



Osher Lifelong Learning Institute, Summer 2026 Contemporary Economic Policy Issues

OLLI – Dominican University, San Rafael
July, 2026

Host: Jon Haveman
National Economic Education Delegation



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National Economic Education Delegation

- **Vision**

- One day, the public discussion of policy issues will be grounded in an accurate perception of the underlying economic principles and data.

- **Mission**

- NEED unites the skills and knowledge of a vast network of professional economists to promote understanding of the economics of policy issues in the United States.

- **NEED Presentations**

- Are **nonpartisan** and intended to reflect the consensus of the economics profession.



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Who Are We?

- **Honorary Board: 54 members**

- 2 Fed Chairs: Janet Yellen, Ben Bernanke
- 6 Chairs Council of Economic Advisers
 - o Furman (D), Rosen (R), Bernanke (R), Yellen (D), Tyson (D), Goolsbee (D)
- 4 Nobel Prize Winners
 - o Akerlof, Smith, Maskin, and Bernanke

- **Delegates: 652+ members**

- At all levels of academia and some in government service
- All have a Ph.D. in economics
- Crowdsource slide decks
- Give presentations

- **Global Partners: 48 Ph.D. Economists**

- Aid in slide deck development

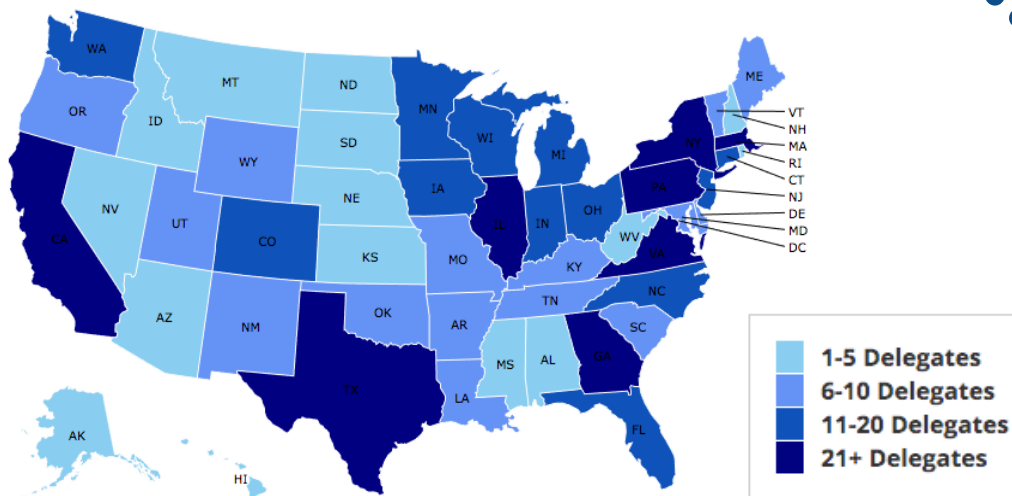


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Where Are We?

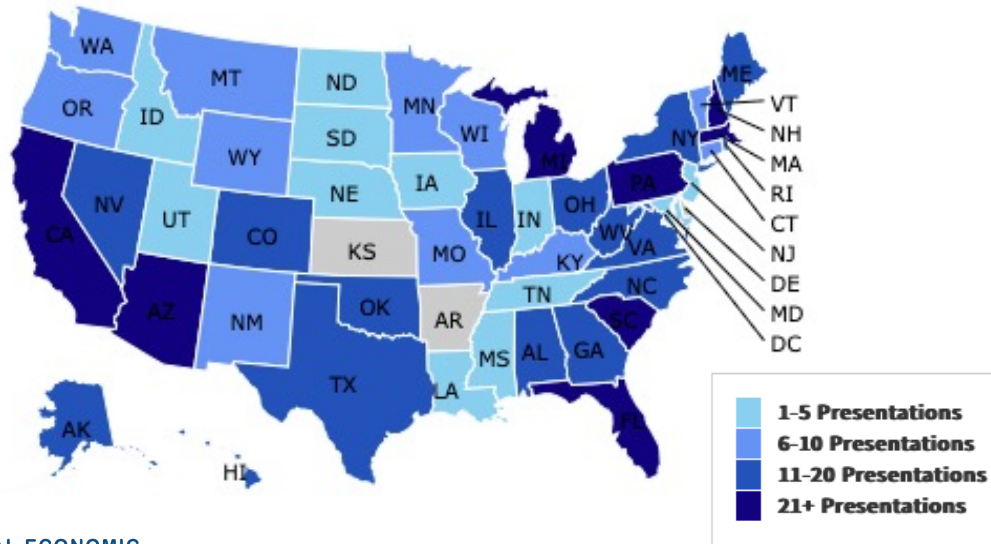


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Where Have We Presented? (1,380 Talks)



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Available NEED Topics Include:

- US Economy
- Healthcare Economics
- Climate Change
- Economic Inequality
- Economic Mobility
- Trade and Globalization
- Minimum Wages
- Immigration Economics
- Saving Social Security
- Federal Budgets
- Federal Debt
- Black-White Wealth Gap
- Autonomous Vehicles
- Healthcare Economics

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Course Outline

- **Contemporary Economic Policy**

- **Week 1 (7/8): US Economic Update**
- Week 2 (7/15): The Economics of Immigration
- Week 3 (7/22): Tariff Economics
- Week 4 (7/29): Saving Social Security



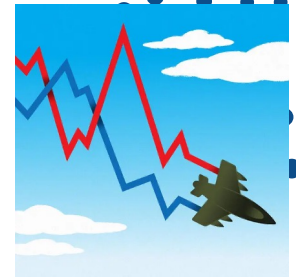
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Submitting Questions

- **Submit questions in the chat.**
 - I will try to handle them as they come up.
- **We will do a verbal Q&A once the material has been presented.**
- **Slides will be available from the NEED website shortly.**
https://needecon.org/delivered_presentations.php
- **Also: Break at 10:55 for 5 minutes.**



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U.S. Economic Update

OLLI – Dominican University

Jon Haveman, Ph.D.
NEED
July 8, 2026



Outline

- The U.S. Economy
- Economic Indicators
- Big Picture: Uncertainty

The U.S. Economy



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Some Basic Statistics, June 2026

Statistic:	Value
Population	342.7 Million
Labor Force	169.4 Million
Employment	162.3 Million
Gross Domestic Product (GDP)	\$31.9 Trillion
Income per Capita	\$77,790
Ave. Hourly Earnings	\$37.64



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Source: fred.stlouisfed.org

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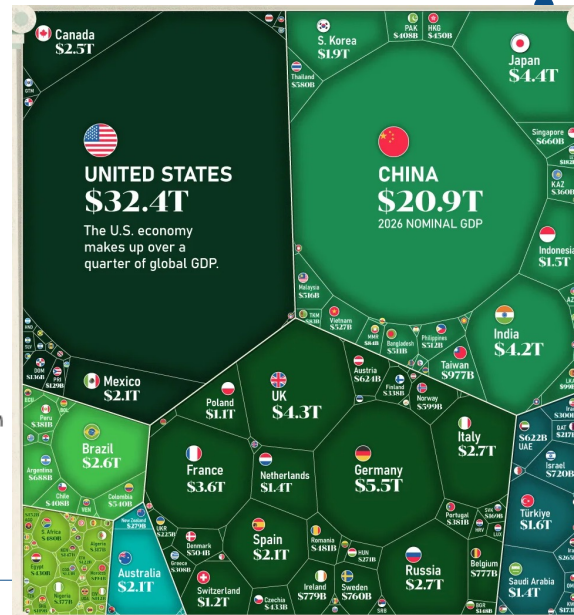
U.S. Economy in Global Perspective

U.S. Nominal GDP:

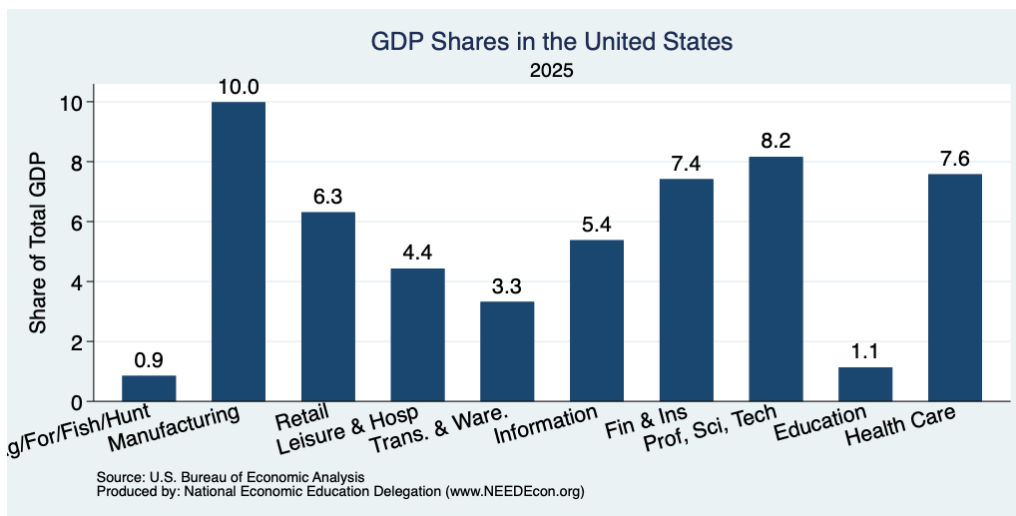
\$21.9 trillion in 2019-Q4
\$19.9 trillion in 2020-Q2
\$32.4 trillion in 2026-Q1

% Share of the Global Economy

The 173 countries outside the top 20 make up less than a fourth of the total global economy.



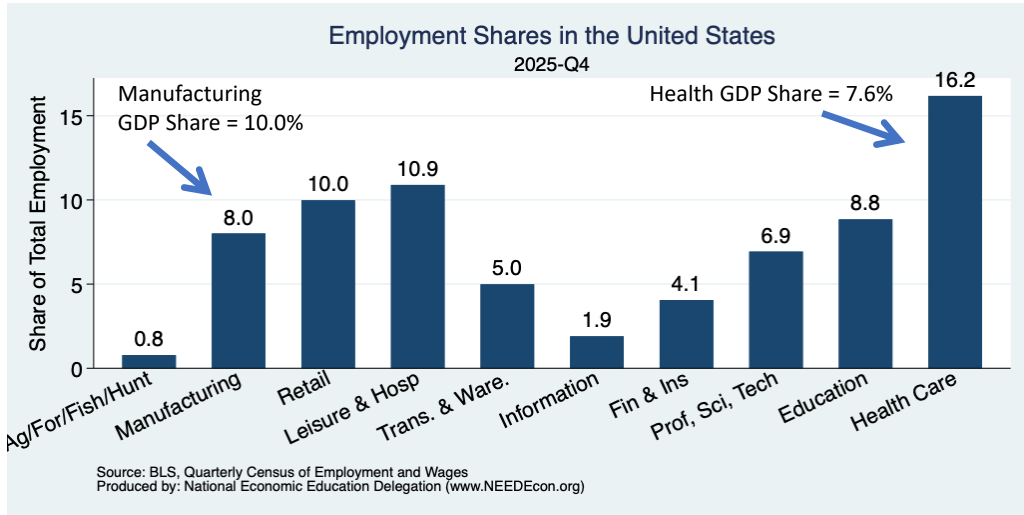
Composition of the U.S. Economy: GDP



Source: U.S. Bureau of Economic Analysis
 Produced by: National Economic Education Delegation (www.NEEDecon.org)

Note: Does not add to 100% because of omitted sectors.

