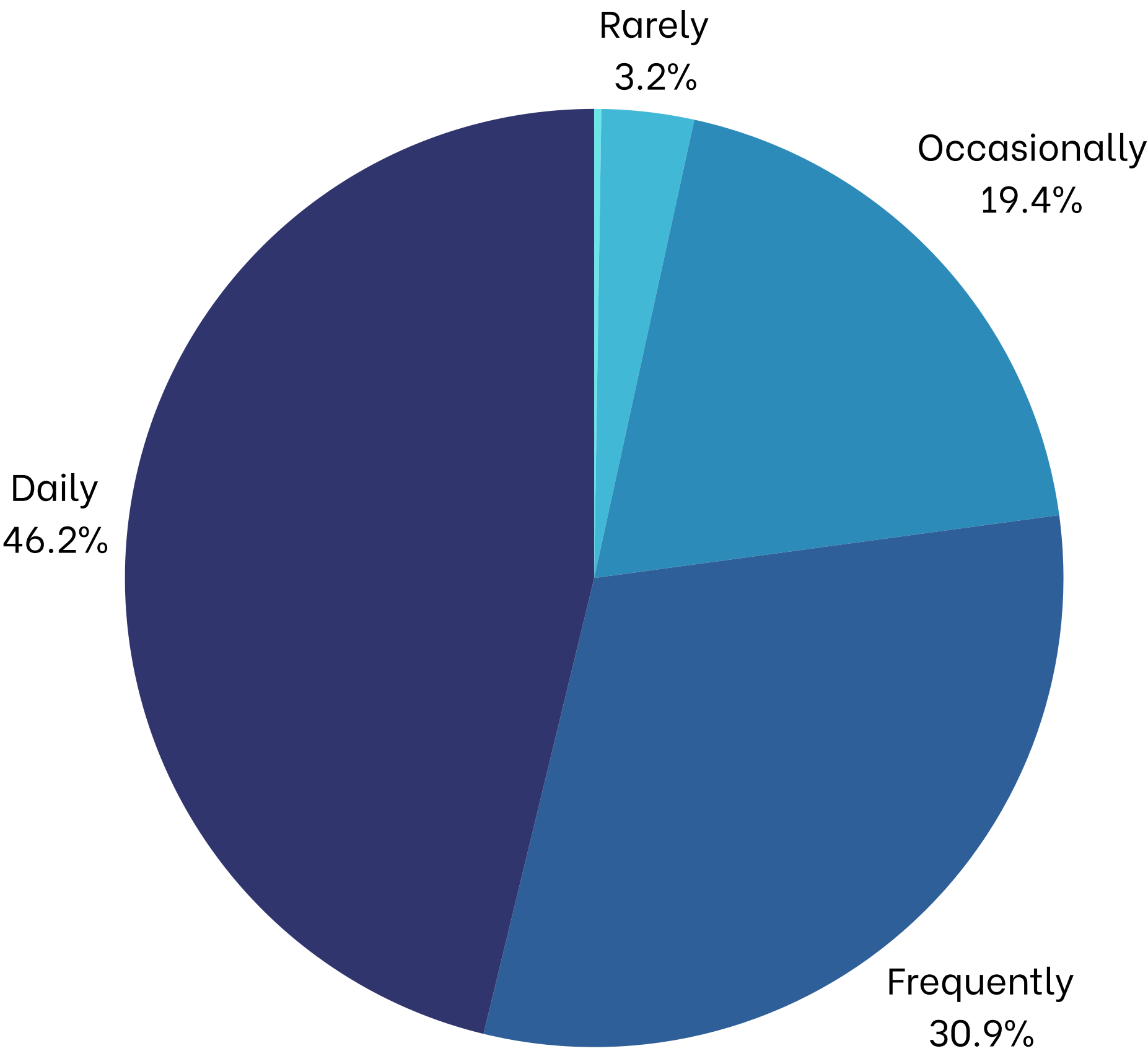


PEOPLE ARE BEING EXPOSED TO ECONOMICS YOUNGER

- For respondents that were between 18–24 years old, the majority (41%) had their first interaction with economics when they were 10–14 years old.
- For respondents that were between 25–29 years old, the majority had their first interaction with economics when they were 14–18 years old.

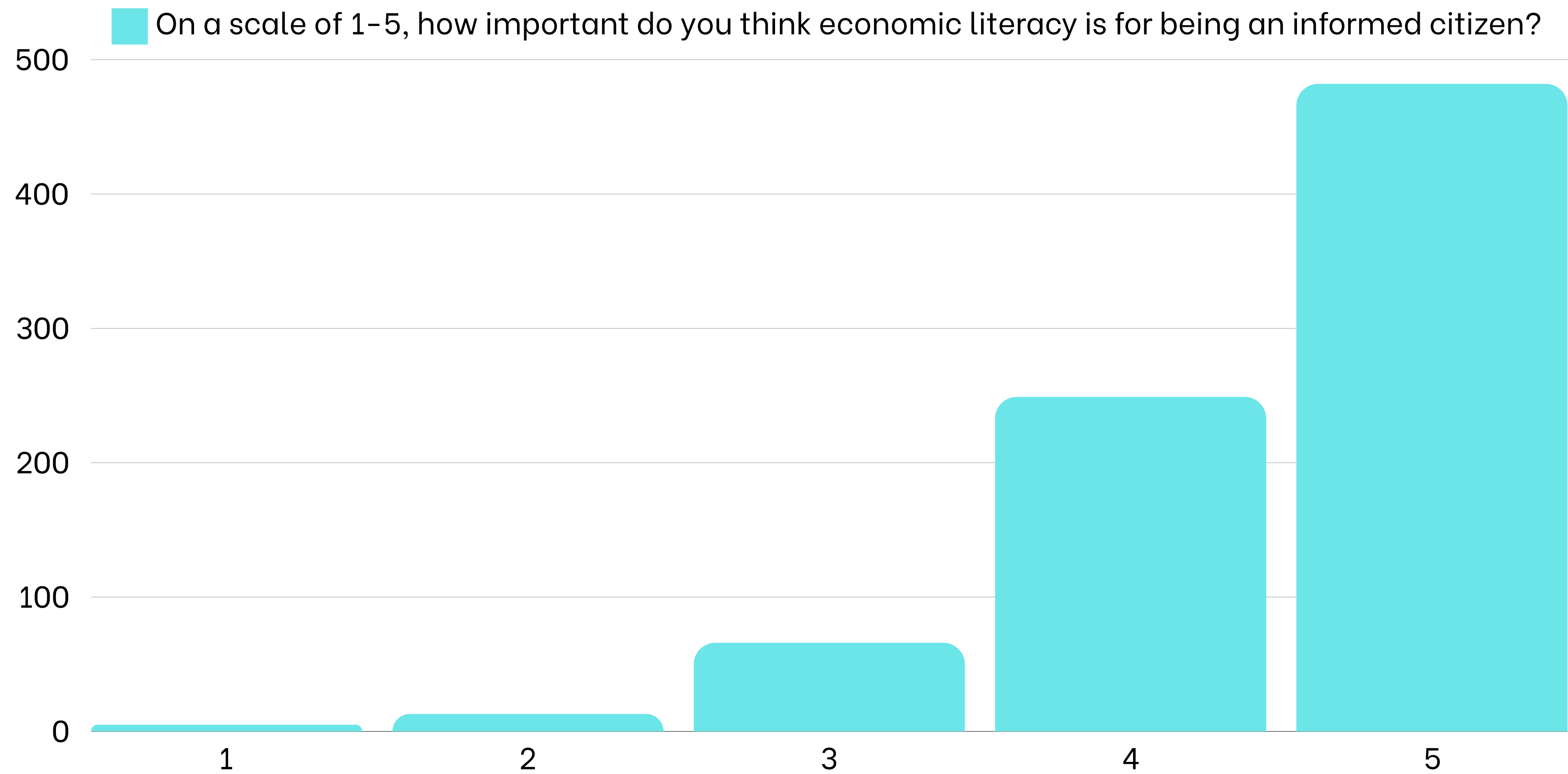
This is largely because of social media! All sorts of information is accessible, at any moment. The entire universe in the palm of your hand.

