



WEALTH ADVISORS

TRUST MATTERS.

April 2026

Point of View – Economy – Markets

Important Information

The views and opinions expressed are those of the speaker and are subject to change based on factors such as market and economic conditions. These views and opinions are not an offer to buy a particular security and should not be relied upon as investment advice. Past performance cannot guarantee comparable future results.

Important Information

Performance quoted is past performance and cannot guarantee comparable future results; current performance may be higher or lower.

Results shown assume the reinvestment of dividends.

An investment cannot be made directly in an index.

Investments with higher return potential carry greater risk for loss.

Investing in small companies involves greater risks not associated with investing in more established companies, such as business risk, significant stock price fluctuations and illiquidity.

Foreign securities have additional risks, including exchange rate changes, political and economic upheaval, the relative lack of information about these companies, relatively low market liquidity and the potential lack of strict financial and accounting controls and standards.

Investing in emerging markets involves greater risk than investing in more established markets such as risks relating to the relatively smaller size and lesser liquidity of these markets, high inflation rates, adverse political developments and lack of timely information.

Fluctuations in the price of gold and precious metals often dramatically affect the profitability of the companies in the gold and precious metals sector. Changes in political or economic climate for the two largest gold producers, South Africa and the former Soviet Union, may have a direct effect on the price of gold worldwide.

Bullet points for April

- \$100 oil
- Weak +0.5% Q4 GDP growth
- Weak +1.3% Atlanta Fed Q1 GDP forecast
- PMIs strong
- Strong retail sales
- Jobs surge
- Household net worth surged
- 3.3% inflation (CPI)
- 2026/2027 earnings estimates surge
- Near record high stock prices
- High P/E ratio

THE WALL STREET JOURNAL.

Stock Market Can Endure War

Military expeditions, wars and revolutions typically don't have a lasting impact on U.S. stocks. The average drop across major geopolitical events since 1939 was just 4%, according to Deutsche Bank, and the rebound was quick.

The four great bear markets of the past century—the Great Depression, the 1973-74 oil embargo¹, the dot-com crash and the 2007-09 financial crisis—were much worse for global stocks than either of the world wars, academics Elroy Dimson, Paul March and Mike Staunton point out in a long-term study for UBS.

THE WALL STREET JOURNAL.

Stagflation, Recession? Probably Not

It was an ugly week for the economy. Oil prices surged 39%, all but guaranteeing inflation is about to lurch higher. And it came amid emerging signs of jobs weakness, as payrolls fell and unemployment rose in February.

Those with long memories smell stagflation—a troubling mix of stagnant growth and stubborn inflation—or worse, recession. Higher oil prices helped sink the economy in 1973, 1980, 1990 and 2008.

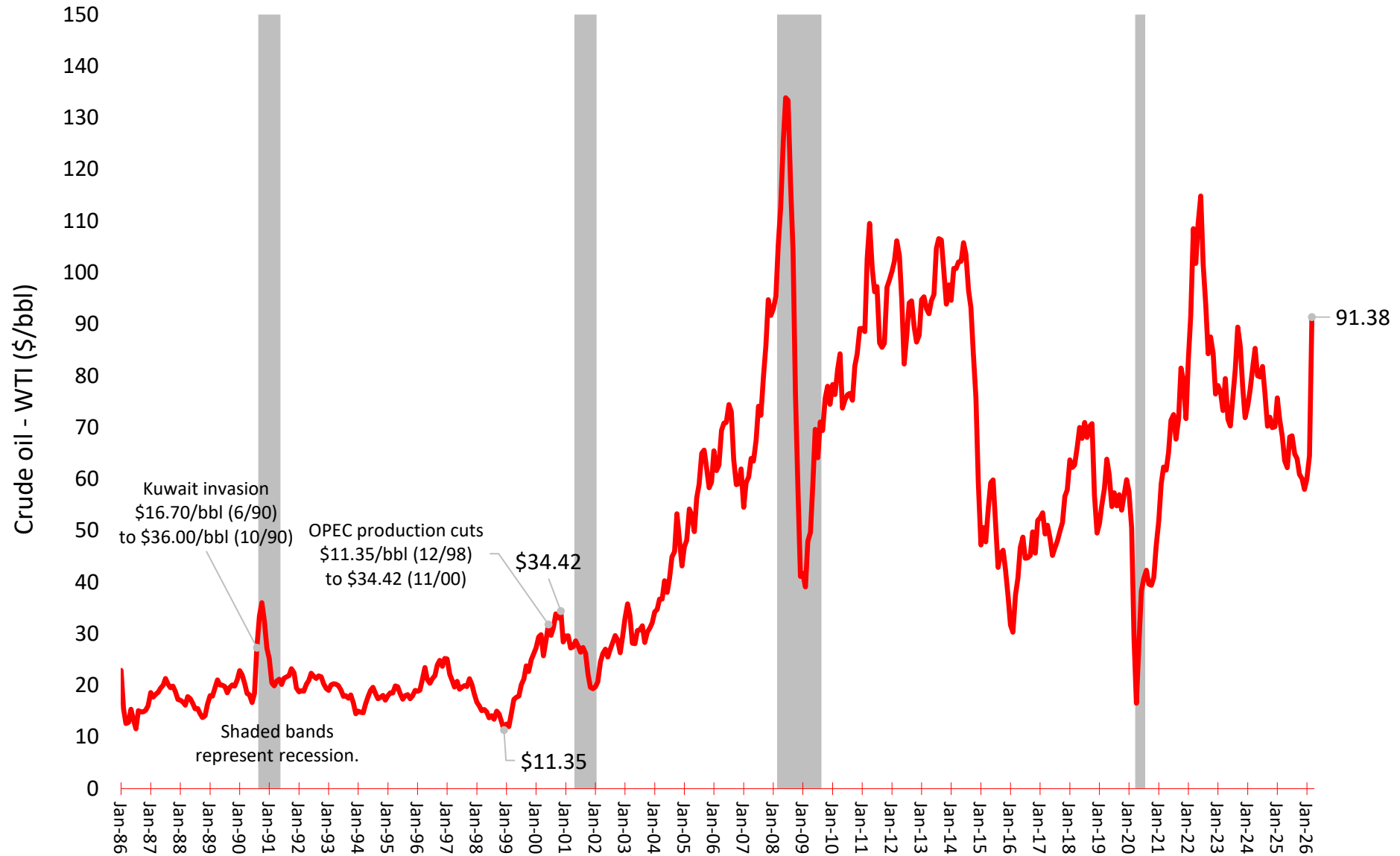
Odds are neither stagflation nor recession will happen. The economy has grown more resilient to oil shocks, and a productivity renaissance is under way, helped by artificial intelligence. Both should help sustain growth and cushion cost pressures.

Higher oil prices are like a tax, cutting into household consumption while boosting inflation and interest rates.

But that effect has shrunk as the U.S. became less energy dependent. The U.S. consumed 4% less gasoline in 2025 than in 2007, while producing 42% more goods and services (as measured by gross domestic product, adjusted for inflation). The share of households' consumption of energy, including electricity, natural gas and gasoline, fell from 5.7% in 2007 to 3.7% last year.

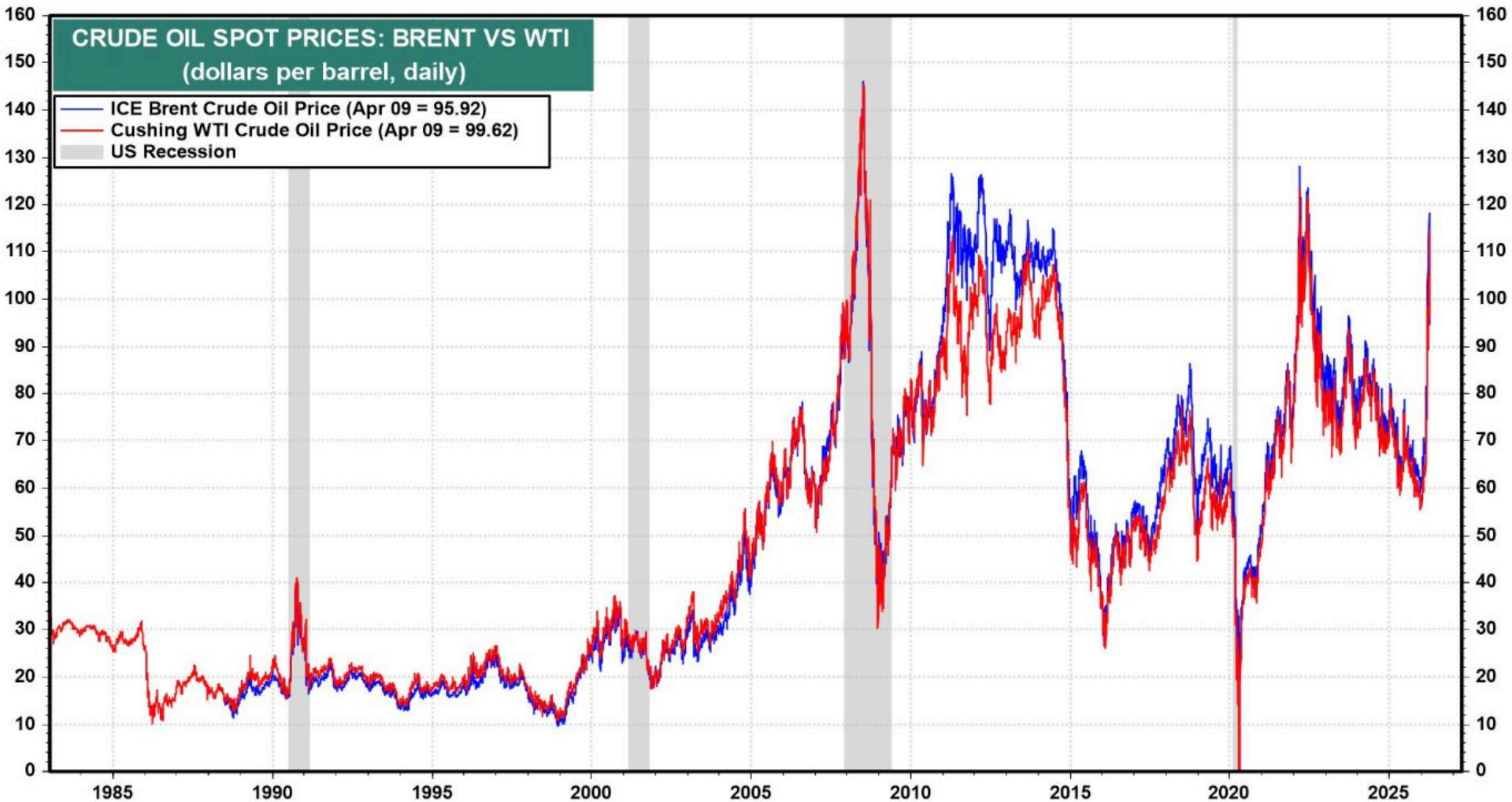
Oil

WTI spot crude oil prices



Oil

Brent and WTI spot crude oil prices



Source: LSEG Datastream and © Yardeni Research. Intercontinental Exchange, Ice Futures Limited, and Refinitiv.

Oil

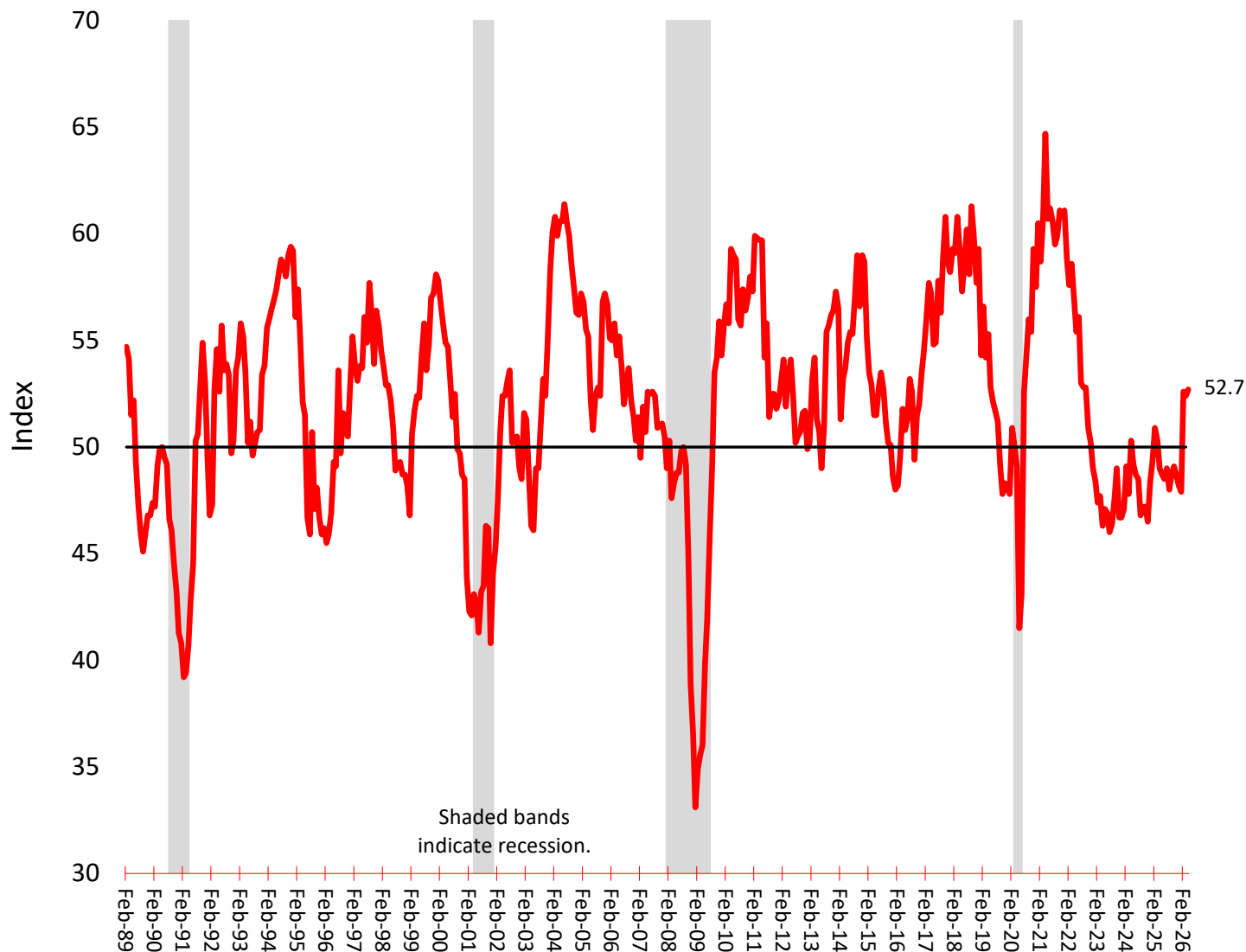
Gasoline prices



Source: LSEG Datastream and © Yardeni Research. New York Mercantile Exchange.

* NYMEX-RBOB Gasoline.

ISM manufacturing PMI – jumped



March at 52.7.

March new orders 53.5.

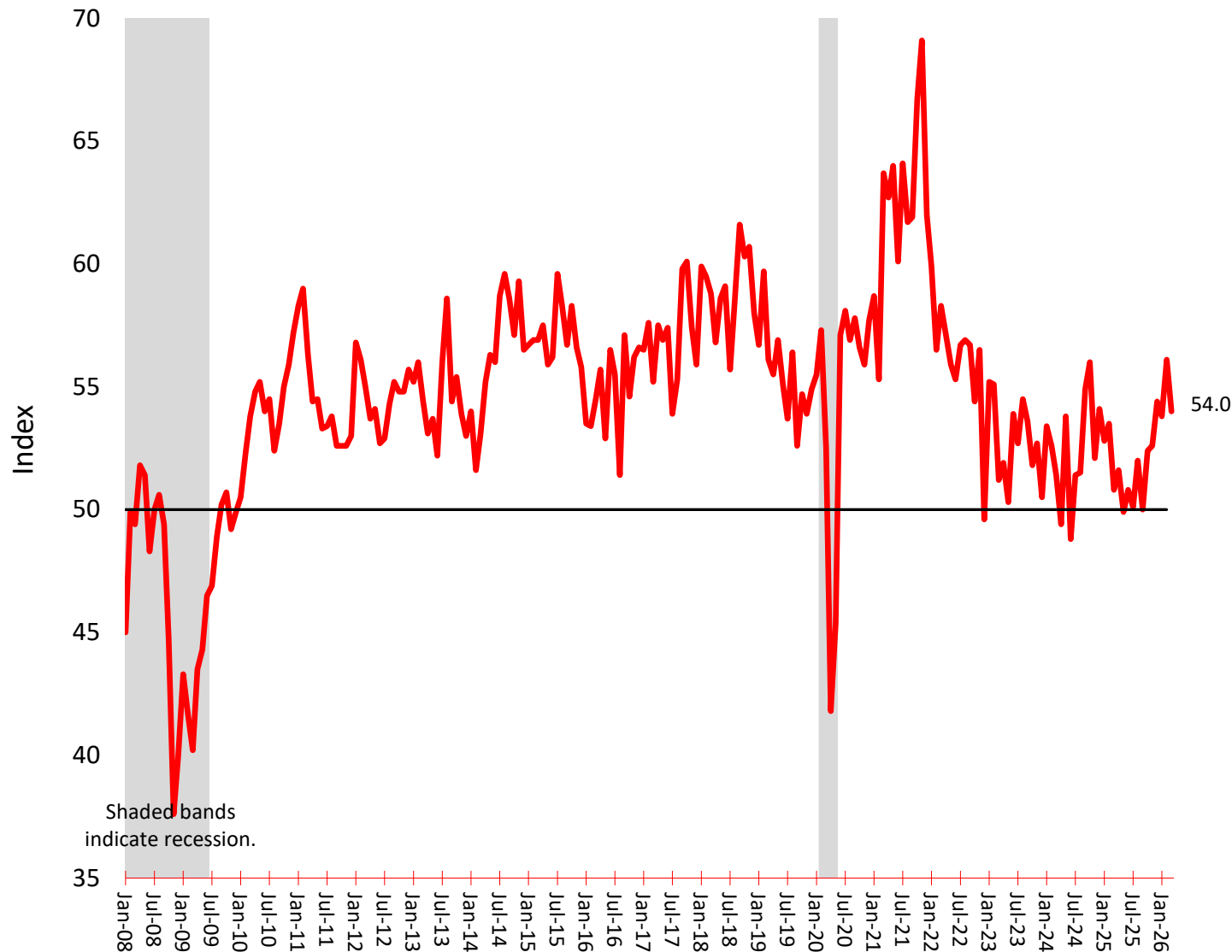
Note the historic volatility in the manufacturing PMI.

Note how this indicator has slumped well below 50 even during periods of strong economic expansion, eg. 1995, 1999, 2003, 2013, 2016.

Source: Copyright 2026, Institute for Supply Management. Data through March 2026.

ISM: "A reading above 50 percent indicates that the manufacturing economy is generally expanding; below 50 percent indicates that it is generally contracting. A Manufacturing PMI® above 48.7 percent, over a period of time, generally indicates an expansion of the overall economy."

ISM services PMI – new orders surge



March at 54.0.

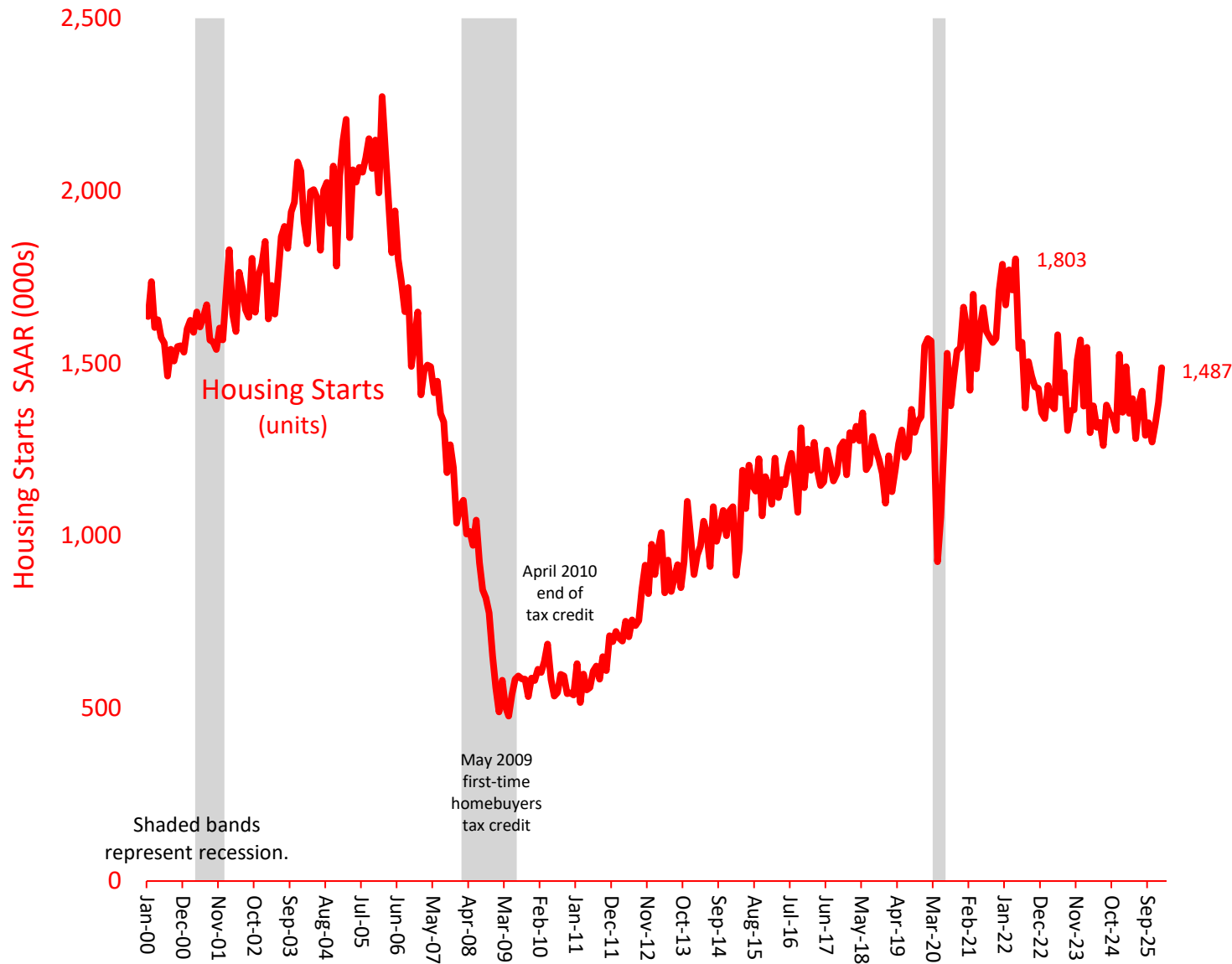
March new orders
60.6.

Services comprise 89%
of the U.S. economy¹
and 91% of total
nonfarm jobs.

Source: Copyright 2026, Institute for Supply Management; data through March 2026. This data series was created in 2008. ISM: "A reading above 50 percent indicates that the services sector economy is generally expanding; below 50 percent indicates that it is generally contracting." "A Services PMI® above 50.1 percent, over time, generally indicates an expansion of the overall economy." ¹Value added as a percent of GDP.

Economic data

Housing starts



1.487 million starts in January.

January permits at 1.376 million.

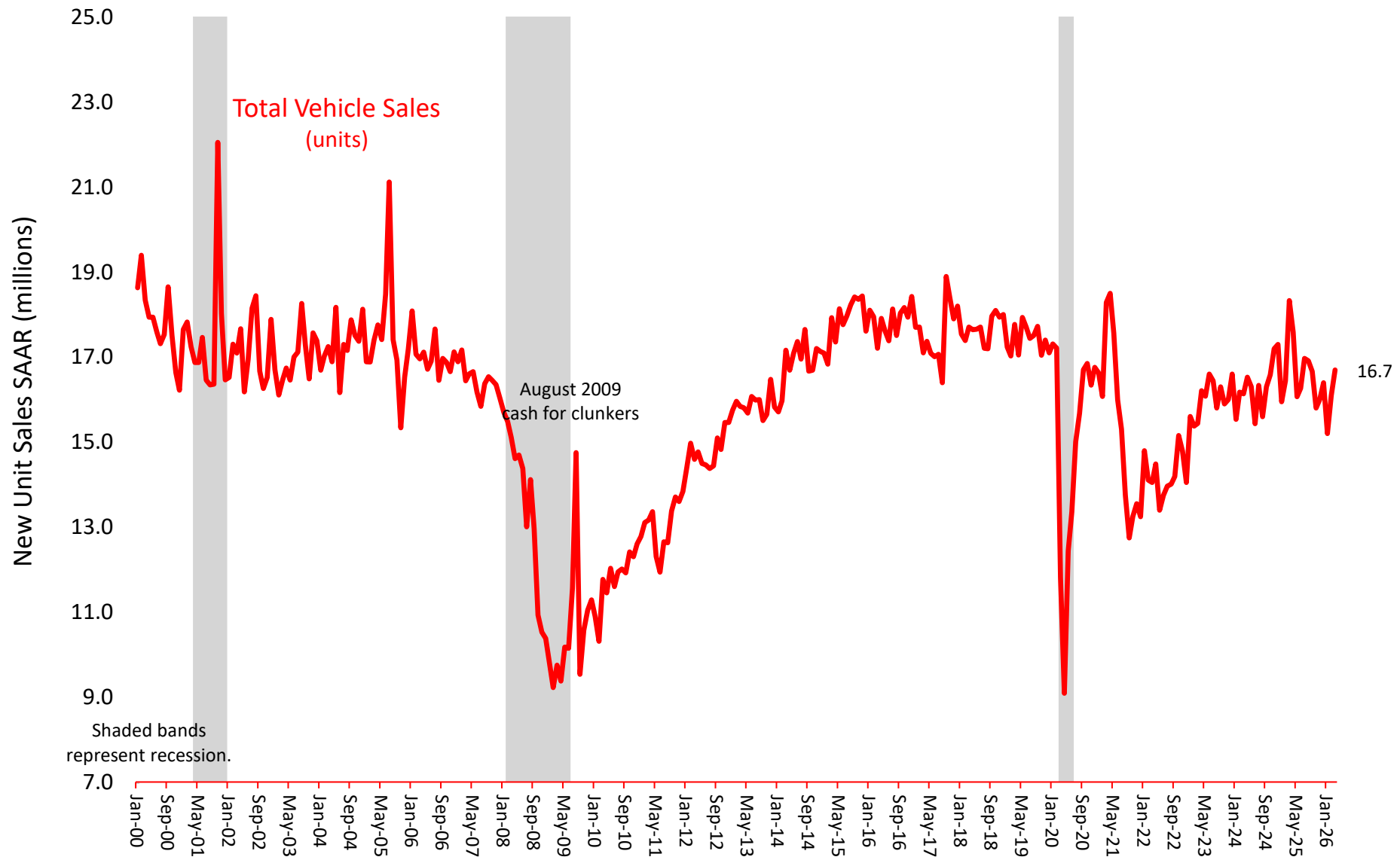
“Housing Supply Gap Exceeds 4 Million Homes in 2025.”¹

Sources: BEA and U.S. Census Bureau. Data through January 2025.

¹ Realtor.com. “Housing Supply Gap Exceeds 4 Million Homes in 2025”, by Hannah Jones and Danielle Hale. March 3, 2026.