Composition of the U.S. Economy: Employment

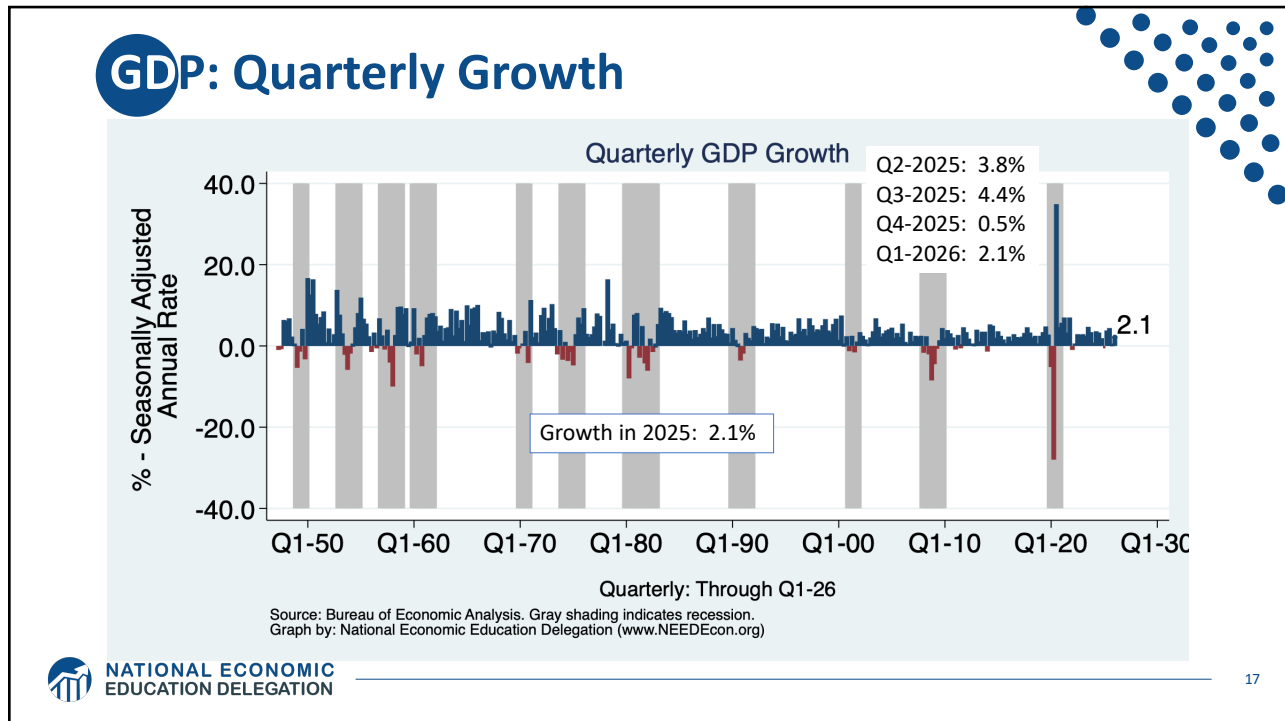


Note: Does not add to 100% because of omitted sectors.

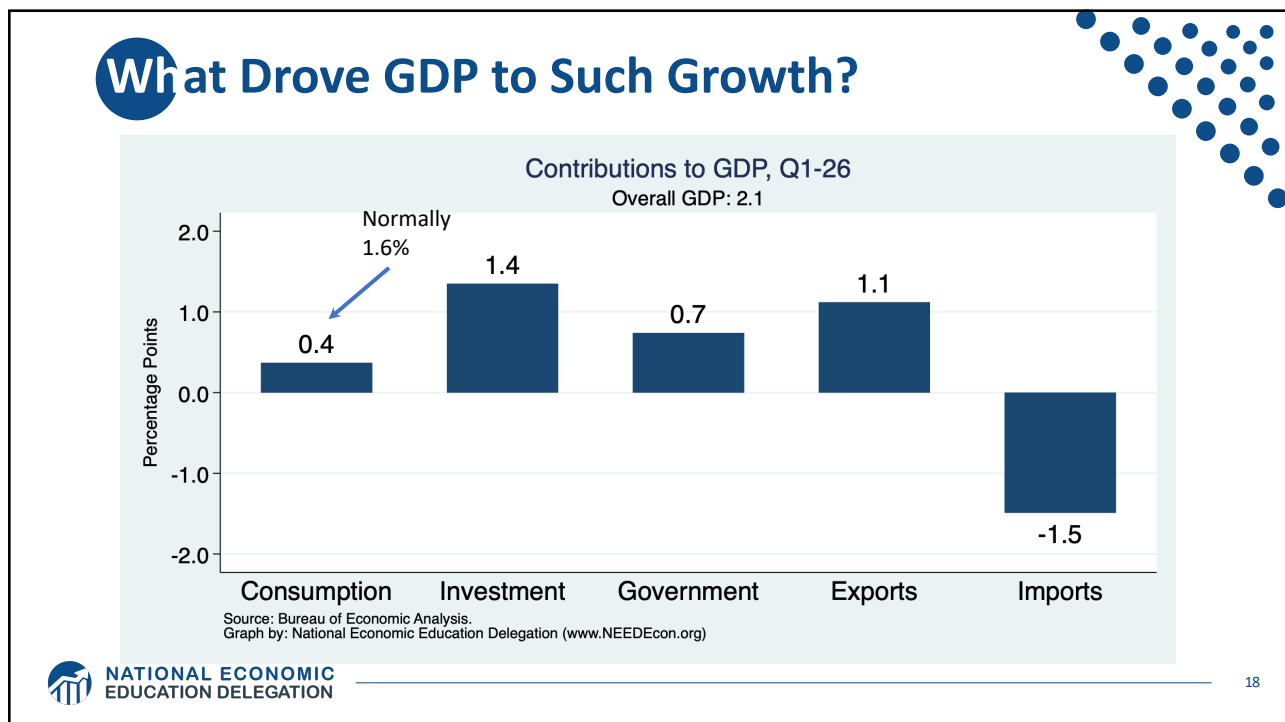
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Economic Indicators

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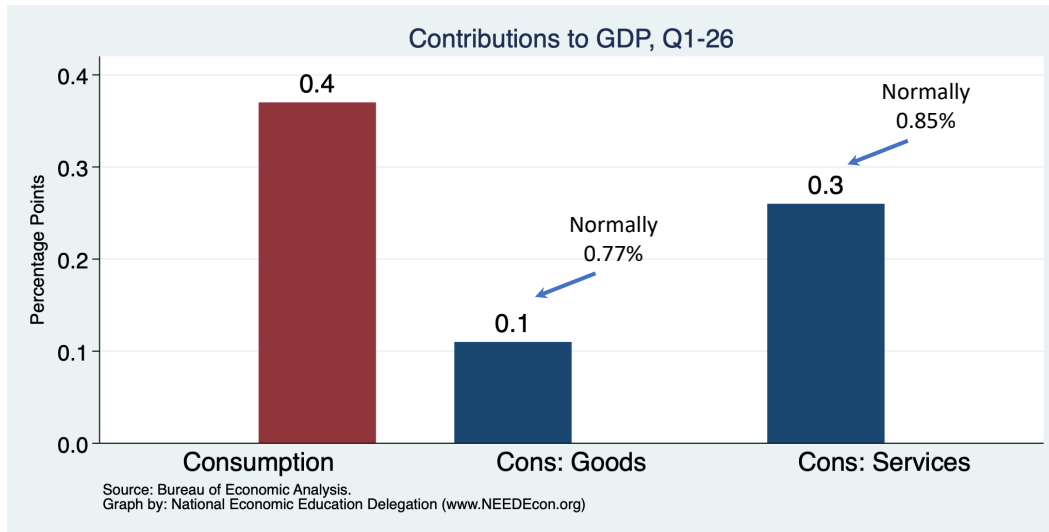


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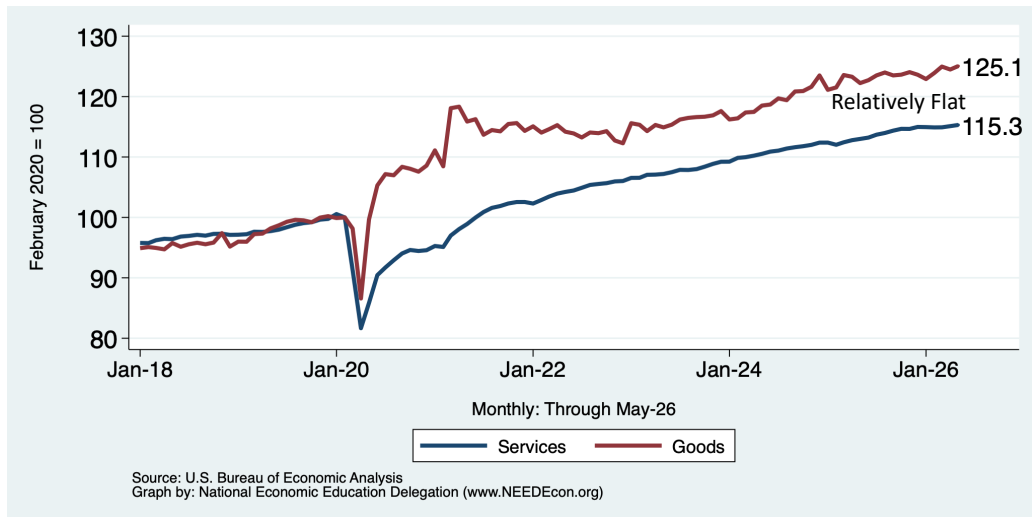
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Consumers Also Tightened

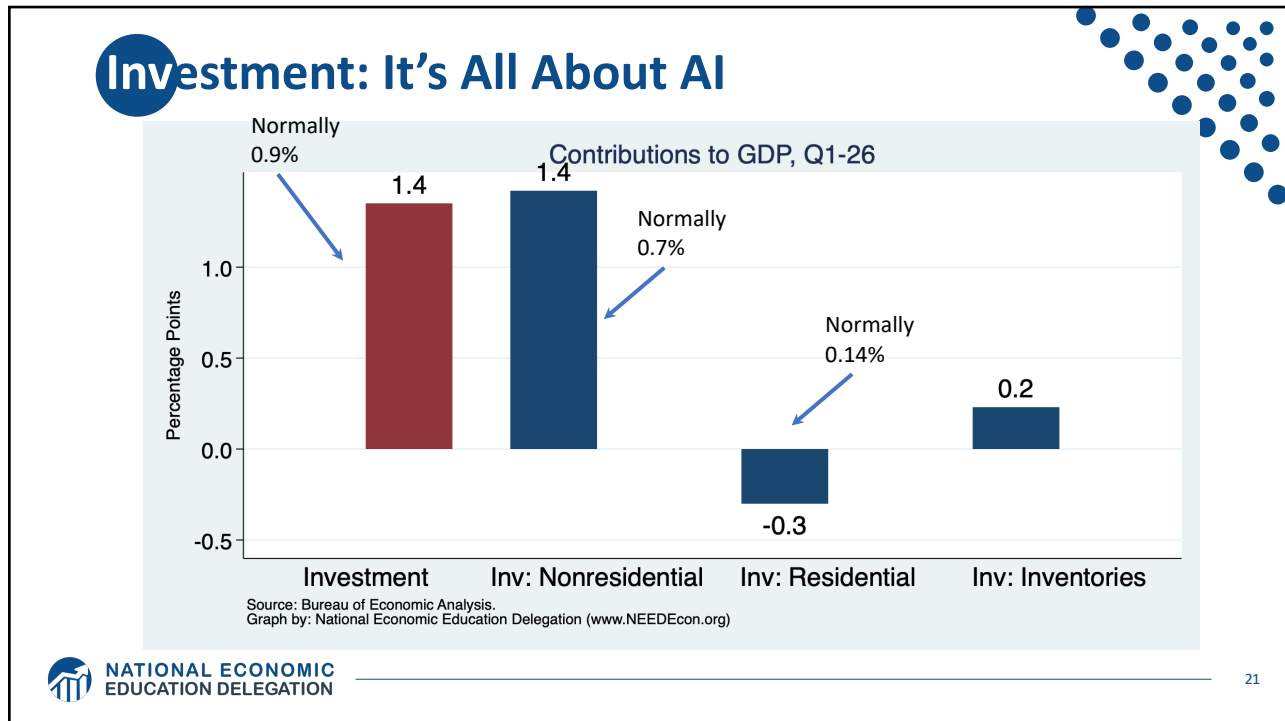


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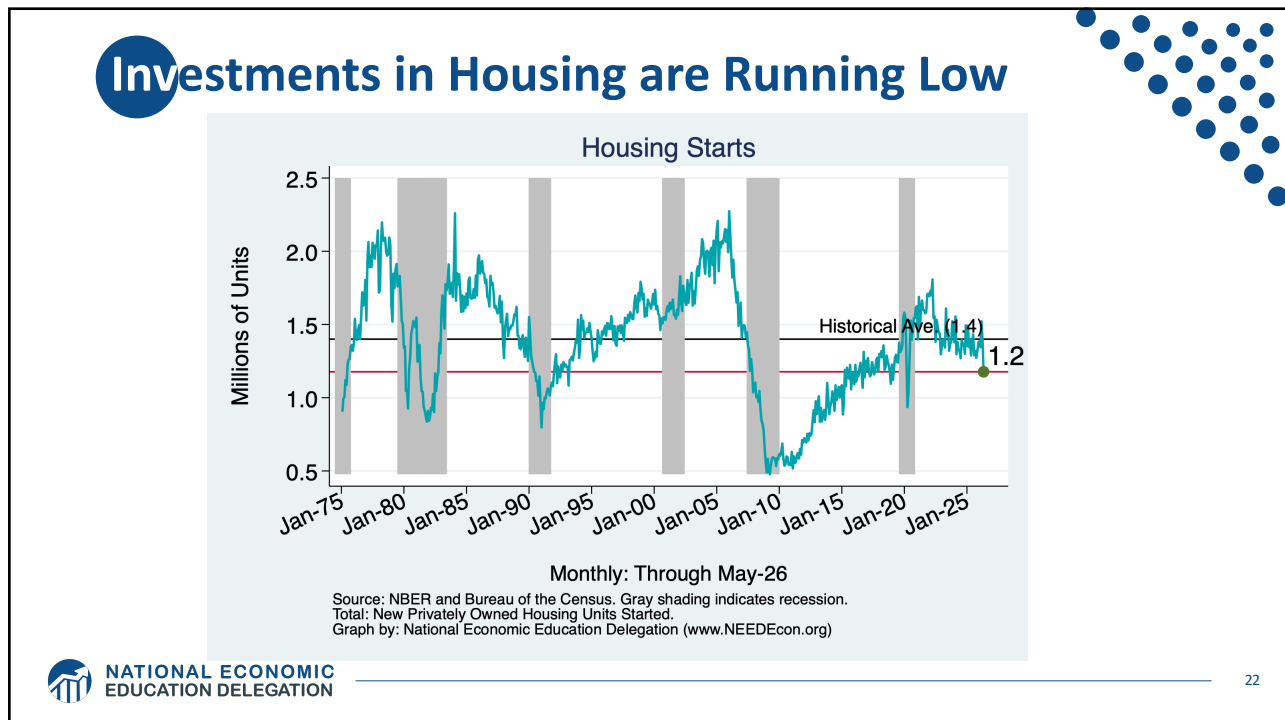
Spending Growth has Been Tepid