46% OF PEOPLE INTERACT WITH ECONOMICS DAILY

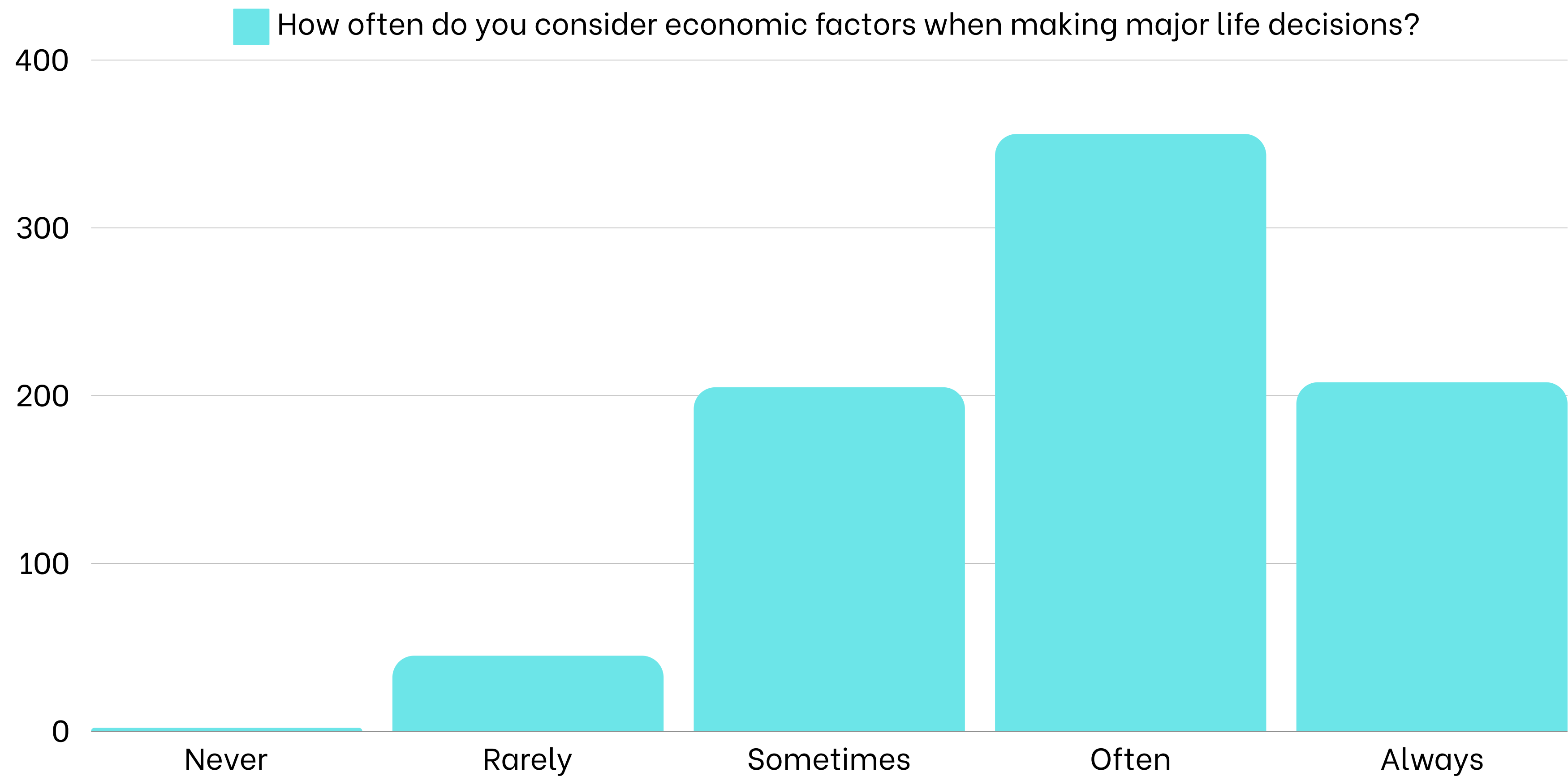


**SO WHAT DO PEOPLE
THINK ABOUT
ECONOMICS?**

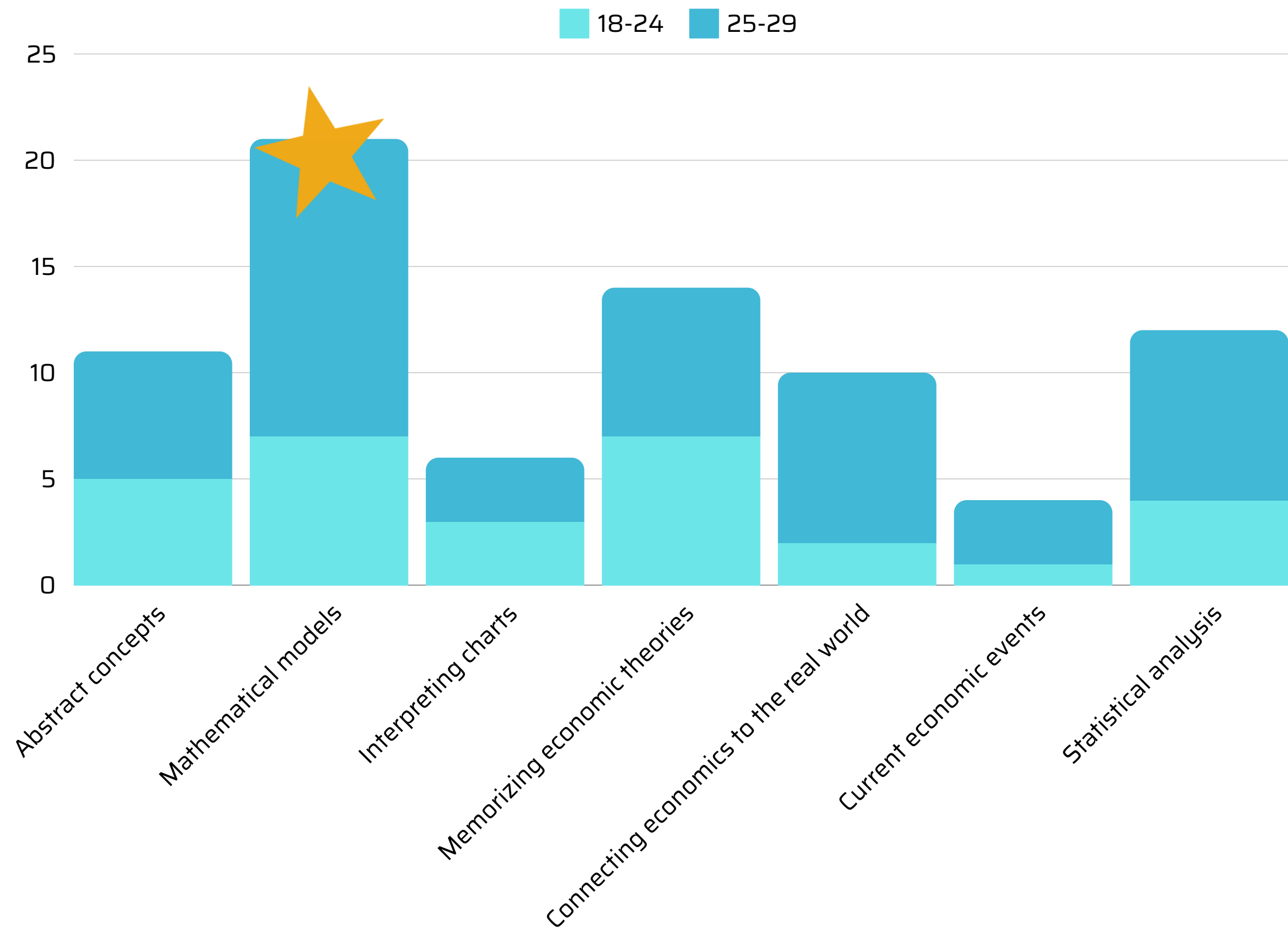
PEOPLE THINK ECONOMICS IS IMPORTANT



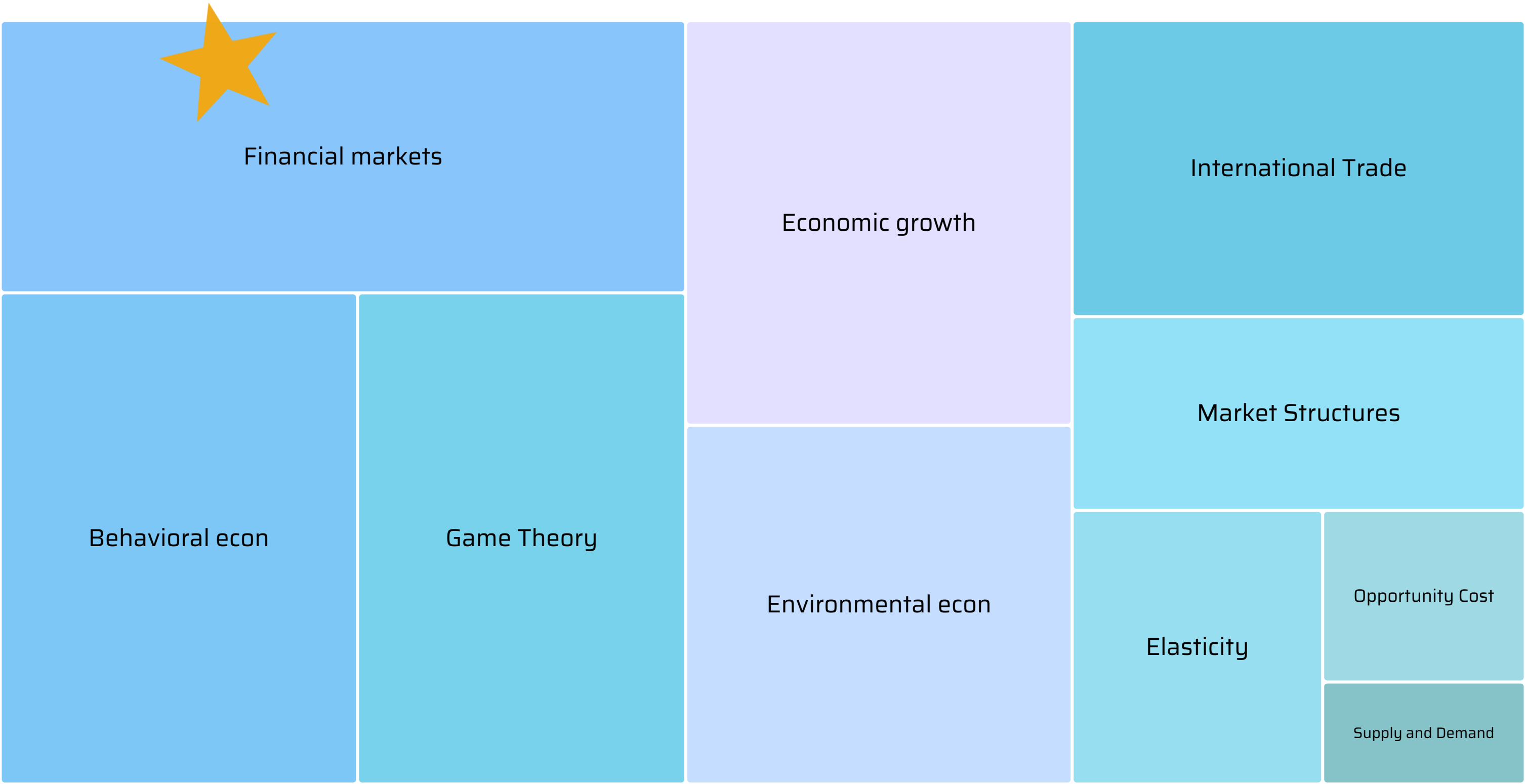
PEOPLE THINK ECONOMICS IS IMPORTANT



WHAT DO PEOPLE STRUGGLE WITH WHEN LEARNING ECONOMICS?



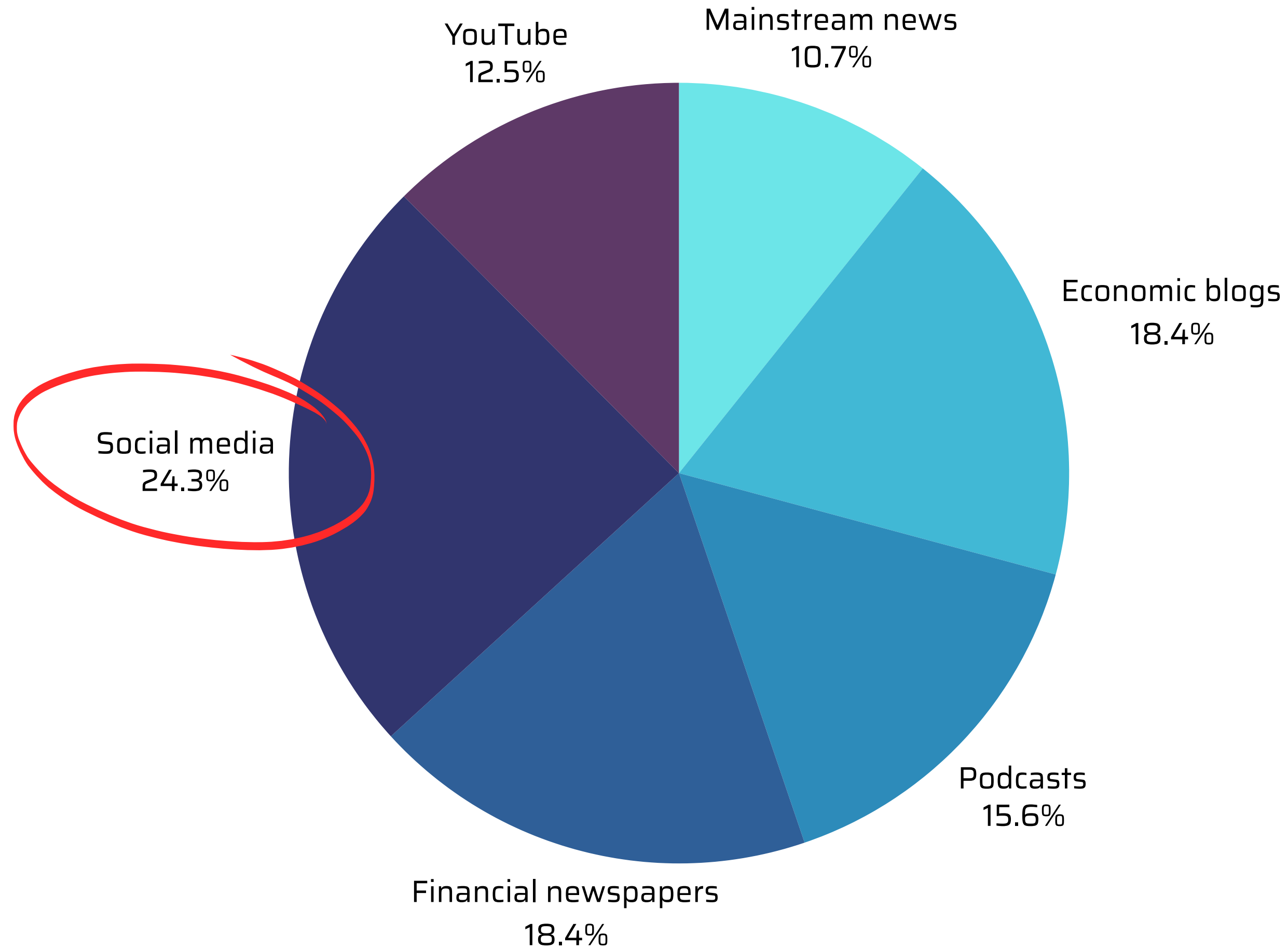
WHAT DO PEOPLE WANT EXPLAINED MORE?



WHICH ECONOMIC NEWS SOURCES DO YOU REGULARLY FOLLOW?

News Source	18-24 years old	25-29 years old	30-35 years old	35+
Mainstream news outlet	16%	14%	14%	17%
Financial newspapers/websites	18%	22%	22%	25%
Economic blogs	6%	8%	7%	8%
Social media	26%	30%	28%	26%
Podcasts	15%	16%	16%	16%
YouTube	19%	10%	13%	8%

NEWS, SUMMARIZED

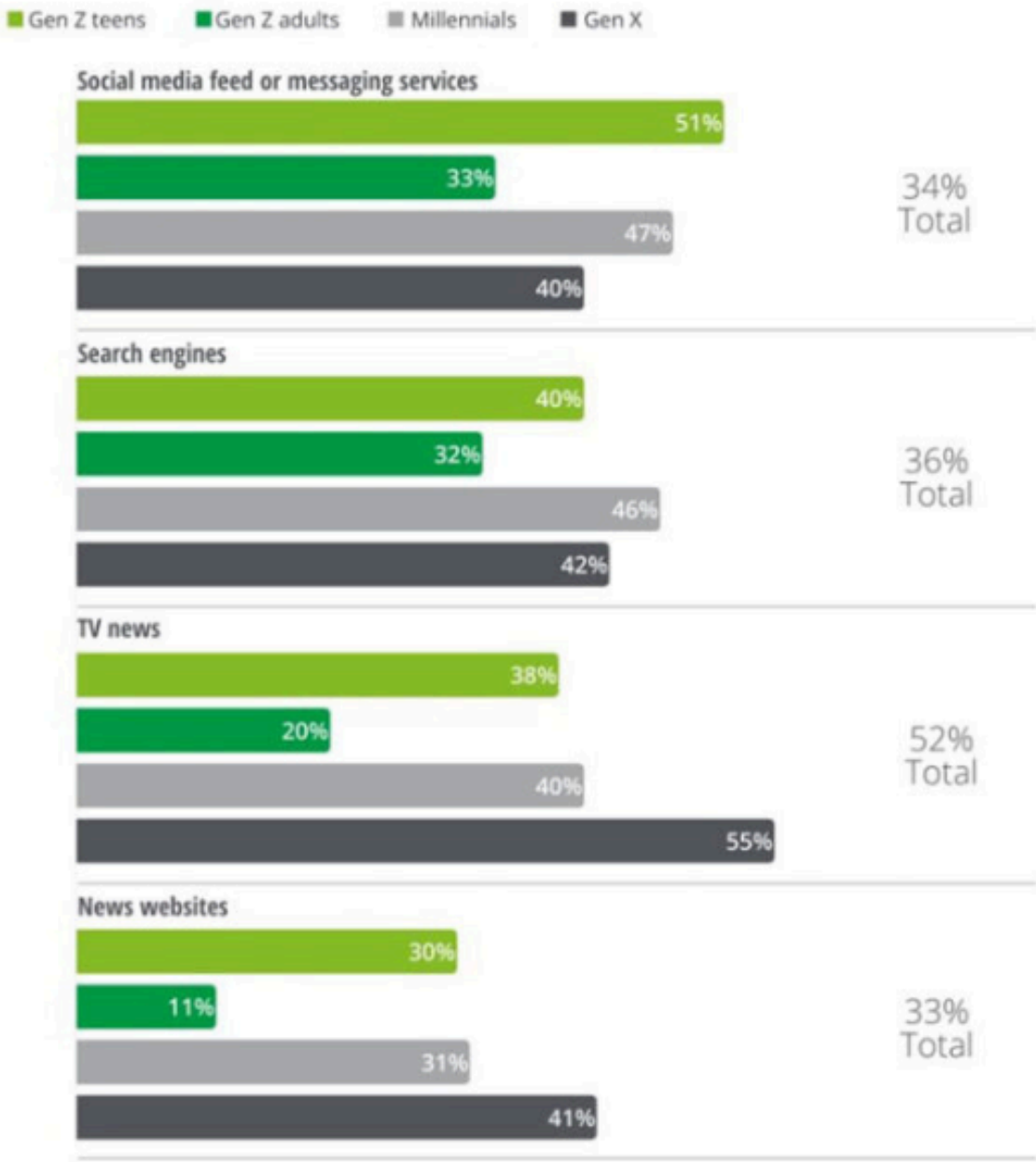


**OF COURSE... IT'S
SOCIAL MEDIA!**

THIS GAP MATTERS

Gen Z teens mainly get their daily news and current events from digital and social sources

Percentage of consumers who get news or current events from the following sources daily

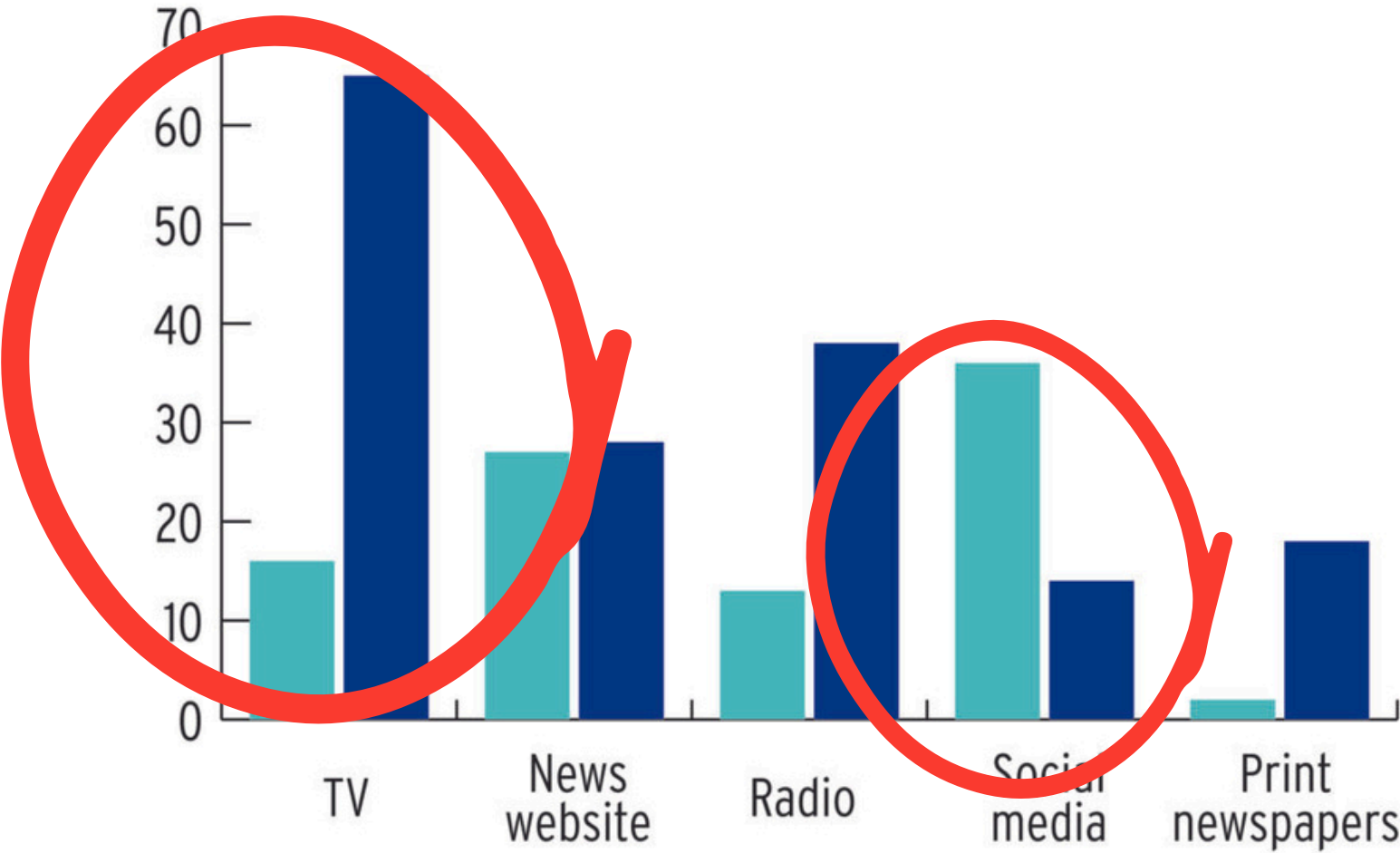


Notes: N (US consumers) = 2,000; Gen Z teens are aged 14–19; Gen Z adults are aged 20–25; consumers were asked about their use of several news sources, some of which are not shown here.