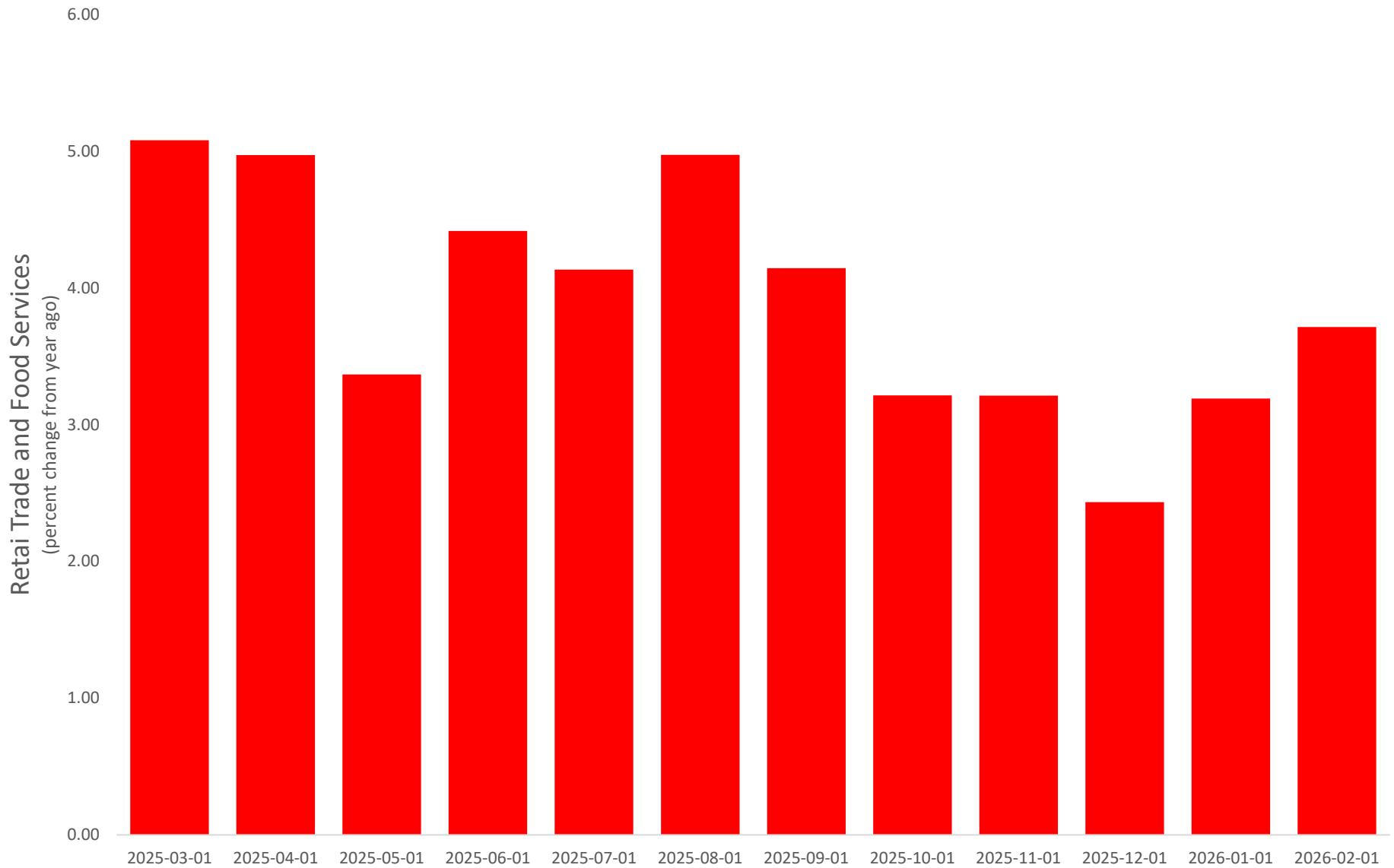
Economic data

Vehicle sales



Economic data

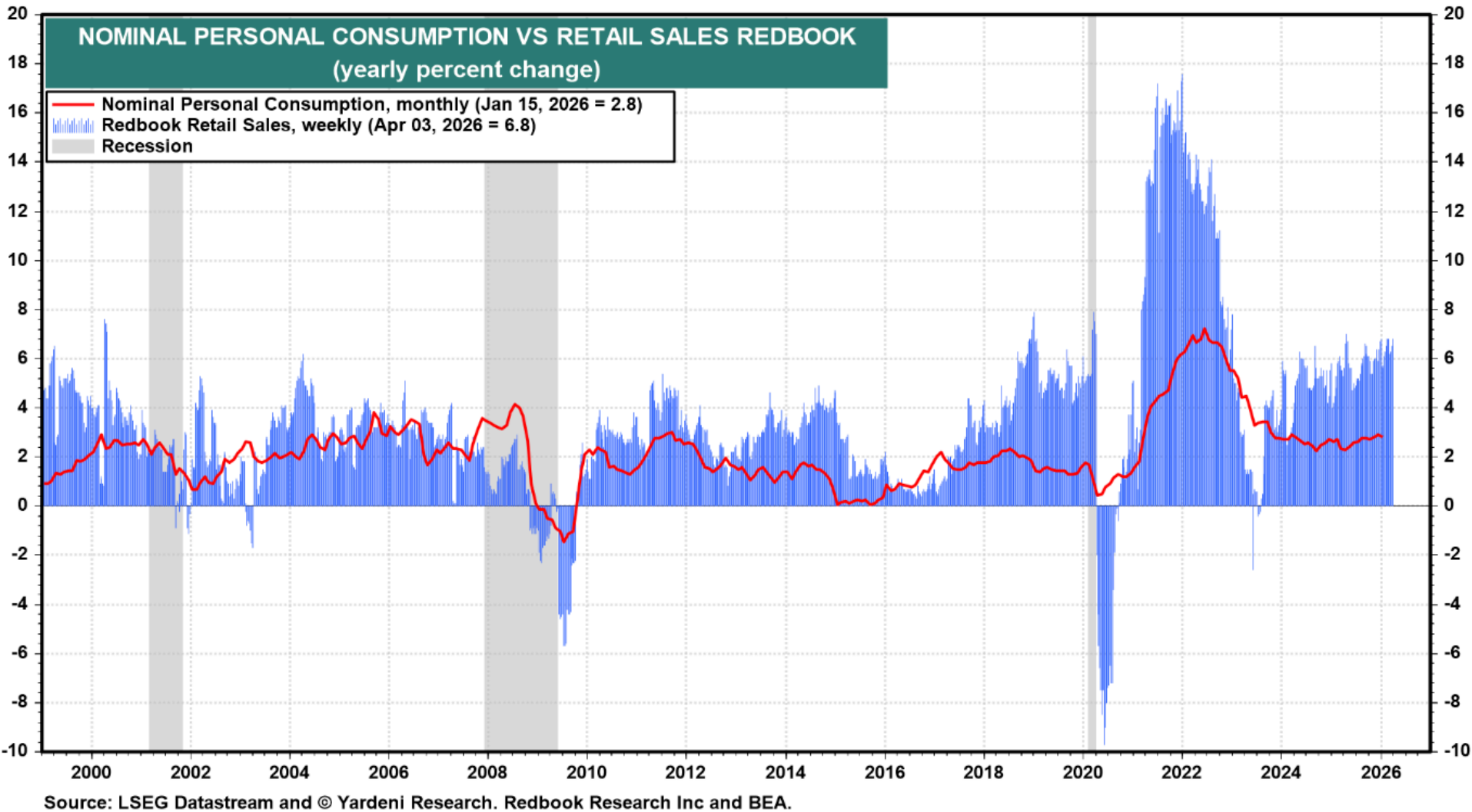
Retail sales



Source: FRBSL, data through February 2026.

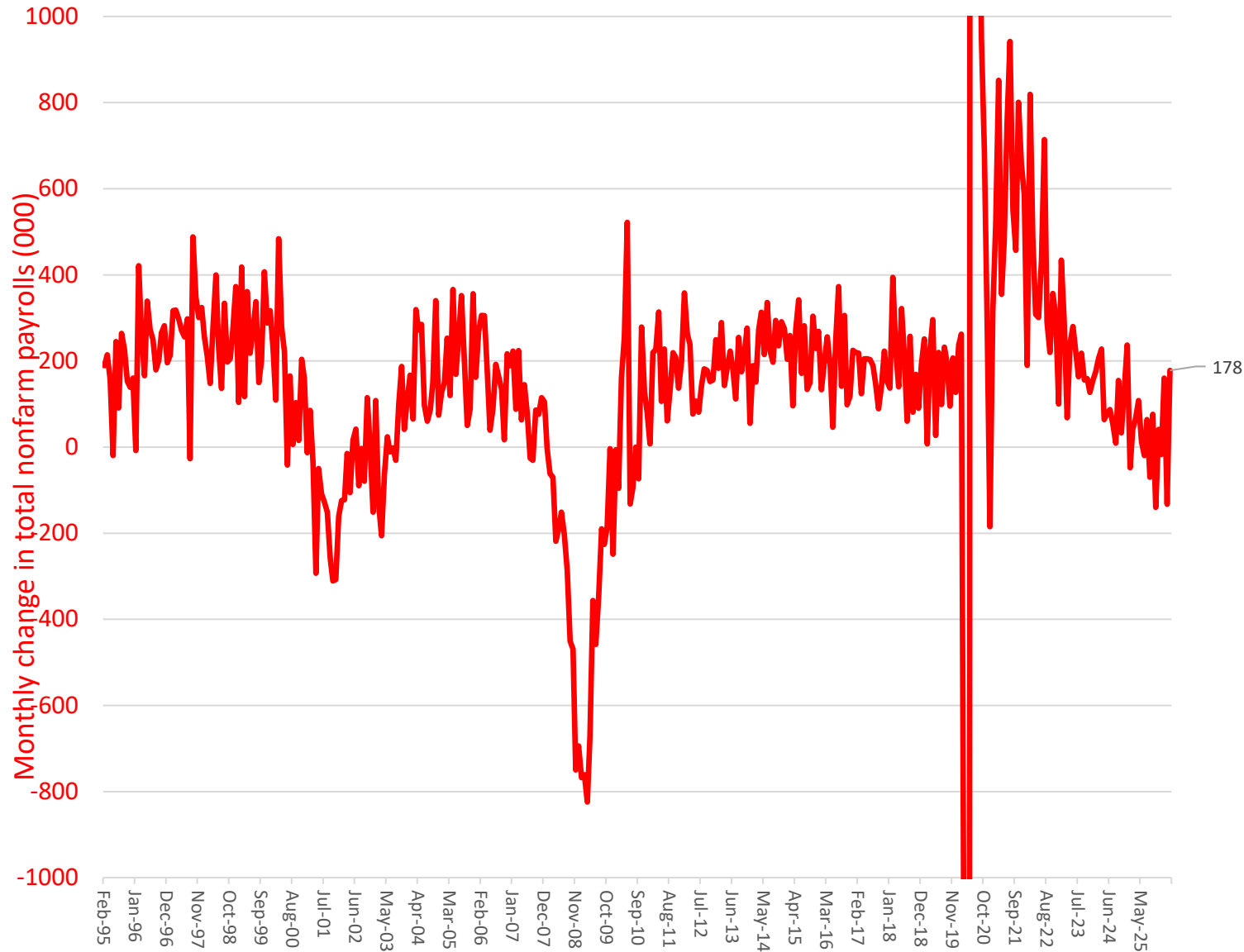
Economic data

Retail sales – strong



Economic data

Net new job formation – March surge



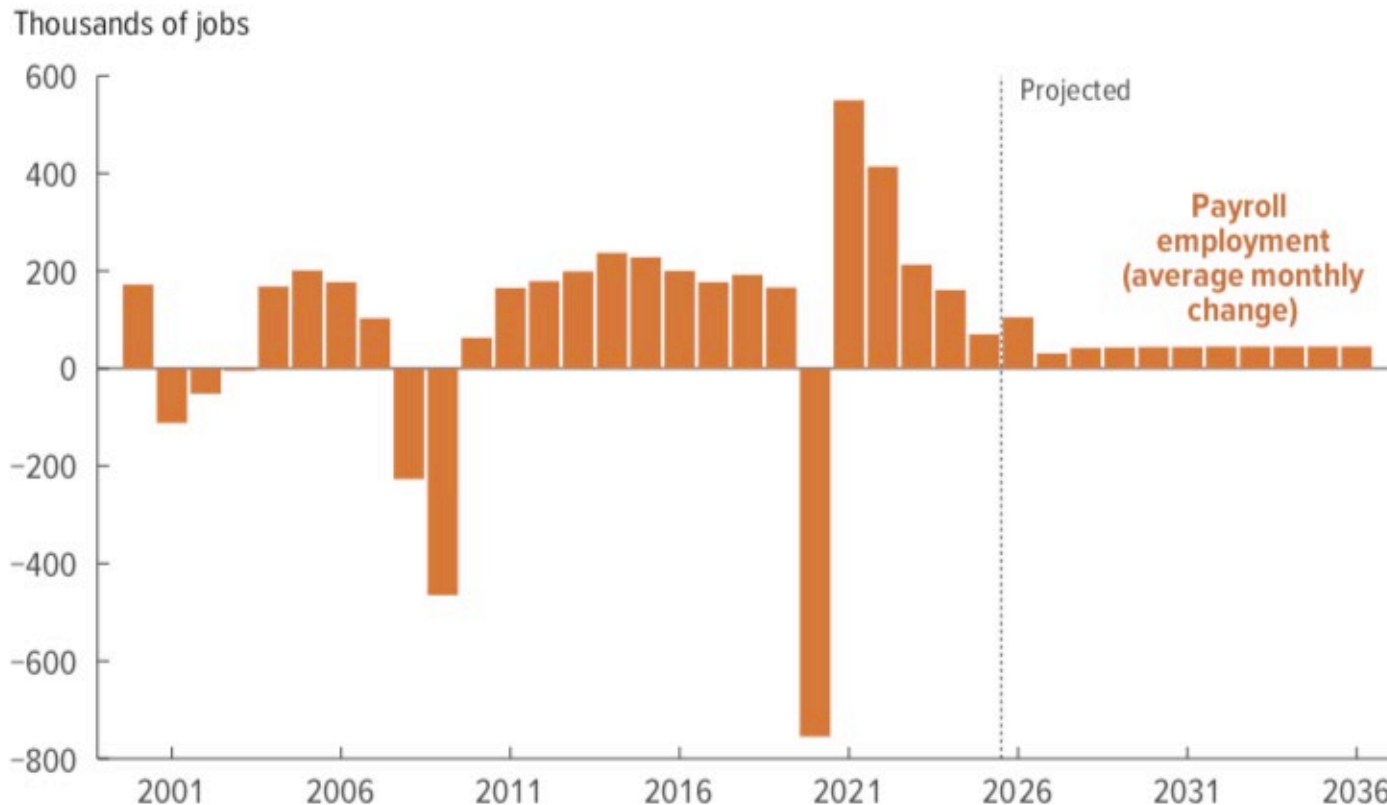
178,000 jobs gained
in March on the
establishment
survey.

Net new job formation – much slower ahead

Employment

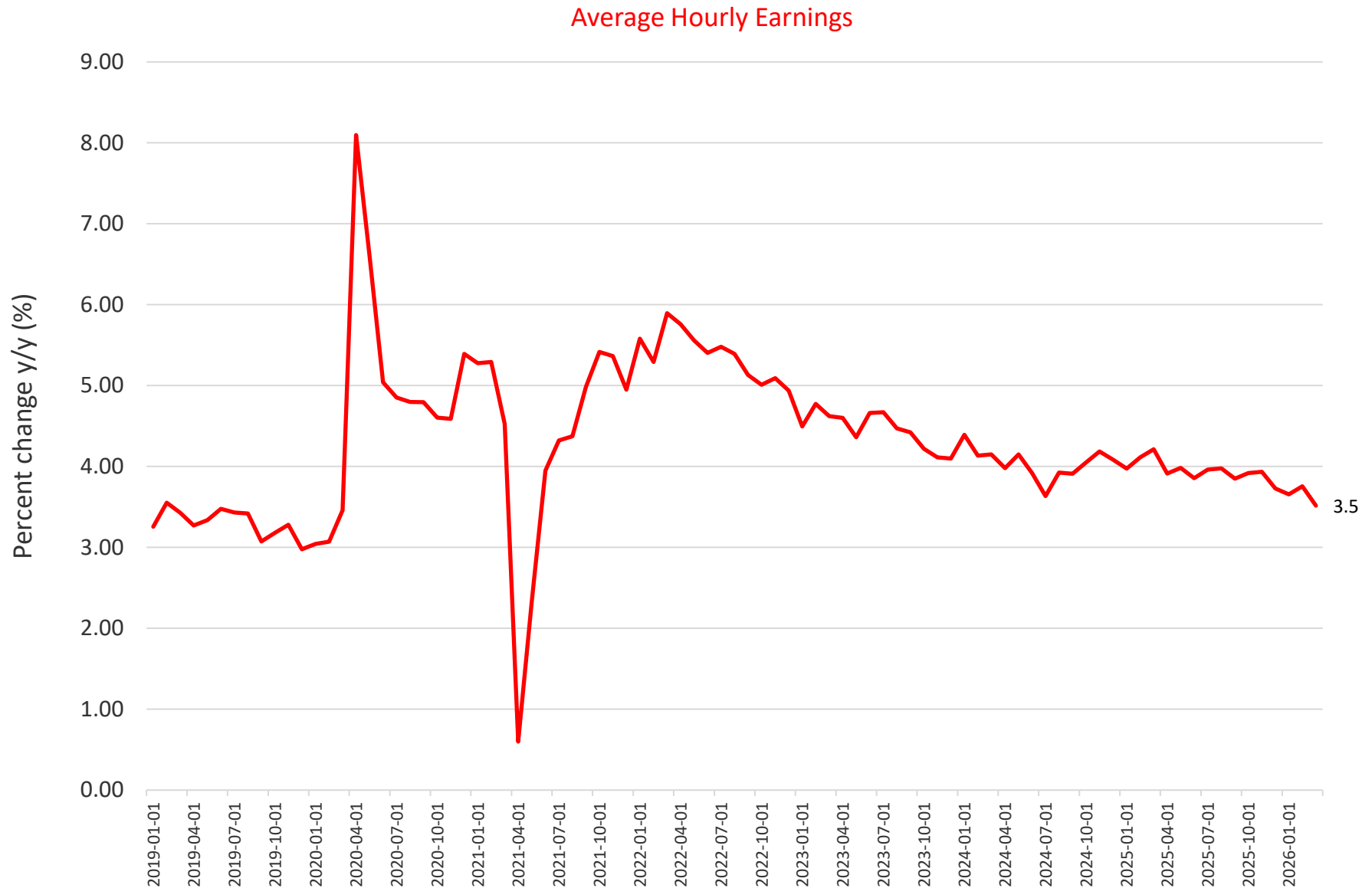
In 2026, employment growth is projected to rebound as overall economic activity increases. In later years, fewer jobs are added to payrolls per month, on average, in CBO's projections, because of the aging population and weaker demand for labor.

See Figure 2-5 on page 41.



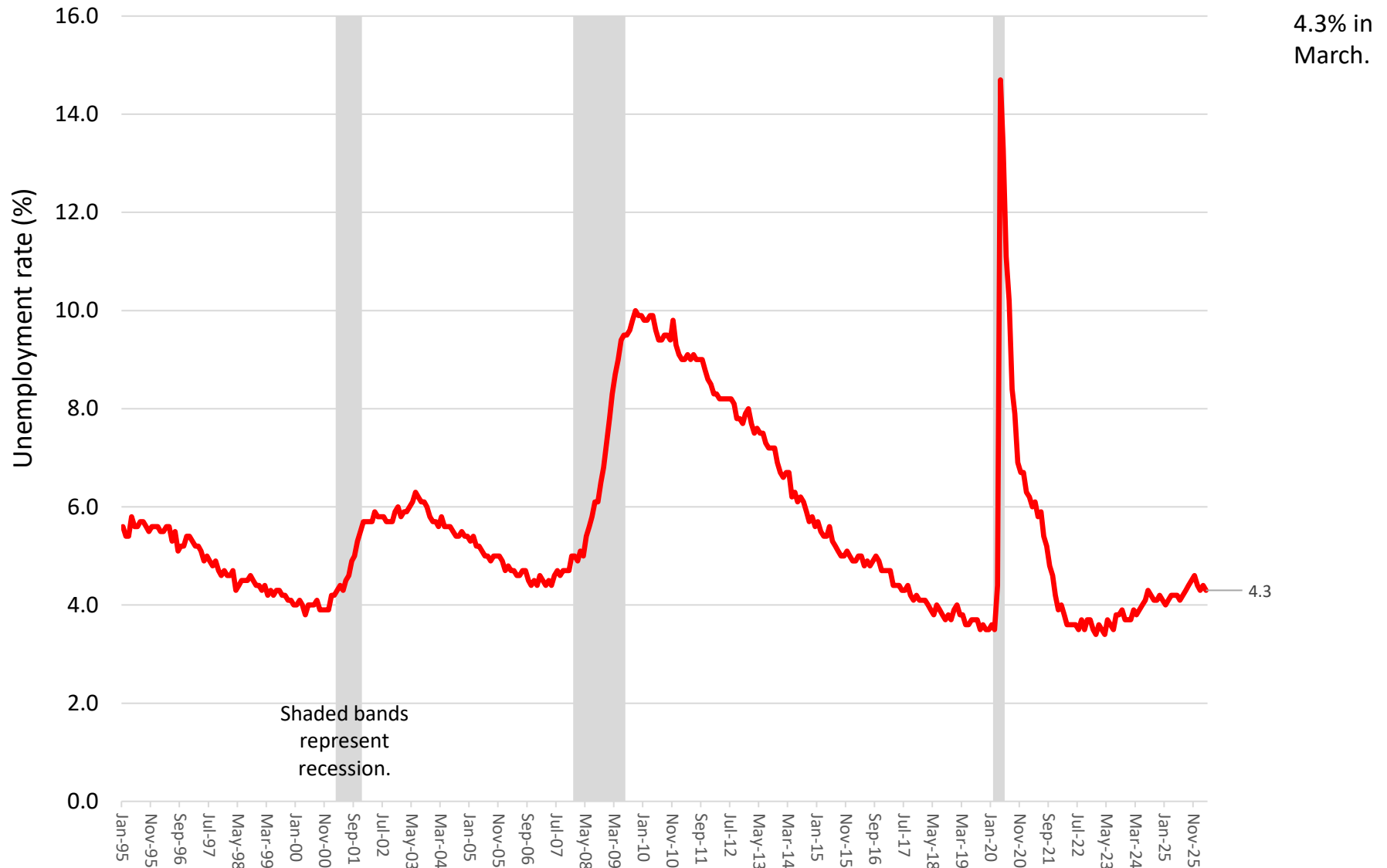
“From 2028 to 2036, payroll employment grows at an average rate of 44,000 jobs per month, which is slower than its growth in recent years.”

Average hourly earnings – y/y rate of change



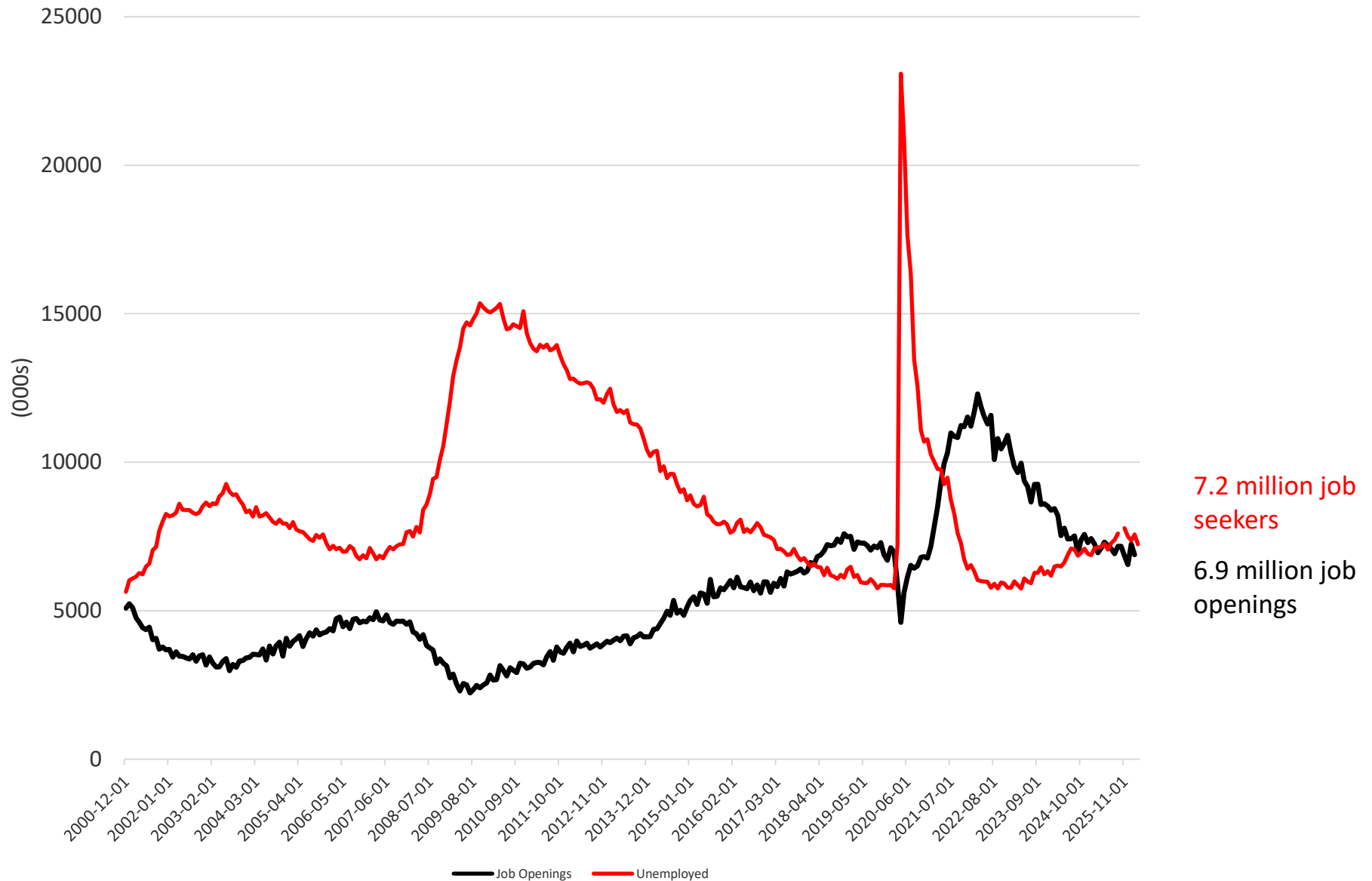
Economic data

Unemployment rate

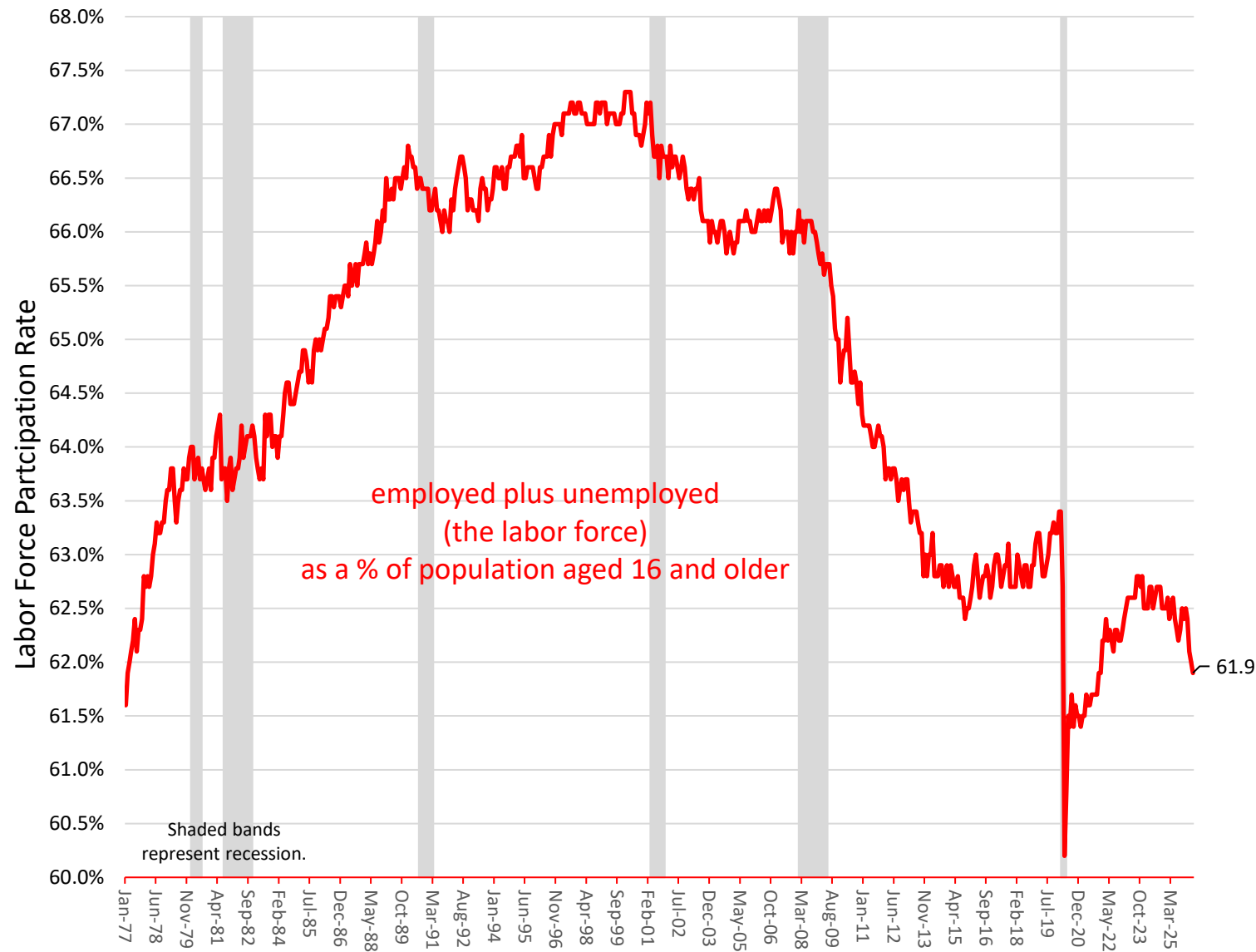


Source: Bureau of Labor Statistics. Data through March 2026.