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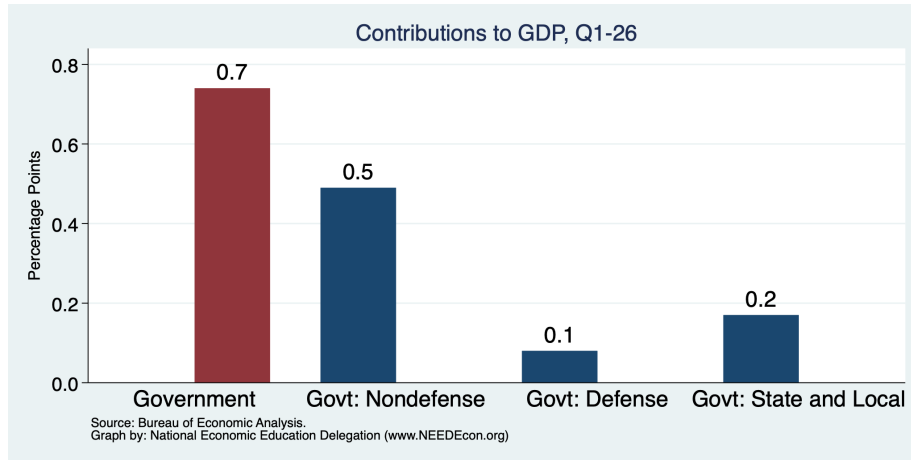


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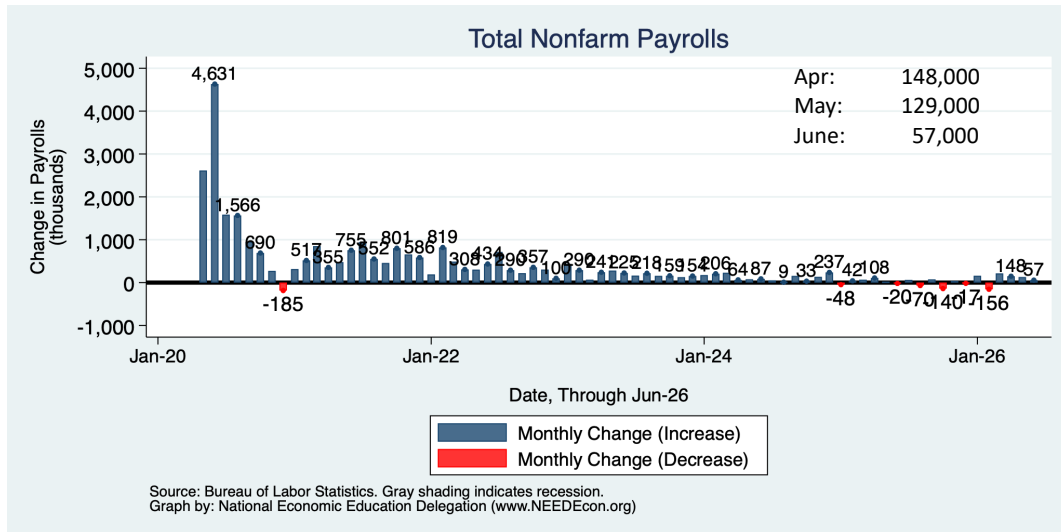
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Government is Steady



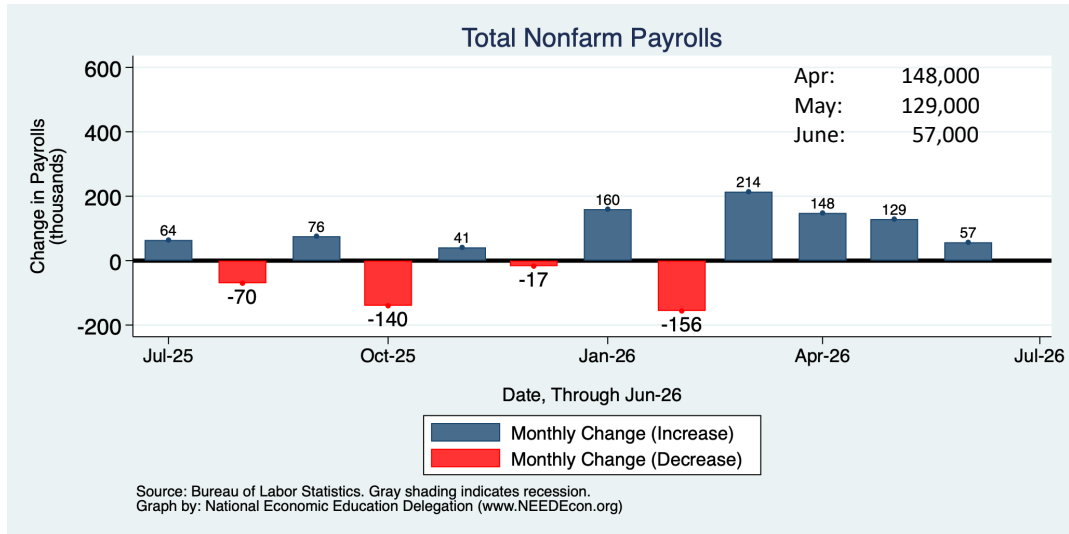
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Monthly Changes in Nonfarm Employment



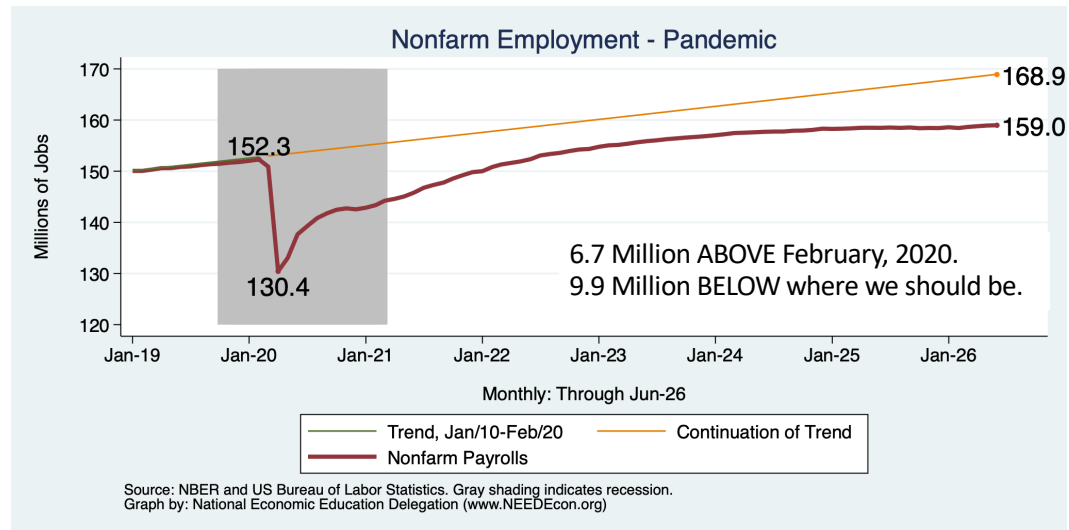
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Monthly Changes in Nonfarm Employment

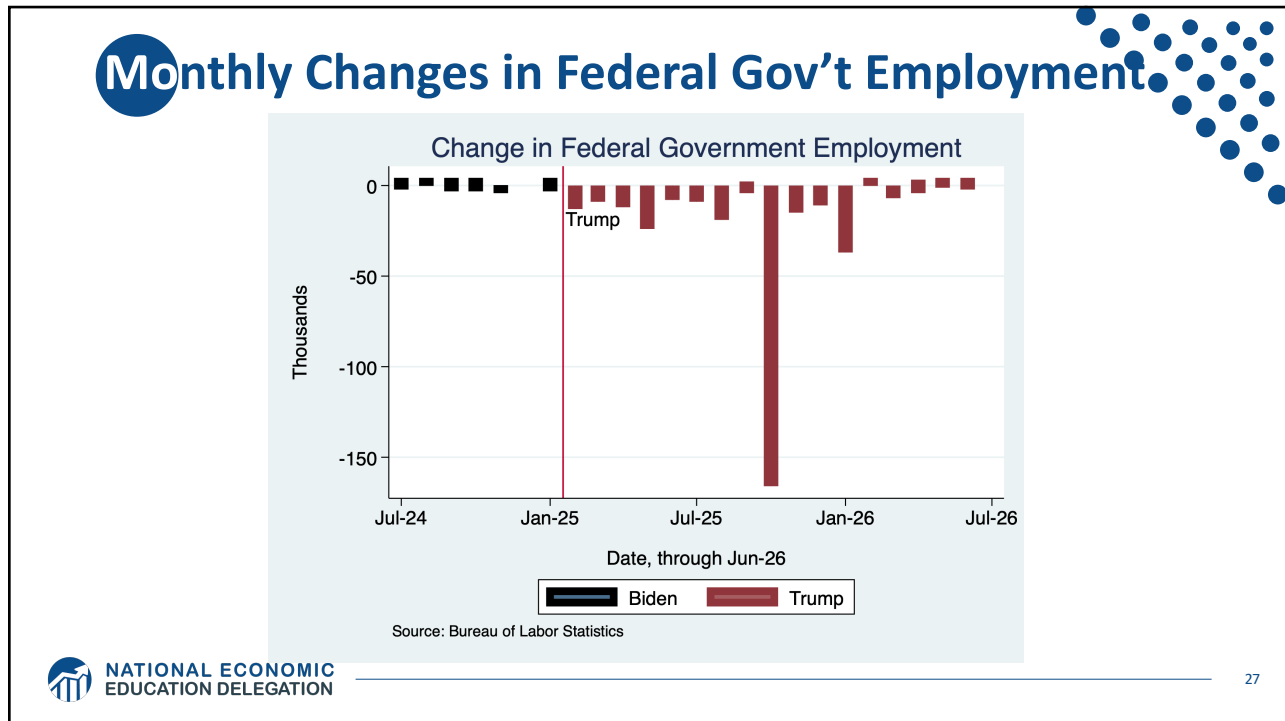


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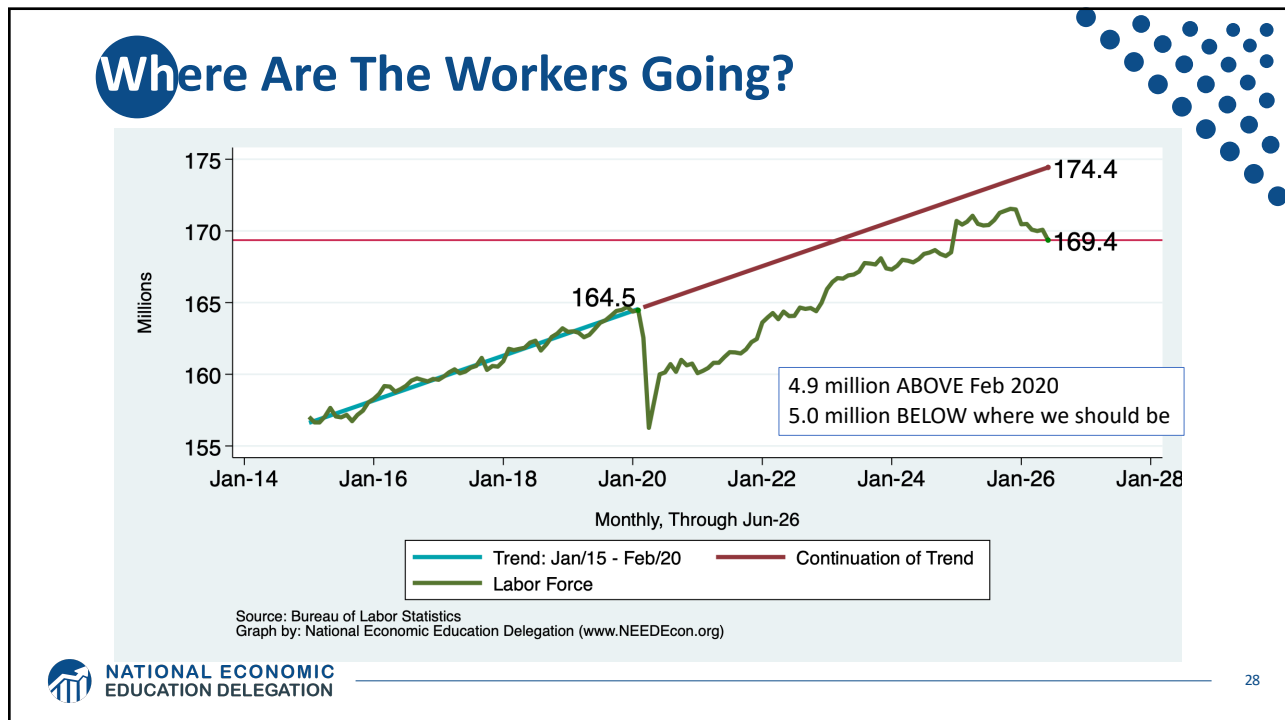
Employment Gap ... is Growing