Source: Kevin Westcott et al., 2022 Digital media trends, 16th edition: Toward the metaverse, Deloitte Insights, March 28, 2022.

News Sources

ages 18–29 ages 50–64



THERE ARE TWO PROBLEMS WITH THIS

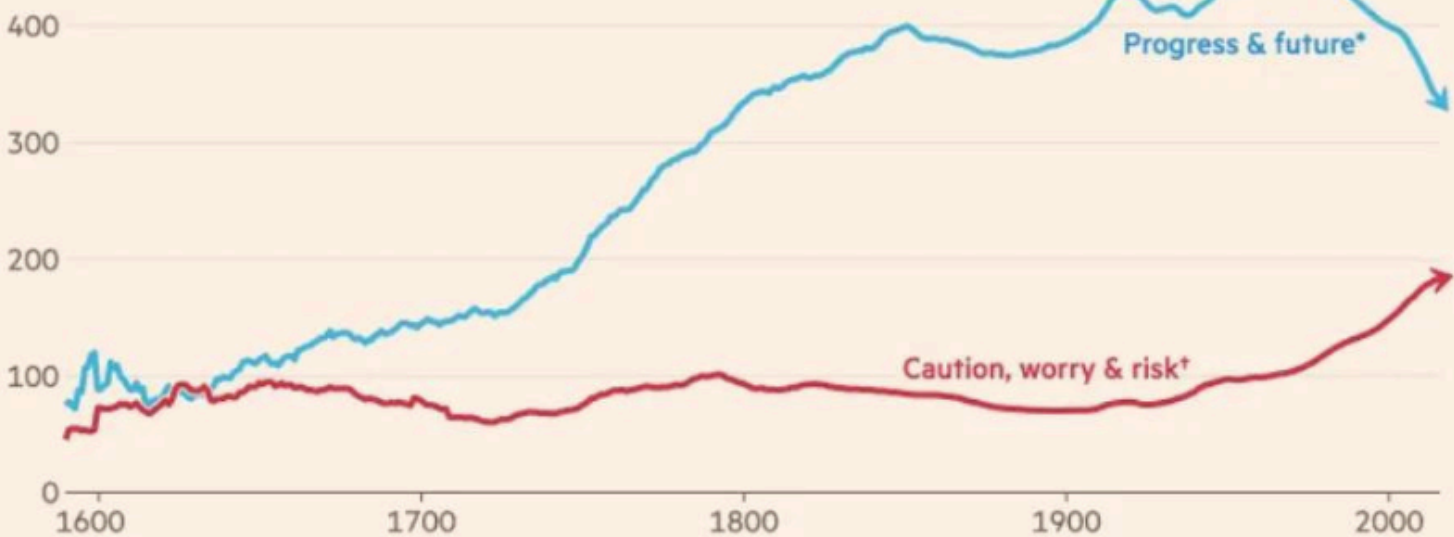
1. AN INFORMATION GAP

2. AN INFERIOR EQUILIBRIUM

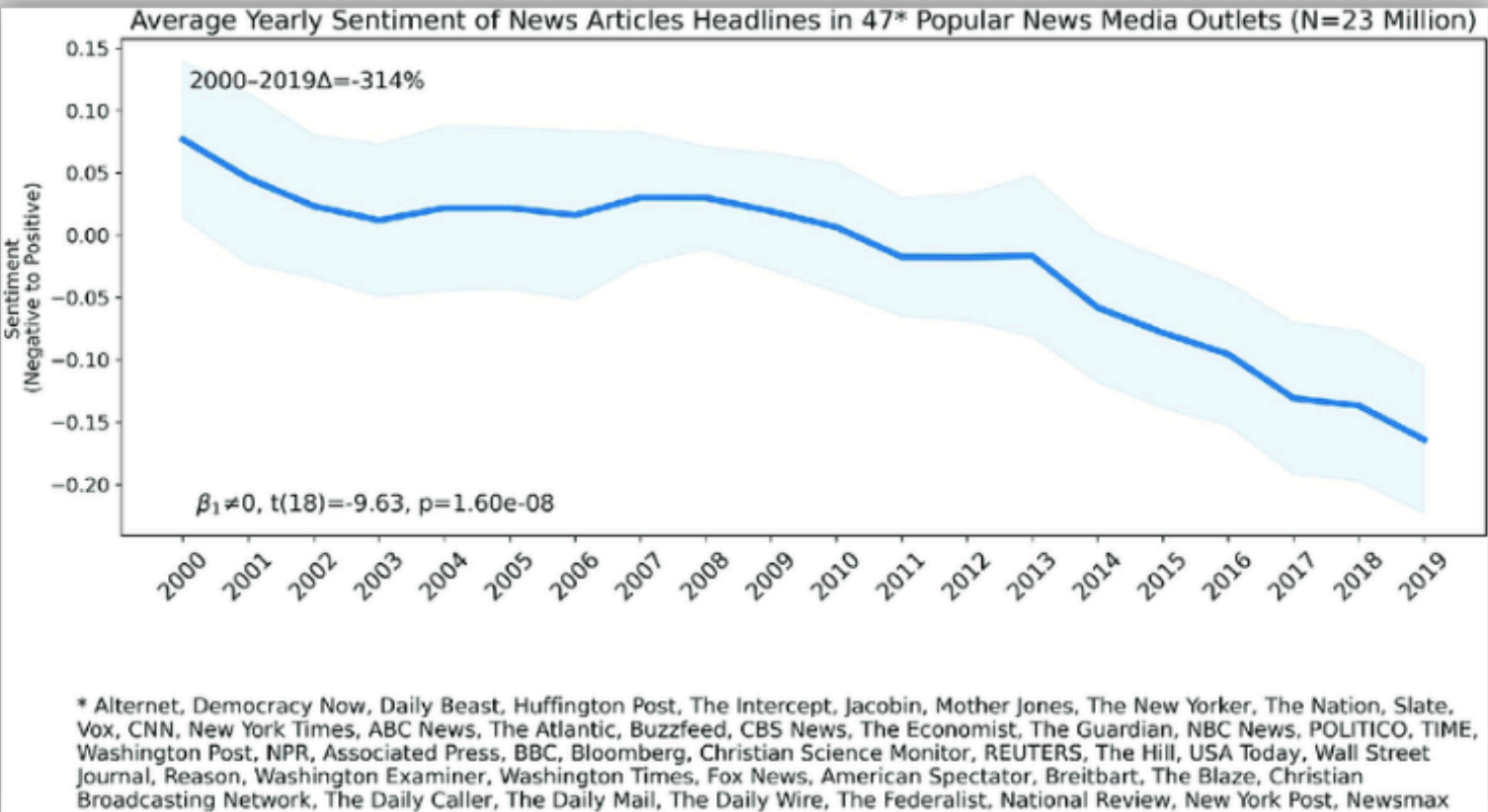
THIS GAP MATTERS

The west has shifted away from a culture of progress in recent decades, and towards one of caution, worry and risk-aversion

Words per million related to themes of **progress** vs **caution** in English, French and German books



*Progress, advance, improvement, rise, future. †Threat, worry, warning, caution, at risk (all terms also translated)
Sources: Almelhem et al (2023); Google Books Ngram Viewer; Maddison Project Database
FT graphic: John Burn-Murdoch / @jburnmurdoch
© FT



* Alternet, Democracy Now, Daily Beast, Huffington Post, The Intercept, Jacobin, Mother Jones, The New Yorker, The Nation, Slate, Vox, CNN, New York Times, ABC News, The Atlantic, BuzzFeed, CBS News, The Economist, The Guardian, NBC News, POLITICO, TIME, Washington Post, NPR, Associated Press, BBC, Bloomberg, Christian Science Monitor, REUTERS, The Hill, USA Today, Wall Street Journal, Reason, Washington Examiner, Washington Times, Fox News, American Spectator, Breitbart, The Blaze, Christian Broadcasting Network, The Daily Caller, The Daily Mail, The Daily Wire, The Federalist, National Review, New York Post, Newsmax

THIS GAP MATTERS - BUT IT IS NEGATIVE!



Taylor Lorenz  @TaylorLorenz · Feb 19 ...

People are like “why are kids so depressed it must be their PHONES!” But never mention the fact that we’re living in a late stage capitalist hellscape during an ongoing deadly pandemic w record wealth inequality, 0 social safety net/job security, as climate change cooks the world

 12  3,792  12.9K  3.8M 



Taylor Lorenz  ...

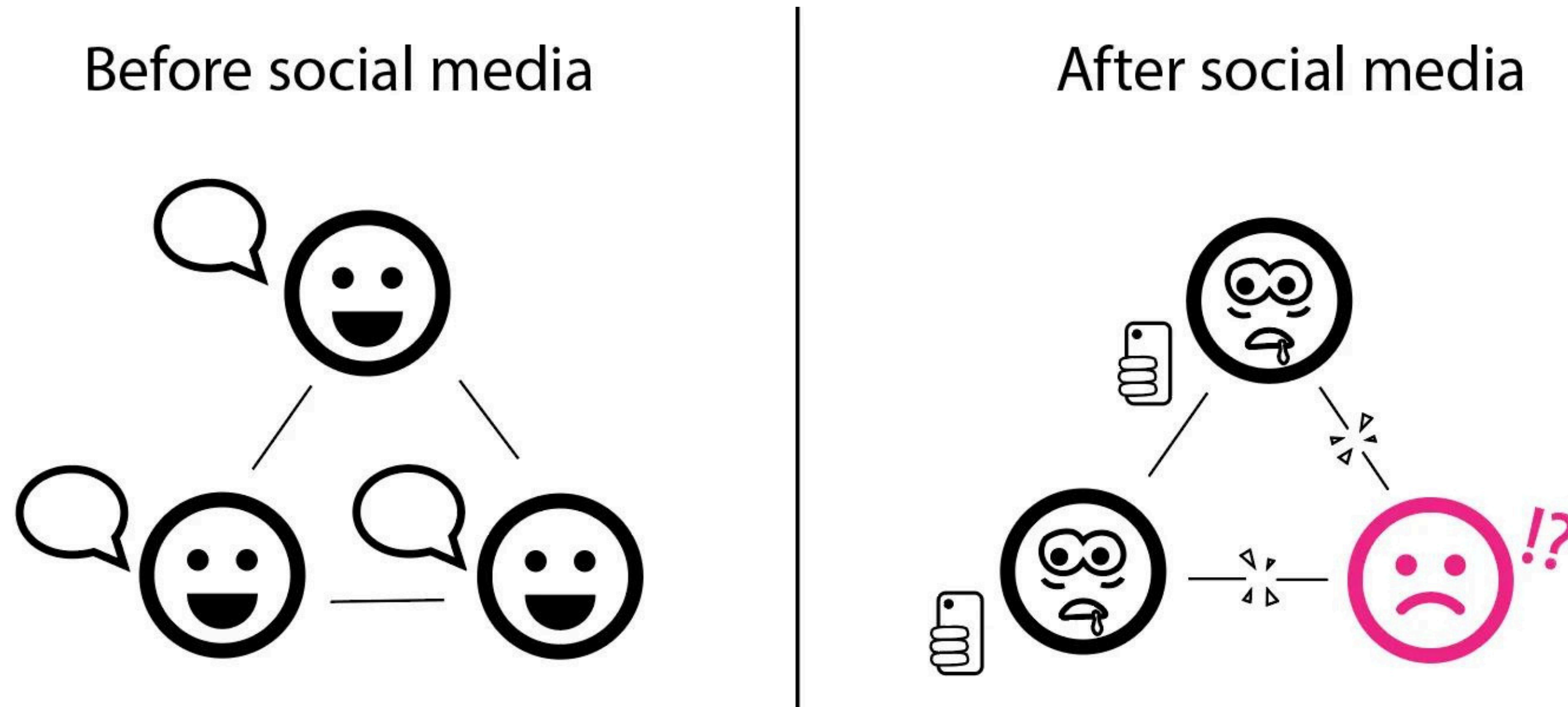
@TaylorLorenz

Not to be a doomer but u have to be delusional to look at life in our country rn and have any amt of hope or optimism

7:18 PM · Feb 19, 2023 · **2.1M** Views

195 Retweets **694** Quote Tweets **2,208** Likes

THERE ARE TRADEOFFS TO SOCIAL MEDIA



social media's trap and inferior equilibrium –

**SO SOCIAL MEDIA IS OVERWHEMINGLY
NEGATIVE... AND NO ONE TRUSTS EACH
OTHER ANYMORE...**

TRUST ISSUES

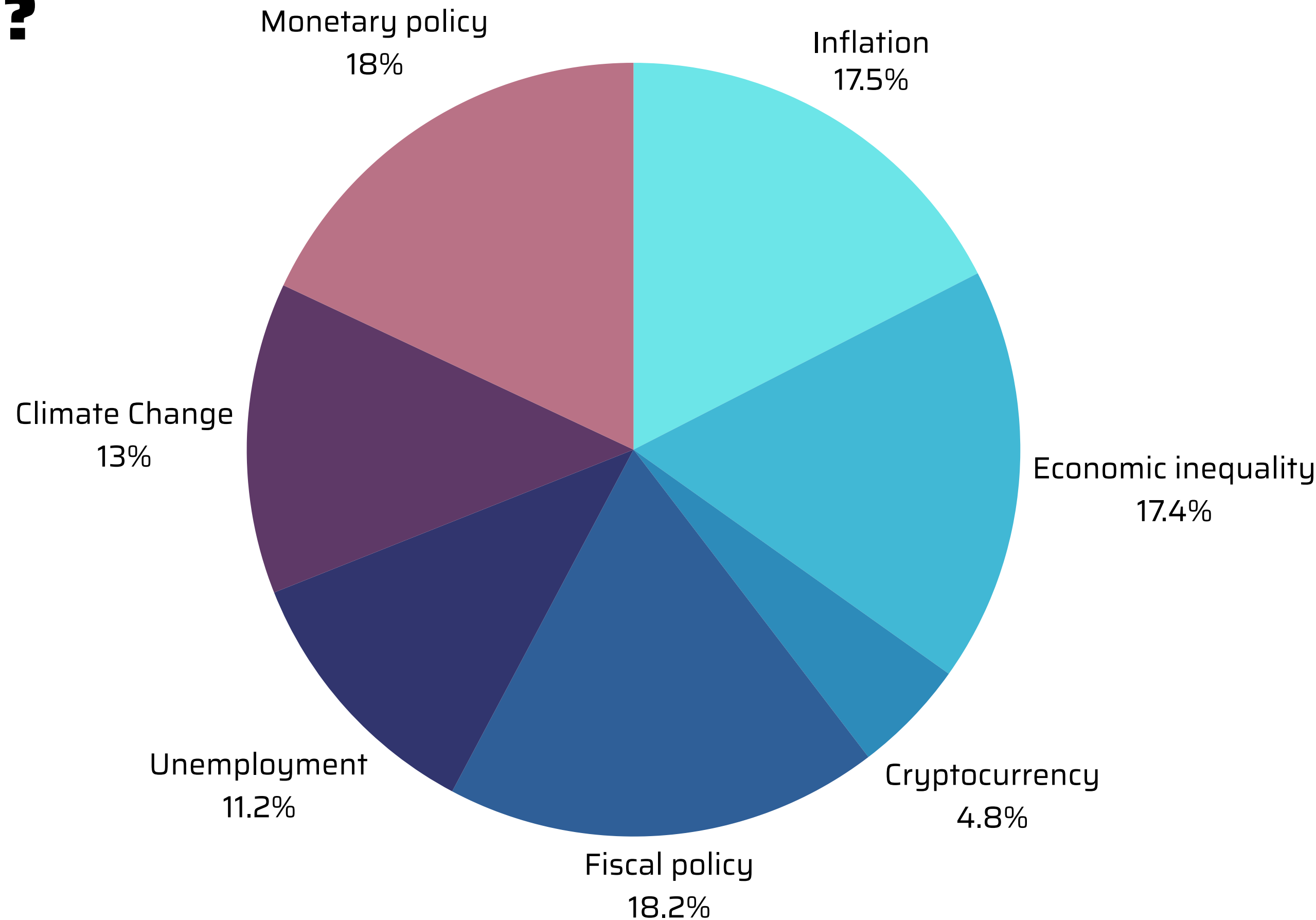
Only one (the United Nations) of the eight institutions in our survey is more trusted today than in 2015. The level of trust for the UN has increased by 17% over the decade. The remaining institutions saw steep declines:

- Trust in the President has declined by 60% since 2015 (it now stands at 20%);
- Trust in the Supreme Court declined 55% (now at 24%);
- Trust among Wall Street is down 43% (now at 9%);
- Trust in the U.S. military (now at 36%) and the federal government (now at 17%) both declined 38%;
- Trust in Congress is down 34% (now at 12%);
- Trust in the media is down 18% (now at 10%).