Normalizing after “excess demand” for labor



Labor force participation rate¹ – dropping



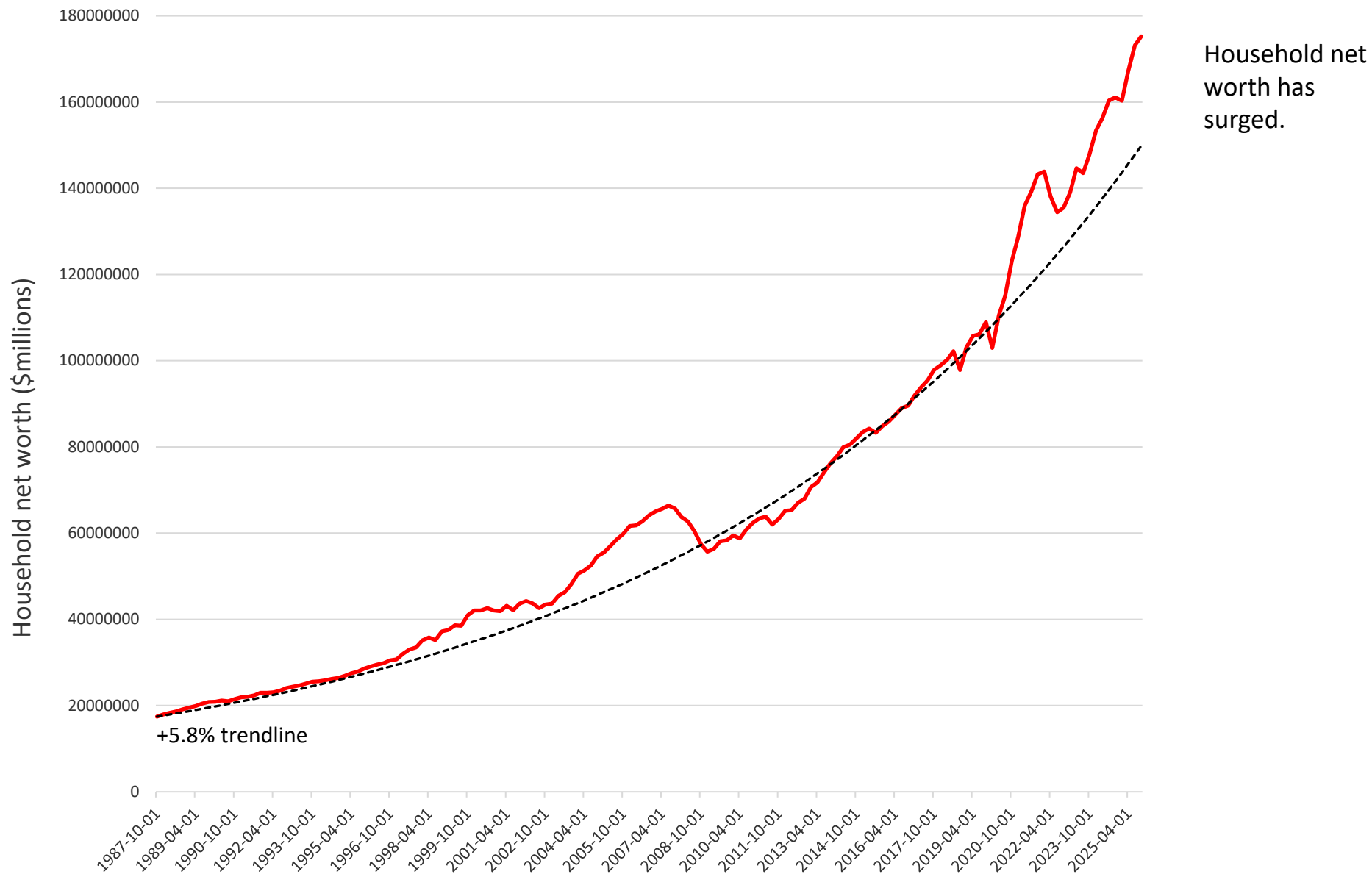
The number of Americans joining and staying in the labor force is declining.

Source: BLS. Data through March 2026.

¹Labor force participation rate: the proportion of the civilian noninstitutional population 16 years of age and older either at work or actively seeking work.

Household balance sheets

Household net worth – the wealth effect



Source: Federal Reserve, FRBSL. Quarterly data through December 2025, released March 2026.

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Shareholders Drive Economy, But Everyone Else is Wary

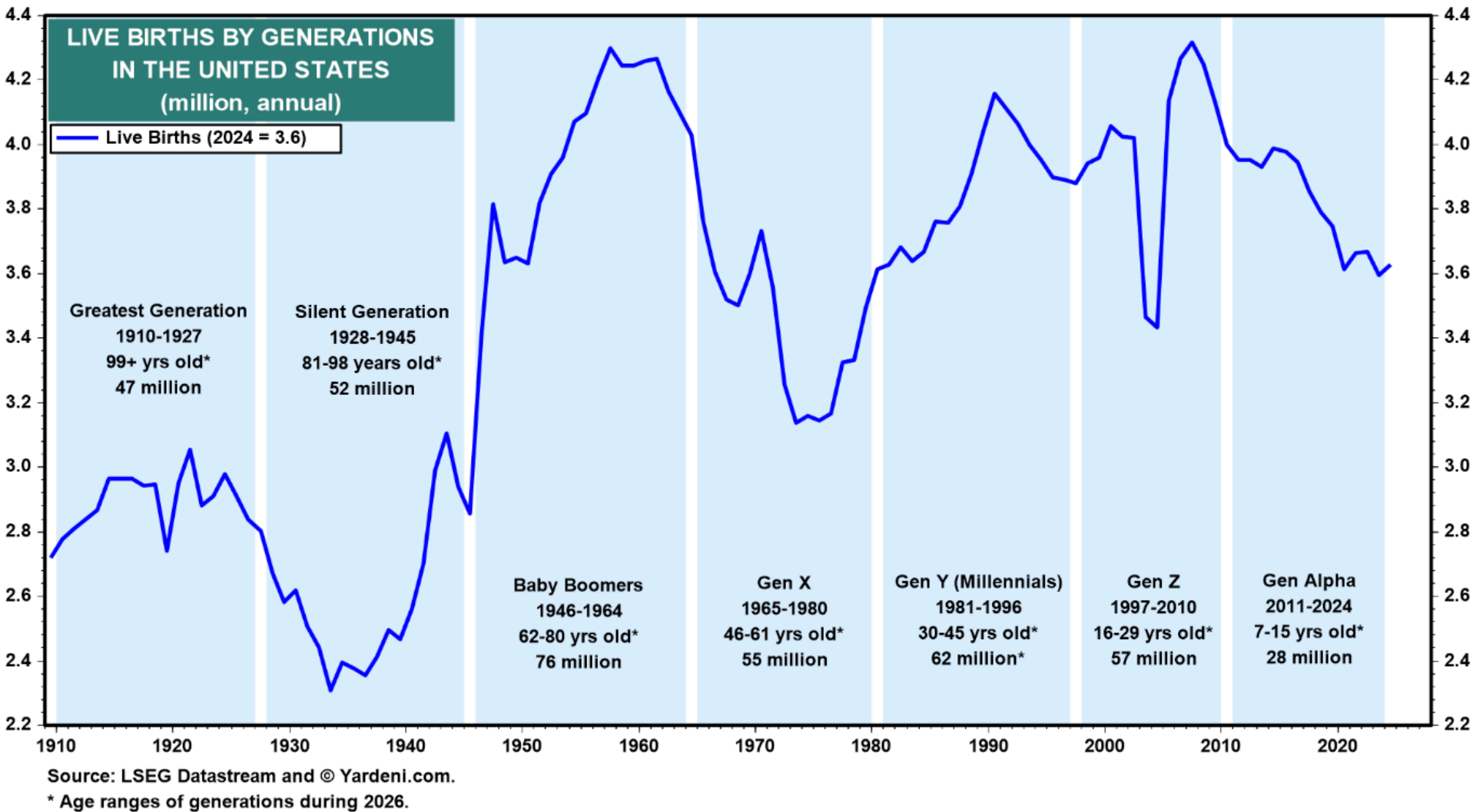
Investors' rosy feelings about having a lot more money—at least on paper—are powering spending on restaurant meals, business-class airline tickets, home improvement and more, keeping the broader economy humming.

It's a very different story for everyone else. Americans with large investment portfolios feel markedly better about the economy than those who don't own stocks, according to the University of Michigan sentiment index.

The phenomenon of people spending more when assets they own go up in value is known as the “wealth effect.” Economists have long found that people increase their spending when they gain wealth. For every \$1,000 that their stock portfolio goes up, they might spend \$35 to \$50 more than they would have otherwise, according to research.

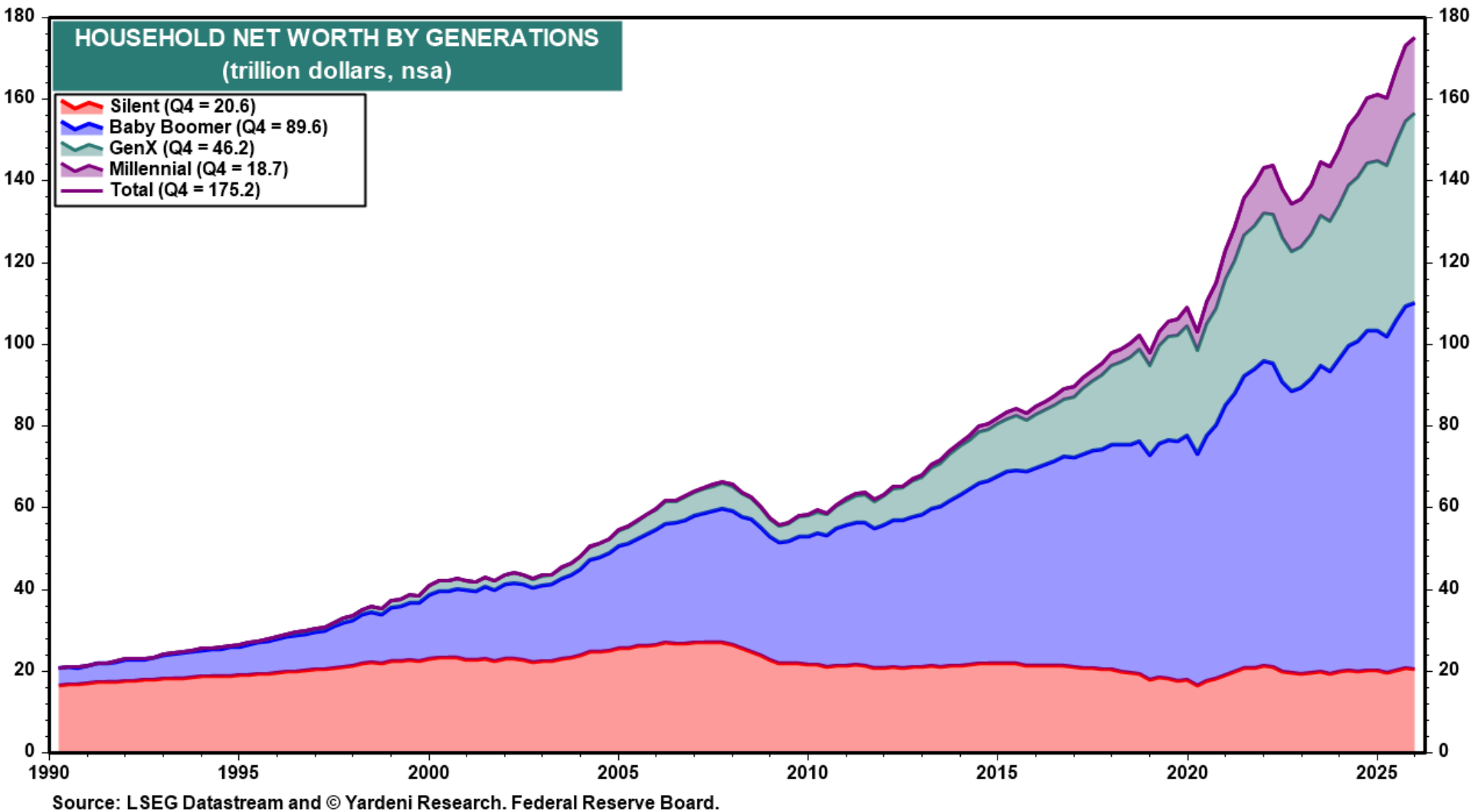
Household balance sheets

Live births in the U.S.



Household balance sheets

Household net worth



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The U.S. Economy's Secret Weapon: Seniors With Money to Spend

Why has consumer spending proven so resilient as the Federal Reserve has raised interest rates? An important and little-appreciated reason: Consumers are getting older. In August, 17.7% of the population was 65 or older, according to the Census Bureau, the highest on record going back to 1920 and up sharply from 13% in 2010. The elderly aren't just more numerous: Their finances are relatively healthy, and they have less need to borrow, such as to buy a house, and are less at risk of layoffs than other consumers.

This has made the elderly a spending force to be reckoned with. Americans aged 65 and up accounted for 22% of spending last year, the highest share since records began in 1972 and up from 15% in 2010, according to the Labor Department's survey of consumer expenditures released in September.

"These are the consumers that will matter over the coming year," said Susan Sterne, chief economist at Economic Analysis Associates.

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Divergent American Economy Gets More Divided

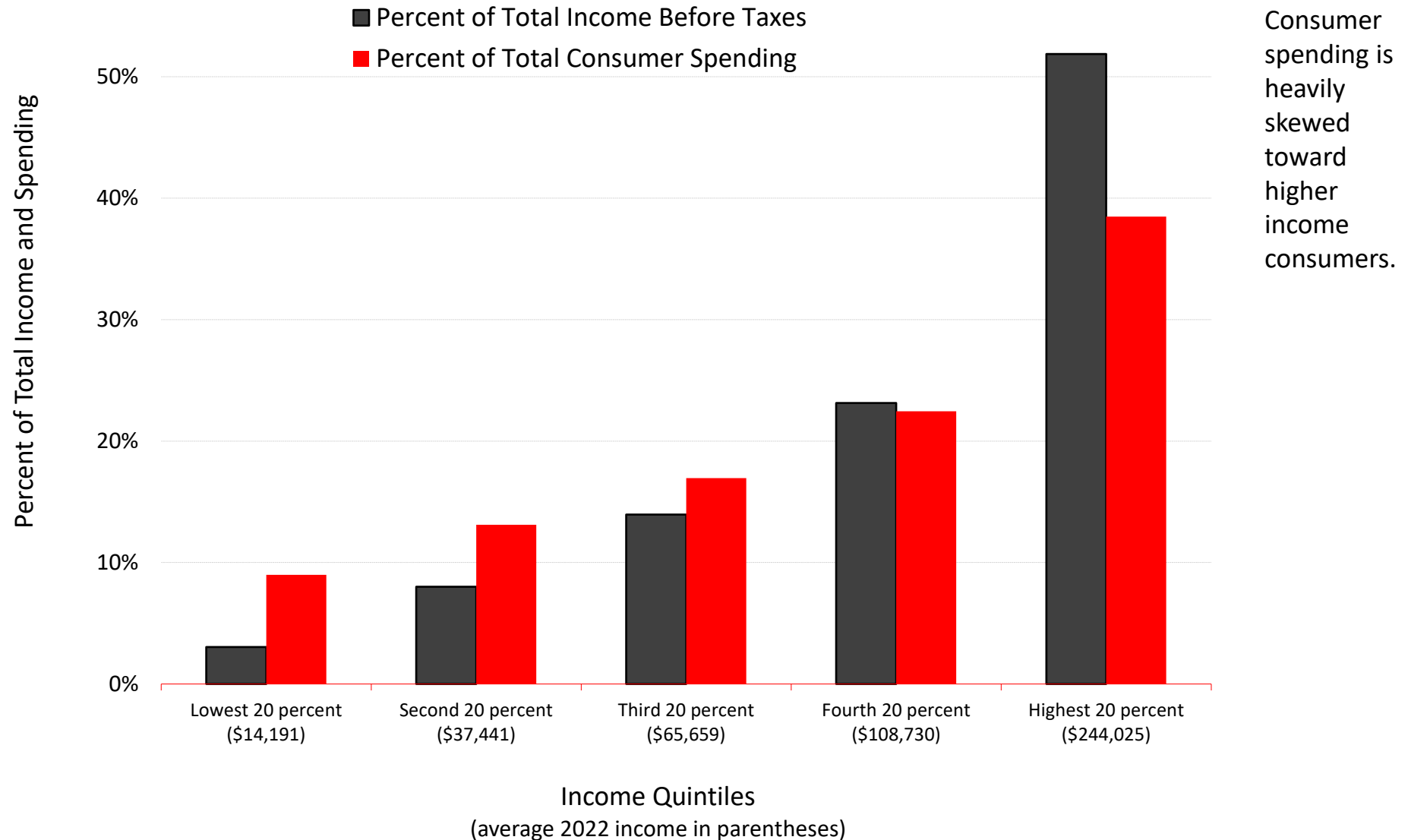
There are two economies in the U.S. right now, and they are moving in different directions.

For high earners and many older people in the U.S., the economy looks robust. They are still spending like gangbusters, and their 401(k) accounts and homes have soared in value. They nabbed 3% mortgages when rates were low. Some might worry about AI eventually coming for their jobs, but for now, their positions look relatively secure.

For many others, momentum has stalled or reversed. The big wage growth experienced by low-income workers during the pandemic has petered out. Those workers are curbing their spending and in some cases are struggling to find jobs.

Consumer spending

Distribution of consumer income and spending

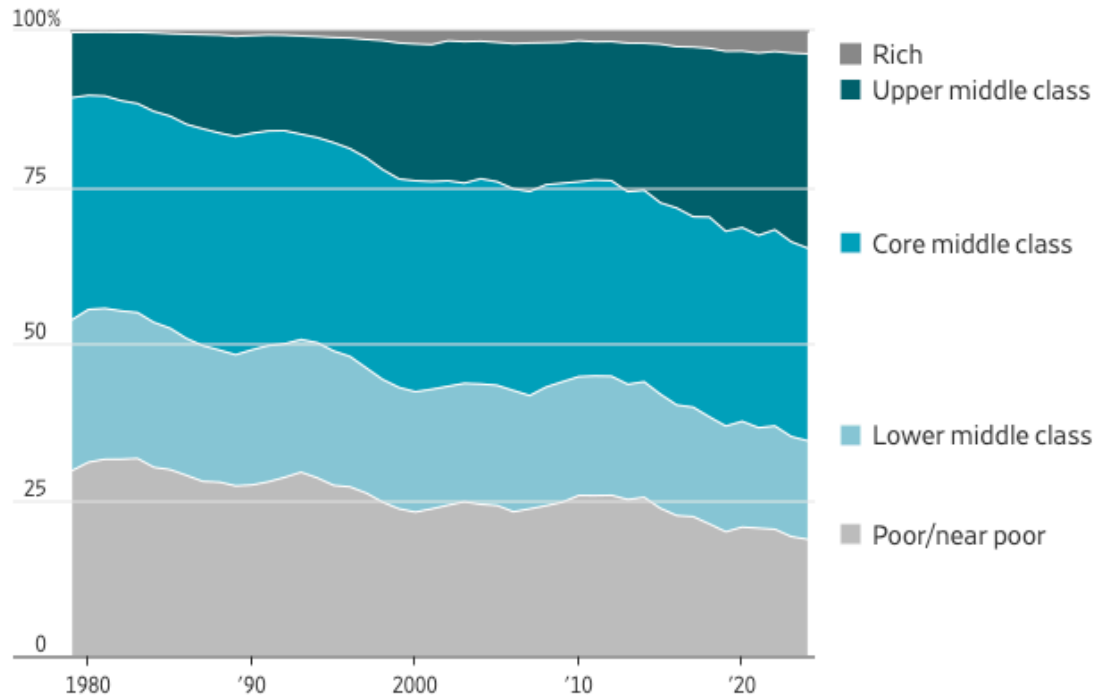


Middle class is shrinking

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America's middle class is becoming wealthier as more families scale the economic ladder into higher-earning groups. New research shows that the ranks of the affluent have grown markedly over the last 50 years or so, while the lower rungs of the middle class have shrunk.

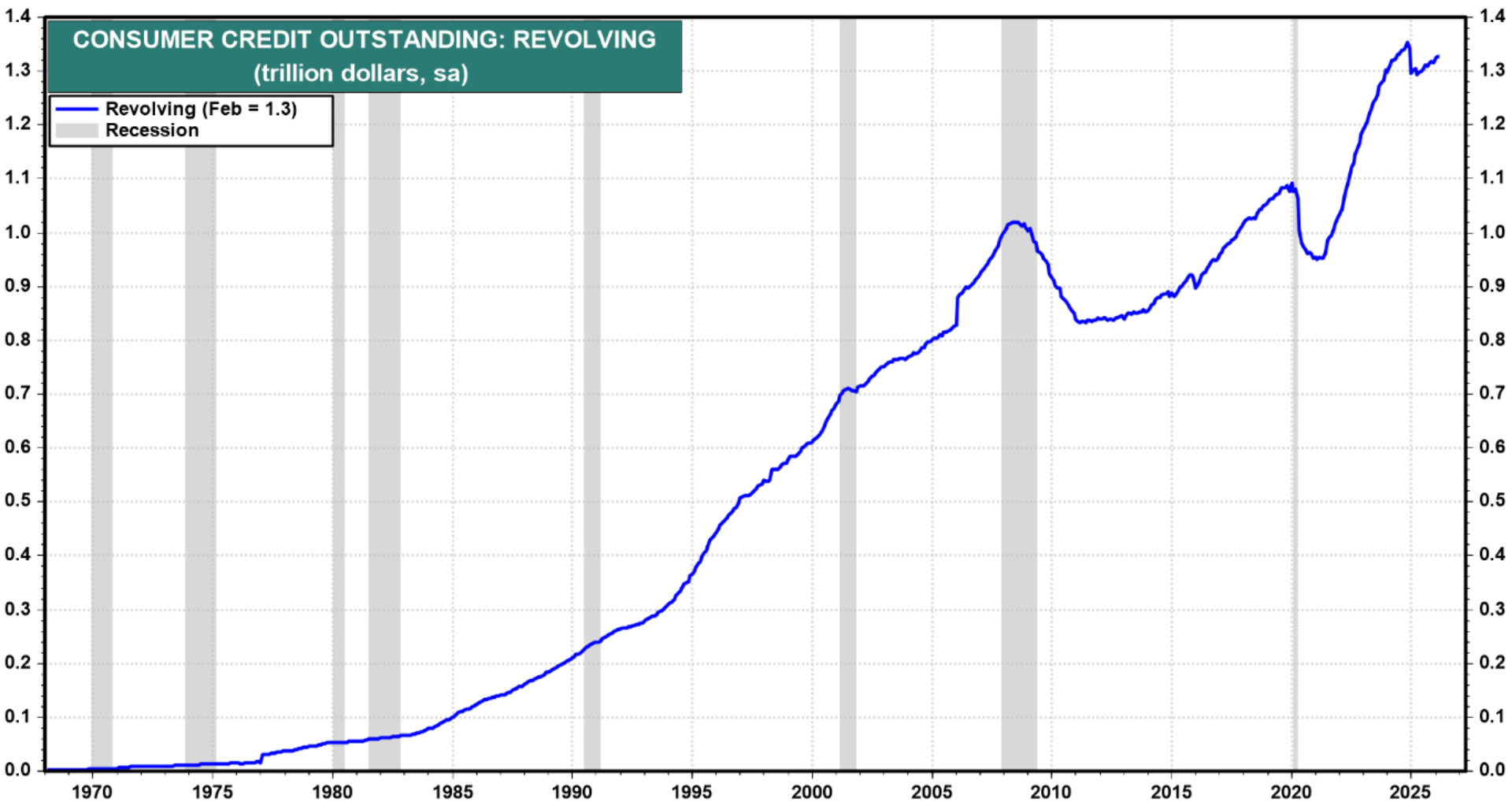
Share of families in each group



Source: American Enterprise Institute

Household balance sheets

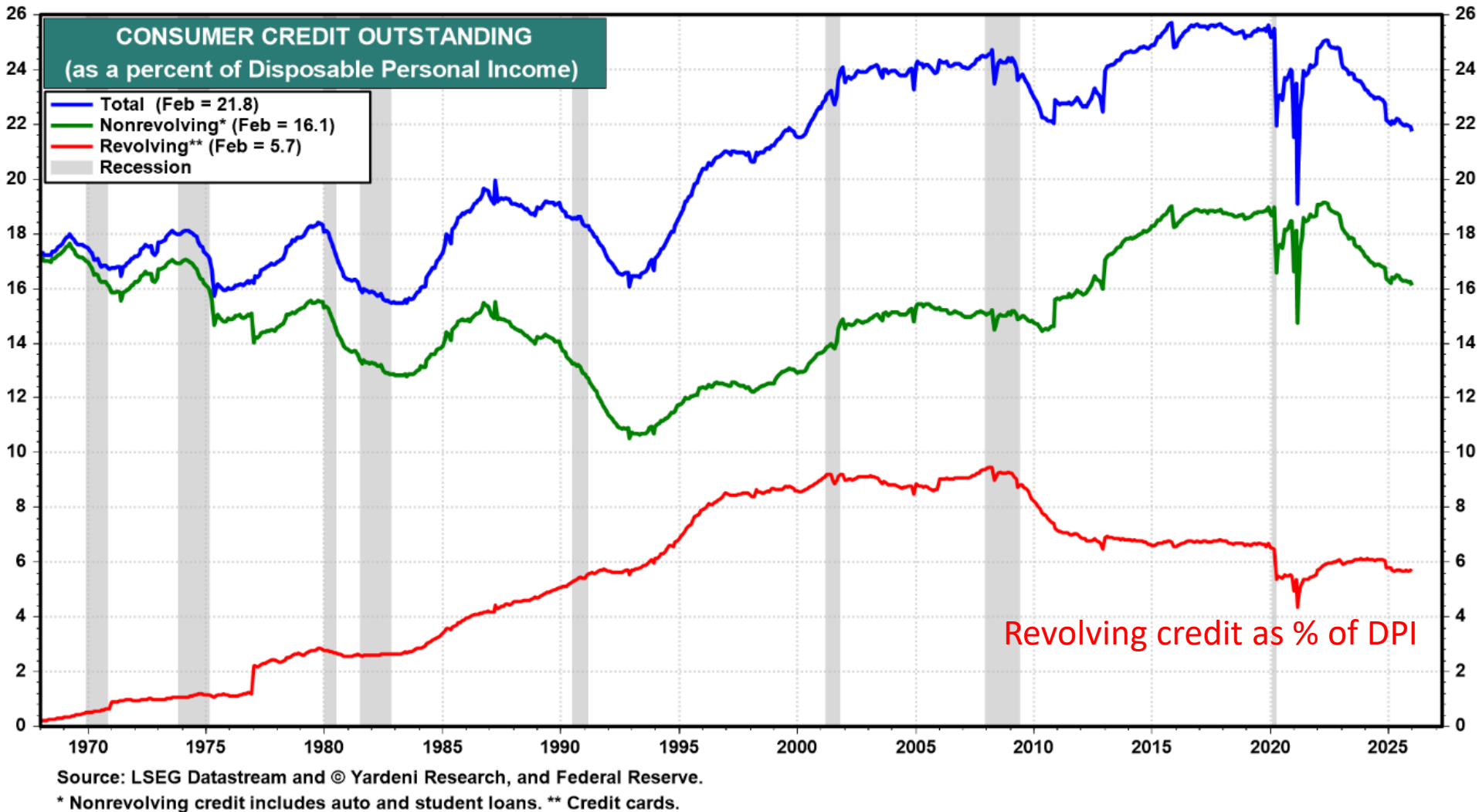
Credit card debt



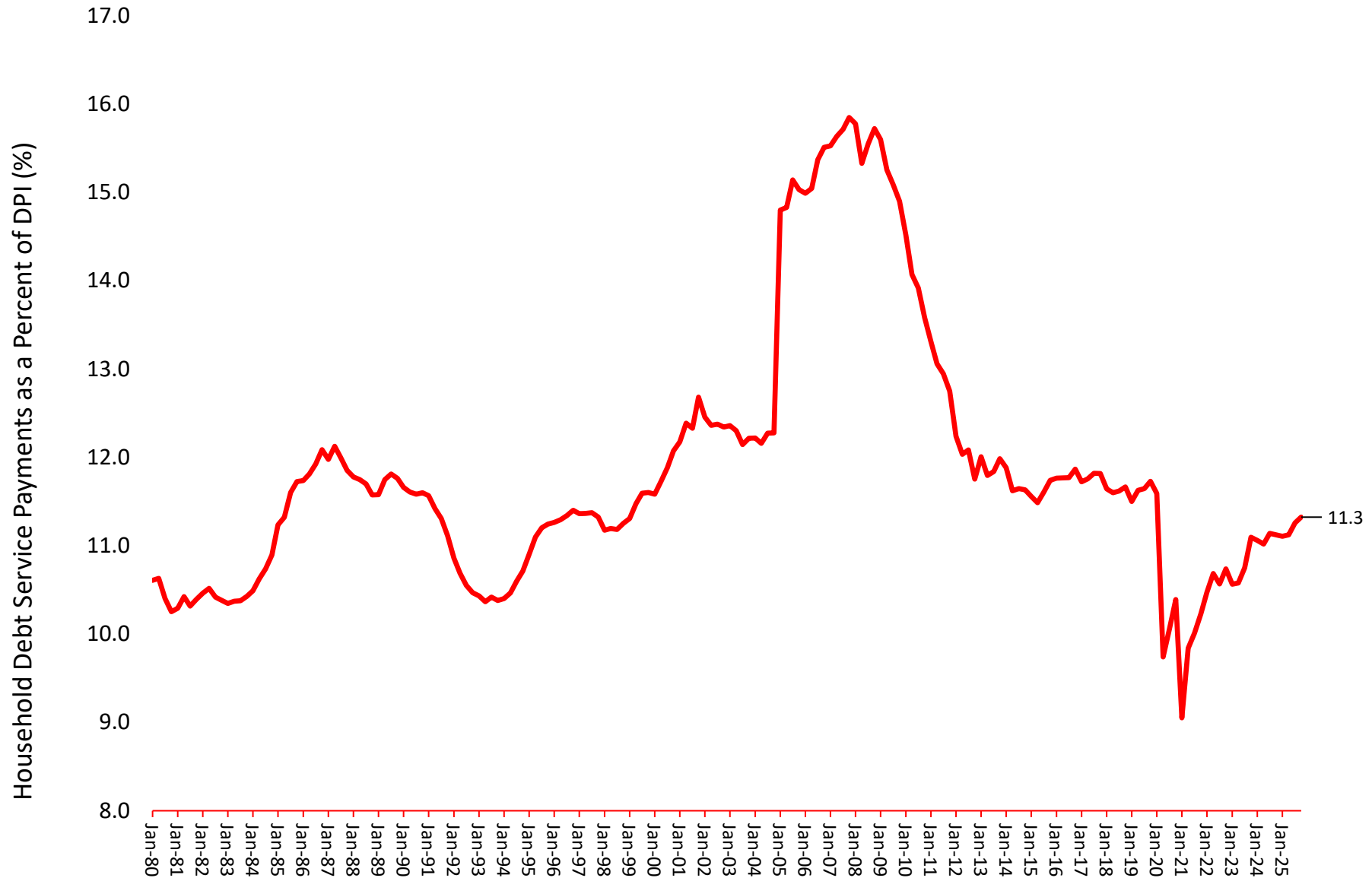
Source: LSEG Datastream and © Yardeni Research, and Federal Reserve.