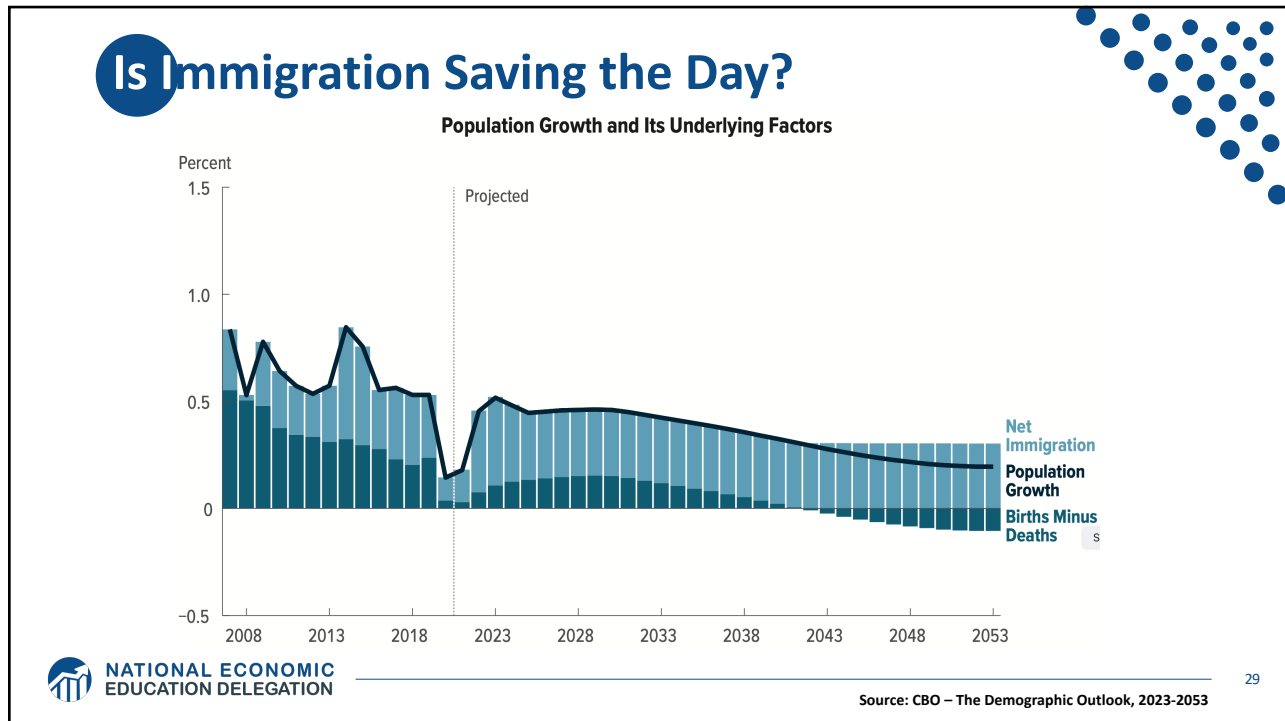
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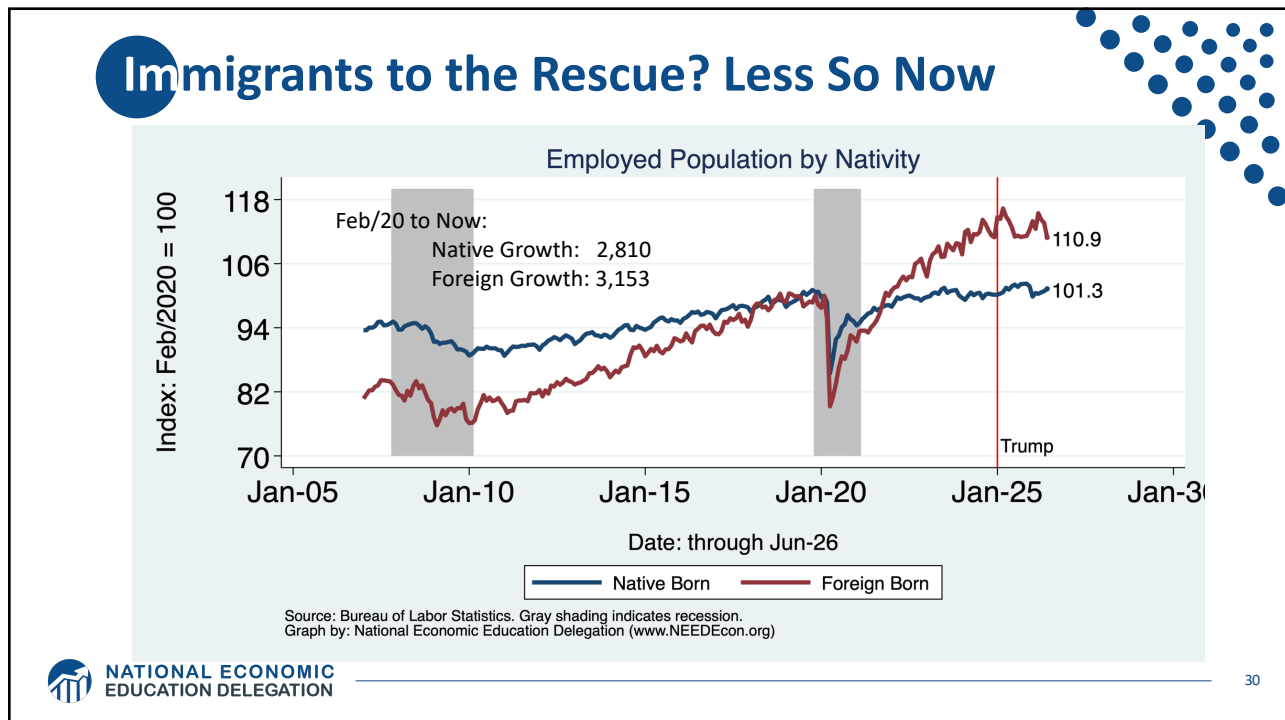
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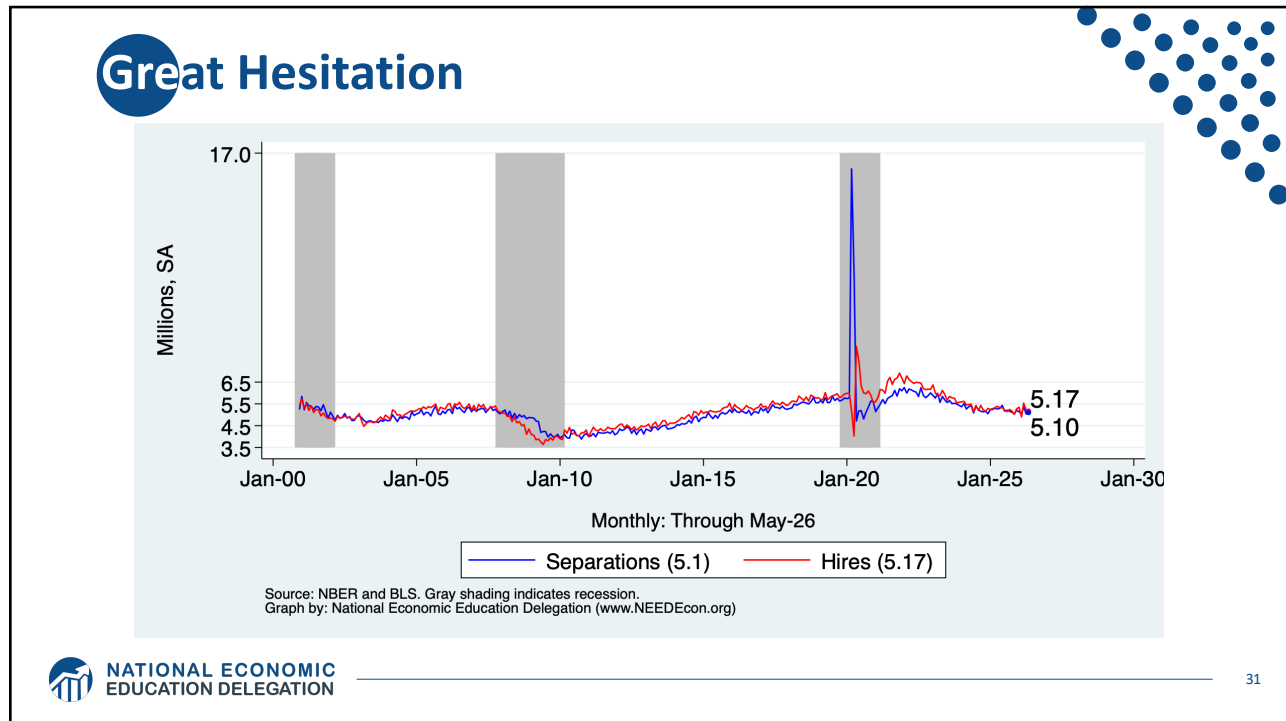
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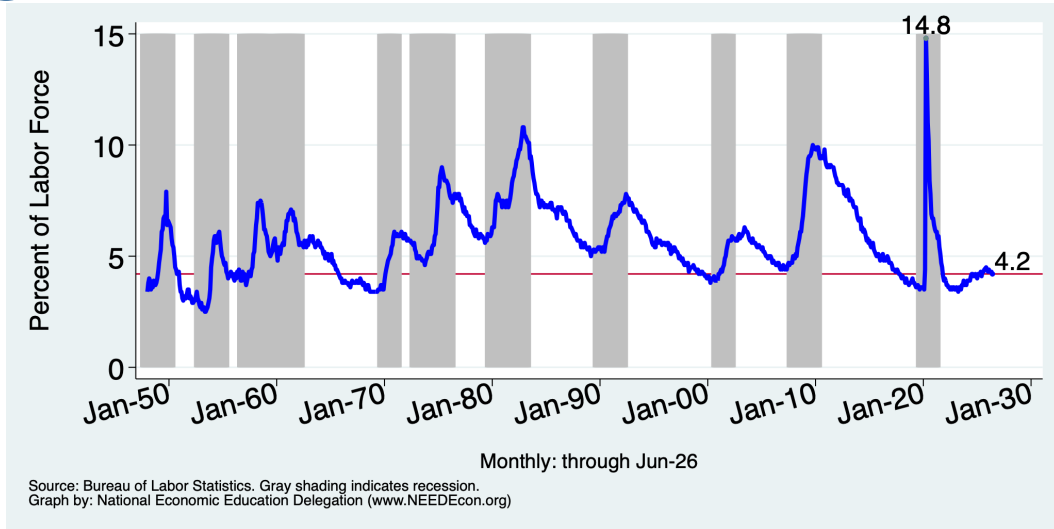
Some Notes on Employment Growth

- **Slowing over the last couple of months.**
 - Ragged before that.
 - Likely connected to slow labor force growth.
- **The slower pace is ok: Just have to keep up with population growth.**
- **Most growth is coming from among the foreign born.**
- **ALL growth is coming from Healthcare and Social Services.**
- **Women now occupy more nonfarm jobs than men.**

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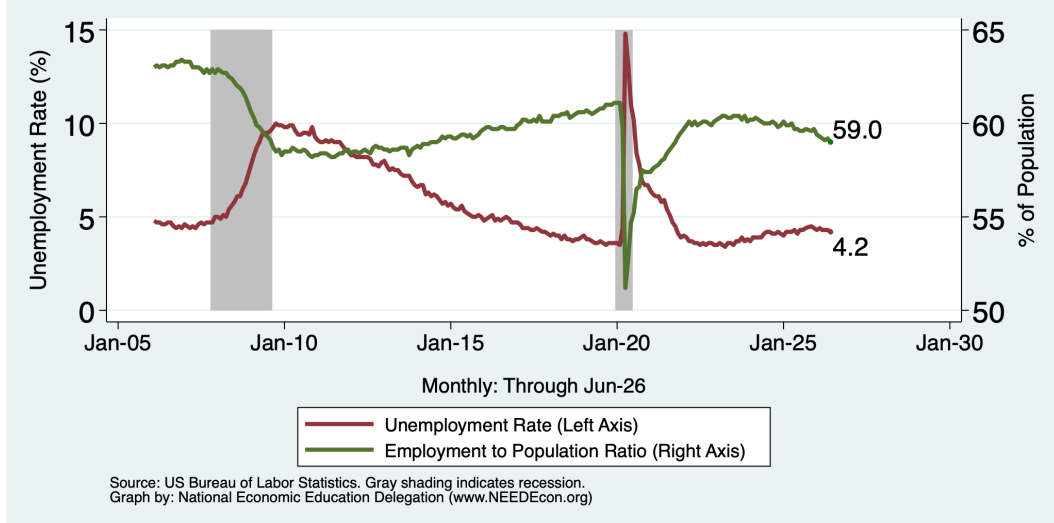
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And Unemployment