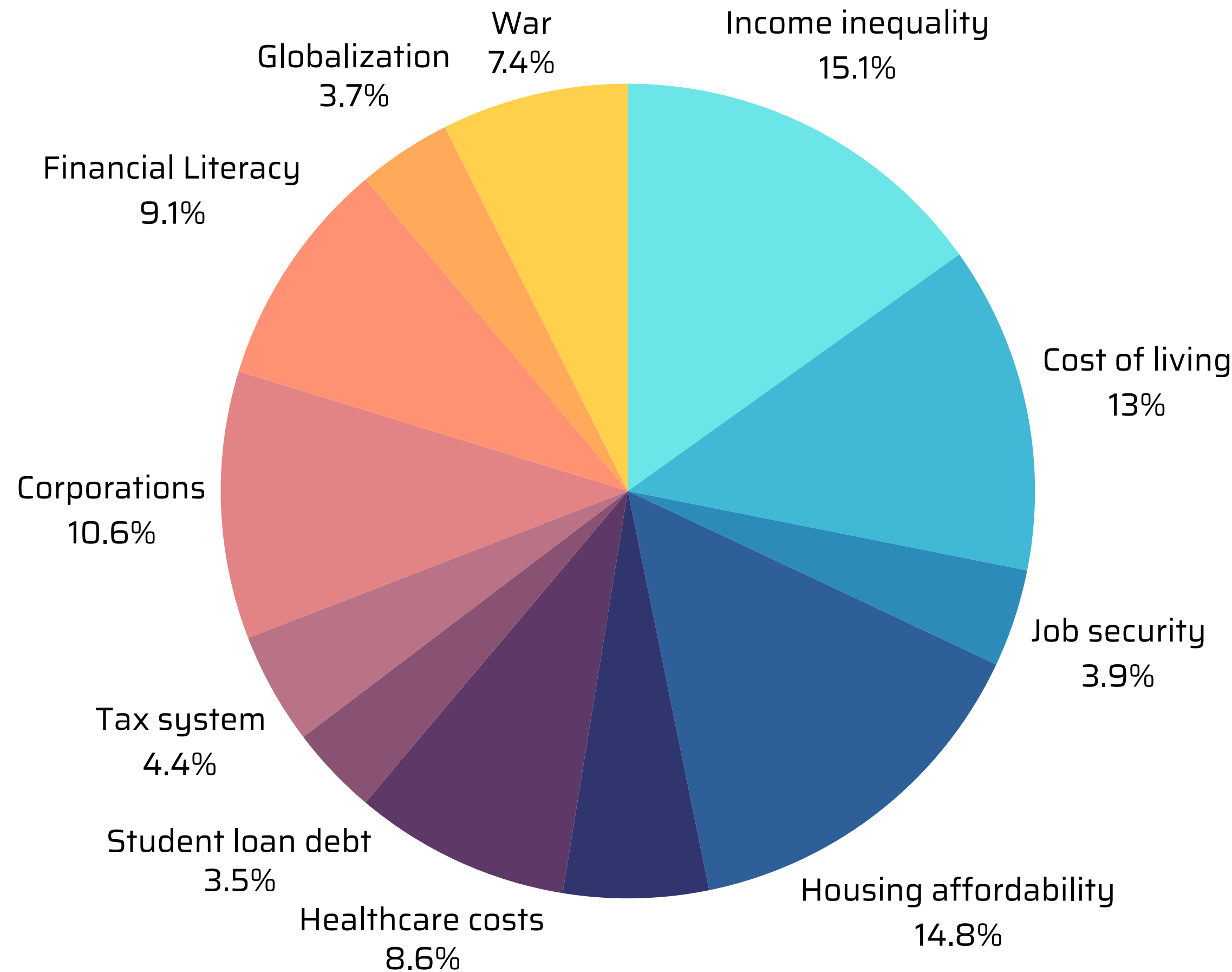
Spring 2024 Harvard Public Opinion Project Youth Poll

**SOCIAL MEDIA IS A TOOL
AND THAT'S WHAT I WANT TO TALK
ABOUT**

WHAT ECONOMIC TOPICS ARE MOST PEOPLE INTERESTED IN?



WHAT ARE PEOPLE MOST CONCERNED ABOUT?



PEOPLE WANT TRANSPARENCY

ACROSS ALL AGE GROUPS

Age Group	Reduce gov't intervention	Increase public funding	Technological innovation	More competition	Support grassroots initiatives	Increase public awareness	Improve transparency
18-24	3.4%	17.2%	13.8%	15.5%	13.8%	17.2%	19.0%
25-29	4.2%	15.1%	12.7%	16.3%	15.1%	16.9%	19.7%
30-35	5.3%	13.8%	15.9%	18.0%	12.7%	14.8%	19.6%
36-40	4.9%	14.6%	14.6%	15.9%	14.6%	17.1%	18.3%

SO... WHAT DOES THAT MEAN?

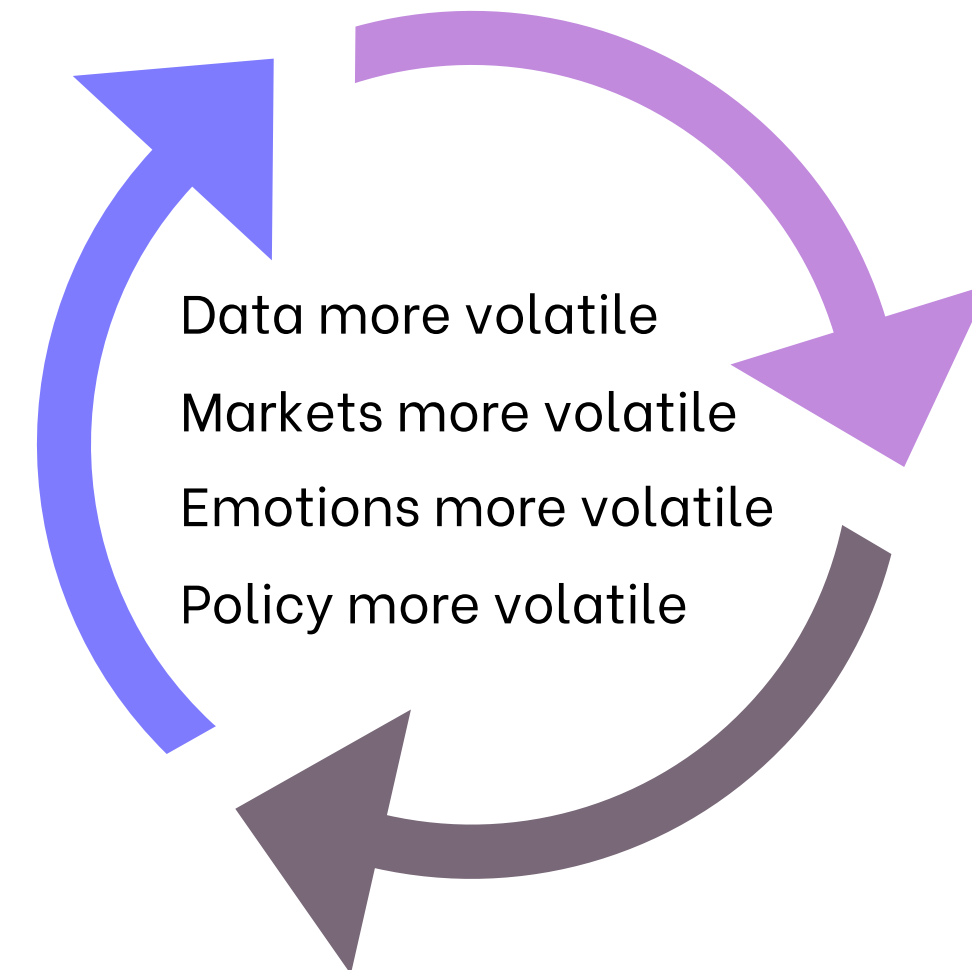
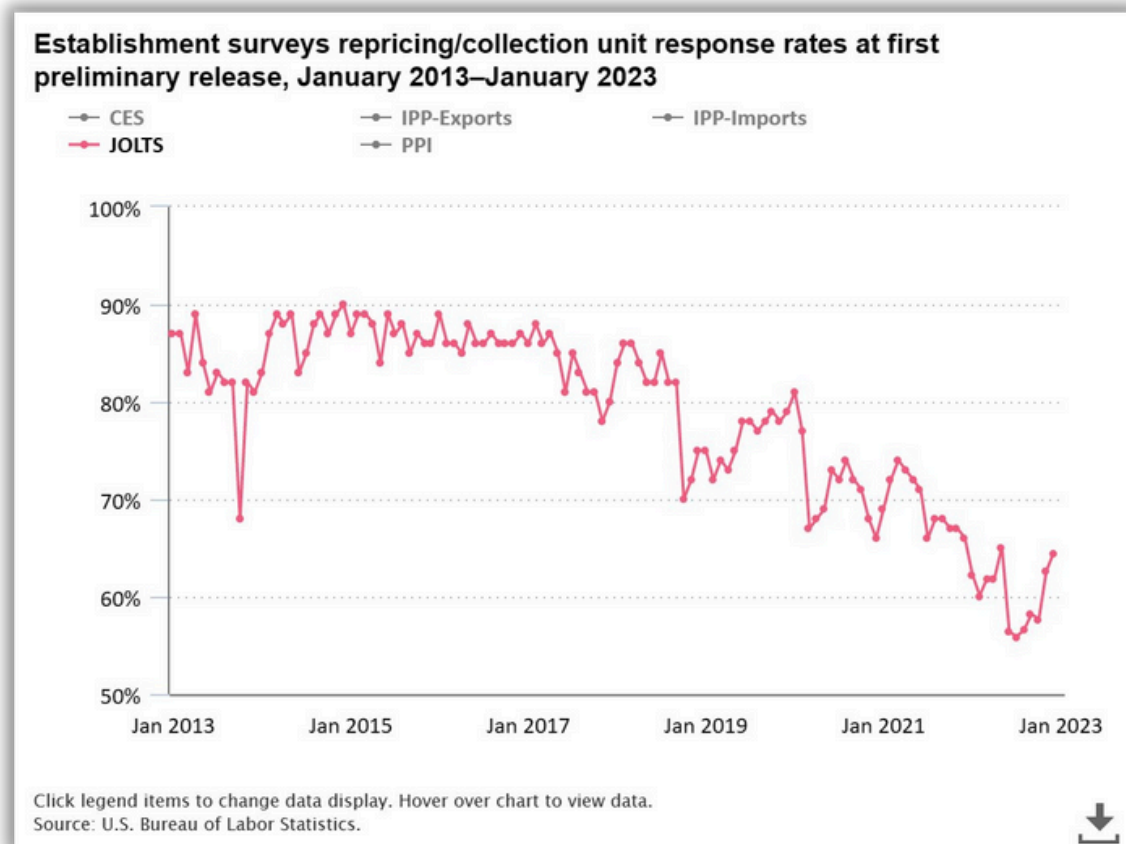
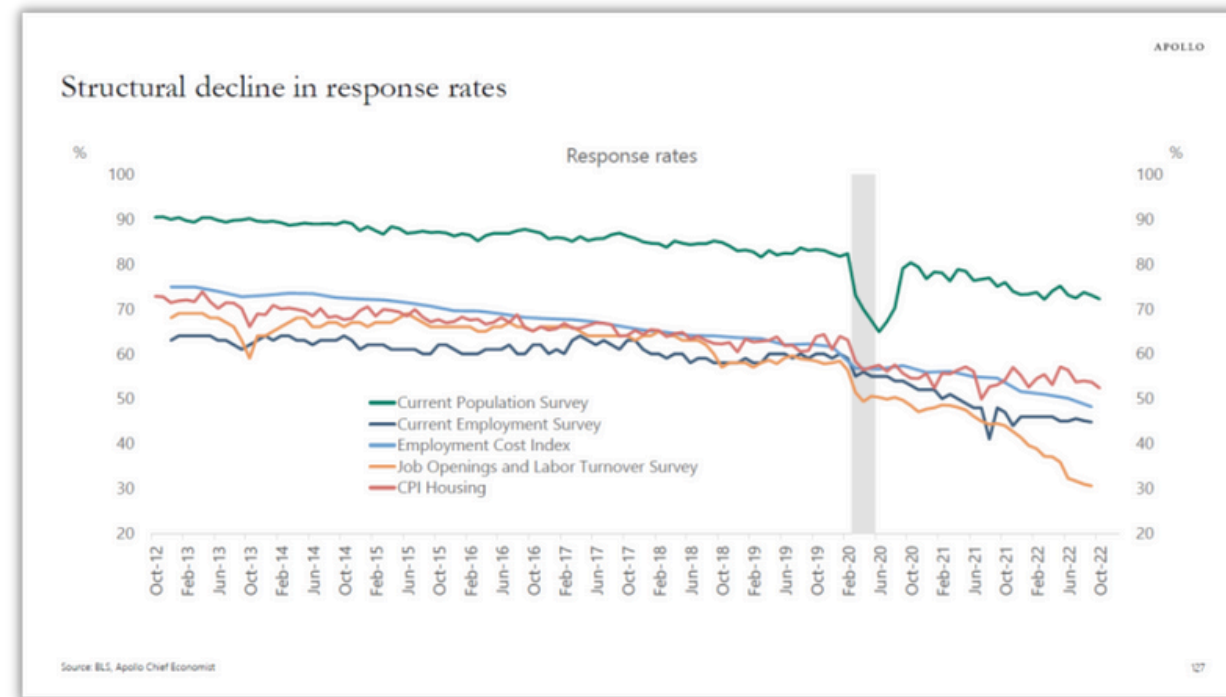


THE DATA

what are people thinking?

**THE DATA CAN MAKE TRANSPARENCY
HARD**

WHAT DATA DO WE USE TO EXAMINE THE ECONOMY?



The reliability of the Labor Department's job-openings estimates has declined in recent years because fewer businesses have been responding to survey questions, said Paul Calhoun Jr., an economist at the Labor Department. The response rate for the survey fell to 30.6% last September from 56.4% in February 2020. The department increased its sample size in 2019 because of the declining response rates.

THE... DATA?