Household balance sheets

Consumer credit % of DPI



Household debt service payments as a % of DPI

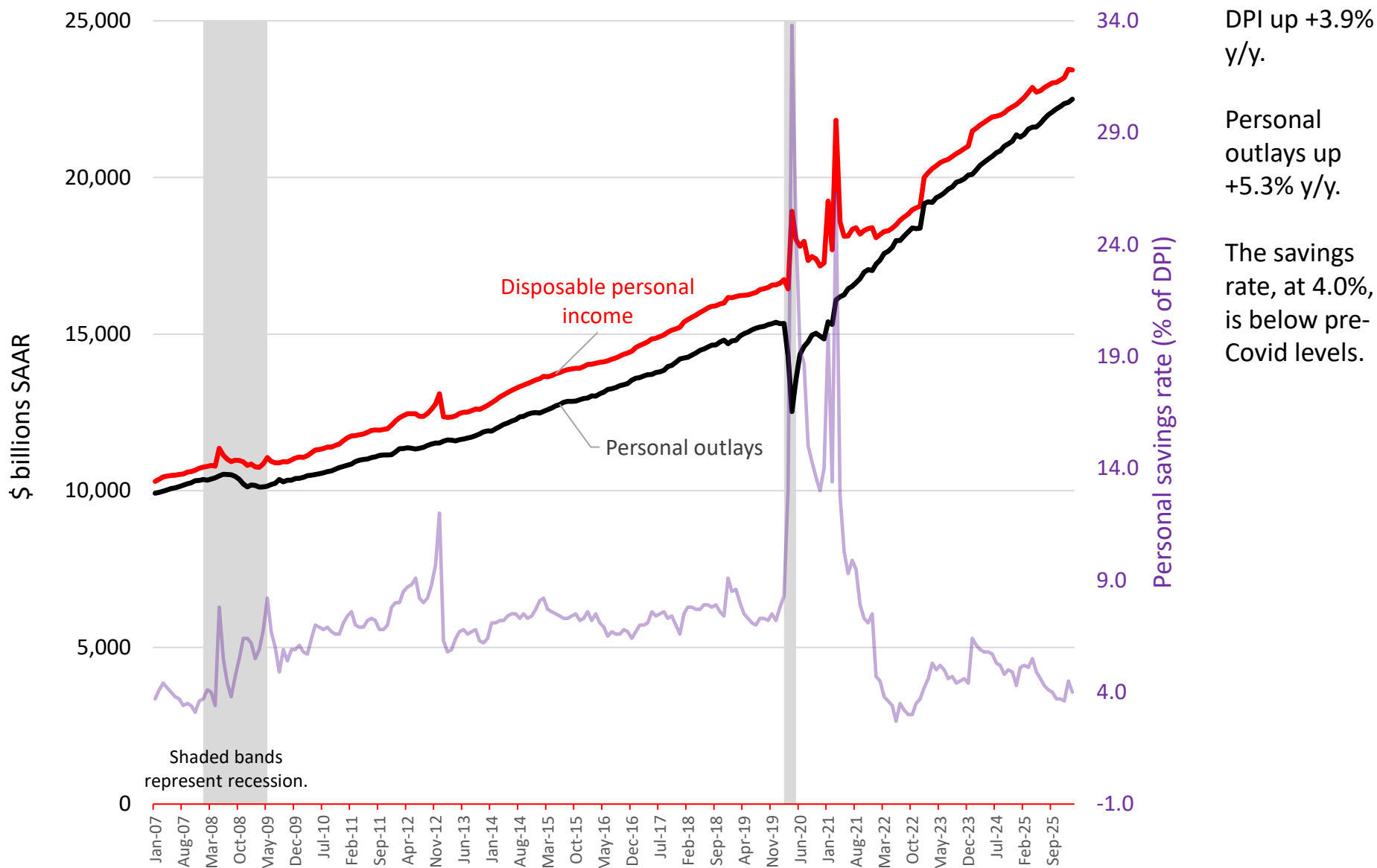


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Banks' Profits Reflect Resilient Consumer Area

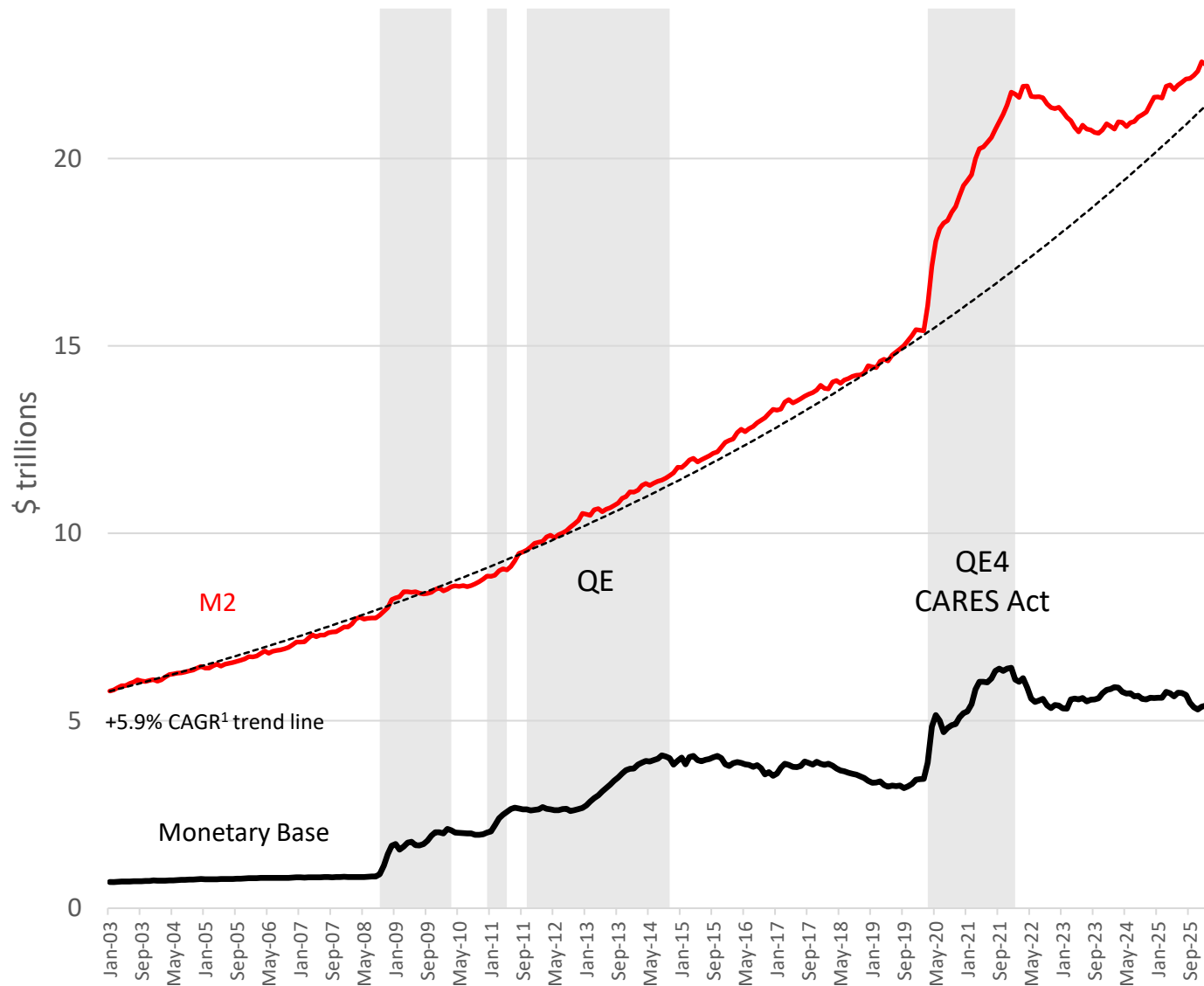
“All of the metrics that we can see tell us the consumer remains resilient and in great shape,” Bank of America Chief Financial Officer Alastair Borthwick said on a call with reporters.

Disposable personal income, spending and saving



Federal Reserve policy

The monetary base and the money supply



M2: currency held by the public plus checking, savings and money market accounts.

A quadrupling of the monetary base with QE did not affect M2 growth. The CARES Act and subsequent stimulus did ... by putting money directly into consumers' and businesses' accounts.

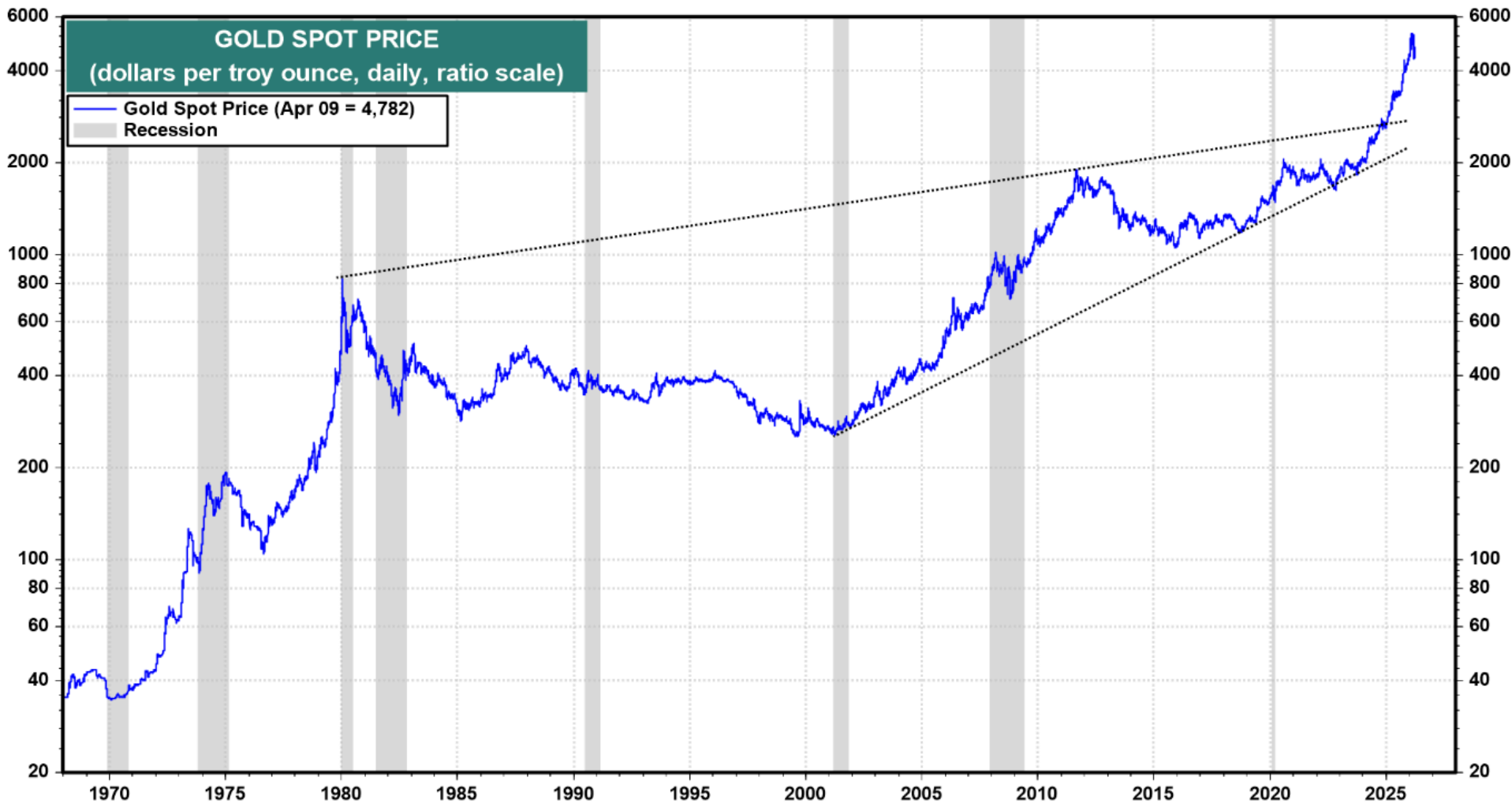
Monetary base: currency in circulation plus reserve balances (deposits held by banks in their accounts at the Federal reserve).

Source: Federal Reserve, statistical release H.6. Data through February 2026.

¹CAGR = compound annual growth rate.

Federal Reserve policy

Gold



Source: LSEG Datastream and © Yardeni Research. ICE Benchmark Administration, Ltd and Handy & Harman.

Federal Reserve policy Dollar



Source: LSEG Datastream and © Yardeni Research. ICE Data Services.

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Europe's Firms Fall Far Behind In the Race to Create Big Tech

Investors and entrepreneurs say obstacles to tech growth are deeply entrenched: a timid and risk-averse business culture, strict labor laws, suffocating regulations, a smaller pool of venture capital and lackluster economic and demographic growth.

Existential dilemma

Having largely missed out on the first digital revolution, Europe seems poised to miss out on the next wave, too. The U.S. and China, flush with venture capital and government funding, are spending heavily on AI and other technologies that hold the promise of boosting productivity and living standards. In Europe, venture capital tech investment is a fifth of U.S. levels.

GDP forecast

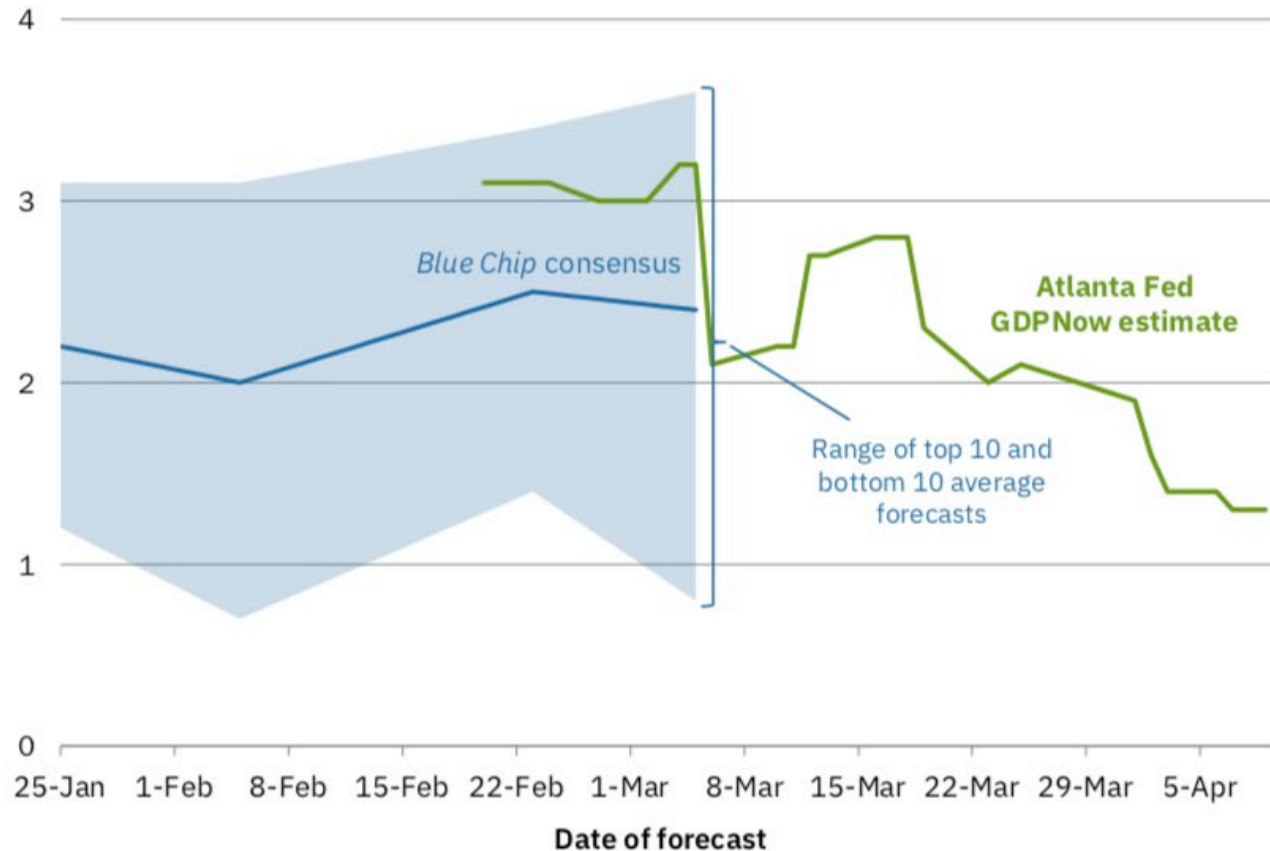
Atlanta Fed's GDPNow forecast – 1st quarter



GDPNow™

GDPNow is not an official forecast of the Atlanta Fed. Rather, it is best viewed as a running estimate of real GDP growth based on available economic data for the current measured quarter. There are no subjective adjustments made to GDPNow—the estimate is based solely on the mathematical results of the model.

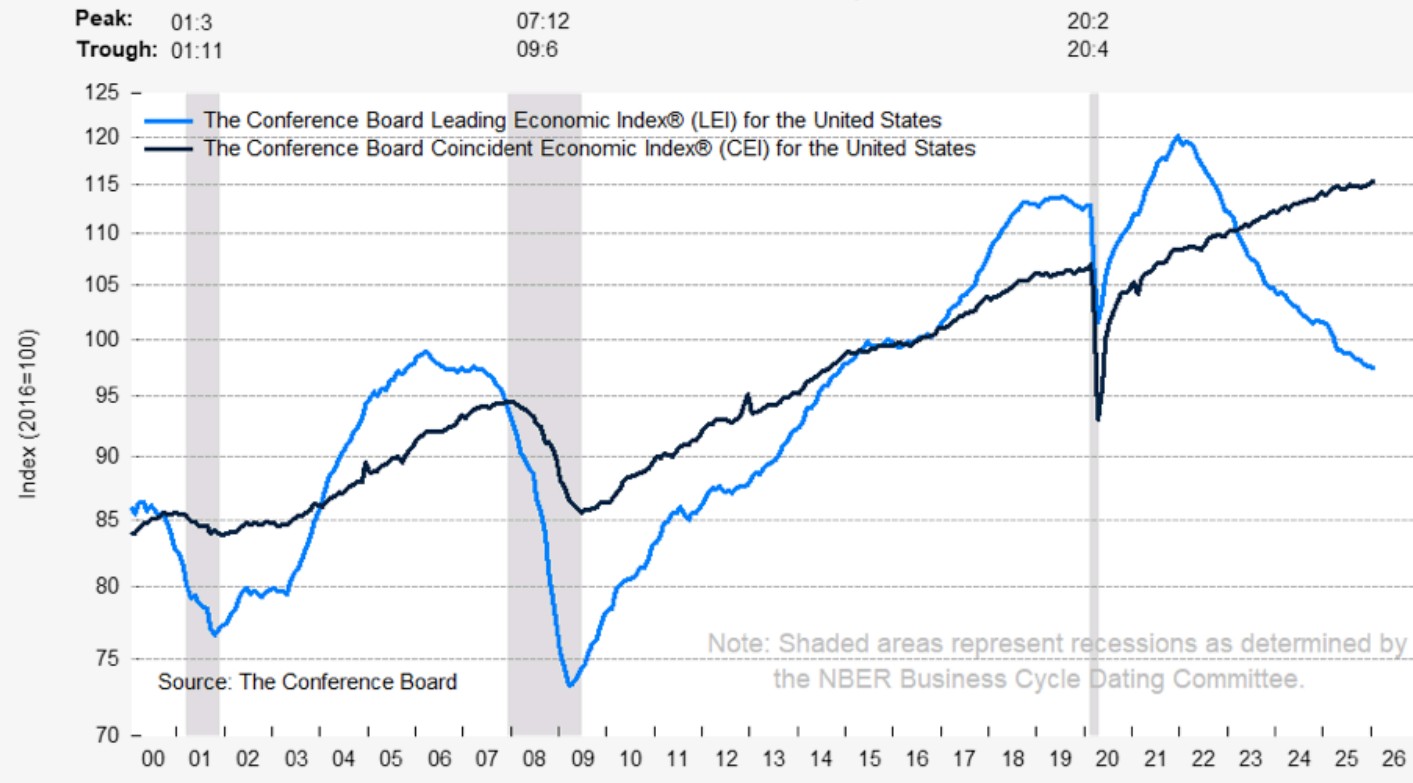
Evolution of Atlanta Fed GDPNow real GDP estimate for 2026: Q1
Quarterly percent change (SAAR)



Sources: Blue Chip Economic Indicators and Blue Chip Financial Forecasts

Note: The top (bottom) 10 average forecast is an average of the highest (lowest) 10 forecasts in the Blue Chip survey.

The LEI continued to decline in January



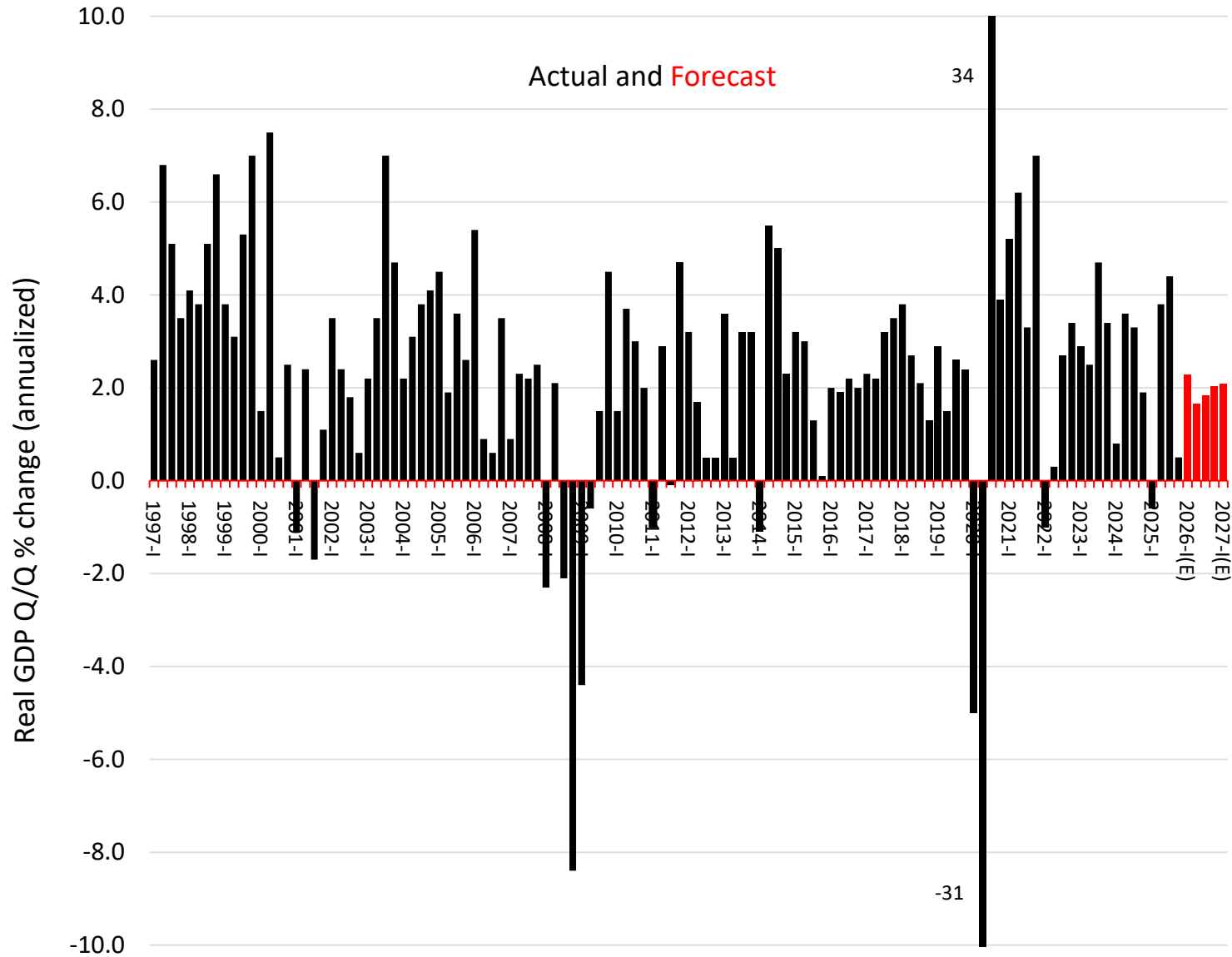
“As the latest LEI data do not yet reflect the impact from war in Iran, The Conference Board revised GDP growth down by 0.1 ppt to 2.0% y/y for 2026, which will be lower than growth in 2025.”

The Conference Board Leading Economic Index® (LEI) components: 1) average weekly hours worked, manufacturing; 2) average weekly initial unemployment claims; 3) manufacturers' new orders – consumer goods and materials; 4) ISM index of new orders; 5) manufacturers' new orders, nondefense capital goods; 6) building permits – new private housing units; 7) stock prices, S&P 500; 8) Leading Credit Index™; 9) interest rate spread; 10-year Treasury minus fed funds; 10) index of consumer expectations.

Source: ©The Conference Board. Data through December, released March 19, 2026.