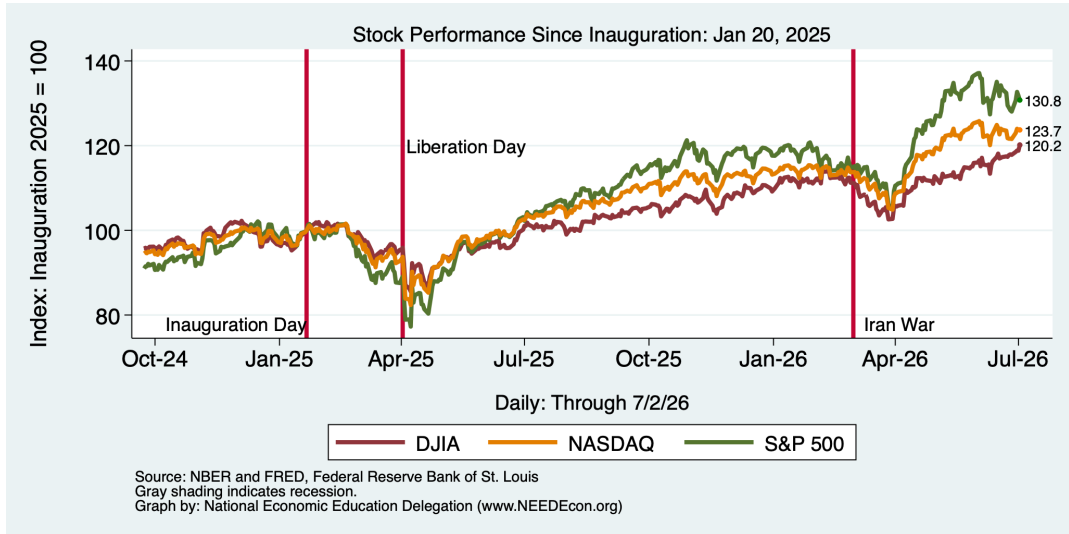
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And Unemployment



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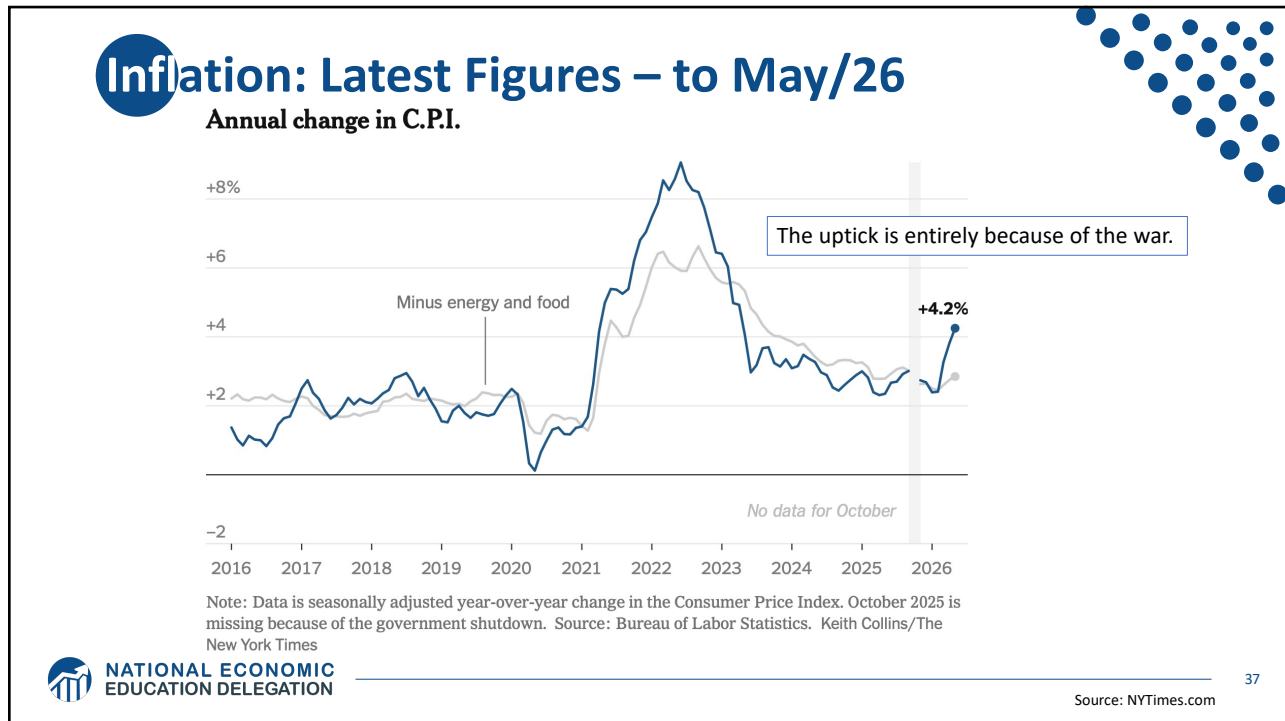
And Stocks?



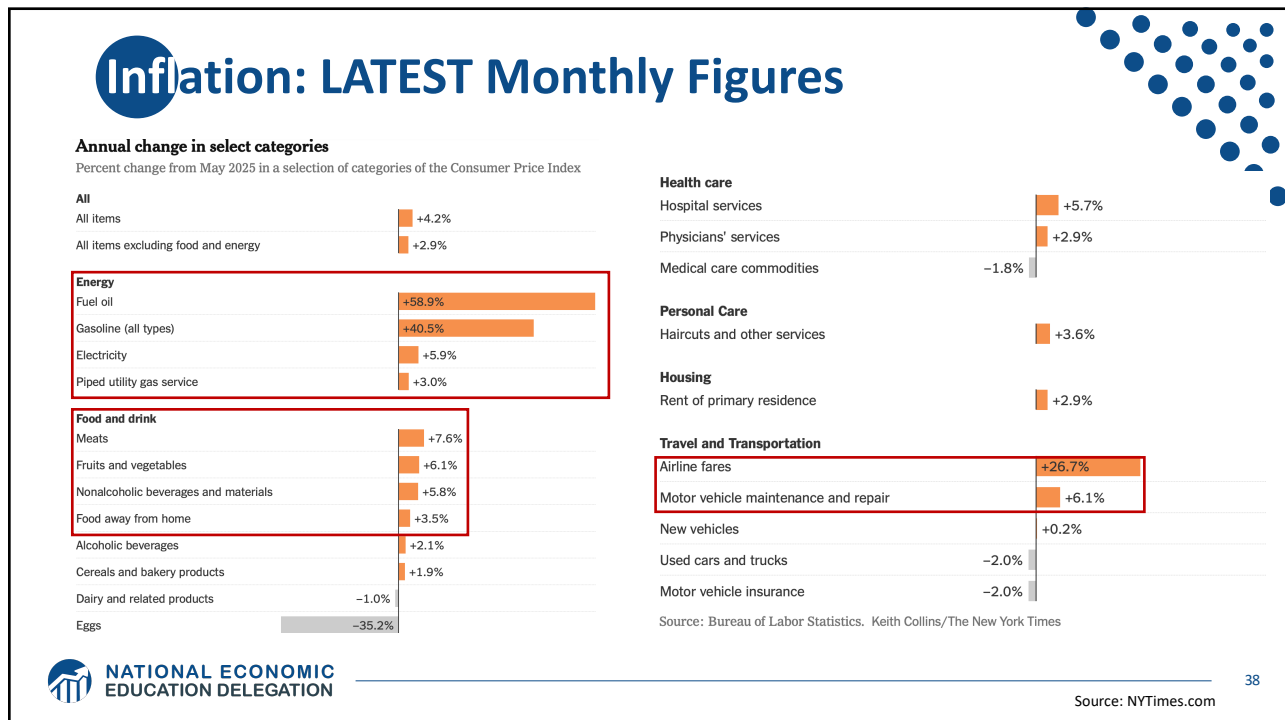
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Inflation

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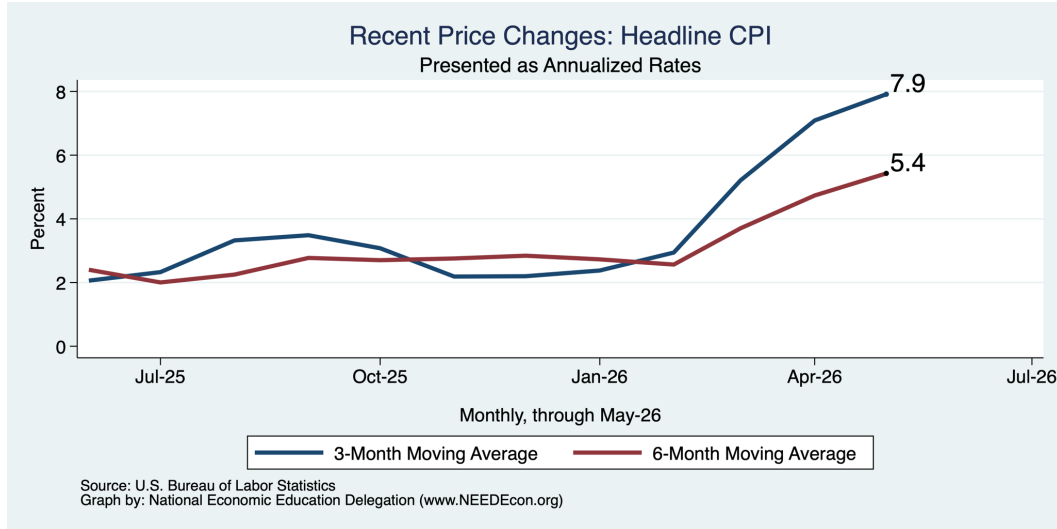


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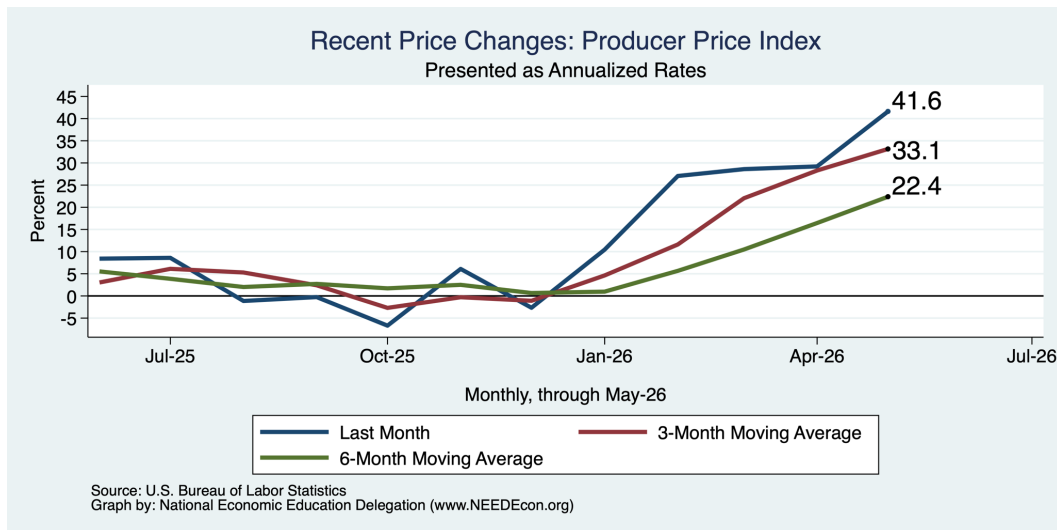


