WHAT WE TALK ABOUT WHEN WE TALK ABOUT THE ECONOMY

kyla scanlon
01 Survey
02 Data
03 Social Media
what are people thinking?

A SURVEY
I ASKED MY AUDIENCE ABOUT THEIR VIEWS ON ECONOMICS EDUCATION
HERE IS THE AGE BREAKDOWN

- 18-24 years old: 16.5%
- 25-29 years old: 27.8%
- 30-35 years old: 21%
- 36-40 years old: 11.9%
- > 41 years old: 22.7%
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.

- Daily: 46.2%
- Frequently: 30.9%
- Occasionally: 19.4%
- Rarely: 3.2%
SO WHAT DO PEOPLE THINK ABOUT ECONOMICS?
On a scale of 1–5, how important do you think economic literacy is for being an informed citizen?
PEOPLE THINK ECONOMICS IS IMPORTANT

How often do you consider economic factors when making major life decisions?

- Never
- Rarely
- Sometimes
- Often
- Always
WHAT DO PEOPLE STRUGGLE WITH WHEN LEARNING ECONOMICS?
WHAT DO PEOPLE WANT EXPLAINED MORE?

- Financial markets
- Behavioral econ
- Game Theory
- Economic growth
- Environmental econ
- International Trade
- Market Structures
- Elasticity
- Opportunity Cost
- Supply and Demand
- Elasticity
### Which Economic News Sources Do You Regularly Follow?

<table>
<thead>
<tr>
<th>News Source</th>
<th>18–24 years old</th>
<th>25–29 years old</th>
<th>30–35 years old</th>
<th>35+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mainstream news outlet</td>
<td>16%</td>
<td>14%</td>
<td>14%</td>
<td>17%</td>
</tr>
<tr>
<td>Financial newspapers/websites</td>
<td>18%</td>
<td>22%</td>
<td>22%</td>
<td>25%</td>
</tr>
<tr>
<td>Economic blogs</td>
<td>6%</td>
<td>8%</td>
<td>7%</td>
<td>8%</td>
</tr>
<tr>
<td>Social media</td>
<td>26%</td>
<td>30%</td>
<td>28%</td>
<td>26%</td>
</tr>
<tr>
<td>Podcasts</td>
<td>15%</td>
<td>16%</td>
<td>16%</td>
<td>16%</td>
</tr>
<tr>
<td>YouTube</td>
<td>19%</td>
<td>10%</td>
<td>13%</td>
<td>8%</td>
</tr>
</tbody>
</table>
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

- **Social media feed or messaging services**
  - Gen Z teens: 51%
  - Gen Z adults: 33%
  - Millennials: 47%
  - Gen X: 40%
  - Total: 34%

- **Search engines**
  - Gen Z teens: 40%
  - Gen Z adults: 32%
  - Millennials: 46%
  - Gen X: 42%
  - Total: 36%

- **TV news**
  - Gen Z teens: 20%
  - Gen Z adults: 30%
  - Millennials: 40%
  - Gen X: 55%
  - Total: 52%

- **News websites**
  - Gen Z teens: 11%
  - Gen Z adults: 31%
  - Millennials: 41%
  - Gen X: 41%
  - Total: 33%

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.

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: Almelheim et al (2023), Google Books Ngram Viewer; Maddison Project Database

FT graphic: John Burn-Murdock / @burnmurdock

© FT
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, no social safety net/job security, as climate change cooks the world

Taylor Lorenz @TaylorLorenz
Not to be a doomer but u have to be delusional to look at life in our country r in and have any amt of hope or optimism

7:18 PM · Feb 19, 2023 · 2.1M Views
THERE ARE TRADEOFFS TO SOCIAL MEDIA

Before social media

After social media

social media’s trap and inferior equilibrium -
SO SOCIAL MEDIA IS OVERWHEMINGLY NEGATIVE... AND NO ONE TRUSTS EACH OTHER ANYMORE...
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?

- Fiscal policy: 18.2%
- Monetary policy: 18%
- Inflation: 17.5%
- Economic inequality: 17.4%
- Climate Change: 13%
- Unemployment: 11.2%
- Cryptocurrency: 4.8%
WHAT ARE PEOPLE MOST CONCERNED ABOUT?

- Income inequality: 15.1%
- Housing affordability: 14.8%
- Cost of living: 13%
- Corporations: 10.6%
- Financial literacy: 9.1%
- Globalization: 3.7%
- War: 7.4%
- Tax system: 4.4%
- Student loan debt: 3.5%
- Healthcare costs: 8.6%
- Job security: 3.9%
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PEOPLE WANT TRANSPARENCY
ACROSS ALL AGE GROUPS

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Reduce gov't intervention</th>
<th>Increase public funding</th>
<th>Technological innovation</th>
<th>More competition</th>
<th>Support grassroots initiatives</th>
<th>Increase public awareness</th>
<th>Improve transparency</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-24</td>
<td>3.4%</td>
<td>17.2%</td>
<td>13.8%</td>
<td>15.5%</td>
<td>13.8%</td>
<td>17.2%</td>
<td>19.0%</td>
</tr>
<tr>
<td>25-29</td>
<td>4.2%</td>
<td>15.1%</td>
<td>12.7%</td>
<td>16.3%</td>
<td>15.1%</td>
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<td>17.1%</td>
<td>18.3%</td>
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SO... WHAT DOES THAT MEAN?
what are people thinking?
THE DATA CAN MAKE TRANSPARENCY HARD
WHAT DATA DO WE USE TO EXAMINE THE ECONOMY?

Data more volatile
Markets more volatile
Emotions more volatile
Policy more volatile

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

Gary Winslett
@GaryWinslett

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?

- Yes: 37.5%
- Unsure: 34.1%
- No: 28.3%
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
Companies have "gotten some courage through this process" of pushing prices when they wouldn't have even tried before 2020.

It differs by sector. There are absolutely sectors, housing for example, in which appliance, furniture, would be good examples—where you are not going to come back the way you were. I think there are some categories where you are not going to come back for a second, where there is a lot of uncertainty, and price growth will be slow. But there are other categories where it seems like it is going to be a lot of acceleration in price growth.

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 profits firms been so widespread—even 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

Figure 9: Americans Have Hoarded Cash

Source: Haver, Evercore ISI Research

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)

Source: J.P. Morgan
THE STOCK MARKET ABSOLUTELY DID

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.
“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.”
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

![Graph showing percentage change in the Consumer Price Index since February 2020.](image)

*Everything about buying and owning a car has gotten more expensive.*

Source: Bureau of Labor Statistics

By Elia Koeza
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

% who trust people in their neighbourhood

GDP per capita (‘000s US$ 2017 PPP), log scale

Countries: Finland, Denmark, Norway, UK, Switzerland, Mexico, Colombia, Japan, US

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

• The loneliness crisis
• And the stories that make us lonelier
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!