Consensus GDP forecast

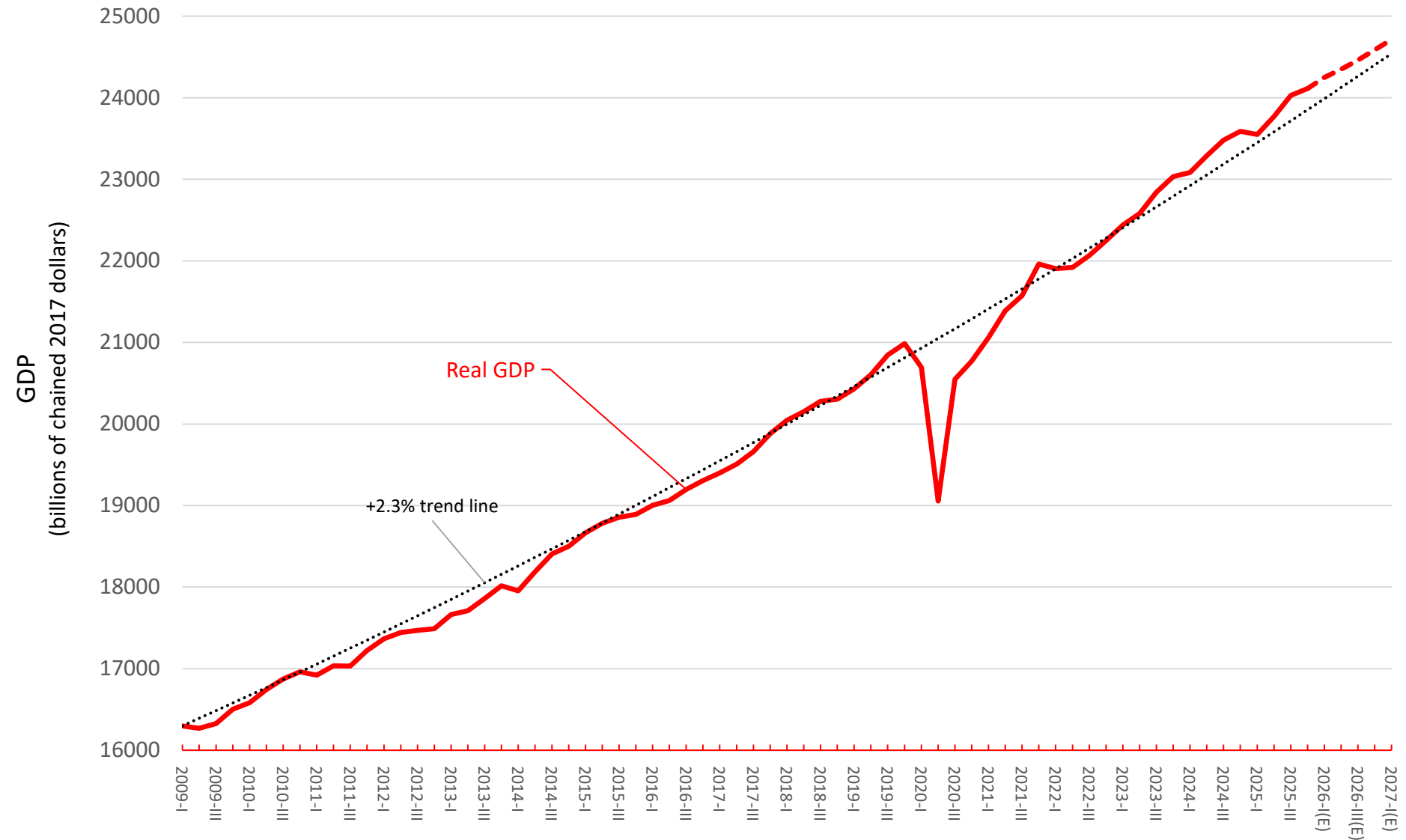
GDP



The 68 economists surveyed in April trimmed their forecasts from the January survey and see continued growth ahead.

GDP forecast

2.3% trend rate of growth



Sources: Bureau of Economic Analysis, actual quarterly data through December 2025. Dotted line represents the forecast from *The Wall Street Journal* survey released April 2026.

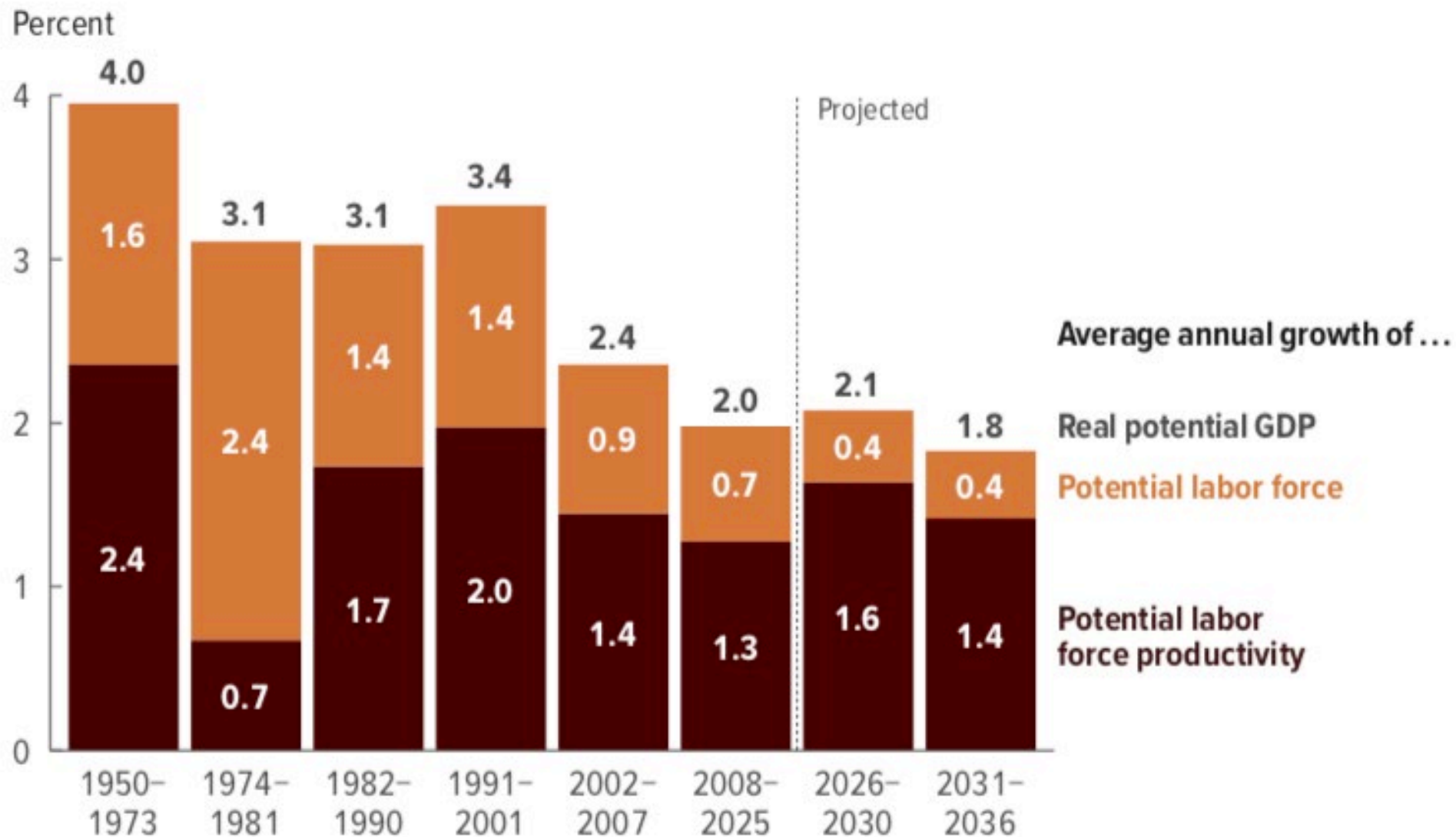
The Economic Outlook, by Calendar Year

	Estimated, 2025	2026	2027	2028	Annual average	
					2029– 2030	2031– 2036
Change from fourth quarter to fourth quarter (percent)						
Real (inflation-adjusted) GDP	1.9	2.2	1.8	1.8	1.8	1.8
Inflation						
PCE price index	2.8	2.7	2.3	2.1	2.0	2.0
Consumer price index	3.0	2.8	2.4	2.3	2.3	2.3
Payroll employment (average monthly change, in thousands)	70	105	31	42	43	45
Annual average (percent)						
Unemployment rate	4.3	4.6	4.5	4.5	4.3	4.2
Interest rates						
Effective federal funds rate	4.2	3.5	3.4	3.4	3.4	3.4
3-month Treasury bills	4.1	3.3	3.2	3.2	3.2	3.1
10-year Treasury notes	4.3	4.1	4.3	4.3	4.3	4.4
Tax bases (percentage of GDP)						
Wages and salaries	42.3	42.0	42.0	42.1	42.1	42.1
Domestic corporate profits	11.3	11.1	10.8	10.4	10.0	10.0

See [Chapter 2](#) and [Appendix D](#). Payroll employment and interest rates show actual values for 2025. PCE = personal consumption expenditures.

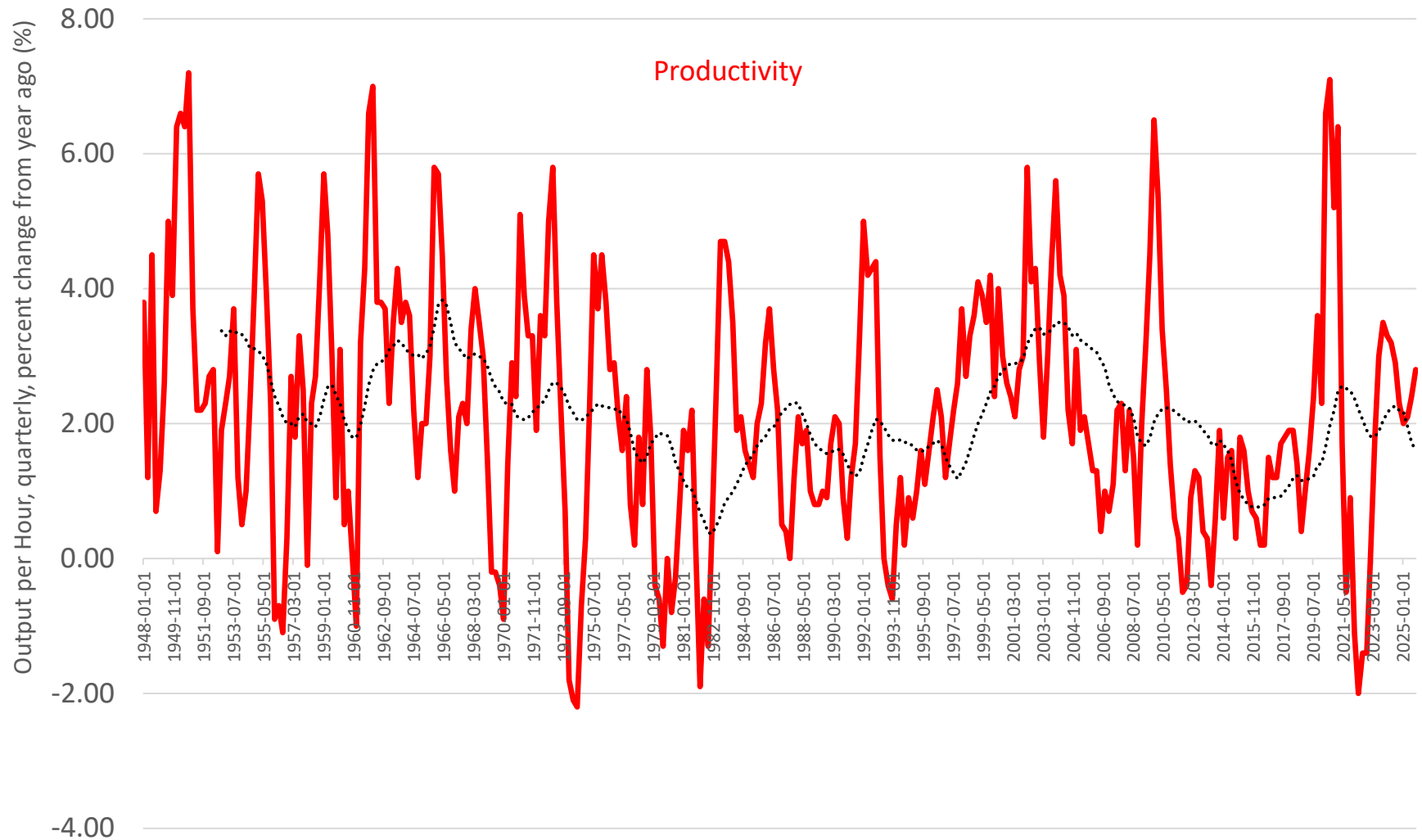
GDP growth potential = Δ productivity + Δ labor force

CBO's potential growth calculations



Economic growth

Productivity



Source: FRBSL, quarterly data through December 2025. Dotted line is the 5-year moving average.

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Companies Bet They Can Grow Without Hiring

It's the corporate gamble of the moment: Can you run a company, increasing sales and juicing profits, without adding people?

American employers are increasingly making the calculation that they can keep the size of their teams flat—or shrink through layoffs—without harming their businesses. Part of that thinking is the belief that artificial intelligence will be used to pick up some of the slack and automate more processes.

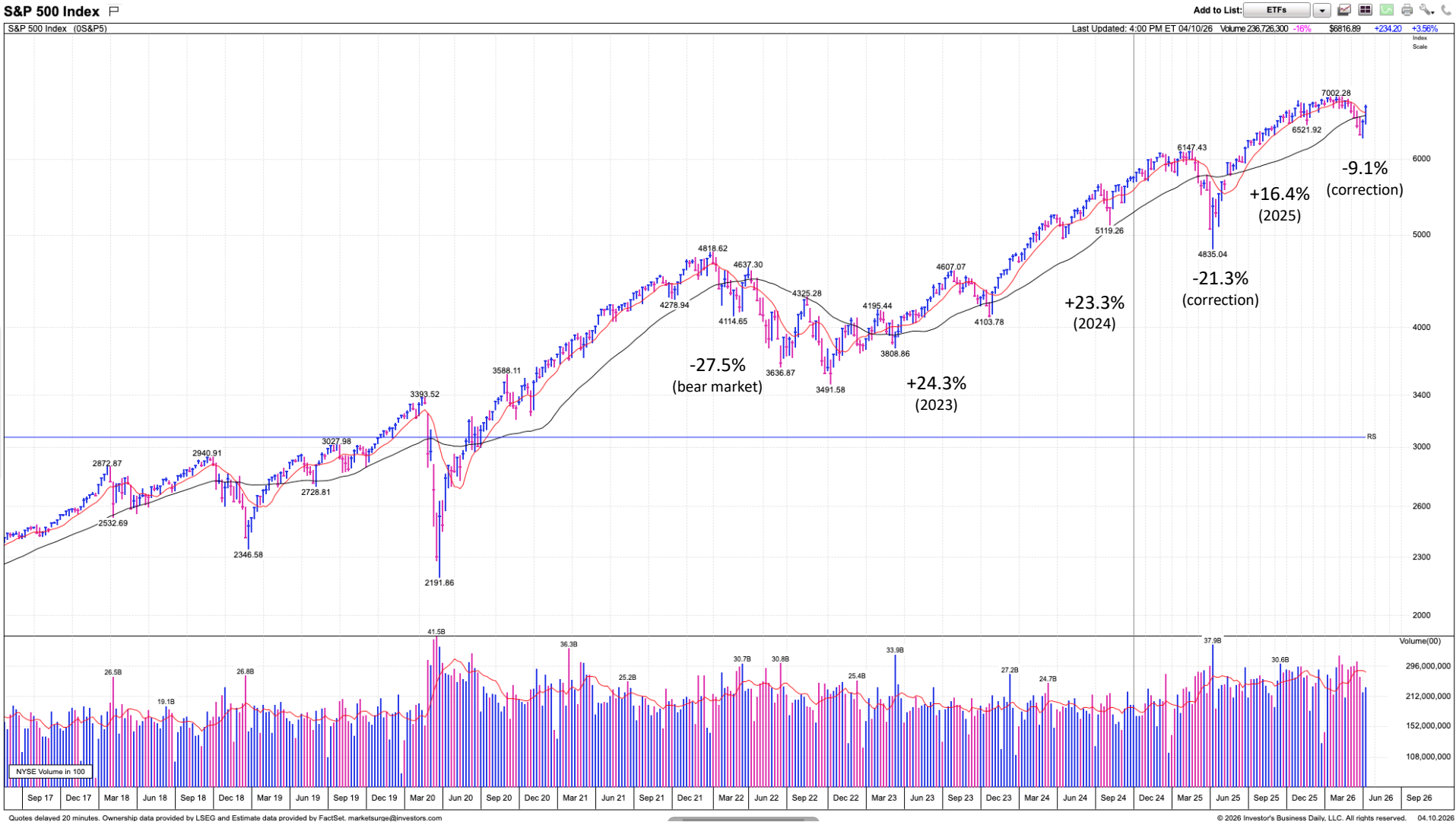
Walmart, the nation's largest private employer, also said it plans to keep its head count roughly flat over the next three years, even as its sales grow.

Stock Market

- Re-approaching record highs following Iran sell-off
- Stocks vs. recessions
- “Parabolic” is normal
- 2026/2027 earnings estimates
- P/E multiple

Stock market

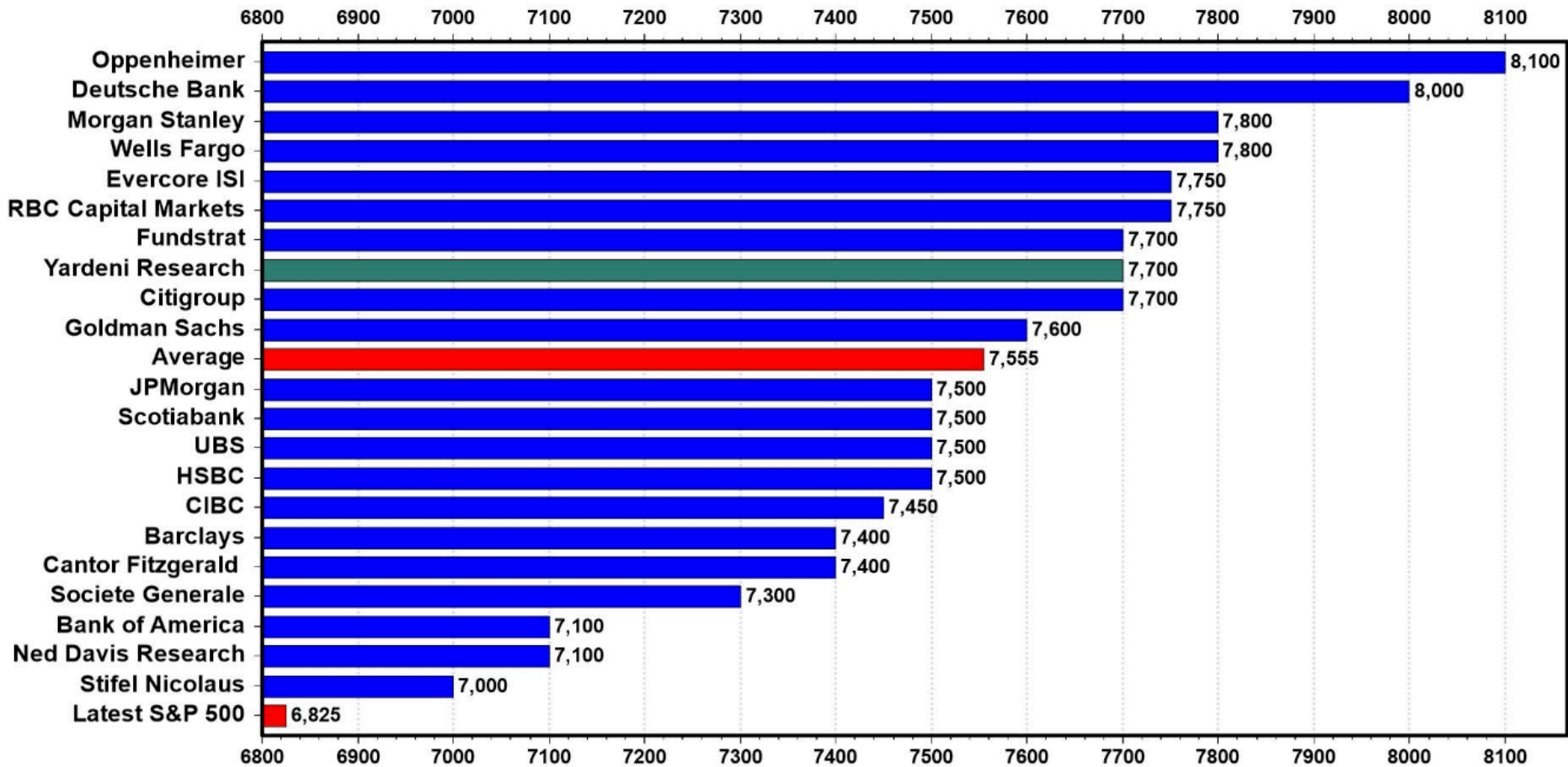
S&P 500



Stock market

S&P 500 – strategists 2026 targets

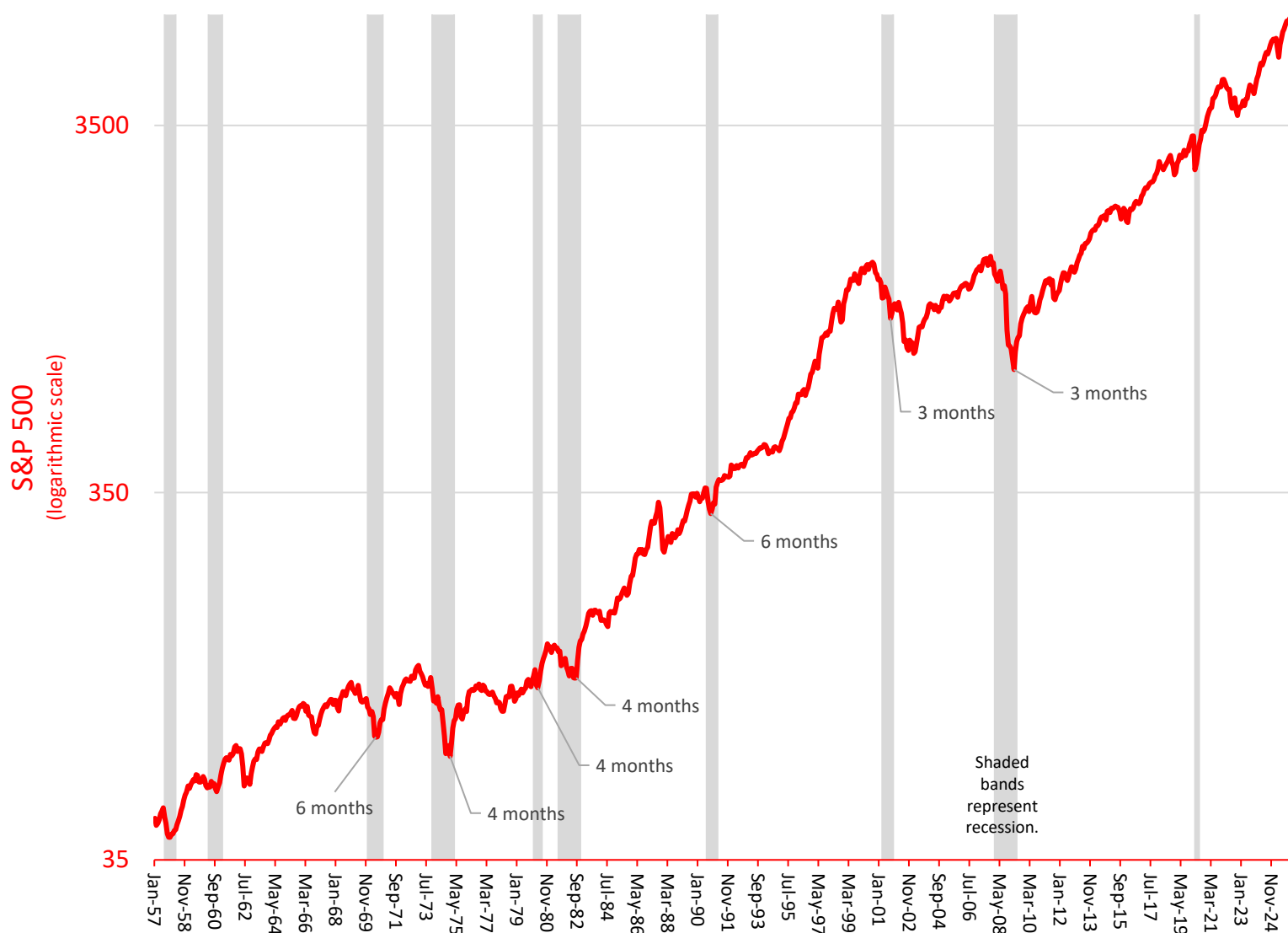
S&P 500: WALL STREET'S 2026 YEAR-END PRICE TARGETS (as forecasted in Dec 2025)



Source: LSEG Datastream and © Yardeni Research. Bloomberg.

Stock market

S&P 500 vs. recessions



Big declines are associated with recessions.

Stocks often bottom months before recession-end.

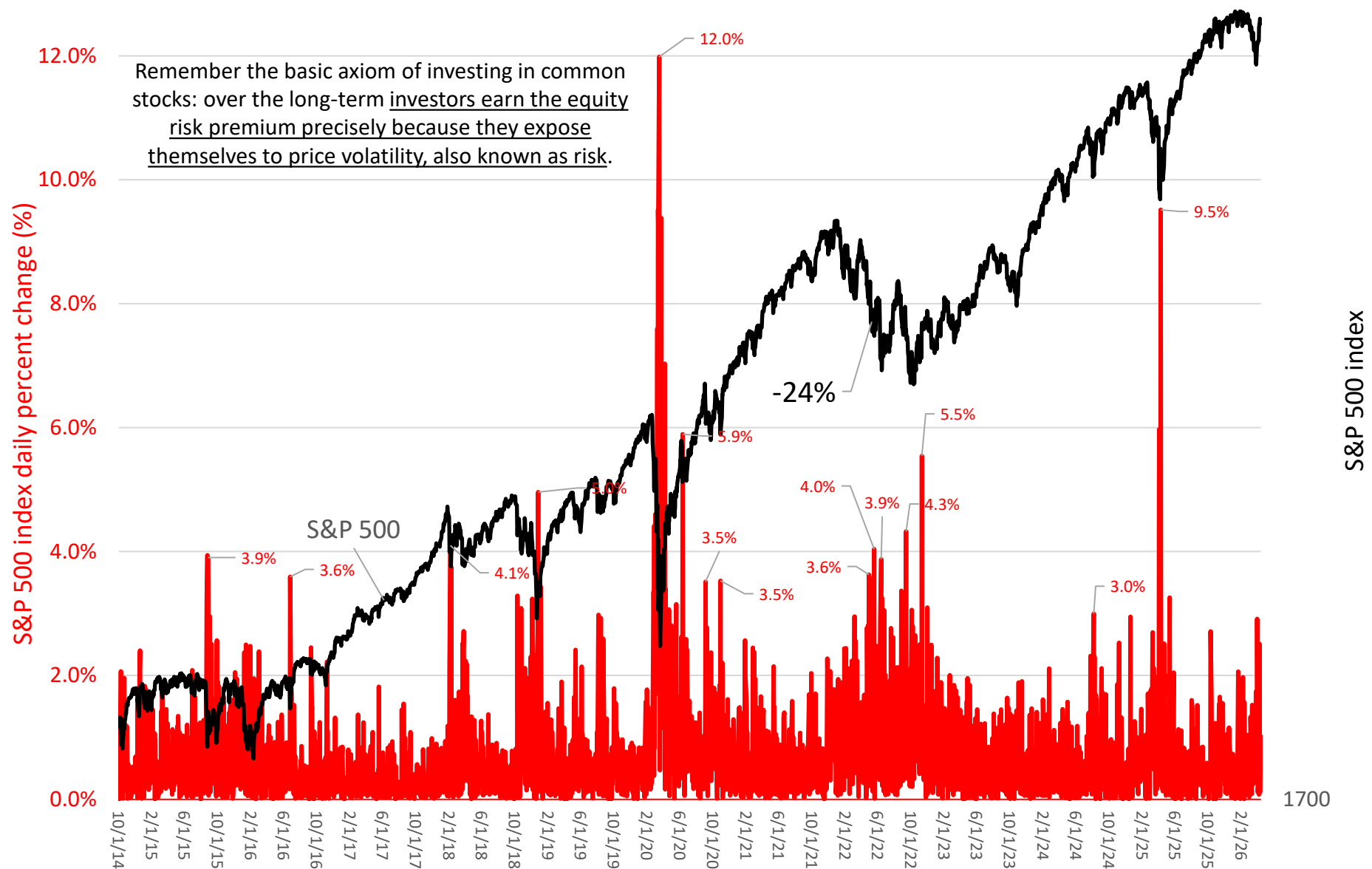
Stock market

S&P 500 and crises



Stock market

S&P 500 volatility



Source: Standard & Poor's, data through April 13, 2026.