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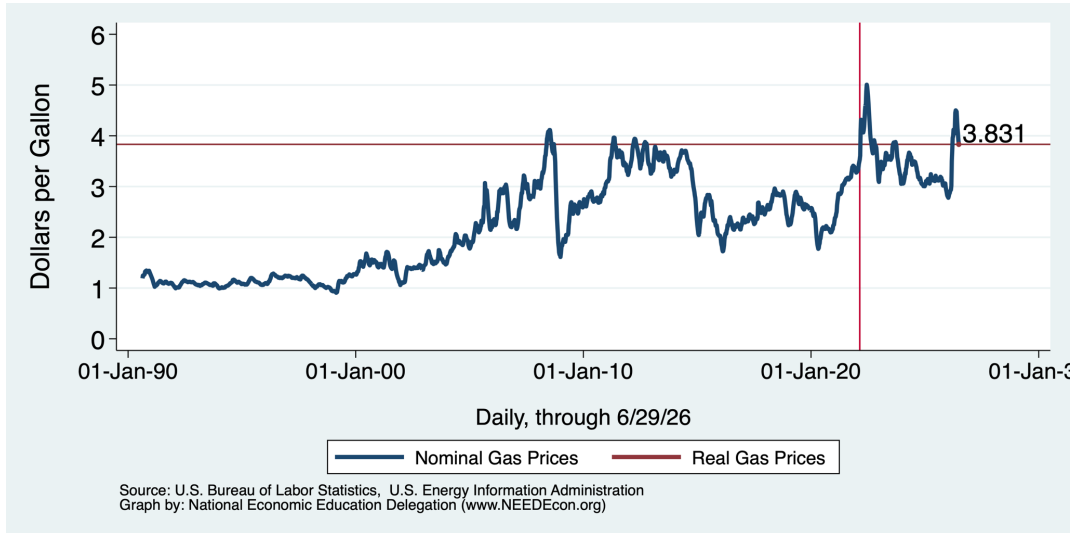
CPI in the Last 3/6 Months



PPI in the Last Few Months

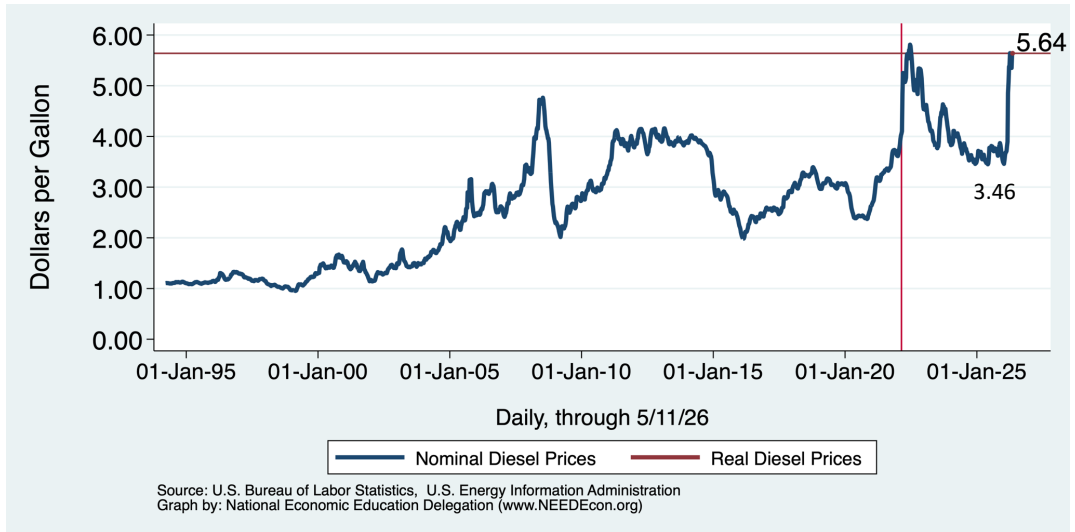


Inflation: Gas Prices



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Inflation: Diesel Prices



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Shortages From the War:

- **Naptha – ink ingredient**
 - Bathrooms, newspapers, cars, and paint.
- **Oil, in particular, heavy jet fuel and diesel (more so than gas for cars)**
- **Ingredients for fertilizer**
 - Nitrogen and phosphate
- **Helium – MRI machines, AI chips, EVs**

- **Wide variety of others.**



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Very Significant Implications

- **Rising fuel prices, especially diesel, impact ALL industries.**
 - Some, of course, more than others.
 - The importance of mobility determines how much.
- **Especially vulnerable industries:**
 - Aviation
 - Transportation
 - Agriculture
 - Manufacturing



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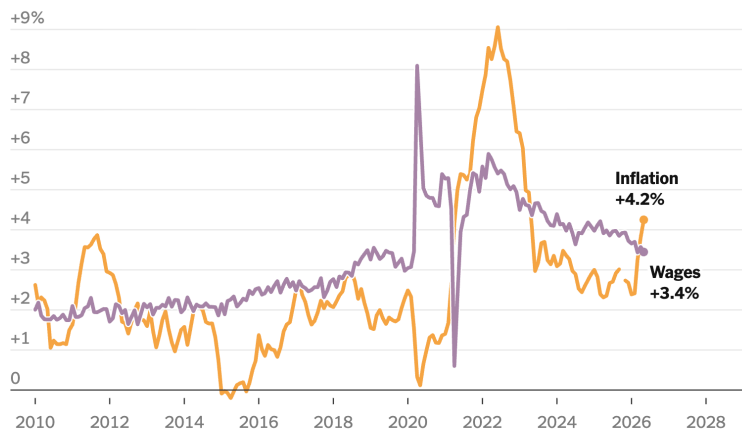
It's Not Just About Oil



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Inflation Outpaces Wage Growth

Inflation rose above wage growth in May



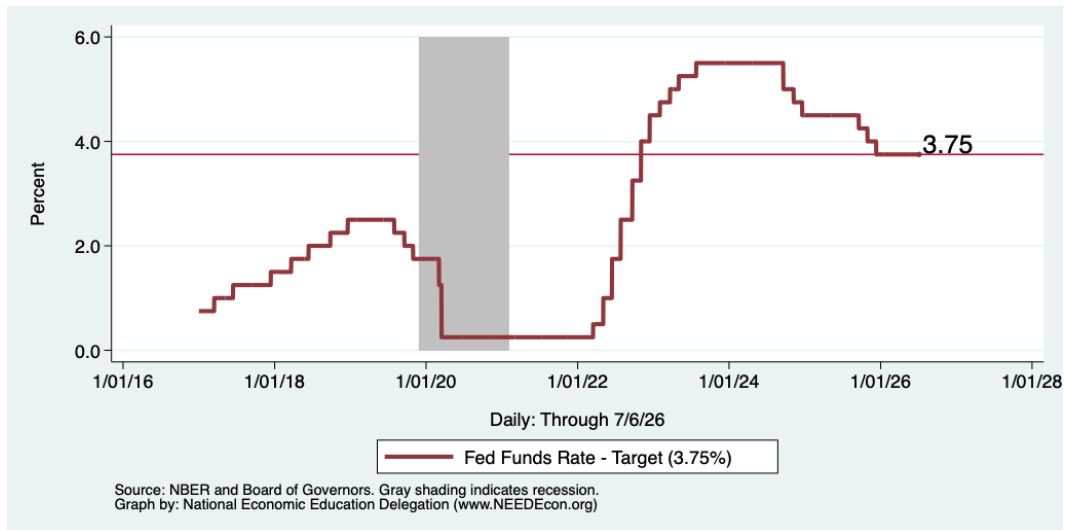
Note: Inflation data is the year-over-year change in the Consumer Price Index, not adjusted for seasonality. Wages are year-over-year changes in average hourly earnings, adjusted for seasonality. Source: Bureau of Labor Statistics. Ben Casselman/The New York Times

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The Fed: Reining in Inflation?

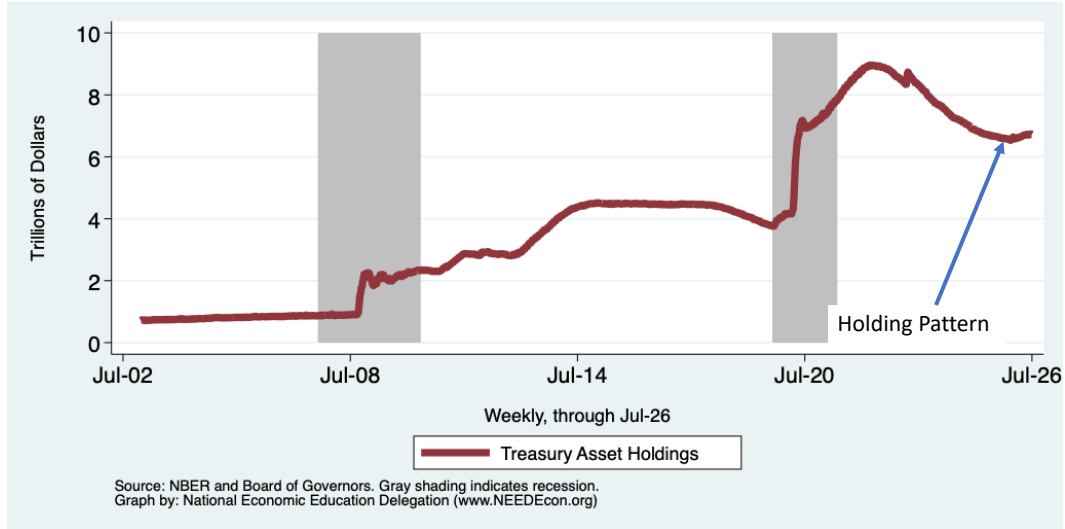
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Federal Funds Rate – Recent Activity

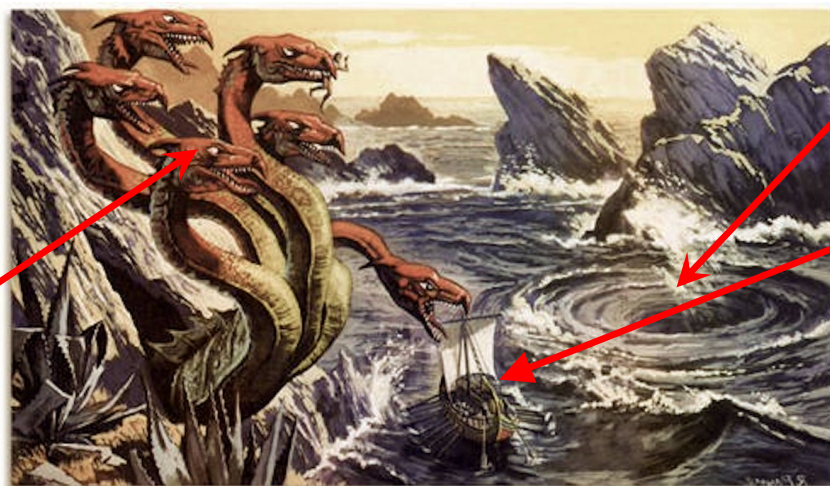


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Fed: Reducing its Asset Holdings



Scylla and Charybdis: "A Rock and a Hard Place"



Recession
(Unemployment)

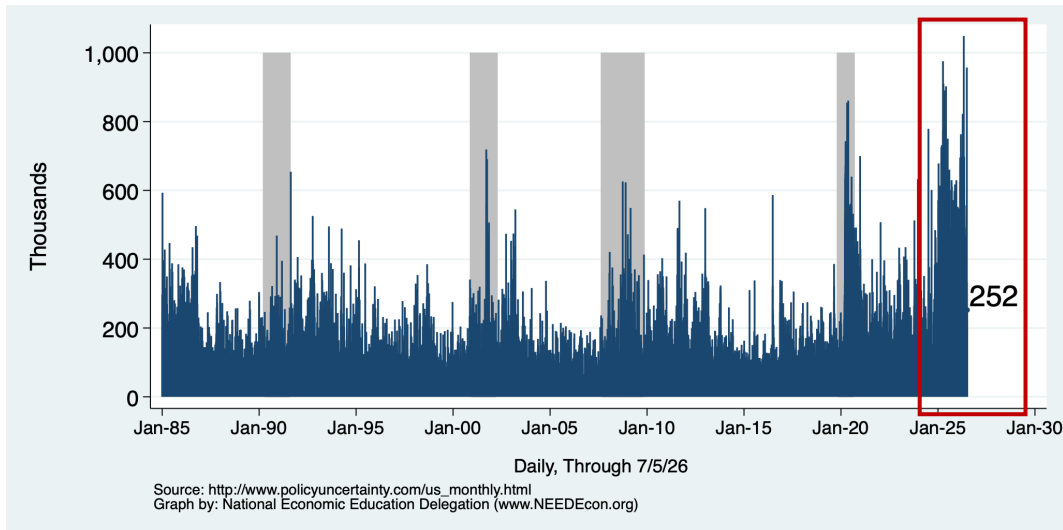
Inflation

Jerome Powell
And now
Kevin Warsh

Bigger Picture: Uncertainty

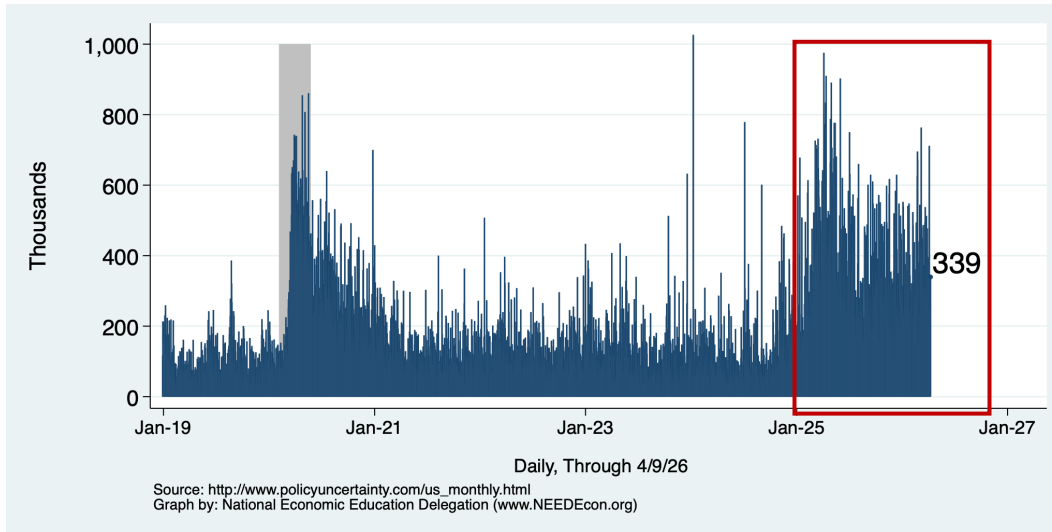
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Policy Uncertainty Index