Most Americans Living Paycheck to Paycheck This Year, Survey Finds

7 in 10 Americans living paycheck to paycheck will spend same or less this holiday season: survey

BY JULIA SHAPERO - 12/11/23 3:28 PM ET

ECONOMICS

Living Paycheck to Paycheck Is Common, Even Among Those Who Make More Than \$100,000

by Megan Leonhardt [Follow](#)

Updated Oct 15, 2023 4:46 pm EDT / Original Oct 15, 2023 10:20 am EDT

PERSONAL FINANCE

Here's why even Americans making more than \$100,000 live paycheck to paycheck

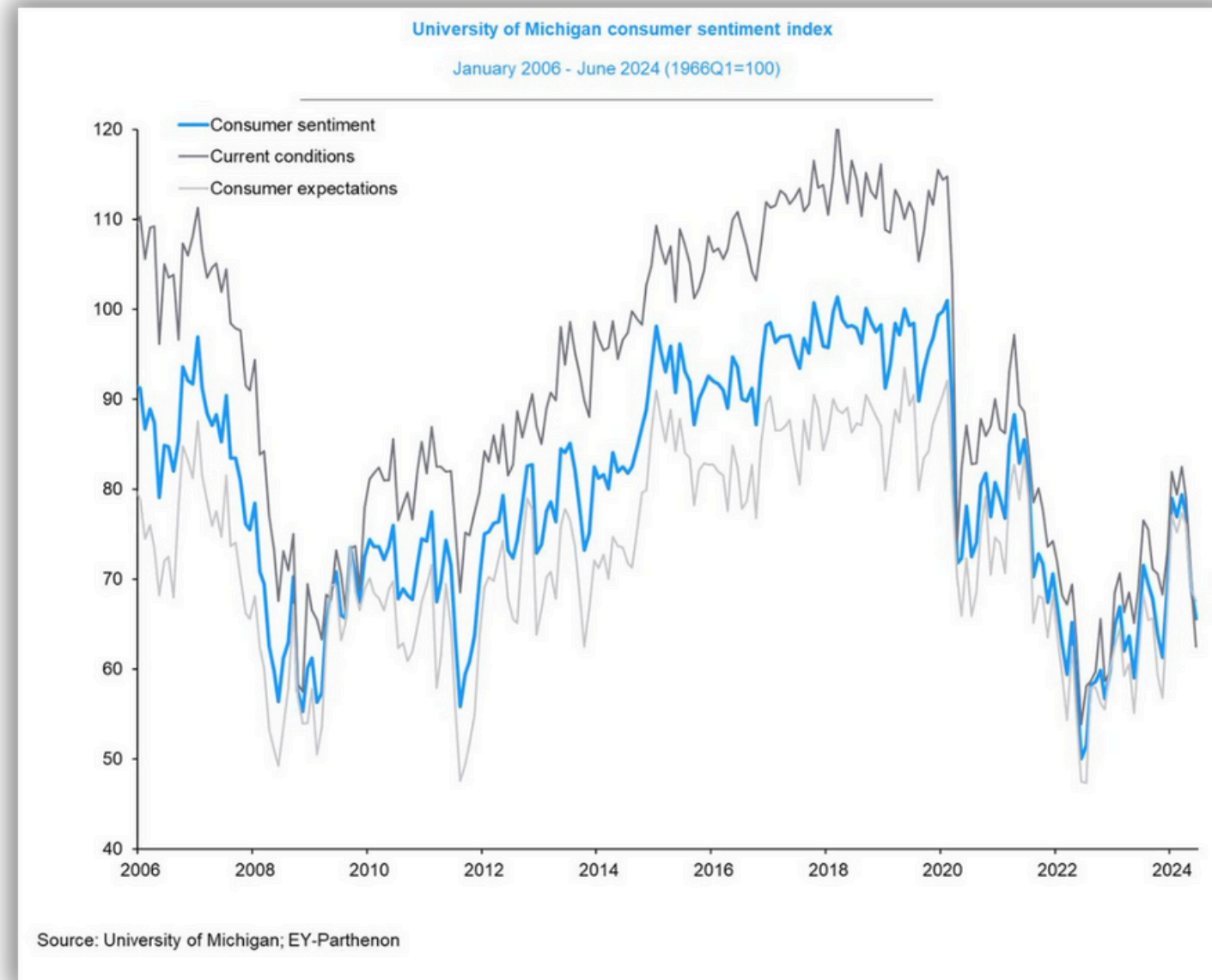
PUBLISHED MON, DEC 11 2023 6:41 AM EST

Despite Falling Inflation, Most Workers Still Living Paycheck to Paycheck

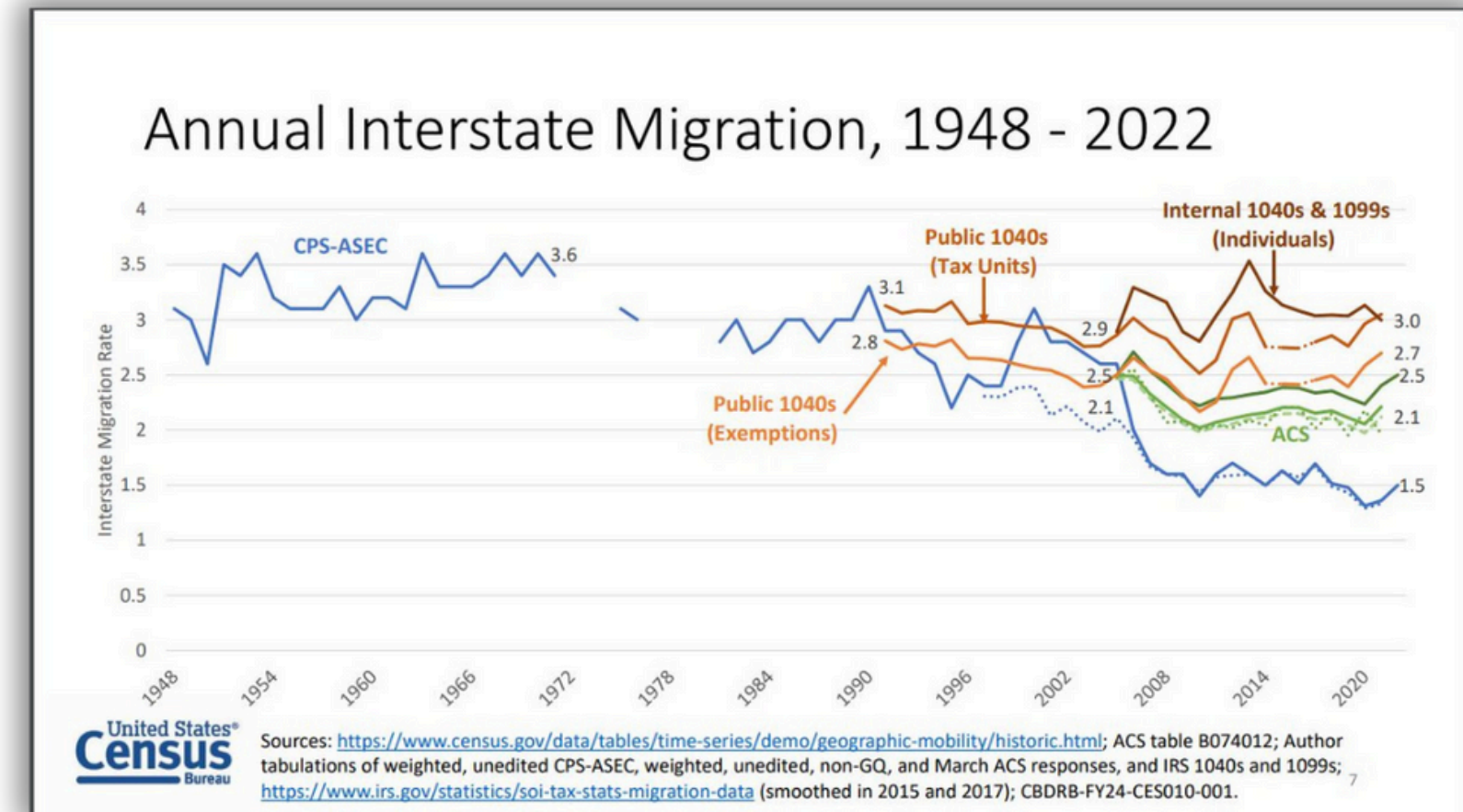
January 3, 2024 | [Kathryn Mayer](#)

- The median American household has a net worth of \$193k
- They have \$8k in checking/savings
- 54% of adults have 3 months of expenses saved.
- The financial services company that publishes the paycheck-to-paycheck statistic refuses to share the text (read: the WORDS) of the question they ask to get to their “60% of Americans live Paycheck-to-Paycheck” metric.

MEASUREMENT ISSUES



Consumer sentiment survey



Literature based on the CPS might have been a mirage, driven by survey measurement error

MEASUREMENT ISSUES



Gary Winslett 🌐🇺🇸
@GaryWinslett

Follow



New CPI data just dropped. Month-over-month inflation was 0. Zero. Wow.

Year-over-year inflation is down to 3.3%.

Everything but housing is down to 2.1% (the Fed's target is 2%).

But housing inflation is still 5.4%.

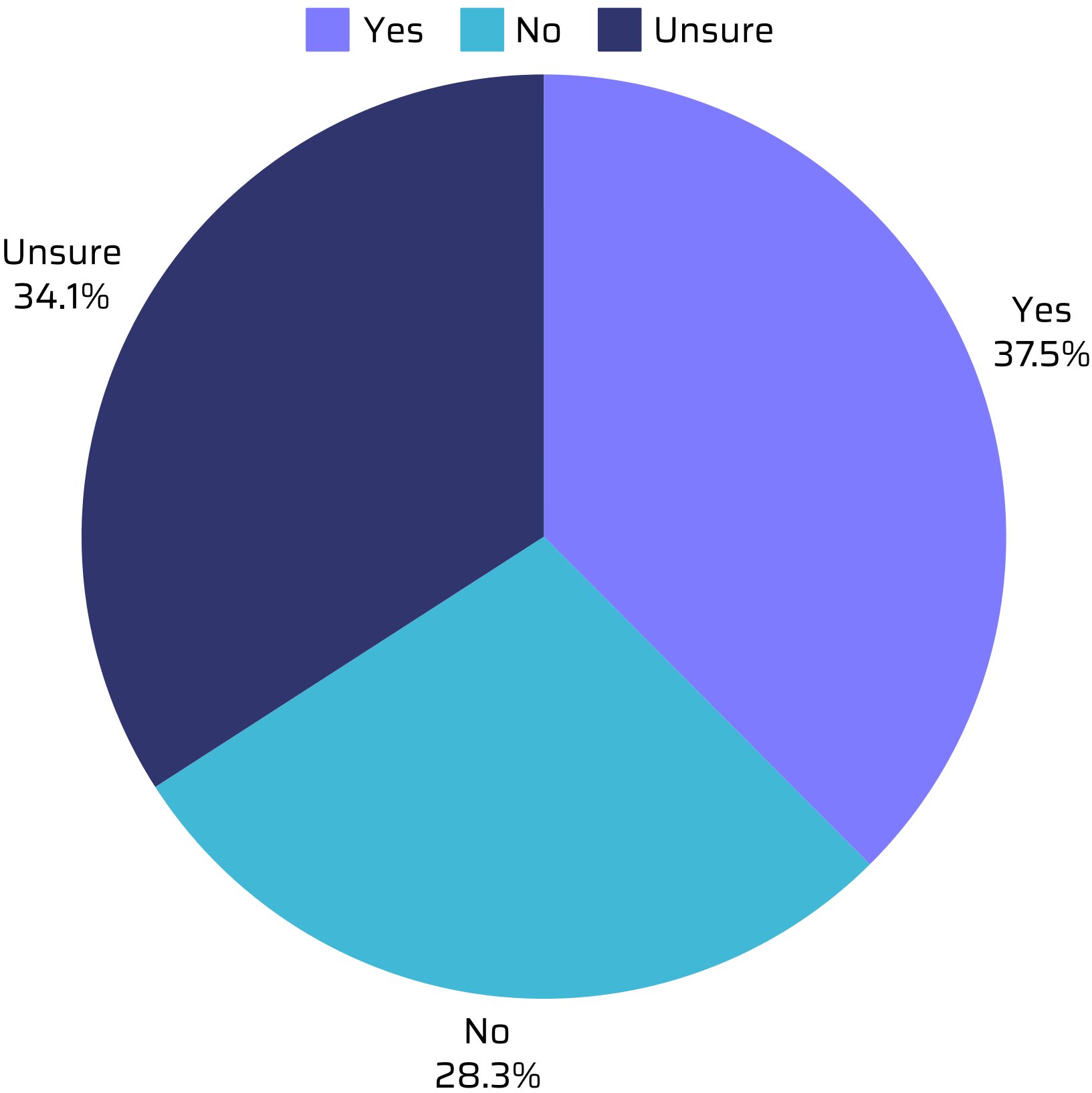
Right now, inflation is almost purely housing problem.

5:38 AM · Jun 12, 2024 · **29.9K** Views

**WHICH MAKES IT HARD
TO FIGURE OUT WHAT'S
ECONOMICALLY
HAPPENING**

AND LEADS TO RESULTS LIKE THIS

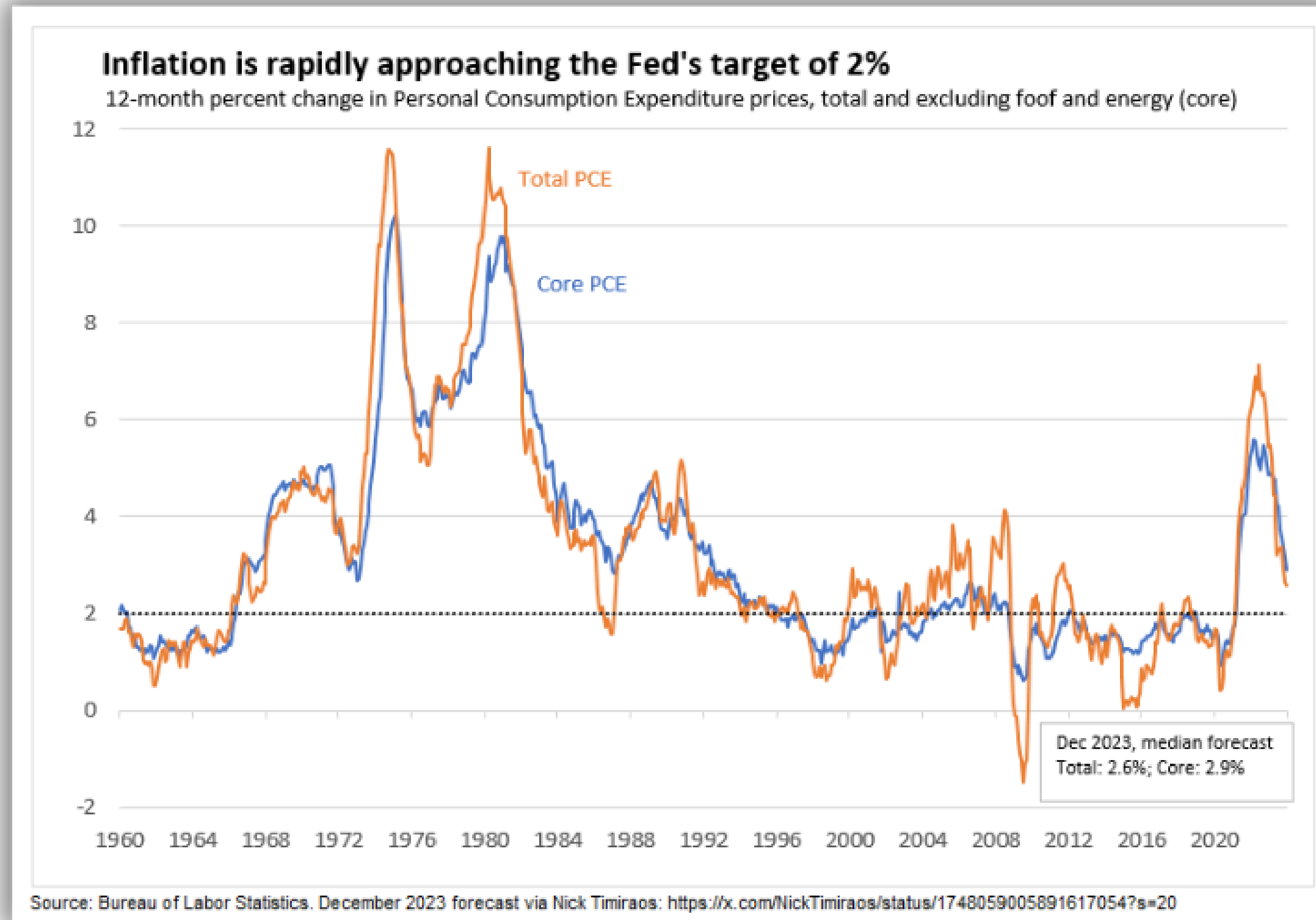
Do you think the economy is headed in the right direction?