Stock market
S&P 500 – parabolic

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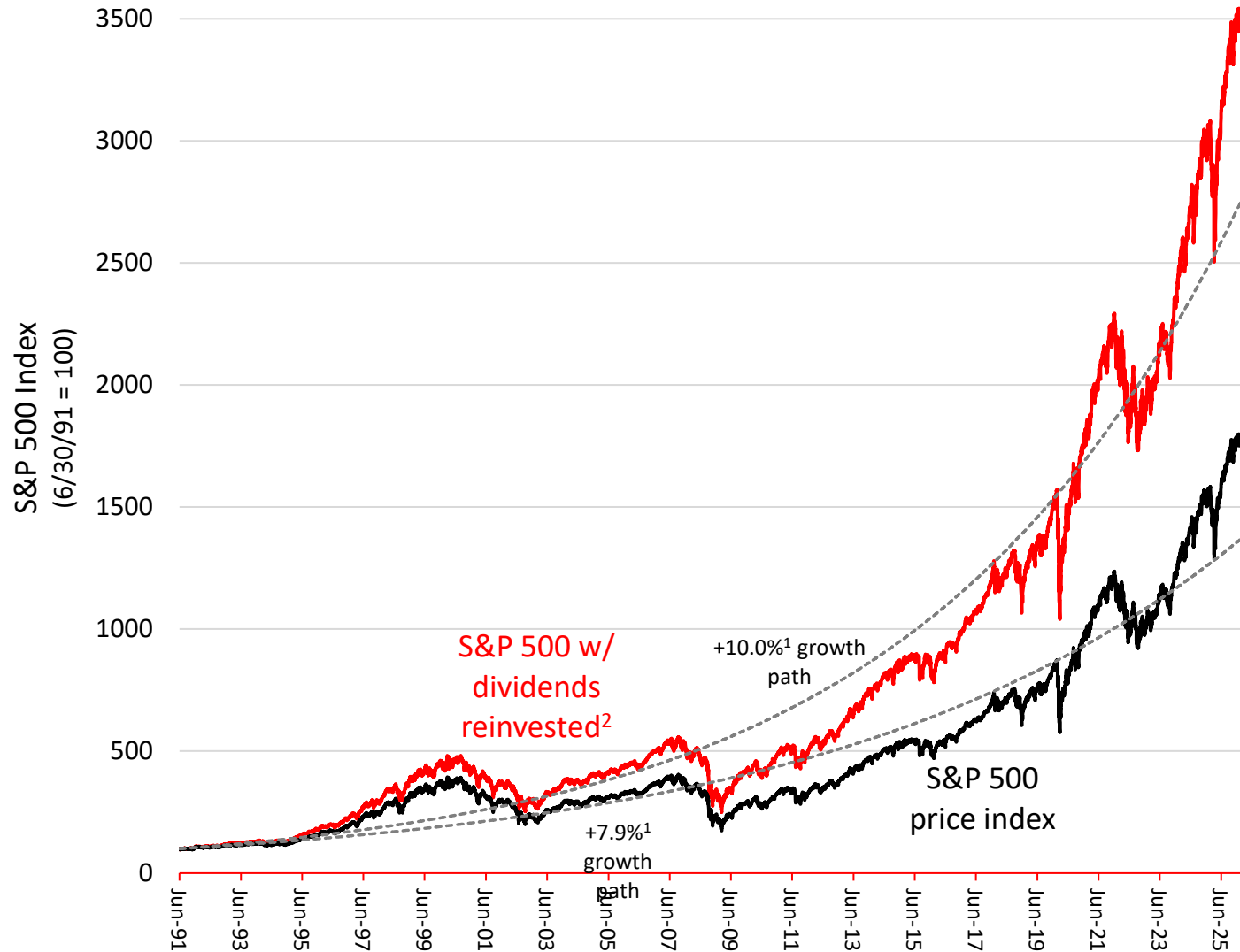
S&P 500



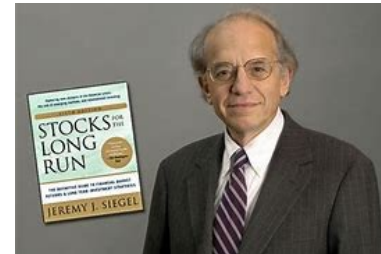
Source: FactSet

Stock market arithmetic

Total return = 7.9% earnings-driven price + 2.1% dividends reinvested



+10% per year S&P 500 total return over the last 30 years is in line with the stock market's long-term returns going back to 1926, or back even further to 1871.³



Source: Standard and Poor's. Data through April 13, 2026.¹ Compound annual growth rate. ² S&P 500 total return index.

³ per Professor Jeremy Siegel's seminal *Stocks for the Long Run*, first published in 1994.

Stock market arithmetic

Total return = 7.9% earnings-driven price + 2.1% dividends reinvested

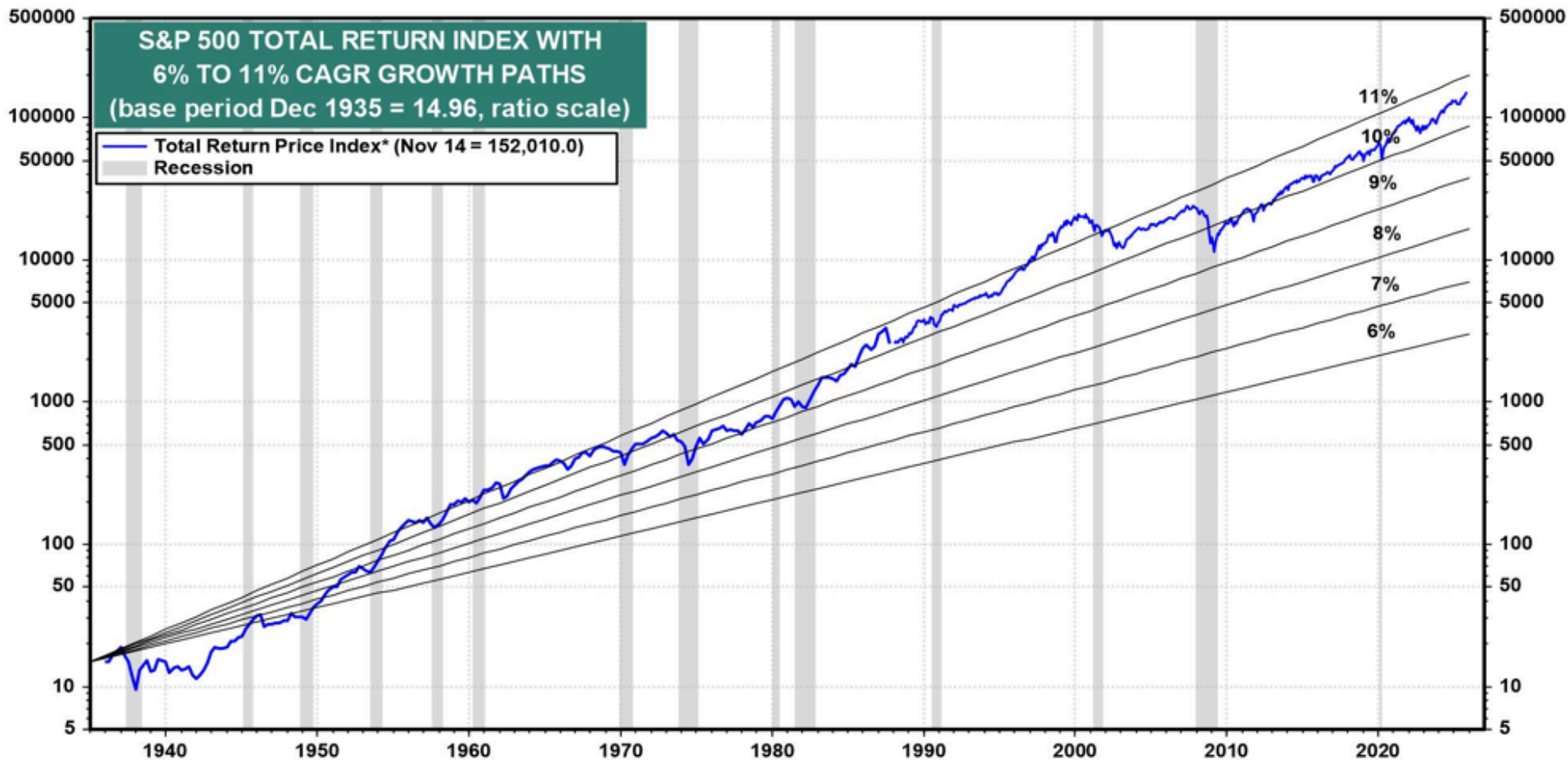
On a logarithmic scale a constant rate of appreciation, say 10%, is represented by a constant interval on the y-axis, say one-eighth of an inch.

Hence, the +10% growth trajectory is a straight line rather than a hyperbolic curve (previous chart).



Stock market arithmetic

S&P 500 total return



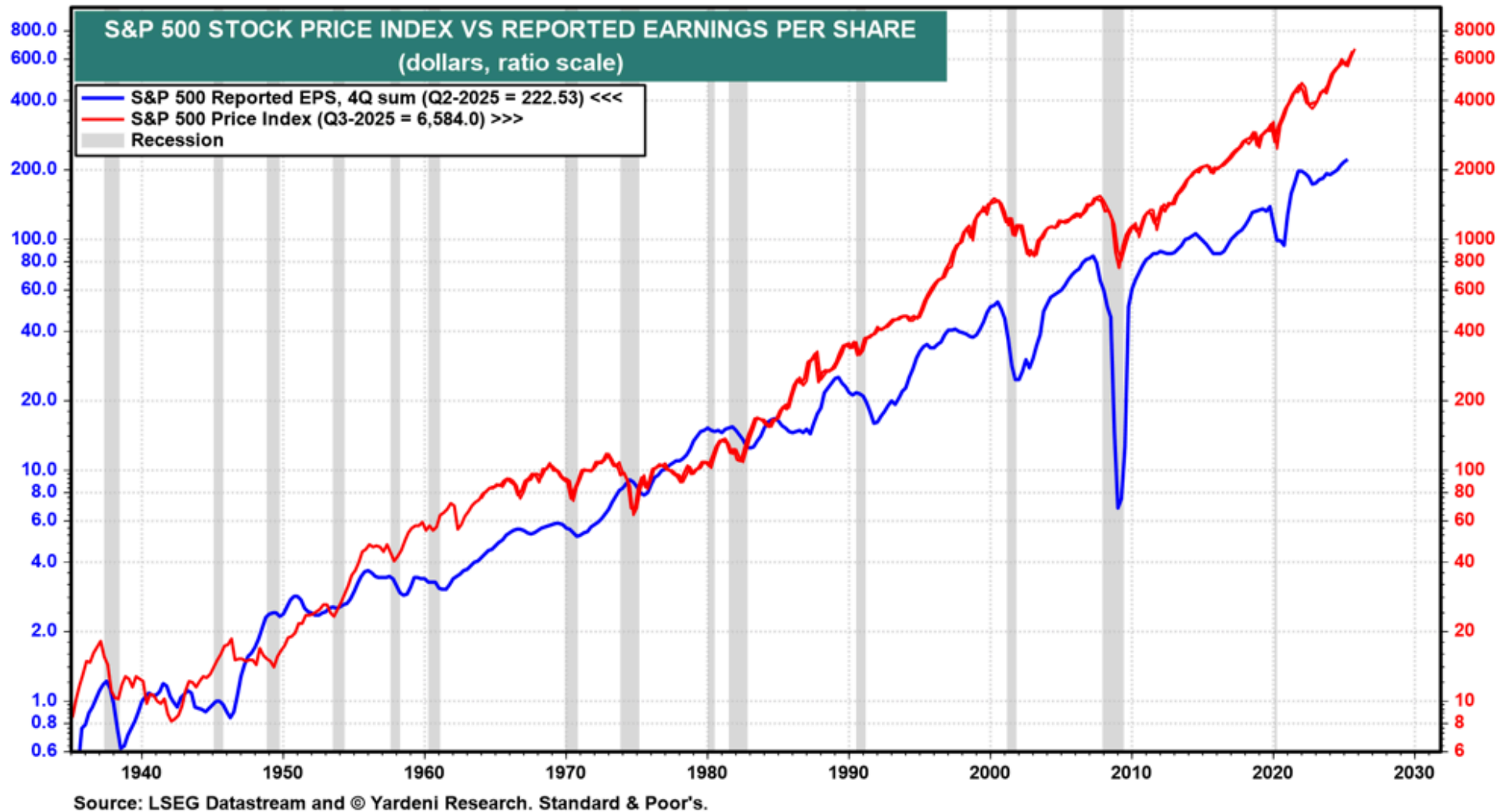
Source: LSEG Datastream and © Yardeni Research. Standard & Poor's.

* Includes reinvested dividends.

** Using last month of quarter CPI. Compounded monthly using base value.

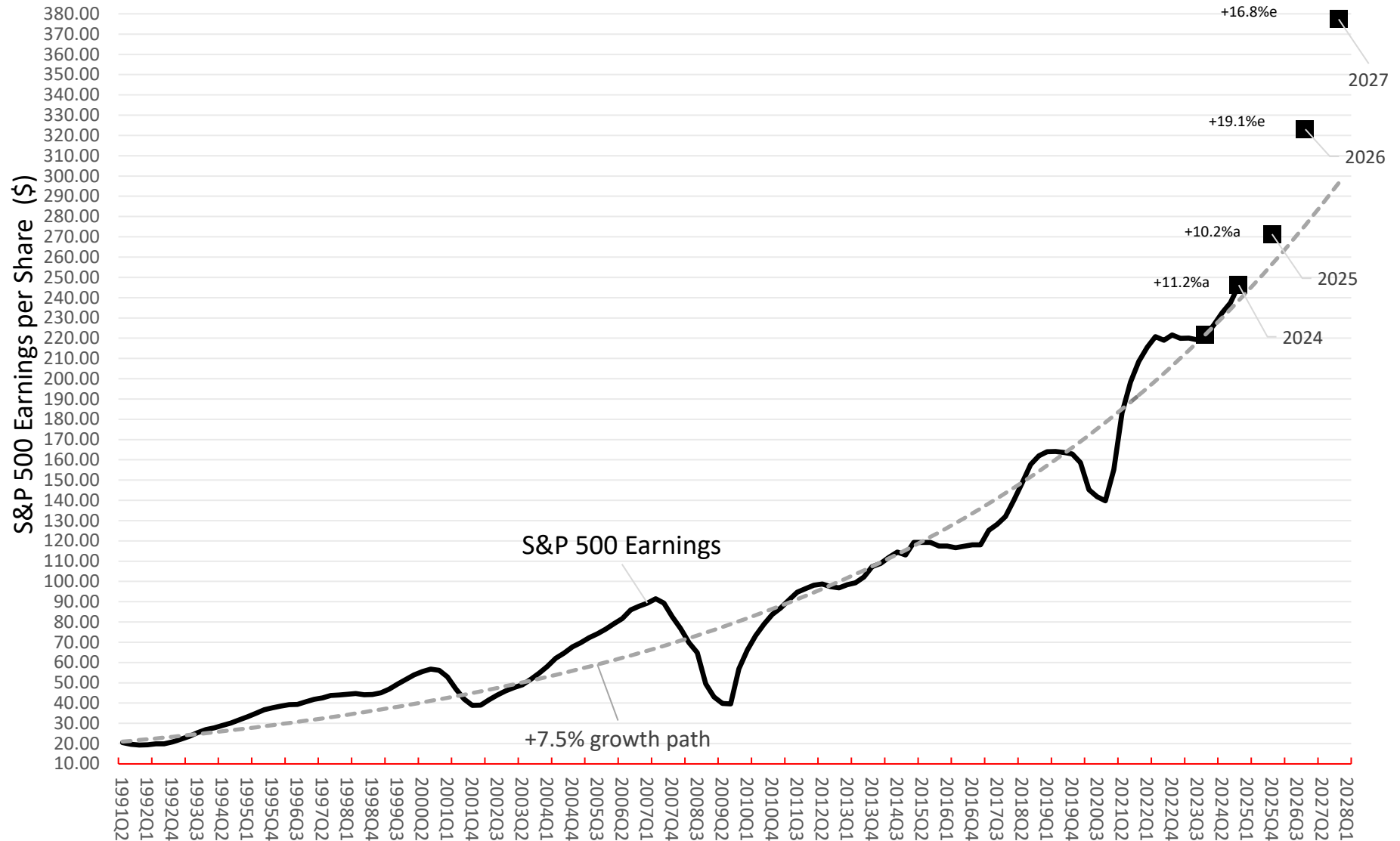
Stock market arithmetic

90 years of S&P 500 earnings growth



Earnings

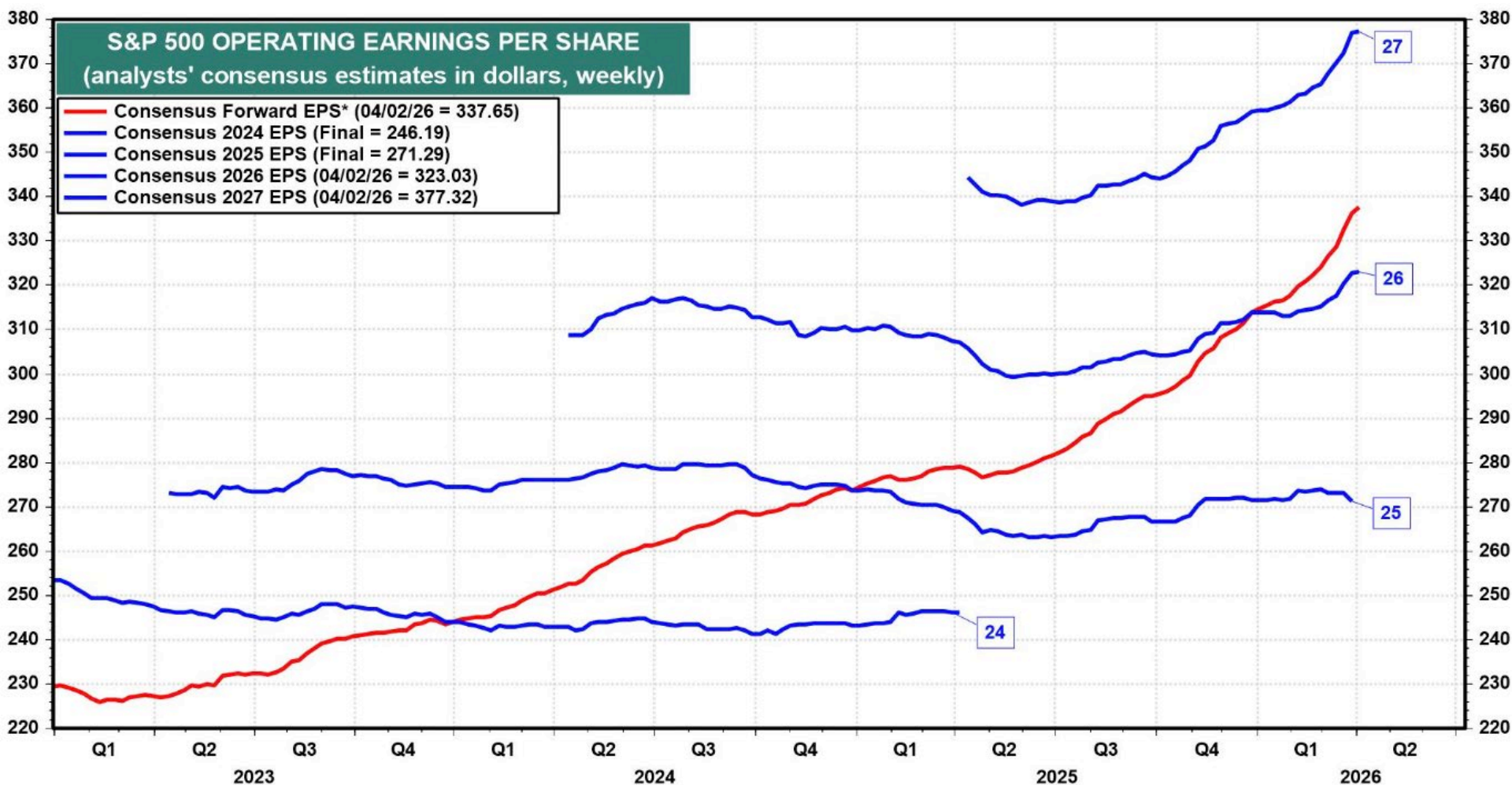
S&P 500 earnings – actual and I/B/E/S estimates



2024 (actual), 2025 (actual), 2026 (estimated) and 2027 (estimated) bottom-up S&P 500 operating earnings per share as of April 2, 2026: for 2024(a), \$246.19; for 2025(a), \$271.29; for 2026(e), \$323.03; for 2027(e), \$377.32. Sources: Yardeni Research, Inc. and Thomson Reuters I/B/E/S for actual and estimated operating earnings from 2015. Standard and Poor's for actual operating earnings data through 2014.

Earnings

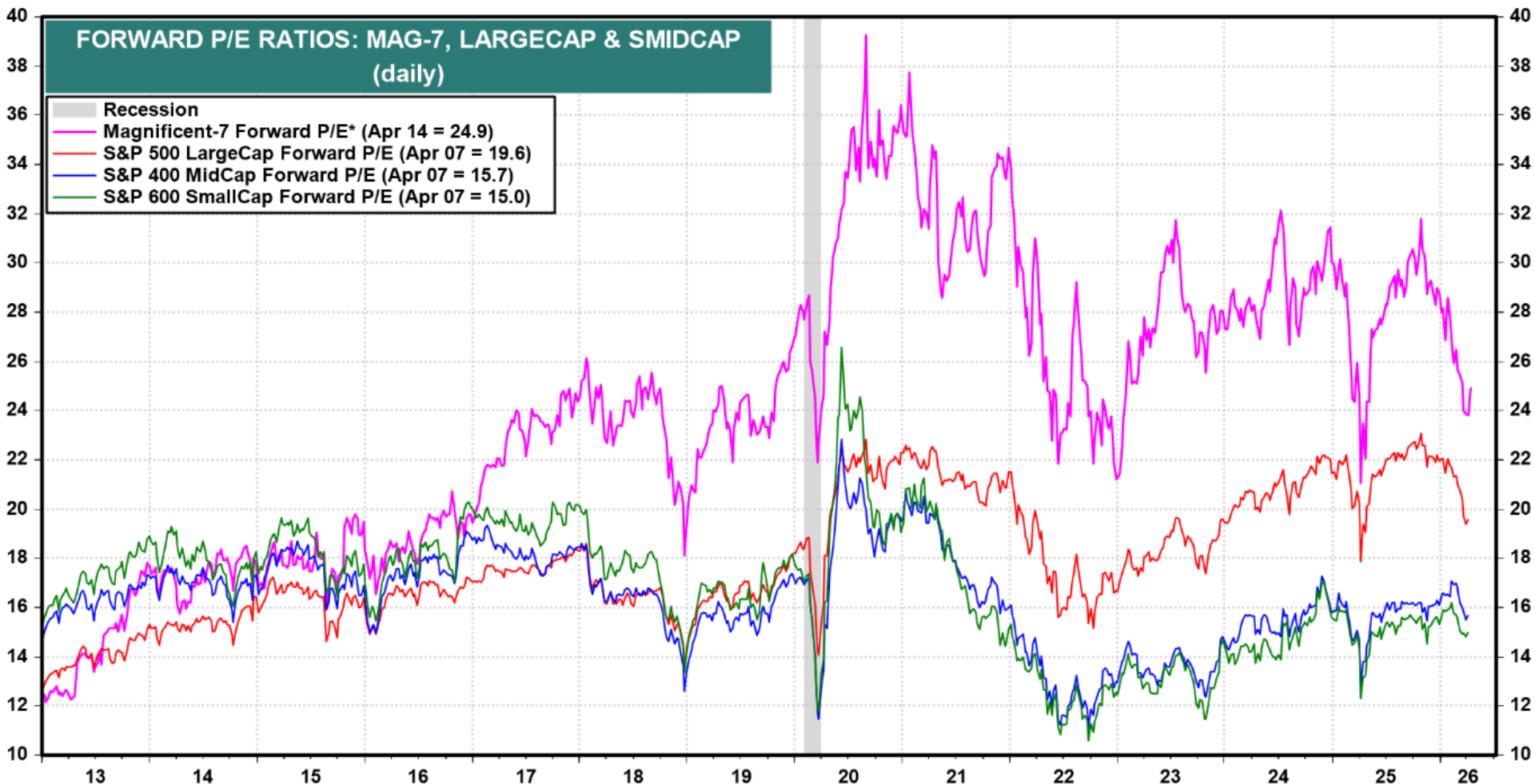
S&P 500 earnings – trend in analysts' estimates



Source: LSEG Datastream and © Yardeni Research.

* Time-weighted average of analysts' consensus estimates for current and coming year.

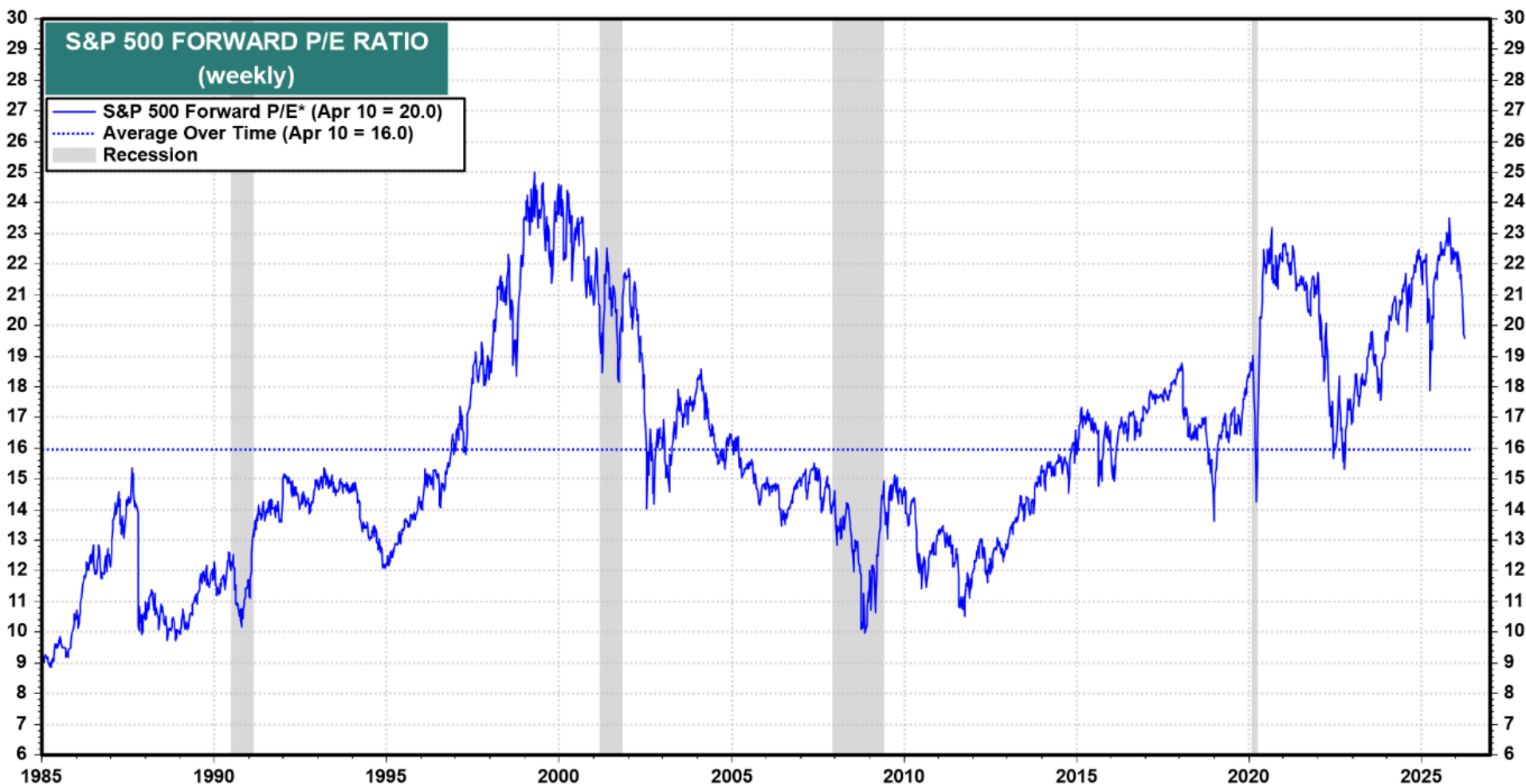
S&P 500 index forward P/E ratio



Source: LSEG Datastream and © Yardeni Research, and Standard & Poor's.

* Magnificent-7 stocks include Alphabet (Google), Amazon, Apple, Meta (Facebook), Microsoft, NVIDIA, and Tesla. Both classes of Alphabet are included.

S&P 500 index forward P/E ratio



Source: LSEG Datastream and © Yardeni Research and Standard & Poor's.