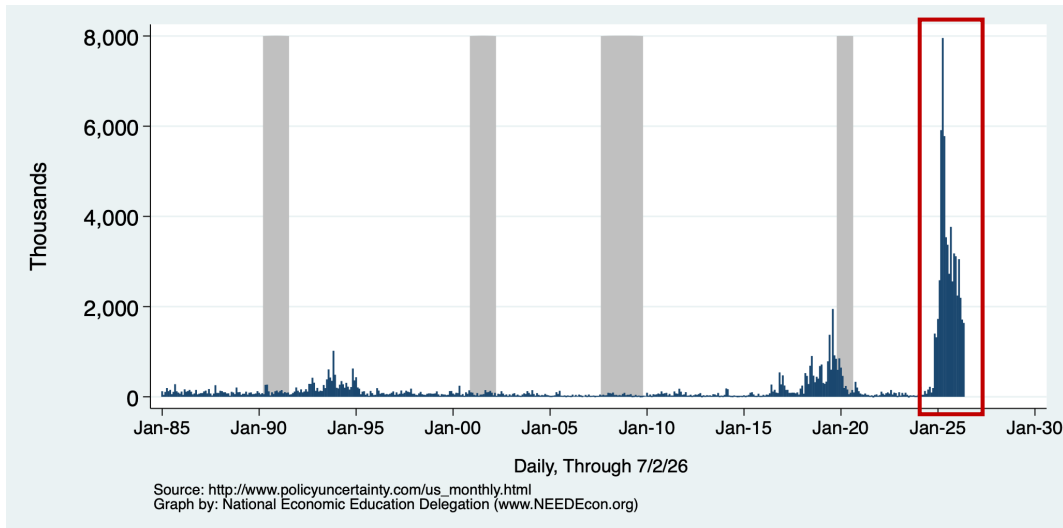
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Policy Uncertainty Index – Last 10 Years



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Policy Uncertainty Index – Trade



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Uncertainties

- **What effect will continued deportations have?**
- **Will AI continue to drive growth?**
- **Will tariffs continue to drive inflation?**
 - Fed says that ALL of the inflation above 2% is from tariffs, until...
- **Will the war drive inflation beyond fuel prices?**
 - It is clear in fuel prices, but every other sector of the economy depends on fuel. Higher fuel prices drive prices in the rest of the economy up.
- **Will consumers continue to hold up?**
 - Evidence that spending is in decline.
- **What happens to Fed policy now that Jerome Powell is gone?**



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BREAKING | BUSINESS

AI Investment Will Hit 2% Of U.S. GDP This Year, Analyst Says—Nearing Defense Spending Levels

By [Mary Whitfill Roeloffs](#), Forbes Staff. Mary Roeloffs is a Forbes breaking new...

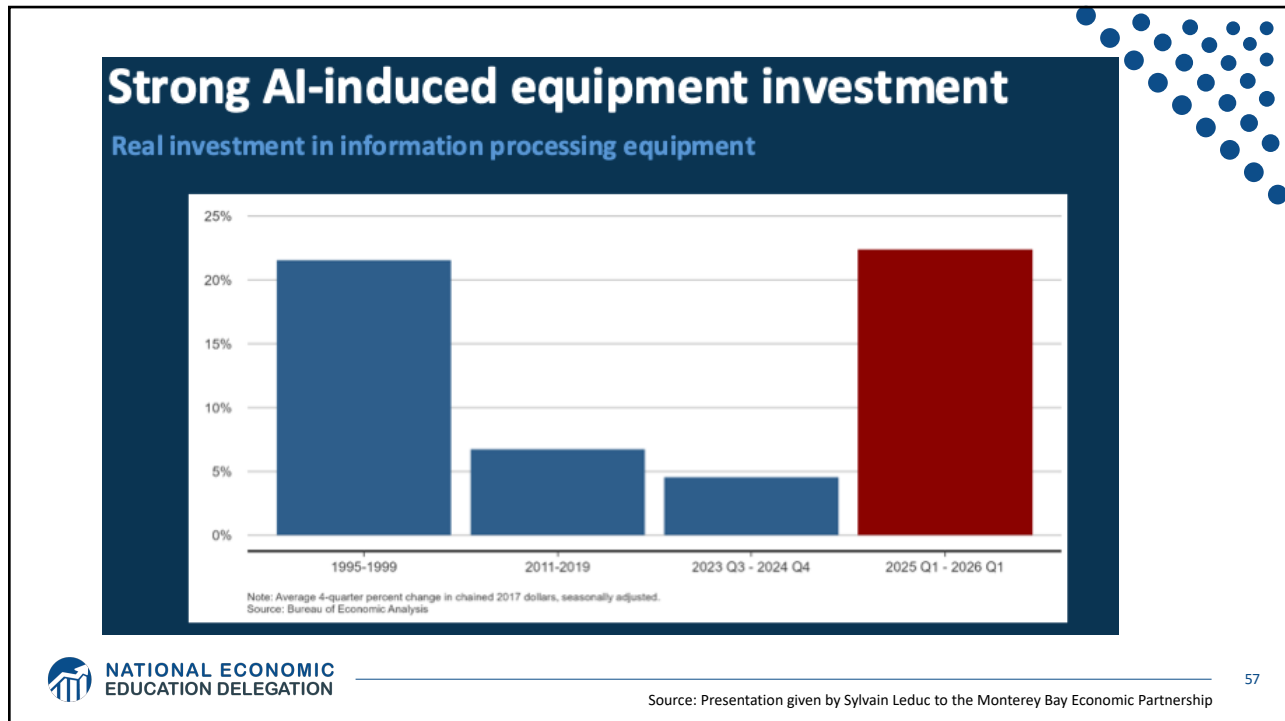
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Published Jun 05, 2026, 01:31pm EDT, Updated Jun 05, 2026, 02:24pm EDT

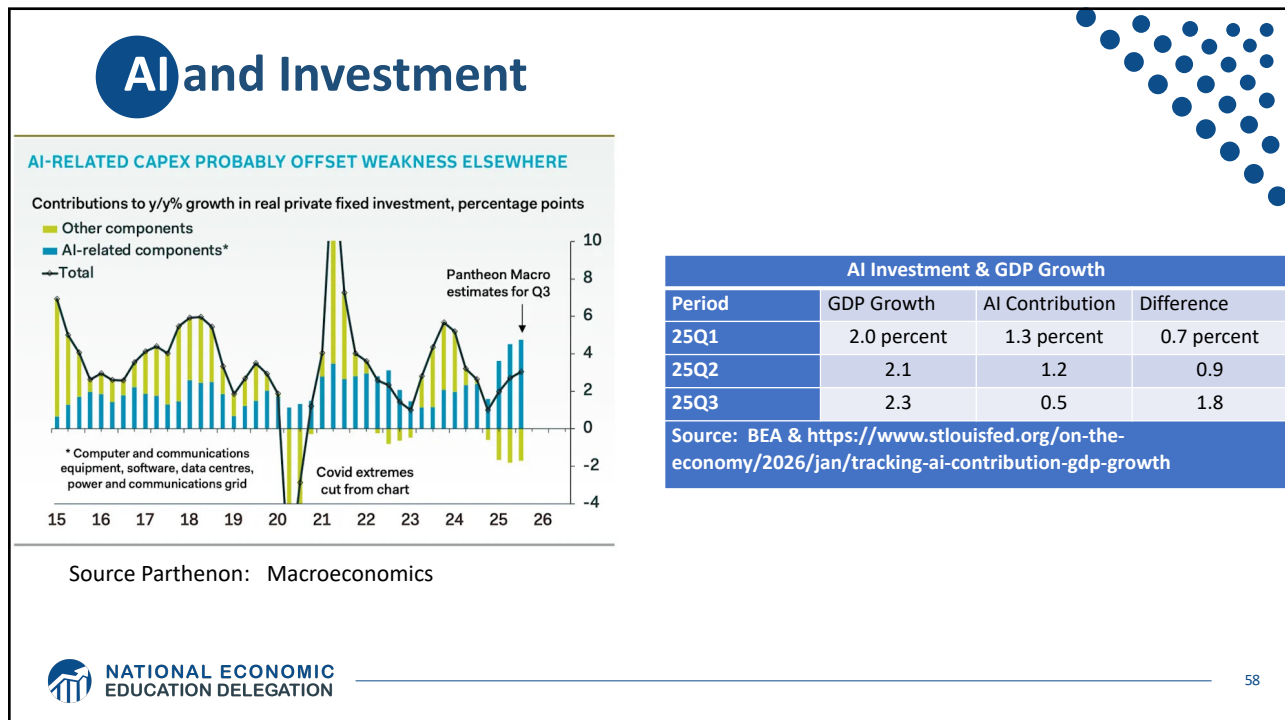
- The nation's AI buildout is comparable in economic scale to the country's entire [higher-education sector](#)—which accounts for about 2.3% of the GDP—and approaches the size of the [national defense budget](#), which was 2.9% of GDP in 2025 at \$954 billion.