BIFURCATED ECONOMY

- A generational wealth transfer, with some Millennials inheriting large sums from Boomer parents and many others not.
- Homeowners with golden 2-3% mortgage rates versus those struggling to buy homes now.
- A labor market that's great for employed individuals but challenging for job seekers.
- The rise of trade schools and rebellion against college costs.
- Stability in hospitality and healthcare versus 'white collar recessions' in tech and finance.
- The 400 richest Americans holding wealth equivalent to 17% of GDP, up from 2% in 1982.

INFLATION IS IMPROVING



PUSHING THROUGH PRICES



Nick Timiraos  @NickTimiraos · 2h

Replying to @NickTimiraos @tracyalloway and 2 others

I asked Barkin about this again two weeks ago.

Too much nuance for a tweet, but he highlighted how the story changed from sector to sector.

Companies have "gotten some courage through this process" of pushing price when they wouldn't have even tried before 2020.

Timiraos: Have you heard anything different over the past six months from managers, CFOs, price setters, when it comes to their ability to raise prices? So you see a lot of earnings where revenues are up, but profits are down. Is there any sign from those conversations that prices will come down this year, or price growth will slow this year?

Barkin: Prices come down, or price growth slows?

Timiraos: Price growth slows.

Barkin: It differs by sector. There are absolutely sectors, housing sensitive appliances, furniture, would be good examples—where you are hearing growth slowing, even prices declining. And that's the combination of normalizing and oversupply in many cases. Similarly in apparel, as you talk in that business, you're hearing of the same kind of thing.

Timiraos: A sector that seems to have least internalized the message that we want growth to slow would be food and consumer-facing food. And if you look at earnings reports in the last couple of weeks from all of the food companies, it's a very similar story, which is what I hear when I'm talking to them, where they like their margins have been pressured.

Timiraos: I also have discovered an inelasticity that maybe they hadn't been aware of. Most of them have high single-digit revenue increases, which is a combination of some combination of low double-digit price increases and low volume decreases. And that combination has led to higher revenue, but margins, somewhat lower volume. And one of them yesterday said, "That's the best for the year." But that would be the most positive thing I've heard.

Barkin: I have a different view now on wage increases, what they have to pay. I think that's a big part of the consumer shopping basket, very important. I shall also say there are segments out there—hospitals should be a good example where, highly pressured by nursing costs and supply costs [sic] is going to take more time. Because I just think that 24 months, 2 years higher than historic inflation does have an effect on the expectations out there the numbers are going to have to add up again for holders and price receivers.

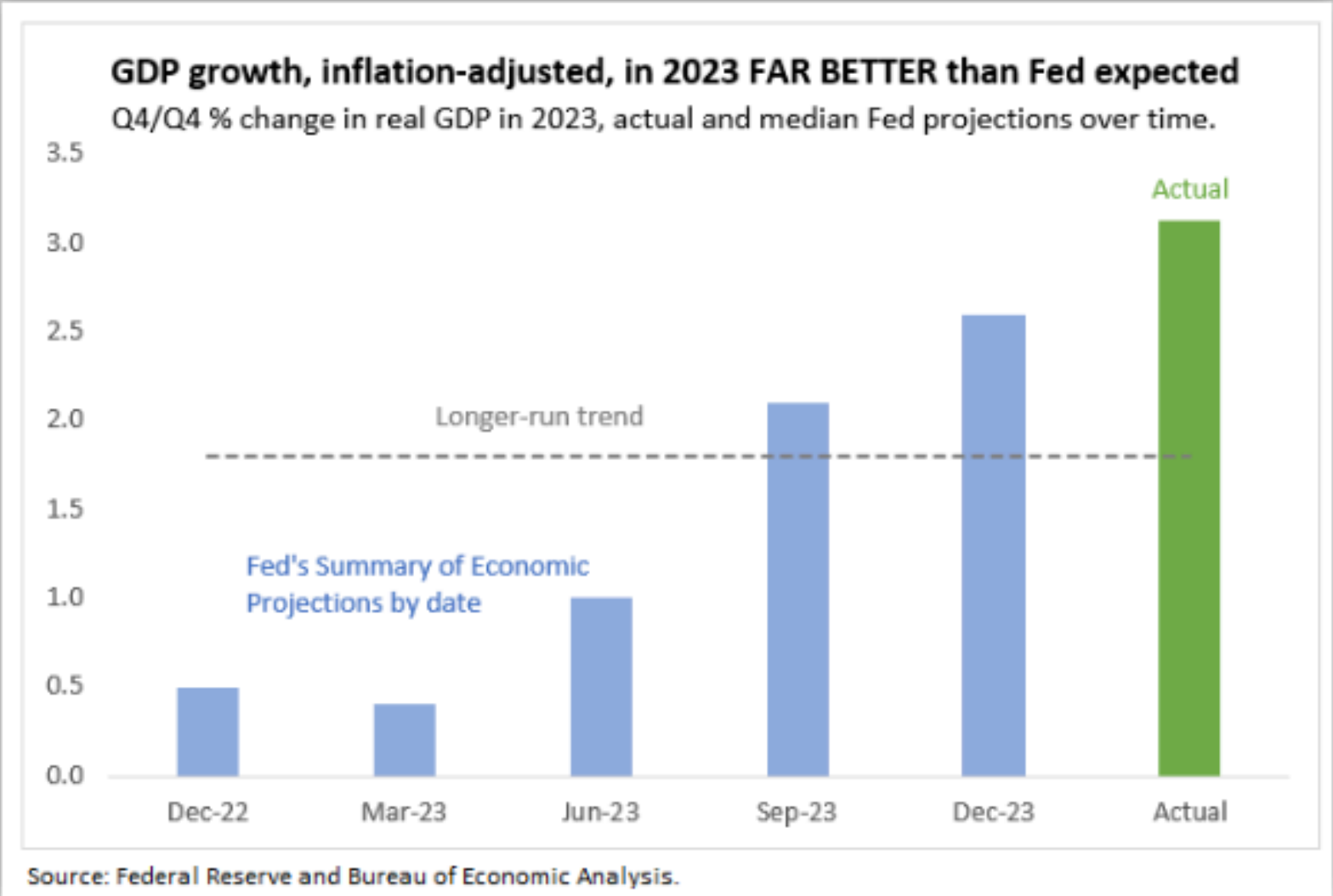
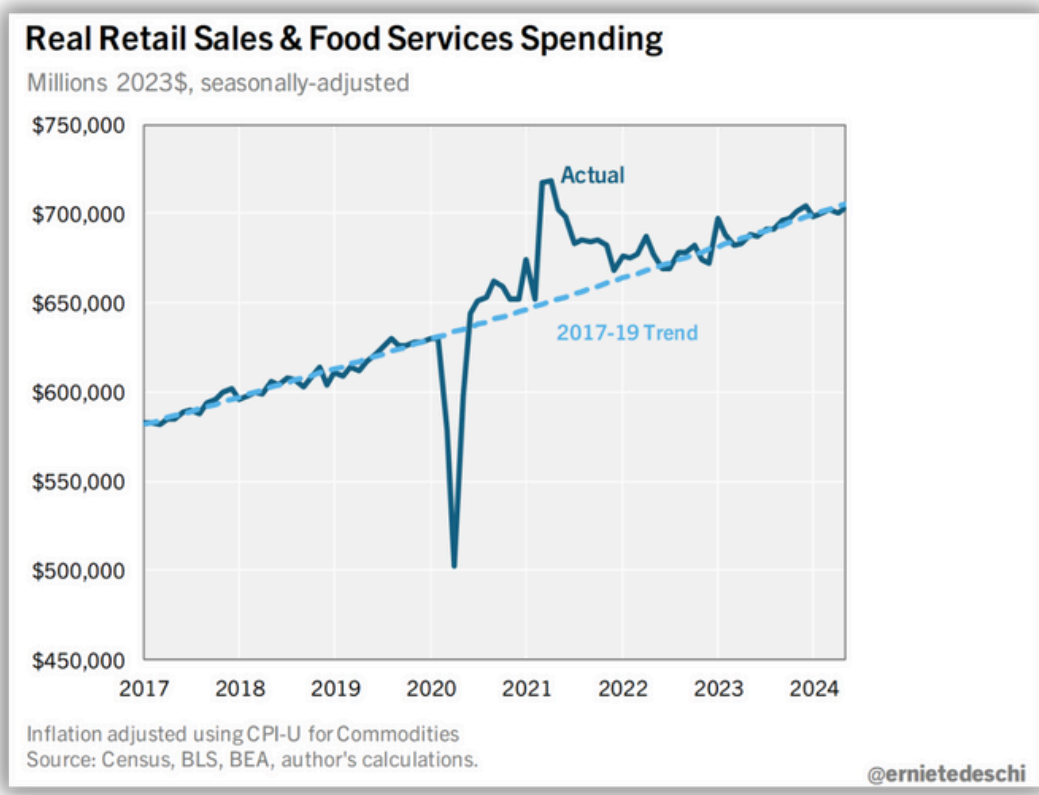
Timiraos: There are another sector where because of the regulatory environment, though their price increases over multiple years, not one year. So I think you'll see some Covid effects in the economy, that's part of it, you know, price growth. I think there are then these business effects and the businesses who have lost margin have a lot more urgency in terms of trying to recapitalize businesses who have gained margin and might be either being pushed or pulled to come back to that for a second. I think both of those are important. You did ask about intermediaries—the retailers and the purchasing agents. I think definitely turning back to negotiating a price, but the environment to negotiate on price is different than the one they were in three years ago. I think a quick alternative, which would be, "I'm just going to outsource to a different supplier, which doesn't feel quite as good an alternative as it used to for the combination of political reasons and resiliency slash transportation reasons. They're more aware of the risk of undersupply and so they've just prioritized a little bit higher on the list. And they have suppliers who now have a different view now on wage increases, what they have to pay. I think that's a big part of the consumer shopping basket, very important. I shall also say there are segments out there—hospitals should be a good example where, highly pressured by nursing costs and supply costs [sic] is going to take more time. Because I just think that 24 months, 2 years higher than historic inflation does have an effect on the expectations out there the numbers are going to have to add up again for holders and price receivers.

As of the 12 months through January, roughly 32% of firms in the Russell 3000 Index were losing money, according to data compiled by Kailash Concepts Research and Bloomberg. Before the pandemic, only twice since 1978 had profitless firms been so widespread – in the dot-com era during the early 2000s and the aftermath of 2008 global financial crisis.

"The pressure on these leadership teams is intense," said Gregg Fisher, founder of Quent Capital LLC. "If you're getting ready to release your earnings and you can move a penny around somewhere from left to right, it just might tell a better story that as long as it's legal, they do it."

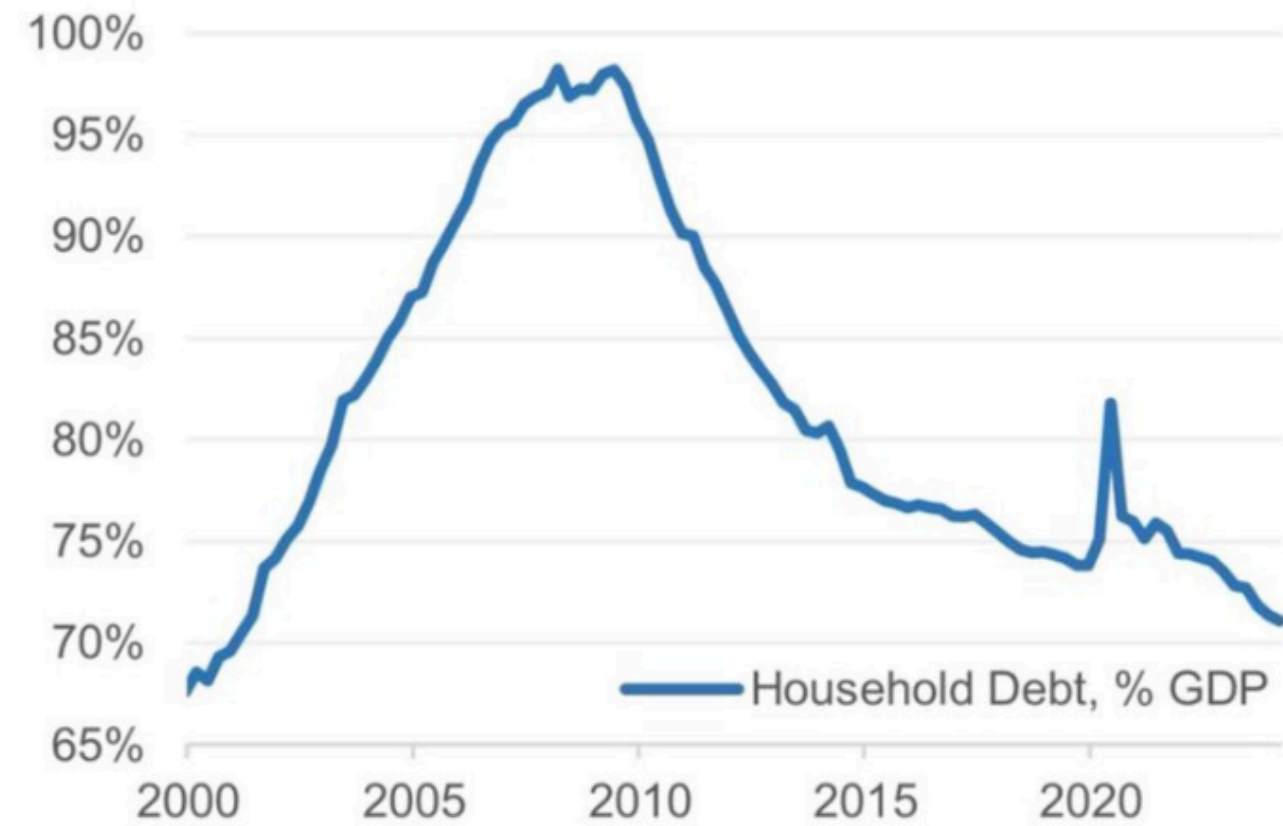
Third, we could be approaching the wrong airport. The inflation numbers have come down, but much of the drop has been the partial reversal of pandemic-era goods price increases as the economy has normalized. Shelter and services inflation remain higher than historical levels, presenting a risk that inflation levels off at a cruising altitude higher than our 2 percent target. As I talk to businesses, I still hear too many planning above-normal price increases. After decades without pricing power, businesses, especially those facing margin pressure, won't want to back down from raising prices until their customers or competitors force their hands. If that's the case, I fear more will have to happen on the demand side, whether organically or through Fed action, to convince price-setters that the inflation era is over.