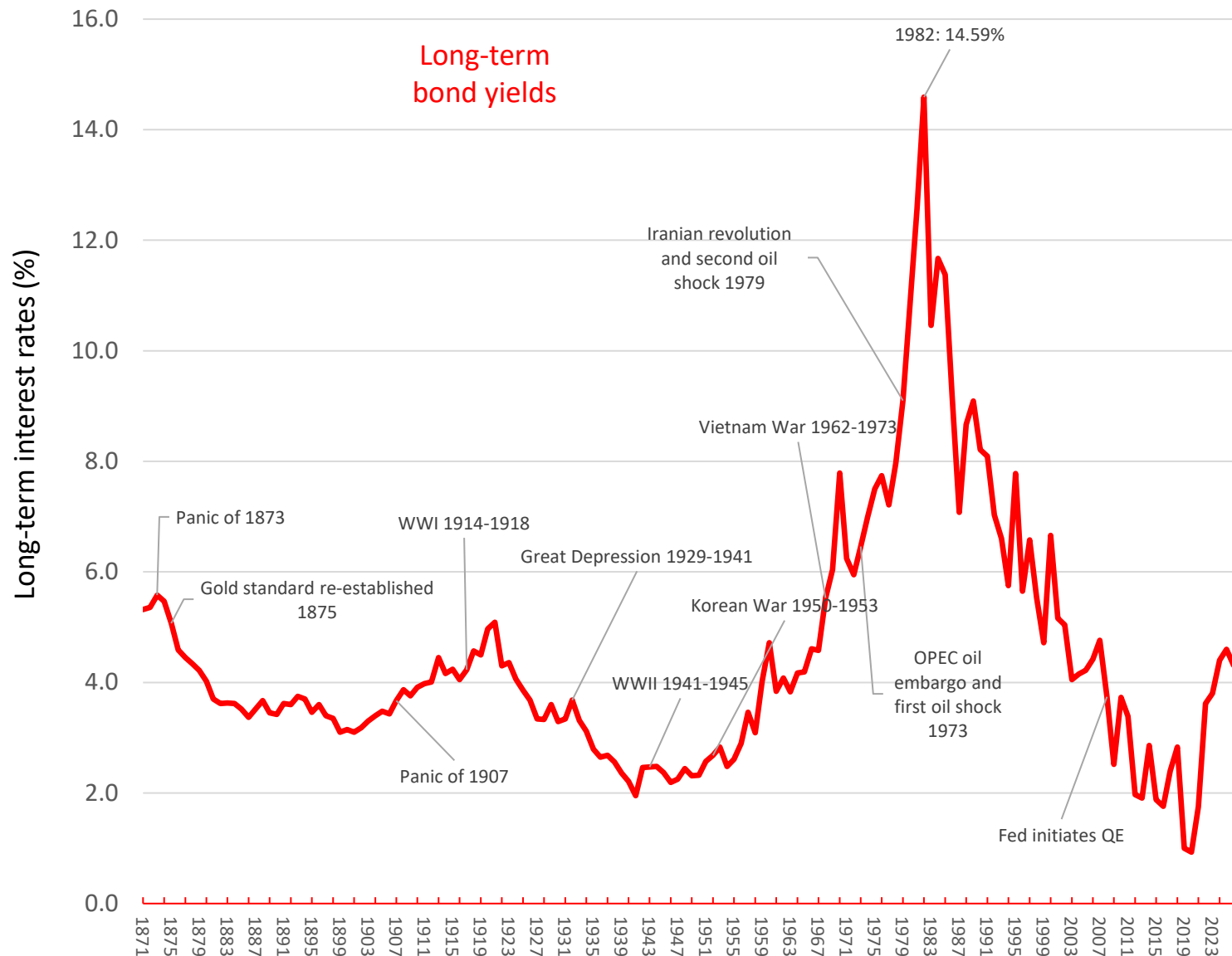
* Price divided by 52-week forward consensus expected operating earnings per share.

Bond Yields

- Normal yields by historic comparison

Bond yields

U.S. Treasury bond yields



Back to normal
from the lowest
long-term
interest rates in
U.S. history.

Federal Reserve

- Held rates steady in March
- Raised its inflation forecast
- Raised its GDP growth forecast
- Dot plot points to 3-1/4% terminal rate
- Dis-inverting yield curve

Federal Reserve

Central tendency forecasts

For release at 2:00 p.m., EDT, March 18, 2026

Table 1. Economic projections of Federal Reserve Board members and Federal Reserve Bank presidents, under their individual assumptions of projected appropriate monetary policy, March 2026

Percent

Variable	Median ¹				Central Tendency ²				Range ³			
	2026	2027	2028	Longer run	2026	2027	2028	Longer run	2026	2027	2028	Longer run
Change in real GDP	2.4	2.3	2.1	2.0	2.2–2.5	2.0–2.4	2.0–2.3	1.8–2.0	2.1–2.7	2.0–2.7	1.8–2.7	1.7–2.5
December projection	2.3	2.0	1.9	1.8	2.1–2.5	1.9–2.3	1.8–2.1	1.8–2.0	2.0–2.6	1.8–2.6	1.7–2.6	1.7–2.5
Unemployment rate	4.4	4.3	4.2	4.2	4.3–4.5	4.2–4.4	4.0–4.4	4.0–4.3	4.3–4.6	4.0–4.5	4.0–4.5	3.8–4.5
December projection	4.4	4.2	4.2	4.2	4.3–4.4	4.2–4.3	4.0–4.3	4.0–4.3	4.2–4.6	4.0–4.5	4.0–4.5	3.8–4.5
PCE inflation	2.7	2.2	2.0	2.0	2.6–3.1	2.0–2.3	2.0	2.0	2.3–3.3	1.8–2.4	1.9–2.2	2.0
December projection	2.4	2.1	2.0	2.0	2.3–2.5	2.0–2.2	2.0	2.0	2.2–2.7	2.0–2.3	2.0	2.0
Core PCE inflation ⁴	2.7	2.2	2.0		2.5–2.8	2.0–2.4	2.0		2.2–3.0	2.0–2.5	2.0–2.2	
December projection	2.5	2.1	2.0		2.4–2.6	2.0–2.2	2.0		2.2–2.7	2.0–2.5	2.0	
Memo: Projected appropriate policy path												
Federal funds rate	3.4	3.1	3.1	3.1	3.1–3.6	2.9–3.6	2.9–3.6	2.9–3.5	2.6–3.6	2.4–3.9	2.6–3.9	2.6–3.9
December projection	3.4	3.1	3.1	3.0	2.9–3.6	2.9–3.6	2.8–3.6	2.8–3.5	2.1–3.9	2.4–3.9	2.6–3.9	2.6–3.9

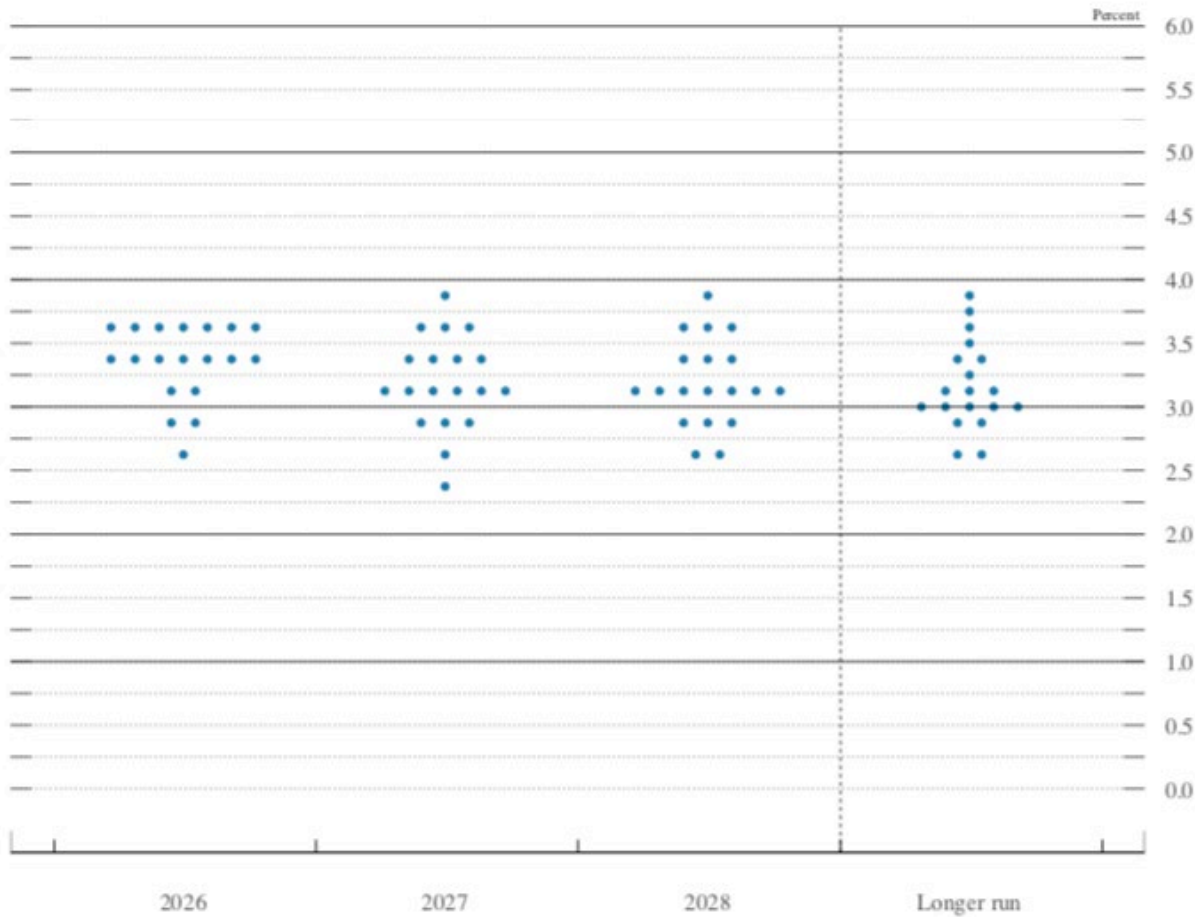
boosted GDP growth forecast

boosted inflation forecast

Federal Reserve Dot plot

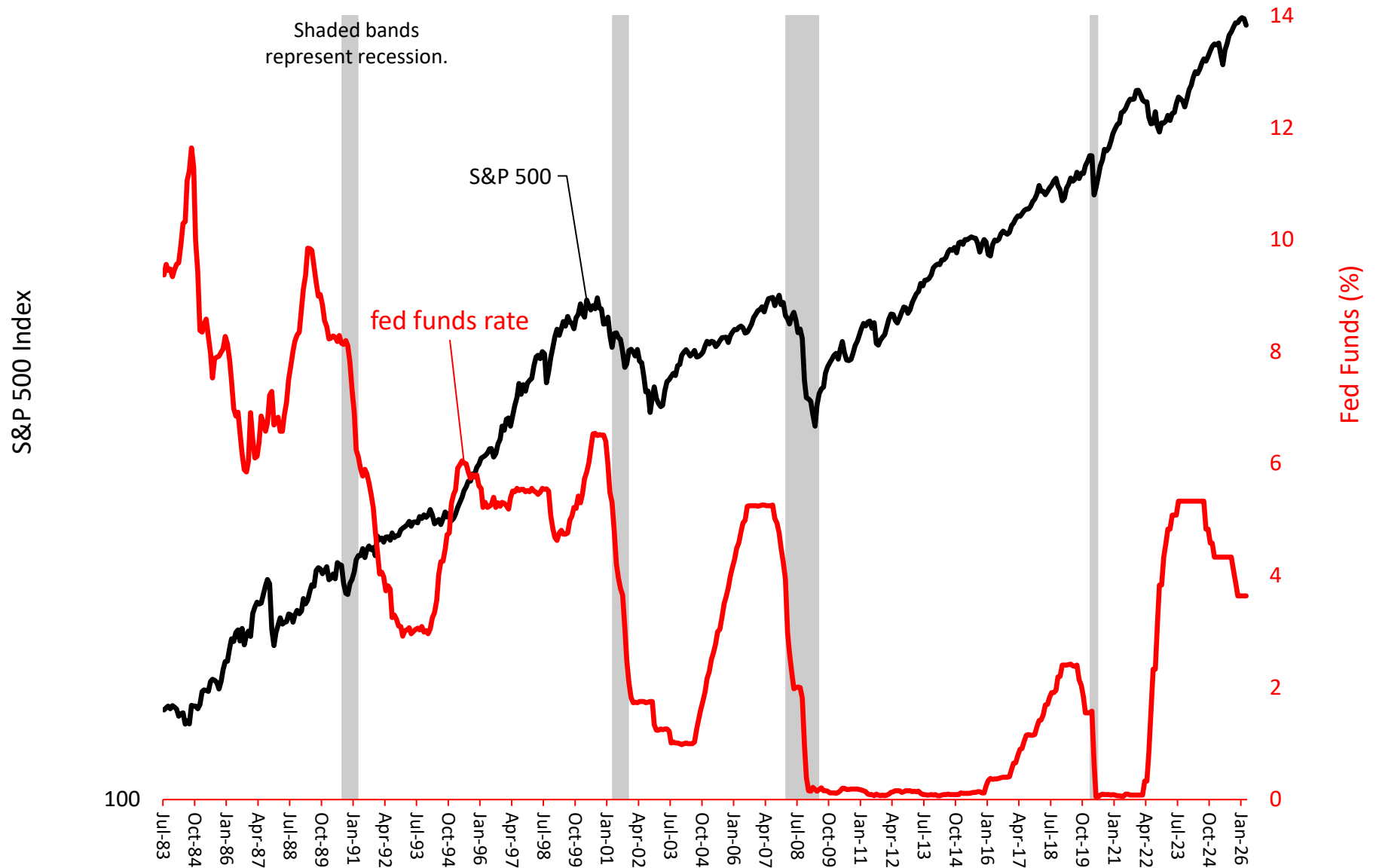
For release at 2:00 p.m., EDT, March 18, 2026

Figure 2. FOMC participants' assessments of appropriate monetary policy: Midpoint of target range or target level for the federal funds rate



Stock market

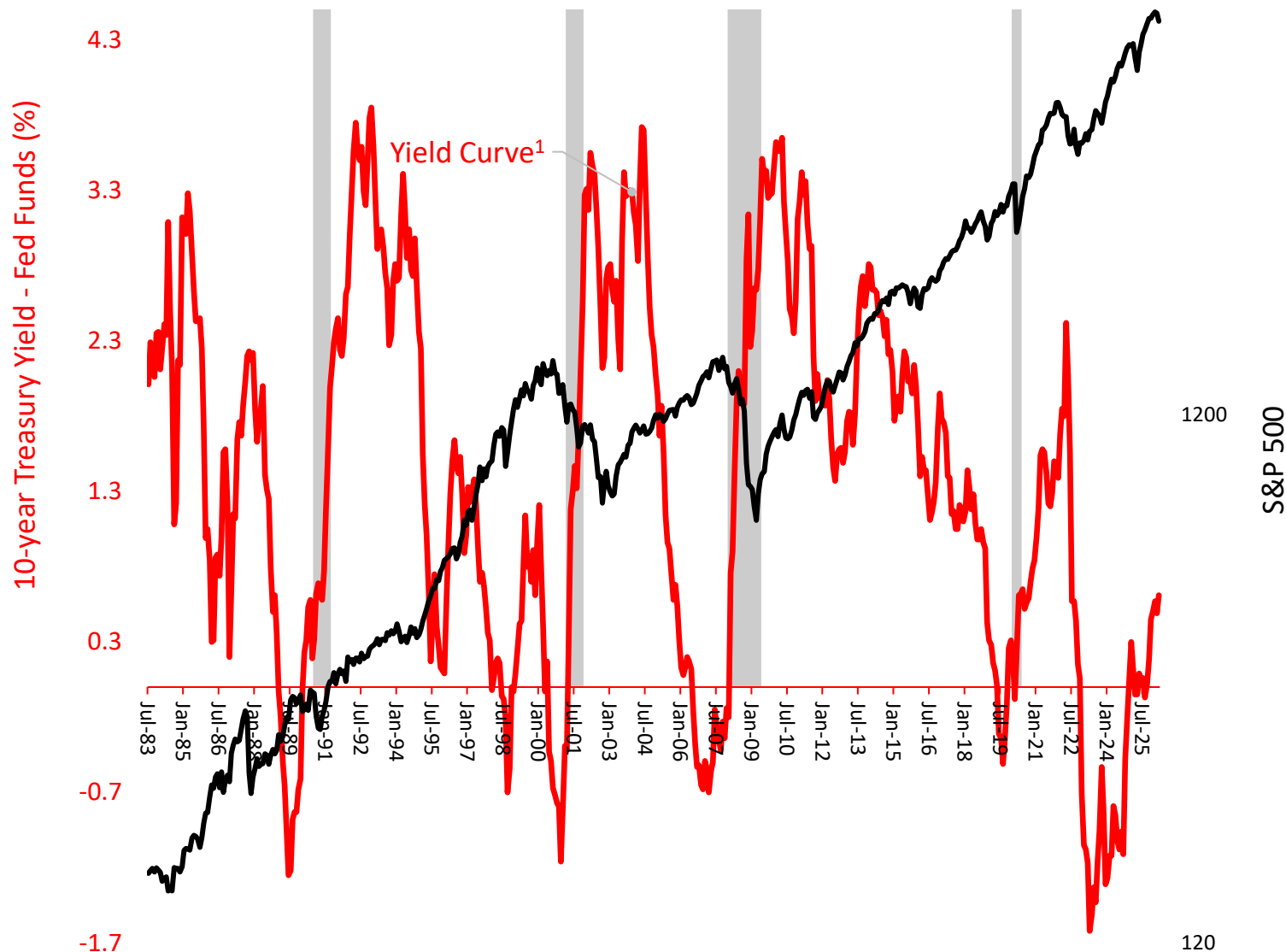
S&P 500 vs. fed funds rate



Sources: Federal Reserve, Standard & Poor's. Data through March 2026.

Federal Reserve policy

Yield curve vs. the S&P 500



When the yield curve has inverted the economy has usually turned down into recession with a lag of a year or more.

Today, the yield curve is dis-inverting.

Sources: NBER, Federal Reserve and Standard & Poor's. Data through March 2026.

¹The interest rate on the 10-year Treasury bond (long term) minus the fed funds rate (short term).

Inflation

- Year-over-year headline CPI +3.3%, +2.6% core
- Year-over-year headline PCED +2.8%, +3.0% core
- Inflation expectations (TIPS spread)

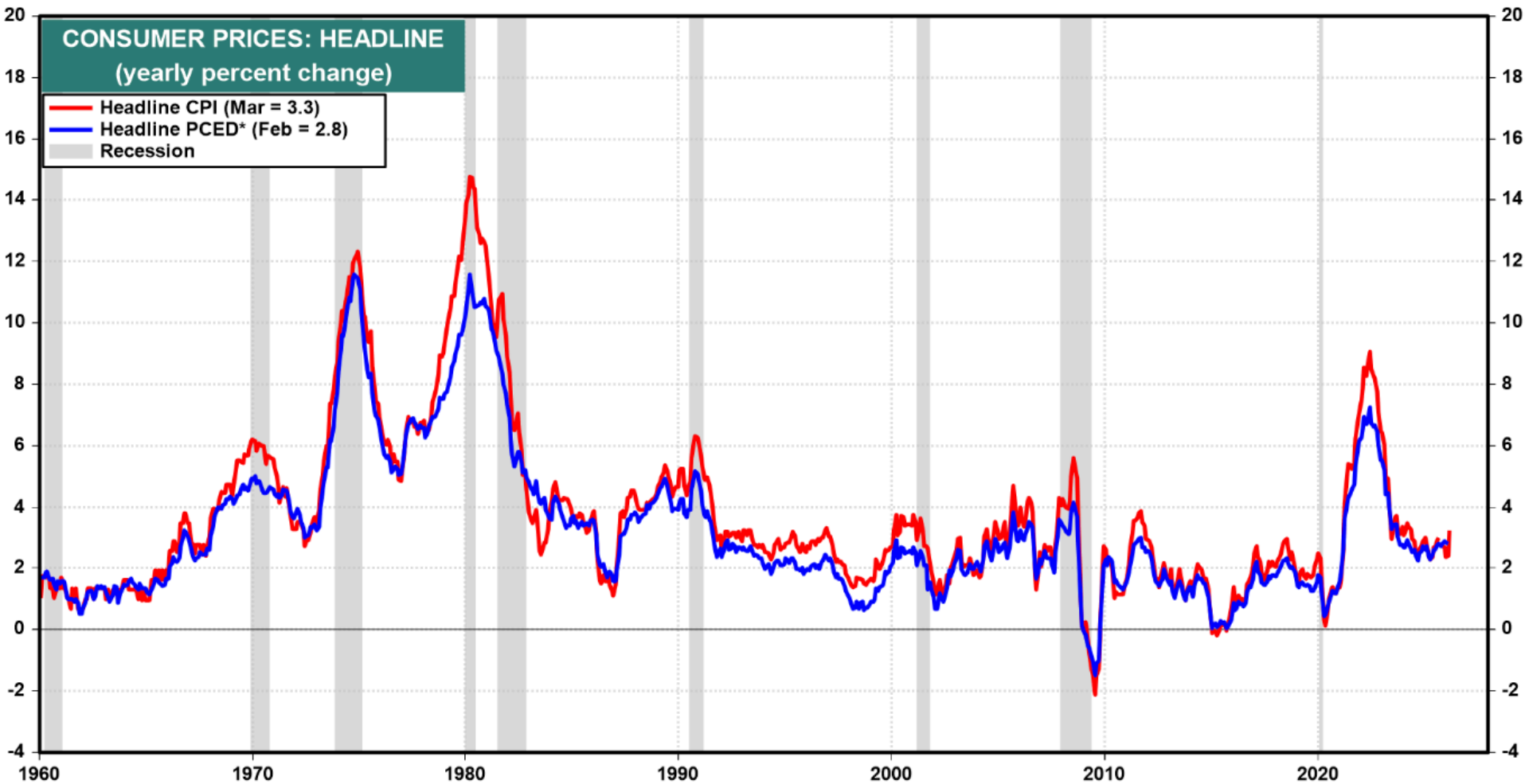
BARRON'S

The Surge in Oil Prices Could Send Inflation to 4%

The surge in oil prices since the Feb. 28 start of the Iran war is set to drive headline inflation back up to 4% in coming months. Even if oil retreats to well below \$100 a barrel and tariff effects moderate, rising input costs due to growing demand for artificial intelligence, firmer labor costs, and other factors will keep inflation above the Federal Reserve's 2% target for several years.

Inflation

CPI and PCED

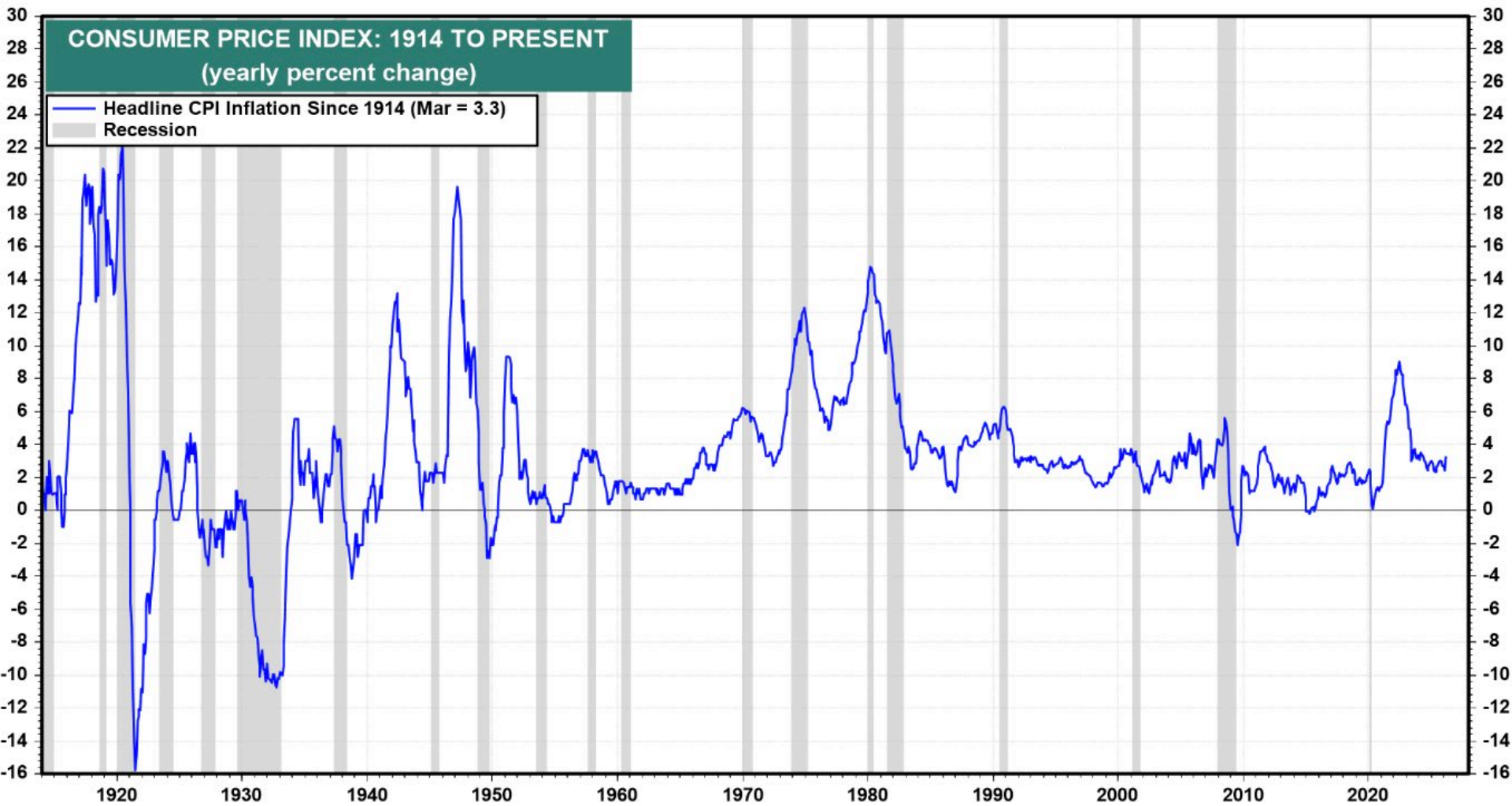


Source: LSEG Datastream and © Yardeni Research. Bureau of Economic Analysis and Bureau of Labor Statistics.

* Personal consumption expenditures deflator.

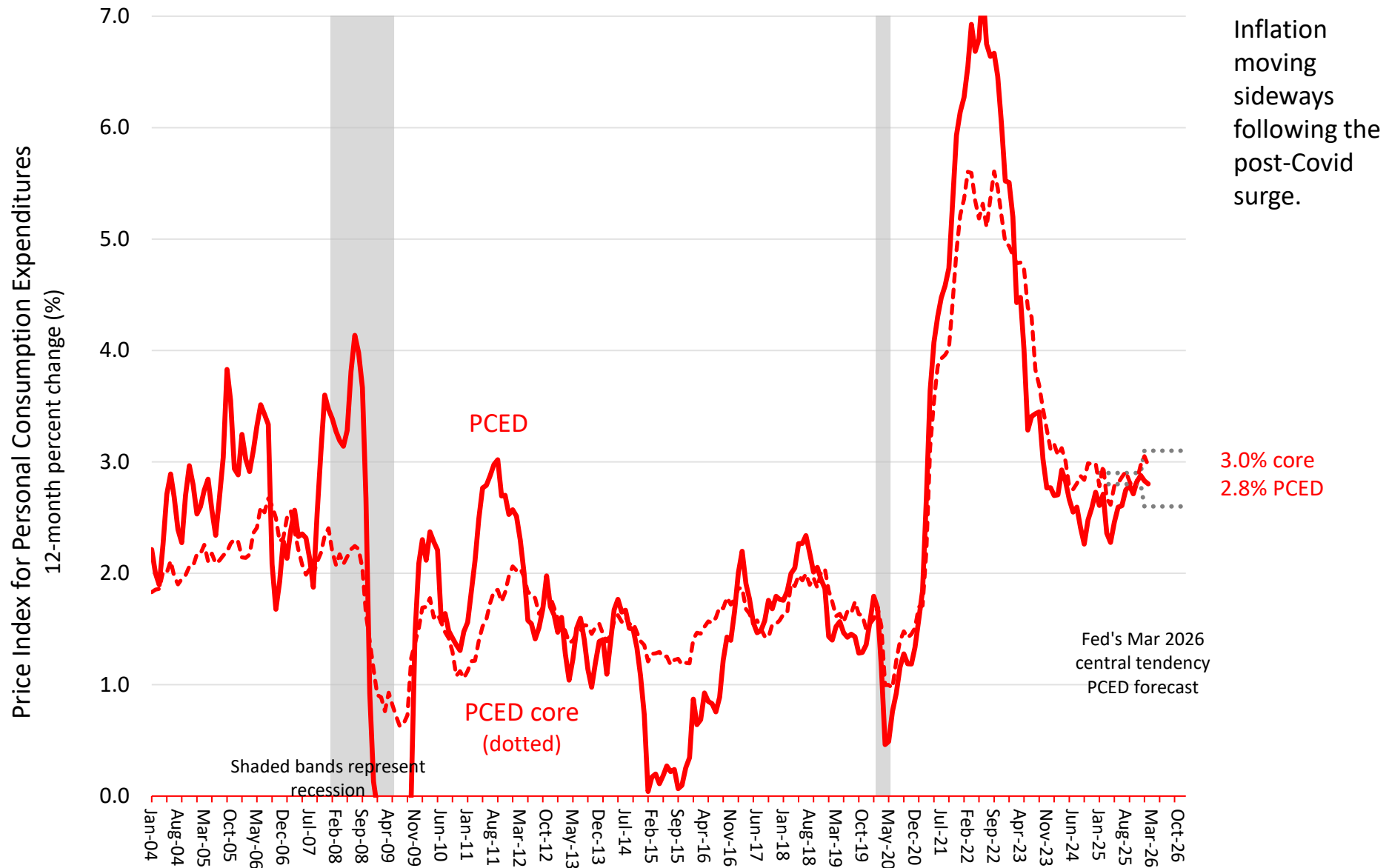
Inflation

CPI



Source: LSEG Datastream and © Yardeni Research.