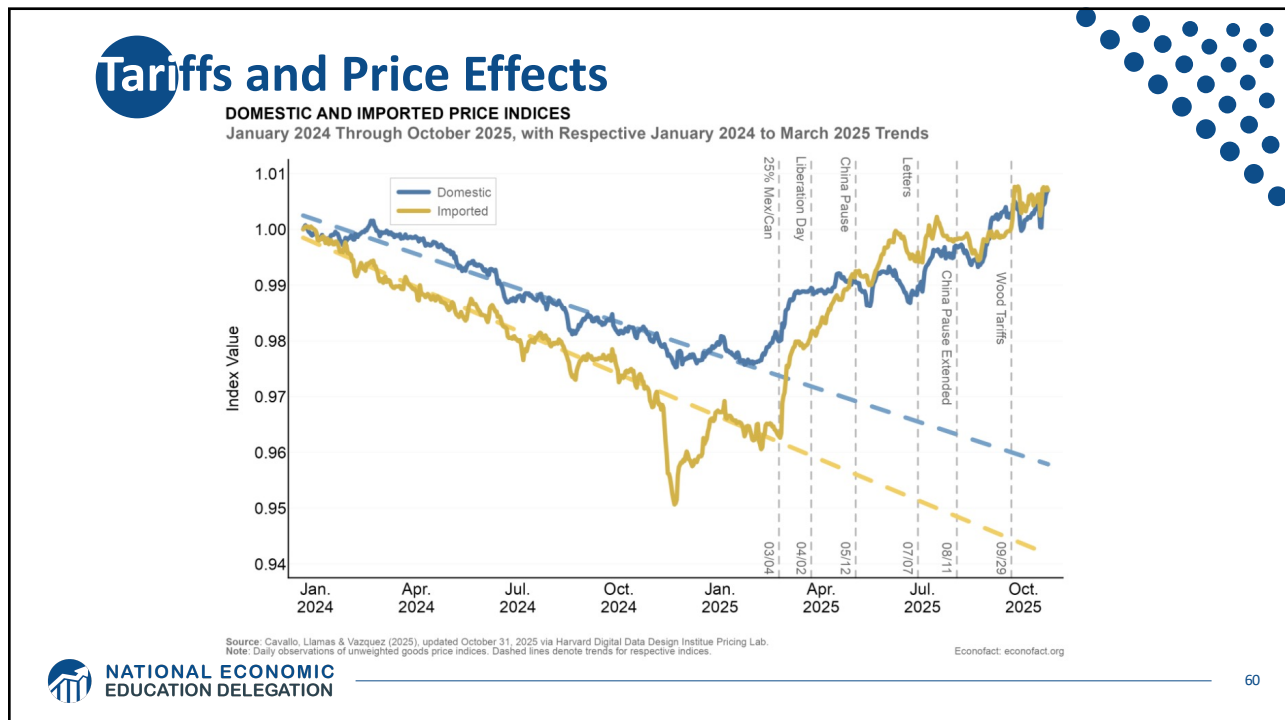
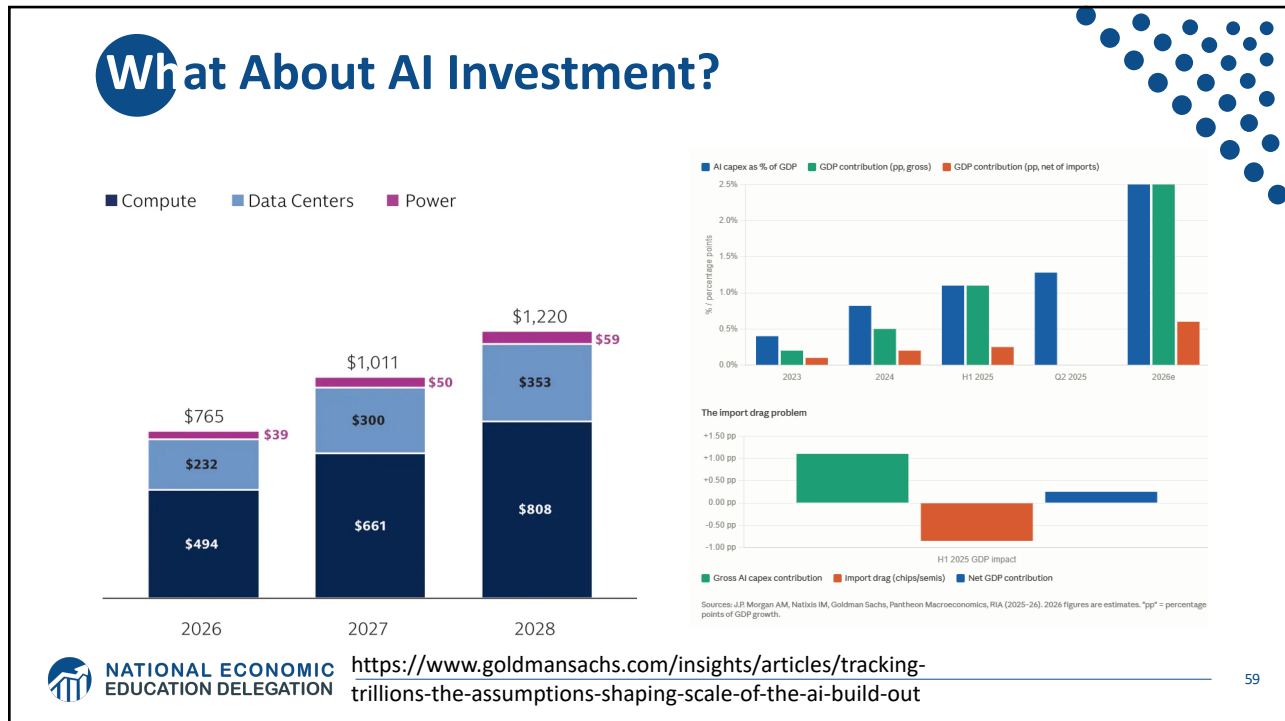
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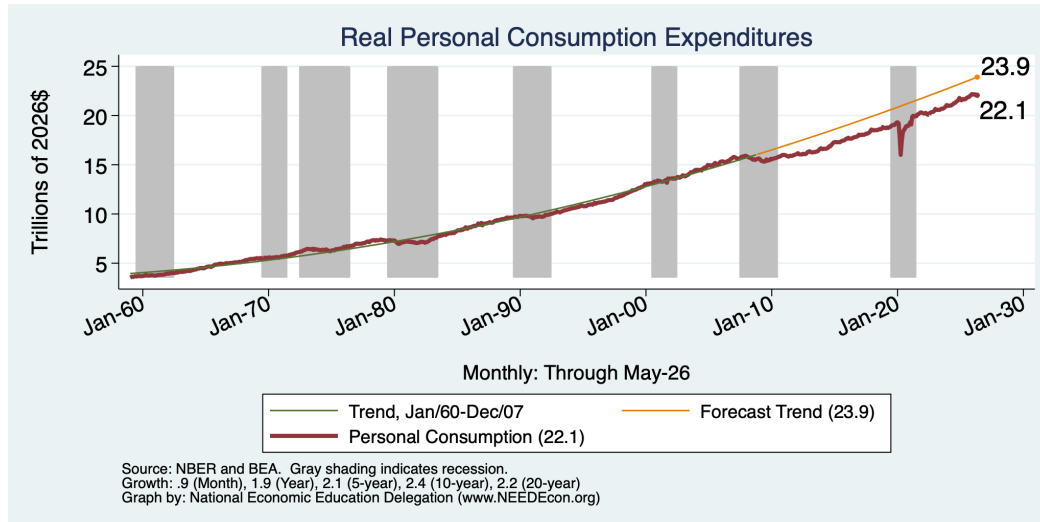
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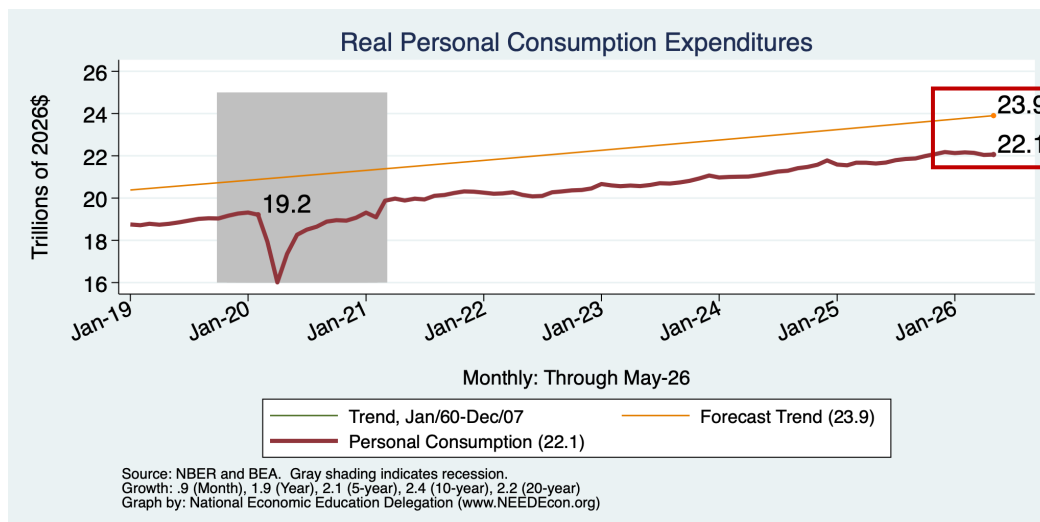


Personal Consumption Expenditures Are Slowing



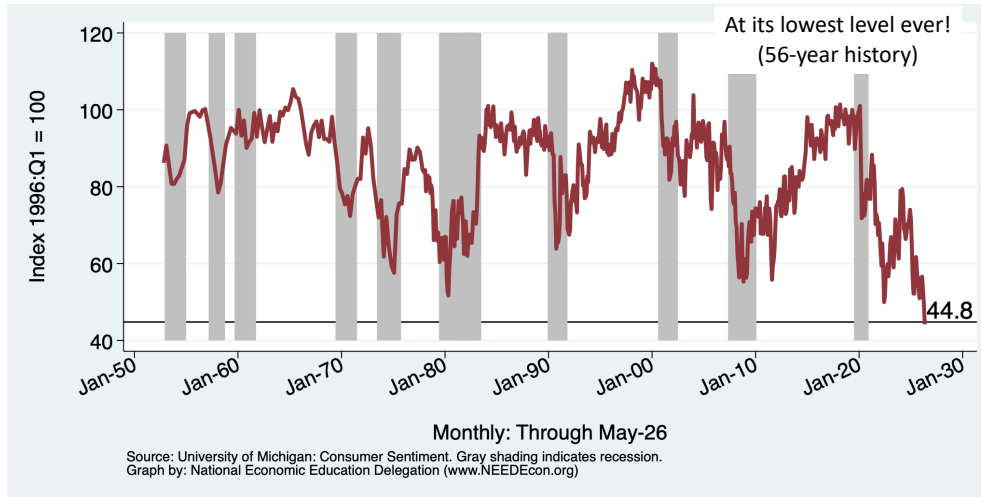
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Personal Consumption Expenditures Are Slowing



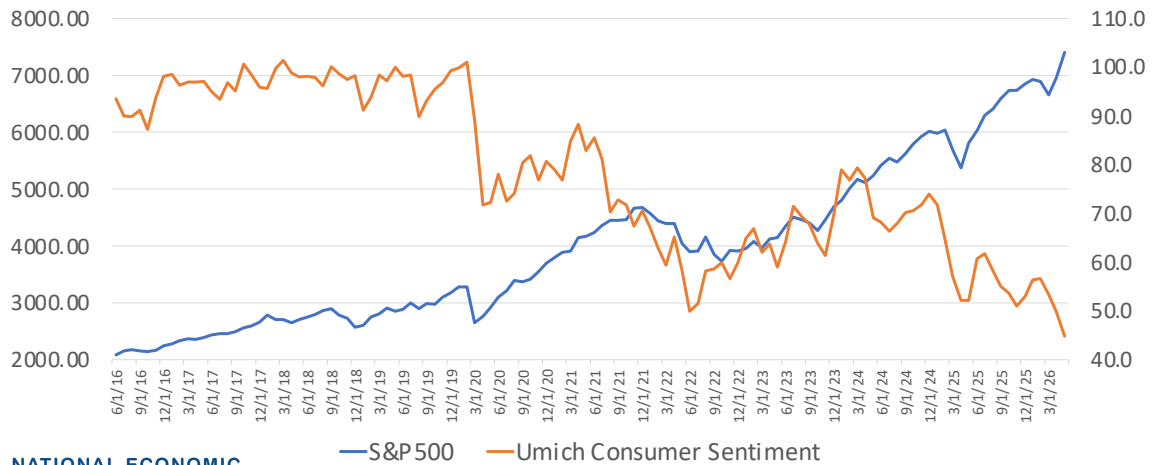
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Consumer Confidence is Waning

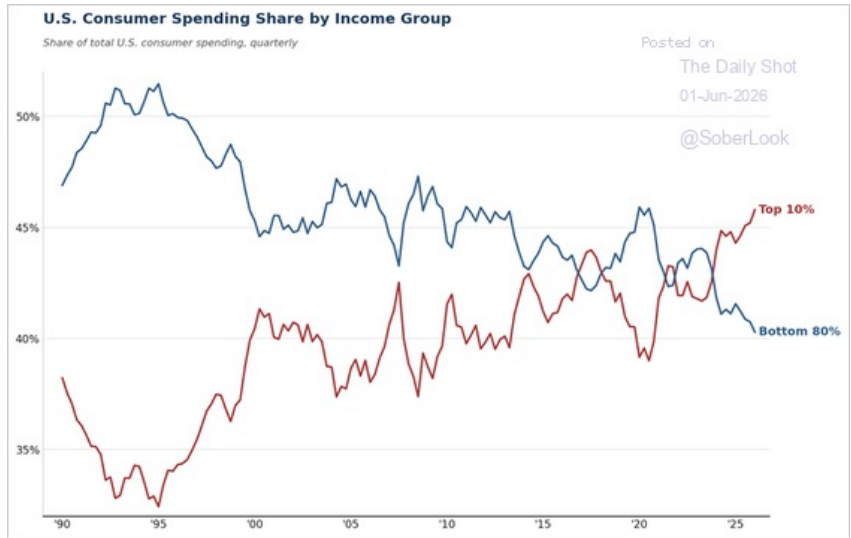


K-Shaped Economy

Stock Prices and Consumer Sentiment



More Detail on the K-Shaped Economy



Monetary Policy after Jerome Powell?



Kevin Warsh: replaced Jerome Powell as the Chair of the Fed in May.

Summary

- **Inflation: was getting close to Fed's 2% target.**
 - But is now going in the wrong direction
- **Current immigration and trade policies will exacerbate inflation.**
- **Immigration: deportations tax the economy and are expensive.**
 - Many, MANY ag workers are unauthorized immigrants. (50% of Central Valley)
- **Tariffs: are a tax.**
 - Taxes raise prices. Period. Full Stop.
 - Taxes often cost jobs. Tariffs likely will.
- **The war is going to drive up prices and uncertainty.**
 - Nobody invests into uncertainty.
- **What if the AI bubble bursts?**



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Are We Headed for A Recession?

- **Probably not.**
- **Forecasts are all over the place.**
 - IMF forecasting 2.4% in 2026.
 - 30-50% chance of a recession by some models.
- **A slowdown in economic growth seems inevitable.**
 - But the economy has been proving remarkably resilient!
- **A bout of stagflation unlikely, but possible.**



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The State of the Economy & the Future

- **The key indicators for judging the macro economy are still good**
 - Output and unemployment are close to their “full employment” levels, although the labor market data may be getting worse.
 - Inflation is still a bit elevated, but some of this is due to “price shock.”
- **Concerns**
 - Growth in demand could be weakening.
 - Price shocks may get worse.
- **Big Uncertainty: the Future of the Fed & Monetary Policy.**
- **Government policies are currently economically counterproductive.**



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Thank you!

Any Questions?

www.NEEDEcon.org

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