ALL THINGS CONSIDERED



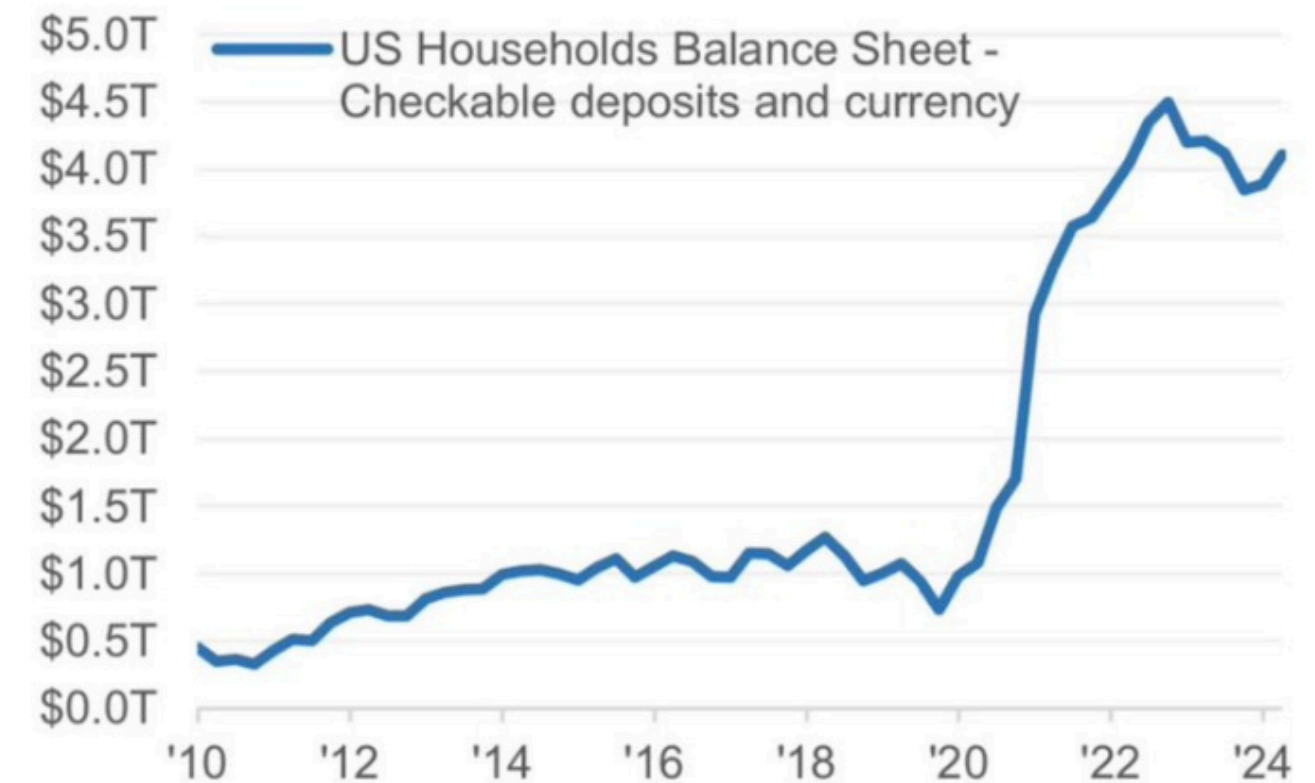
ALL THINGS CONSIDERED

Figure 8: Household Has Continuously Improved



Source: Haver, Evercore ISI Research

Figure 9: Americans Have Hoarded Cash



Source: Bloomberg, Evercore ISI Research

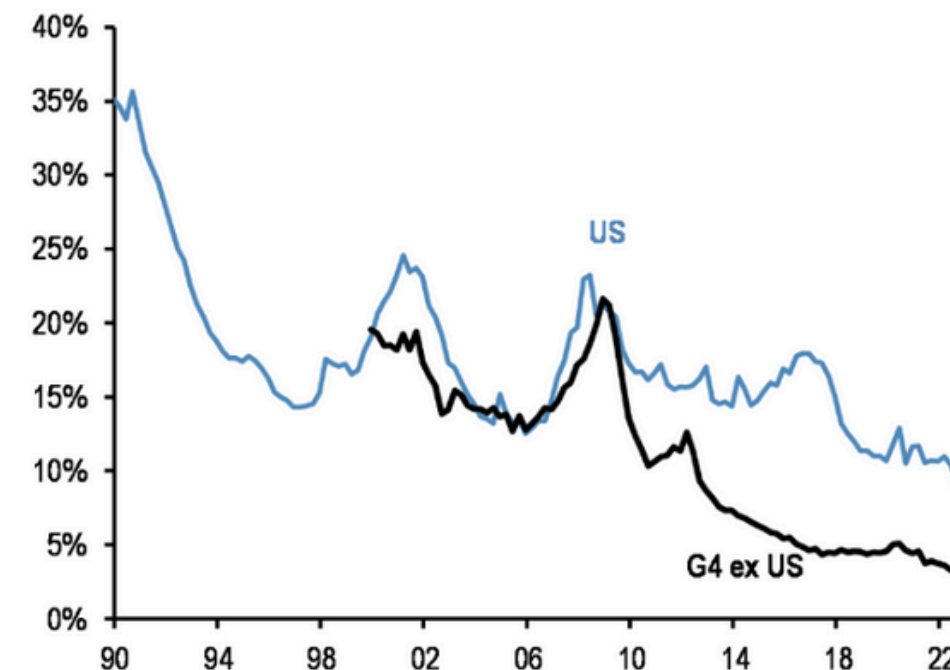
WE SEEMINGLY SKIRTED A RECESSION

1. Big Fiscal – the IRA, the IIJA, the CHIPS Act etc
2. Companies issuing debt at low rates

A related debate underlies Western governments' recent turn toward industrial policy. The \$700 billion in subsidies and investment that the Biden administration has mobilized through the Inflation Reduction Act and the Chips Act has unleashed a string of plant projects related to semiconductors, electric vehicles and renewable energy. Spending on manufacturing construction was up a whopping 77% in May from a year earlier.

Figure 2: Interest expense as % of operating cashflows for non-financial corporates in the G4 (US, Euro area, UK, Japan)

Last obs is Q3'22



Source: J.P. Morgan

THE STOCK MARKET ABSOLUTELY DID

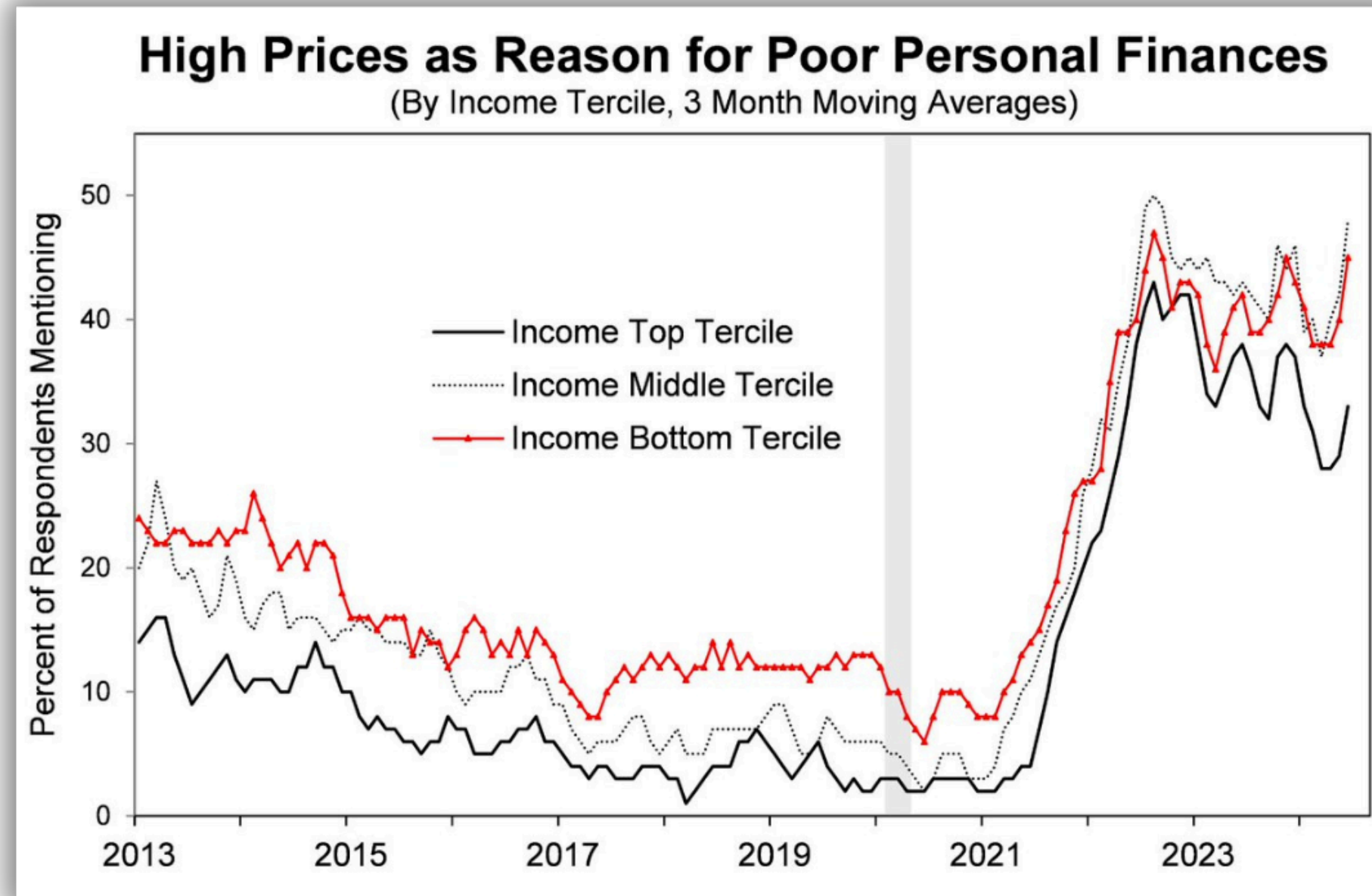
≡ Bloomberg



Markets

**S&P 500 Races Toward 30th
All-Time High of 2024:
Markets Wrap**

BUT INFLATION IS A PRESSURE COOKER

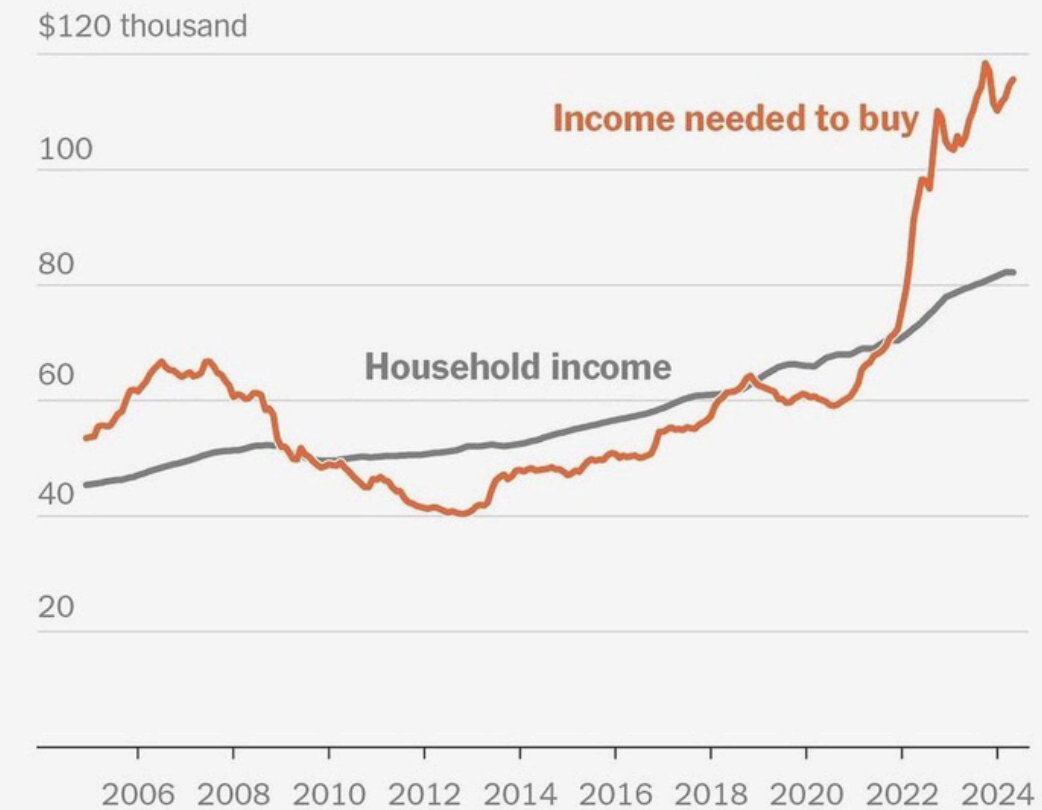


BUT SOMETHINGS ARE CONCERNING



Homes are unaffordable.

Income needed to buy median-value house vs. median household income



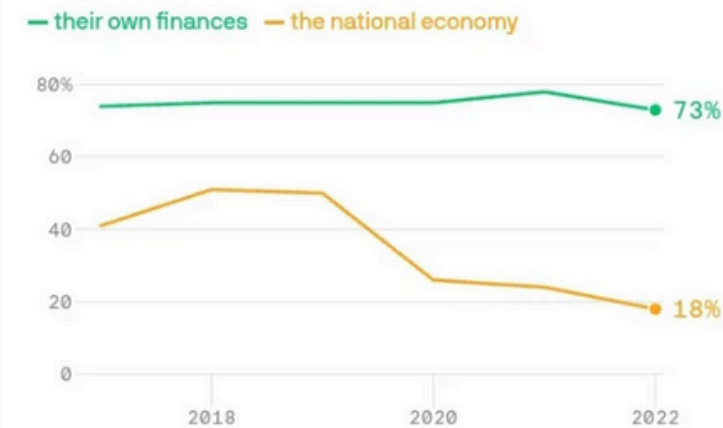
Income needed to buy assumes 10 percent down payment.
"Household income" based on American Community Survey data and Zillow estimates. Not adjusted for inflation
Source: Zillow



PEOPLE *FEEL* FINE BUT

Proportion of Americans who feel good about...

Survey of U.S. adults taken annually, 2017–2022



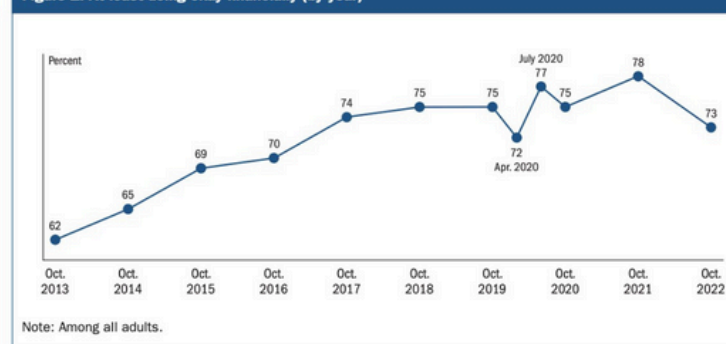
Data: Federal Reserve Survey of Household Economics and Decisionmaking;

Chart: Axios Visuals

“Because most Americans say they’re personally fine, they might resist too much experimentation. This creates a confusing voting bloc, which is constantly angry about the state of things, but also fundamentally conservative about any change that overturns their “rather happy” life and “at least okay” finances.”