Inflation PCED – headline and core

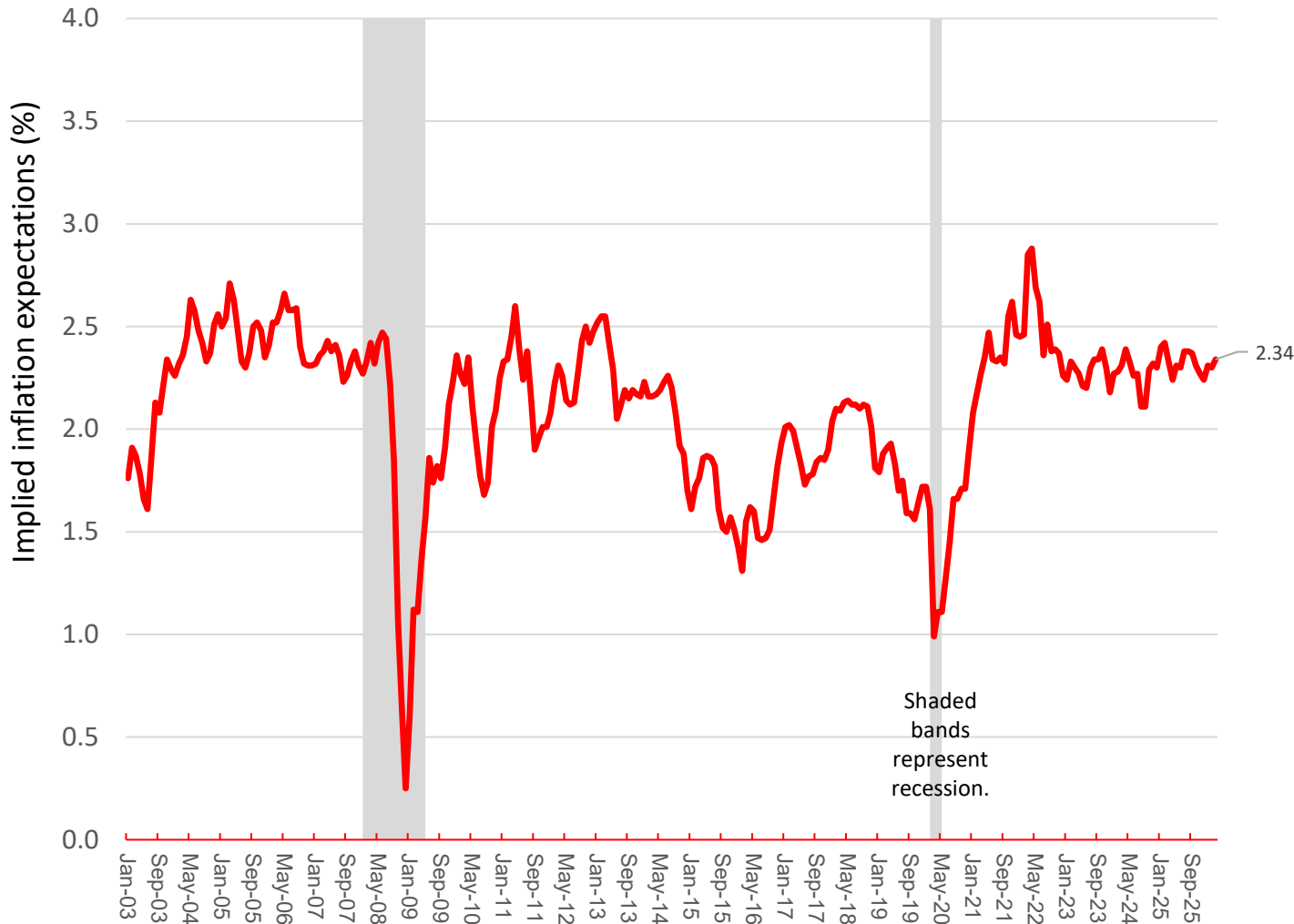


Source: NBER, Federal Reserve Bank of St. Louis. Data through February 2026.

Inflation

Inflation expectations

U.S. Treasury Bond Yield minus TIPS Yield
10-year Maturity



The difference between the nominal 10-year Treasury bond yield and the TIPS yield gives the market's opinion for a 10-year inflation forecast.

Federal revenues and outlays through 2036

Percentage of GDP

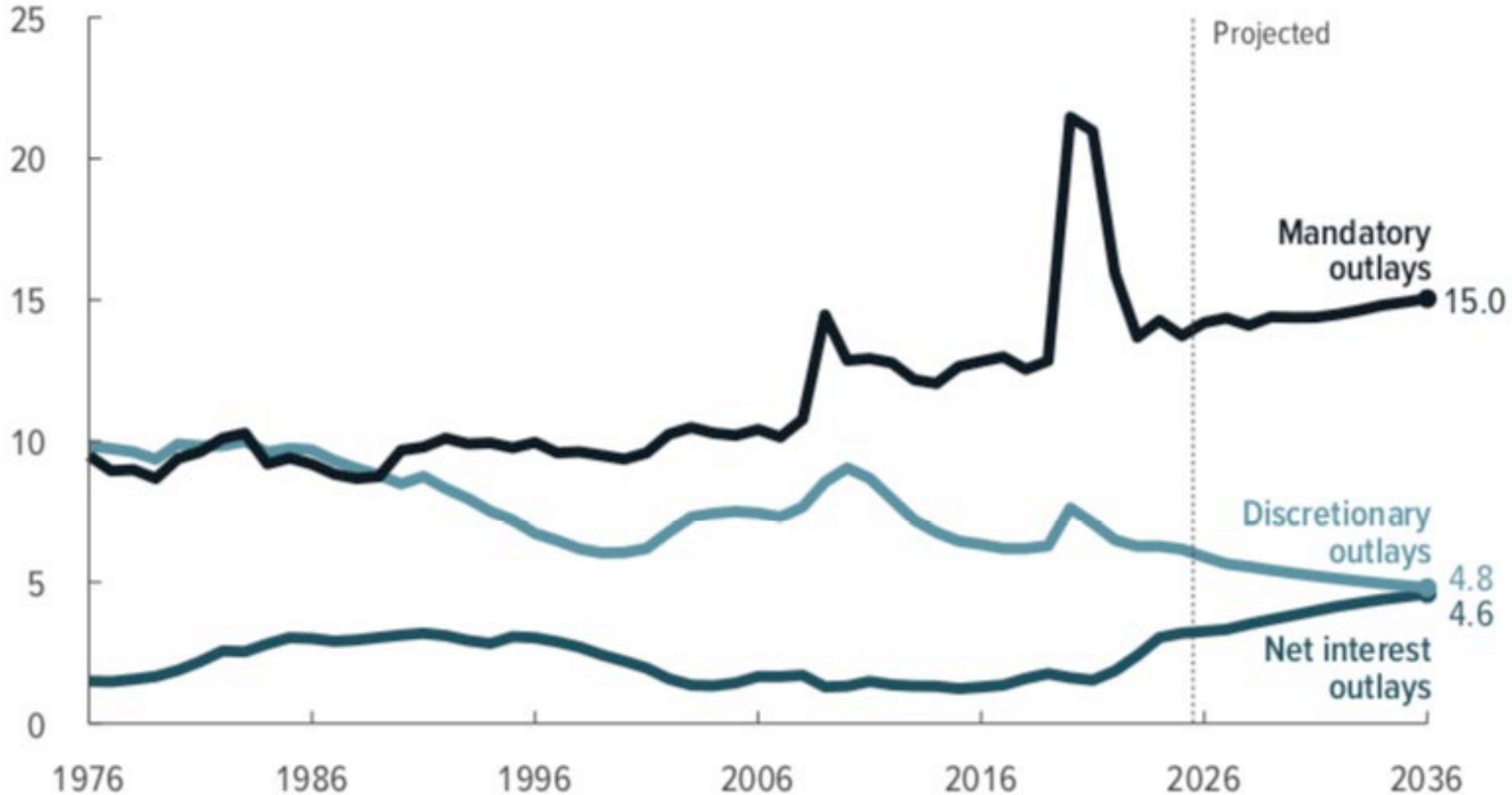


Source: Congressional Budget Office, *The Budget and Economic Outlook: 2026 to 2036*, released February 2026.

Federal deficit and debt

Federal outlays through 2036

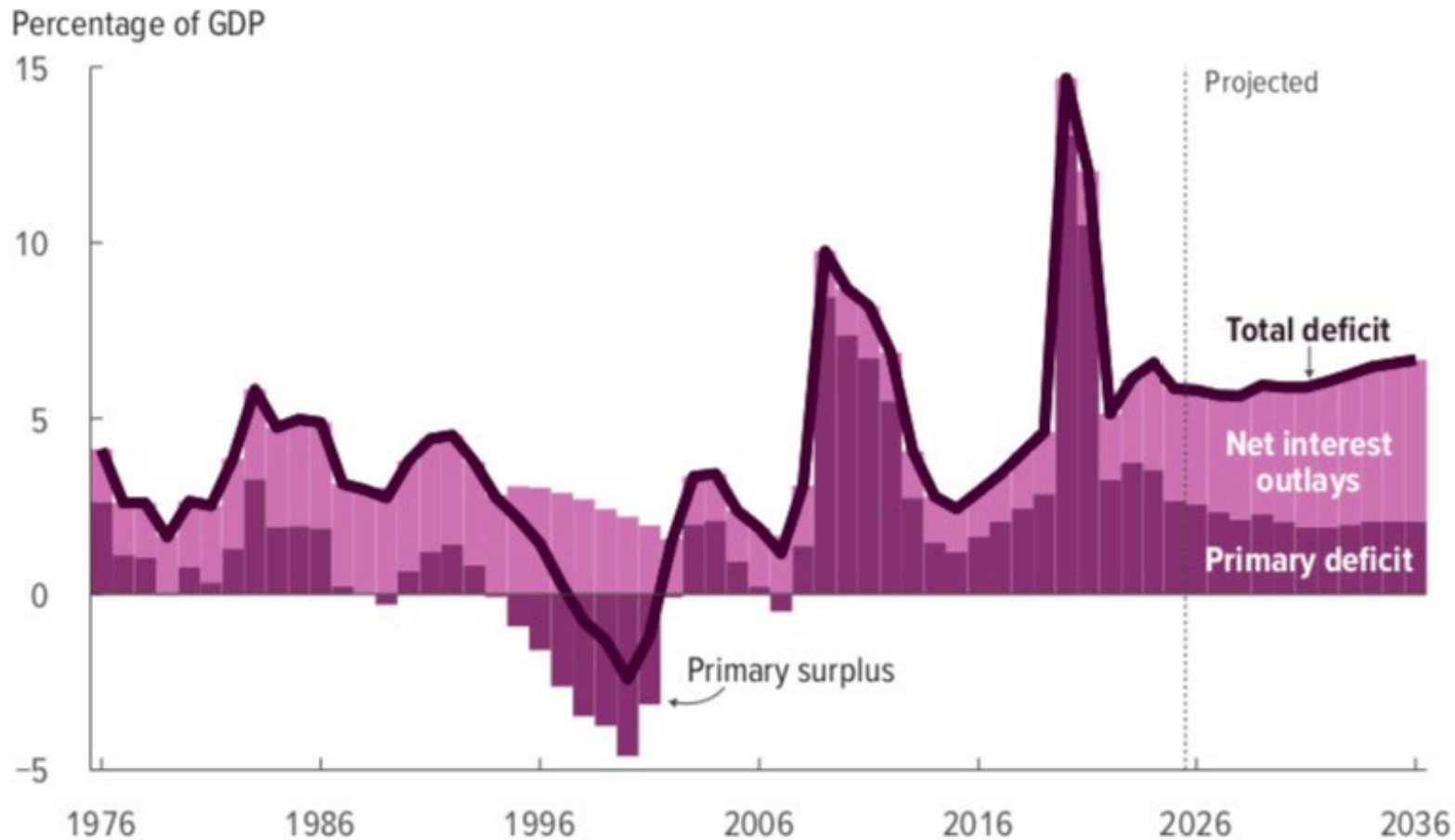
Percentage of GDP



Source: Congressional Budget Office, *The Budget and Economic Outlook: 2026 to 2036*, released February 2026.

Federal deficit and debt

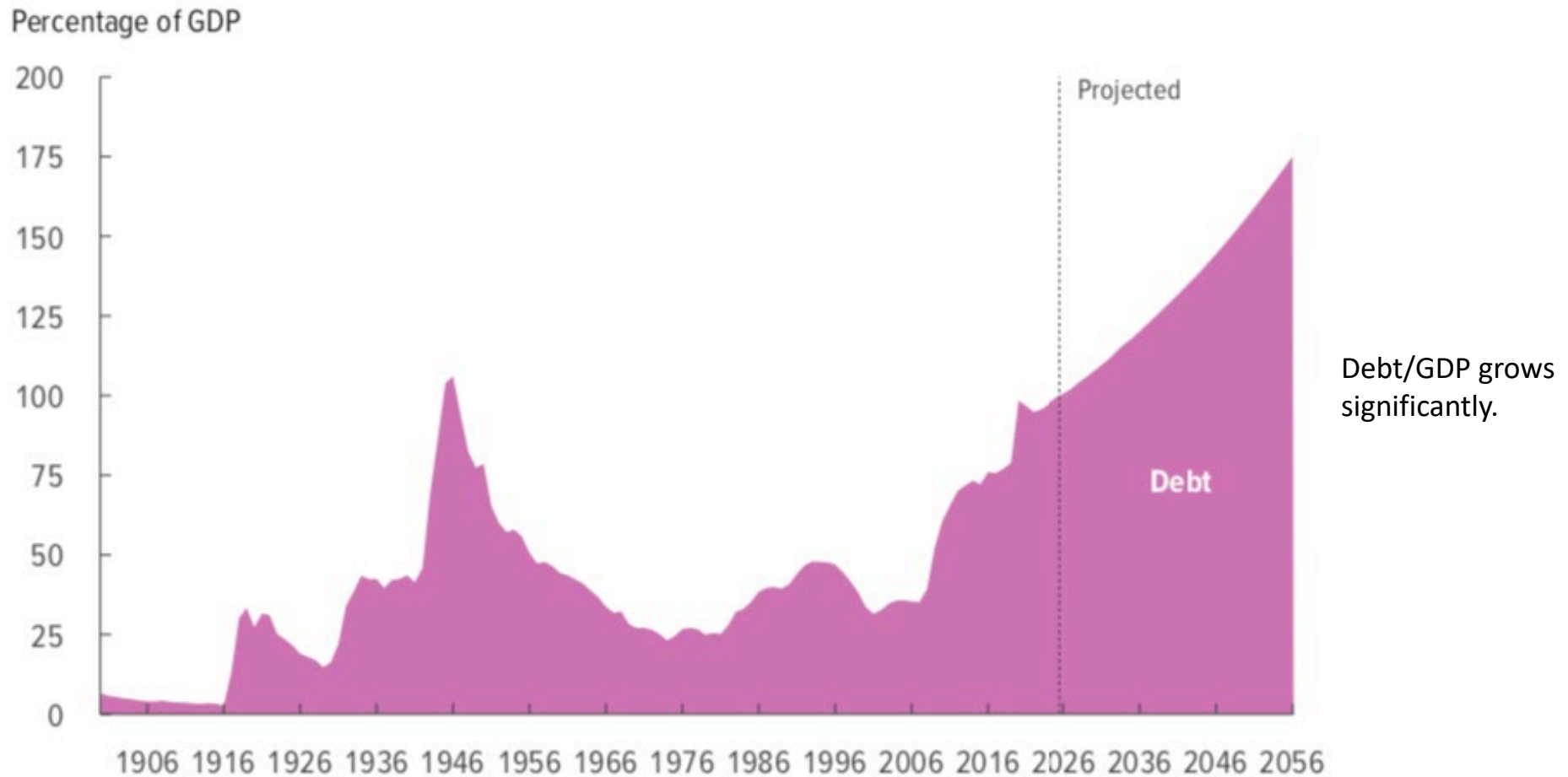
Federal deficits % of GDP though 2036



Net interest becomes the major part of deficits.

Federal deficit and debt

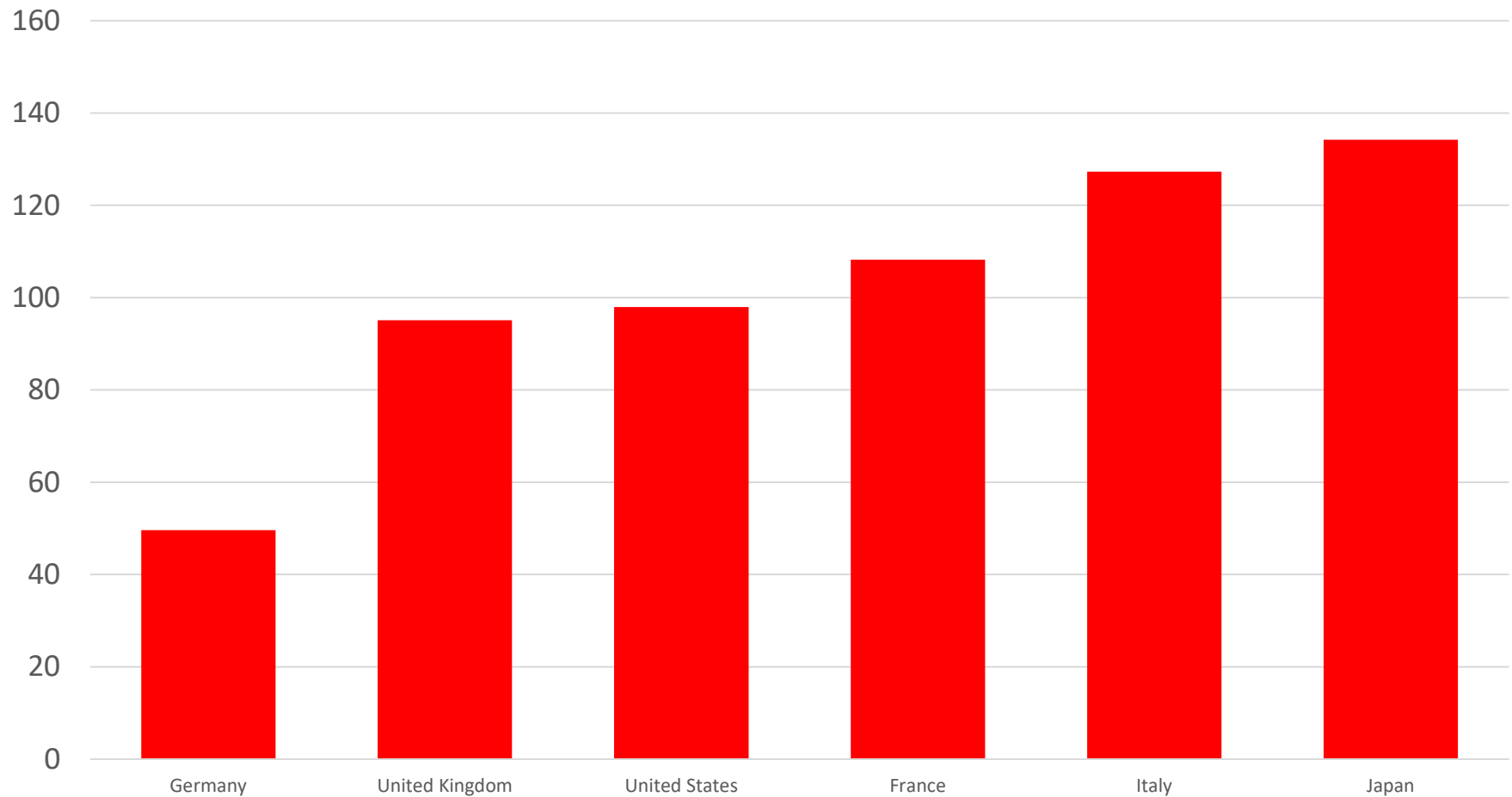
Federal debt % of GDP though 2056



Source: Congressional Budget Office, *The Budget and Economic Outlook: 2026 to 2036*, released February 2026.

Net debt % of GDP selected countries

Net Government Debt % of GDP
2025 estimates



THE WALL STREET JOURNAL.

The Social Security Crisis is Coming

... the Social Security system's trustees in late June sent a signal so alarming that America can't ignore it: Unless lawmakers do something, the system's trust fund will be exhausted in the first quarter of 2033—sooner than earlier reports predicted. The crisis will trigger large cuts in benefits to current and new beneficiaries.

If lawmakers acted tomorrow, restoring Social Security's long-term solvency would require a 22% benefit cut for future beneficiaries, a payroll tax increase to 16%, up from the current 12%, or a combination of benefit cuts and tax hikes.

If we waited until the trust fund was depleted, we would have to cut benefits by nearly 26%, or the payroll tax would have to rise to nearly 17%.

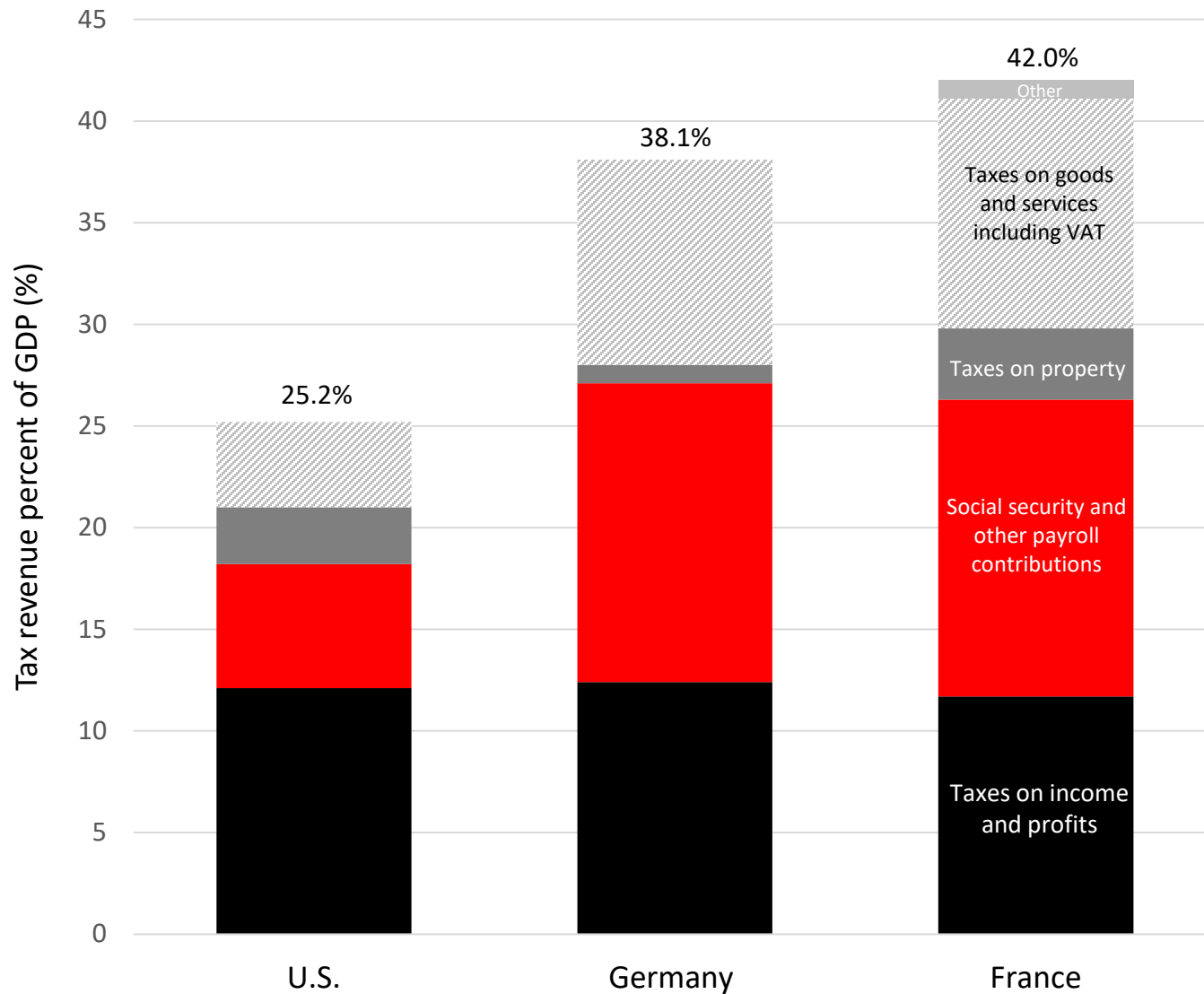
THE WALL STREET JOURNAL.

Big Tax Hikes Are Coming

... These demographic and political realities point to the same conclusion: that increased revenue will be needed to secure these programs for the long term. Americans may be reluctant to see their taxes go up, but they will be even less willing to see their Social Security and Medicare benefits go down.

... Unless the actuaries are too pessimistic, the next president will be forced to address this issue, and so will a Congress that by and large has forgotten how to legislate across party lines.

Tax structure U.S. vs. France and Germany

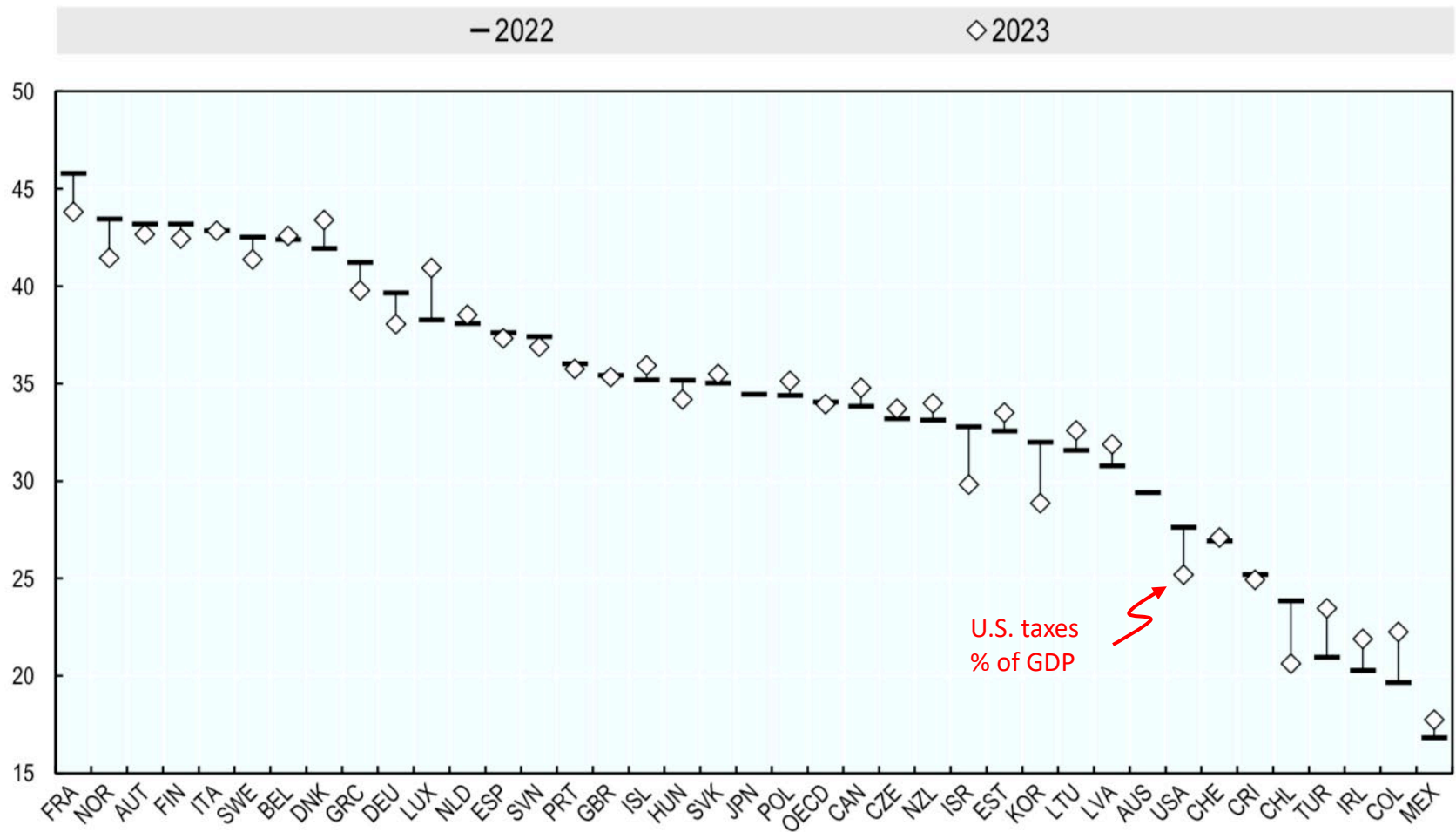


The U.S. has a much lower total tax burden and takes a very different approach to raising tax revenues compared to most other developed economies.

Taxes % of GDP – 38 OECD countries

Figure 1.4. Tax-to-GDP ratios in 2022 and 2023p

Percent of GDP



Important Information

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The opinions expressed are those of the author, are based on current market conditions and are subject to change without notice.

These materials may contain statements that are not purely historical in nature but are “forward-looking statements.” These include, among other things, projections, forecasts, estimates of income, yield or return or future performance targets. These forward-looking statements are based upon certain assumptions, some of which are described herein. Actual events are difficult to predict and may substantially differ from those assumed. All forward-looking statements included herein are based on information available on the date hereof and Fritz Meyer assumes no duty to update any forward-looking statement. Accordingly, there can be no assurance that estimated returns or projections can be realized, that forward-looking statements will materialize or that actual returns or results will not be materially lower than those presented.

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