The 73 percent of adults doing at least okay financially in 2022 was down 5 percentage points from 2021 and was among the lowest observed since 2016 (figure 1). As further evidence of declining financial well-being in 2022, the share of adults who said they were living comfortably fell

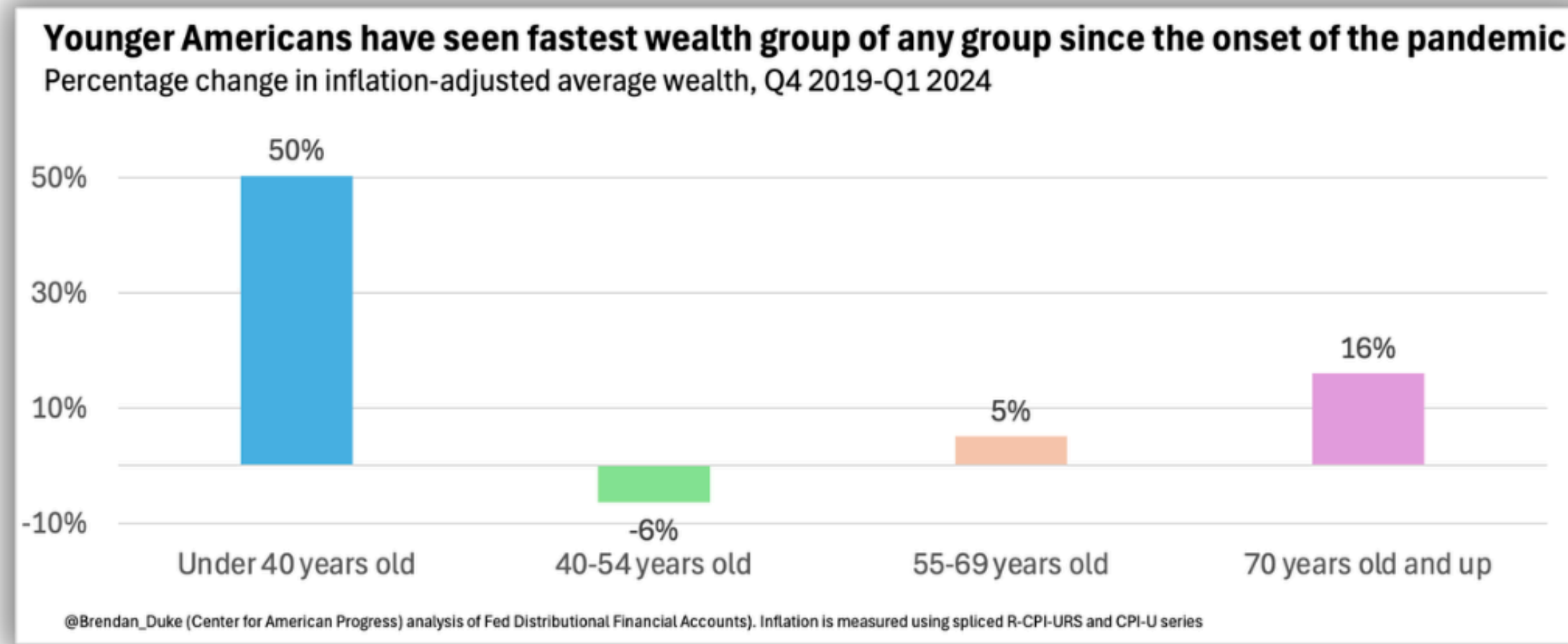
Figure 1. At least doing okay financially (by year)



² The survey was fielded in October 2022, and results reflect financial situations at that time. Results typically capture financial experiences at the time of the survey or in the 12-month period before the survey rather than the precise calendar year. Results discussing the period shortly after the onset of the pandemic are based on the two supplemental surveys were fielded during the pandemic in April 2020 and July 2020.

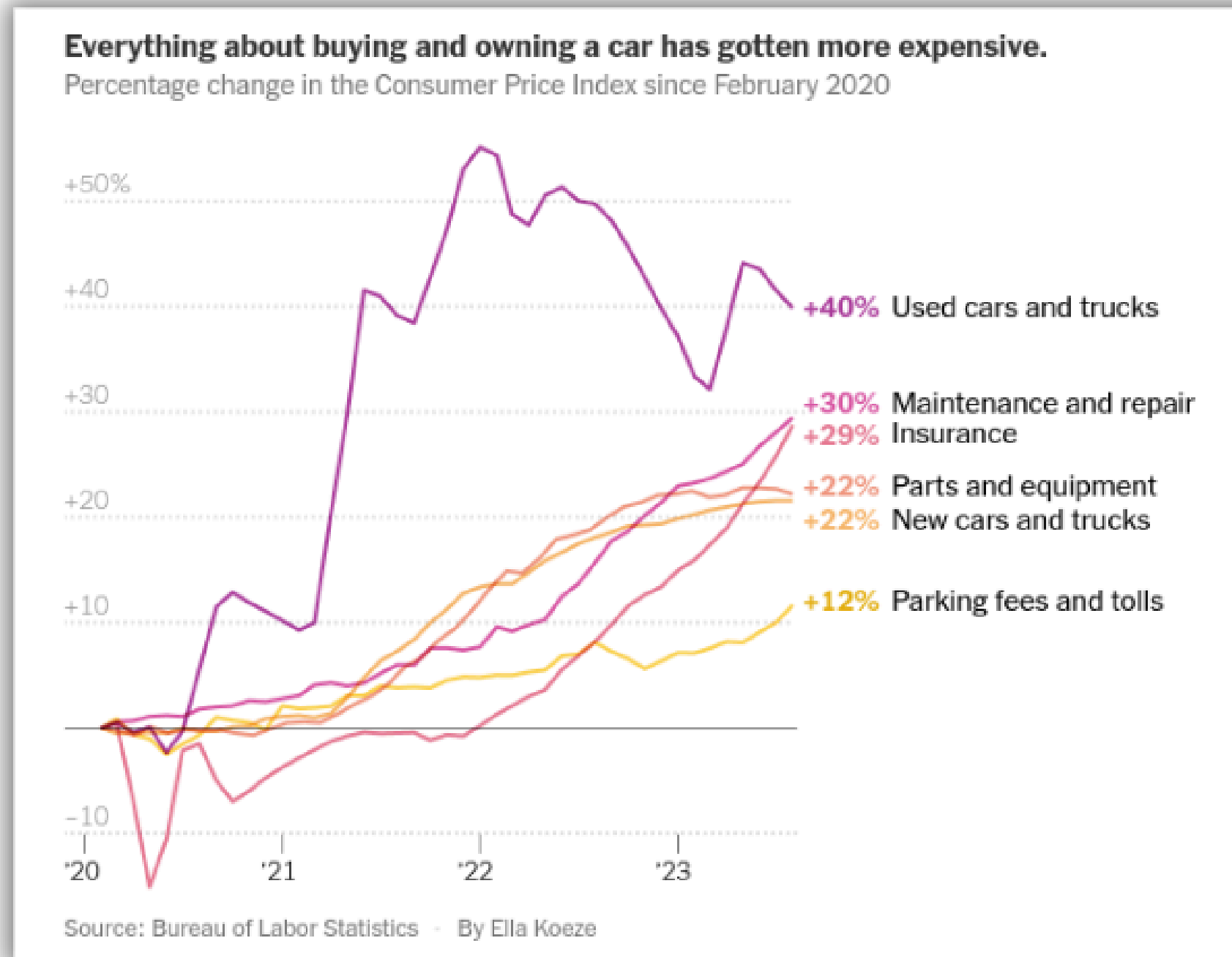
**WHICH MAKES
THINGS TOUGH**

AMERICA HAS A LOT OF WEALTH



- Inflation-adjusted average wealth of HHs under 40 rose an additional 1.7% between Q4 2023 and Q1 2024.

BUT NOT A LOT OF PROSPERITY



**AND THIS IS WHERE
TRANSPARENCY COMES
IN**



USING SOCIAL MEDIA

What is going on?

A COLLAPSE IN TRUST

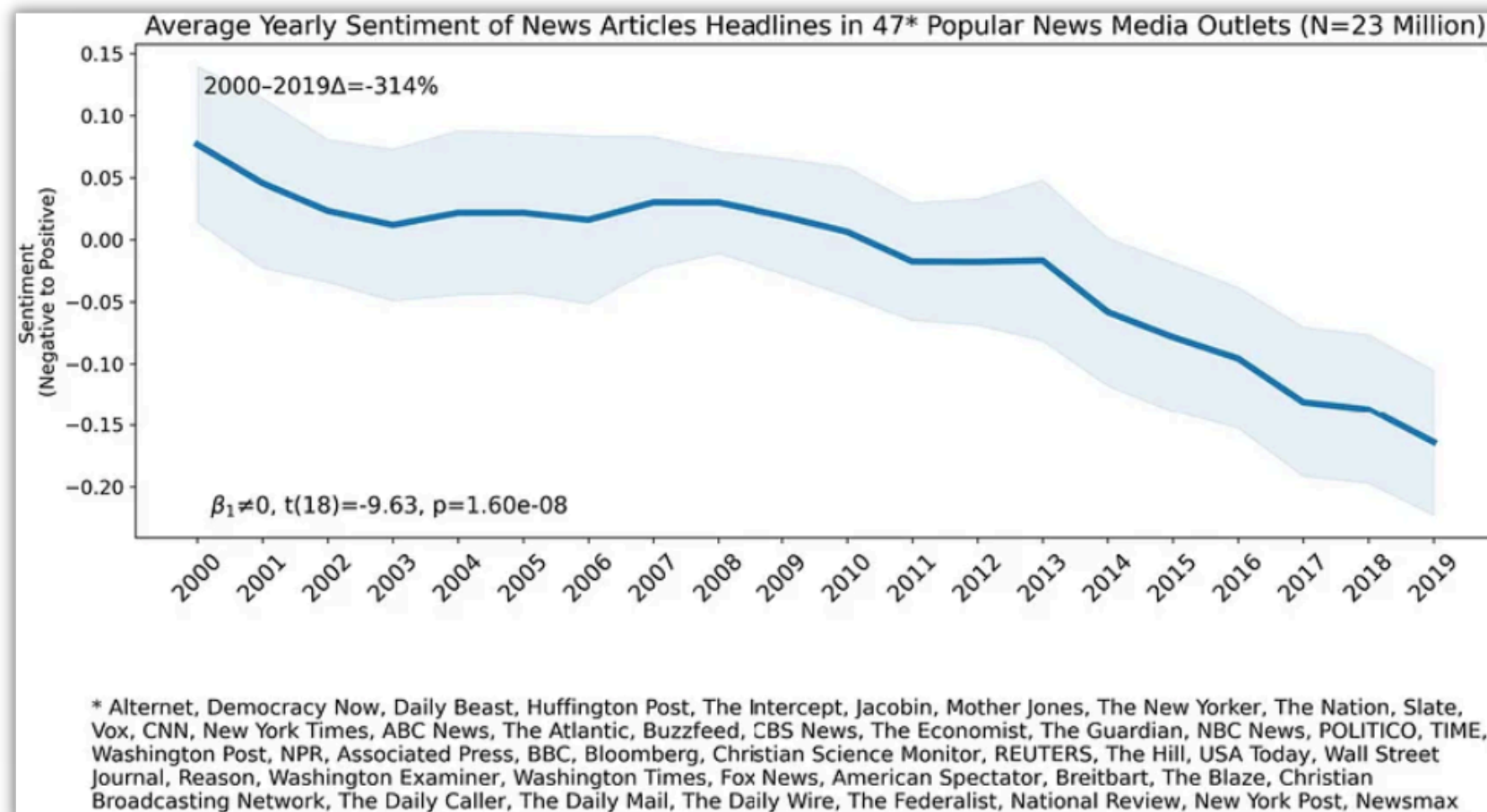
Association between economic development and interpersonal trust in OECD countries



Sources: FT analysis of World Values Survey and IMF World Economic Outlook
FT graphic: John Burn-Murdoch / @jburnmurdoch
© FT

REALITY

- The loneliness crisis
- And the stories that make us lonelier



Bloomberg

Subscribe

Politics | Economics

Forecast for US Recession Within Year Hits 100% in Blow to Biden

- Bloomberg Economics sees near certainty downturn will start
- Tightening conditions, inflation, hawkish Fed weigh on outlook

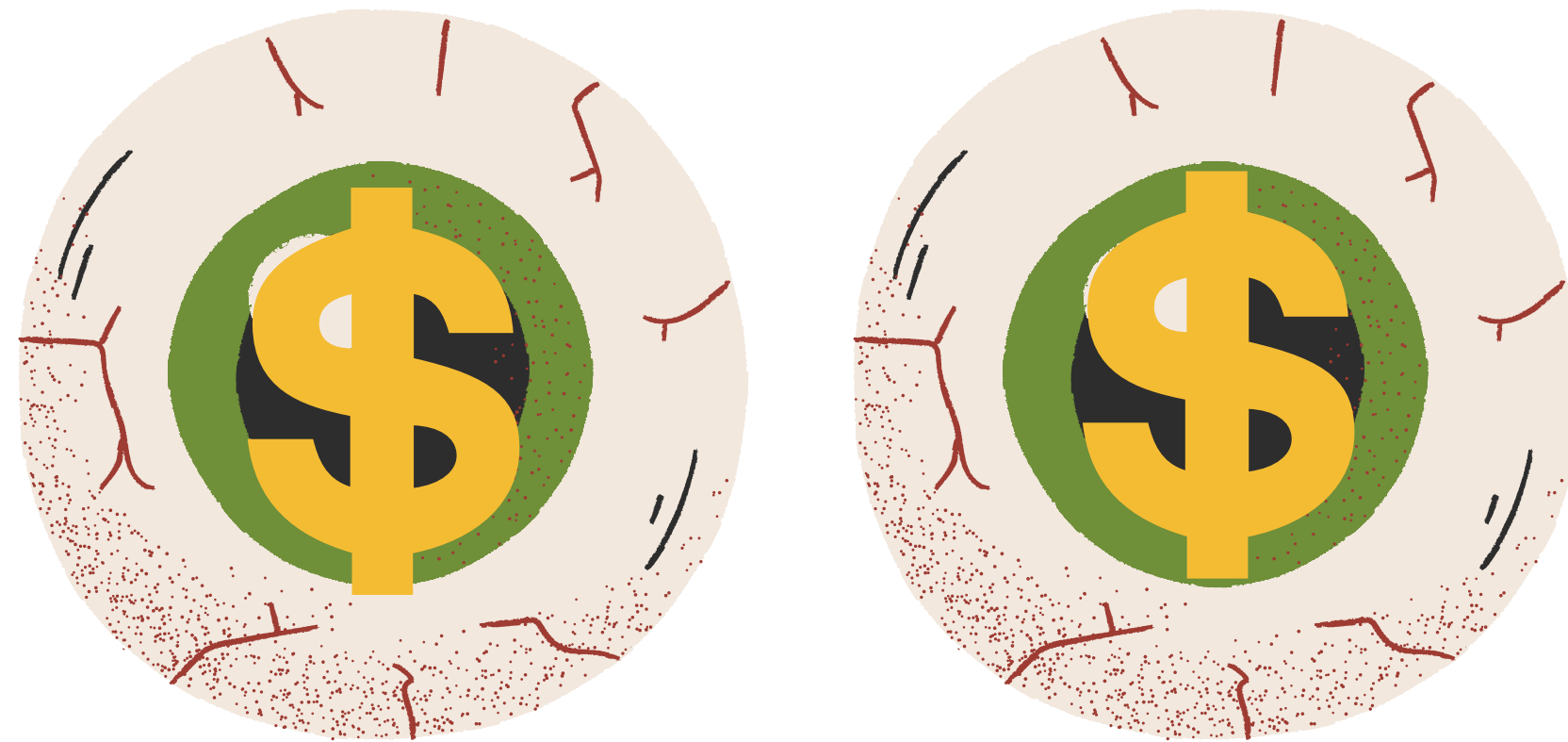
Economics + Wealth

US Will Have to Write Off Billions in Student Debt Due to Deaths

- Bloomberg asked economists to estimate how many borrowers died
- That number was then multiplied by average amount of debt owed

THE ATTENTION ECONOMY

- Our eyeballs are commodities!!



THE MARKETPLACE OF IDEAS

- It's where people are
- The content on social media can be both good and bad
- The reality of education is that it's multi-faceted

But it's all about... transparency

THANK YOU!