



# Economic Update US & San Mateo County

**SAMCEDA**  
Public Policy Committee

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NEED  
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## Outline

- Economic Indicators
- Inflation
- The Local Economy

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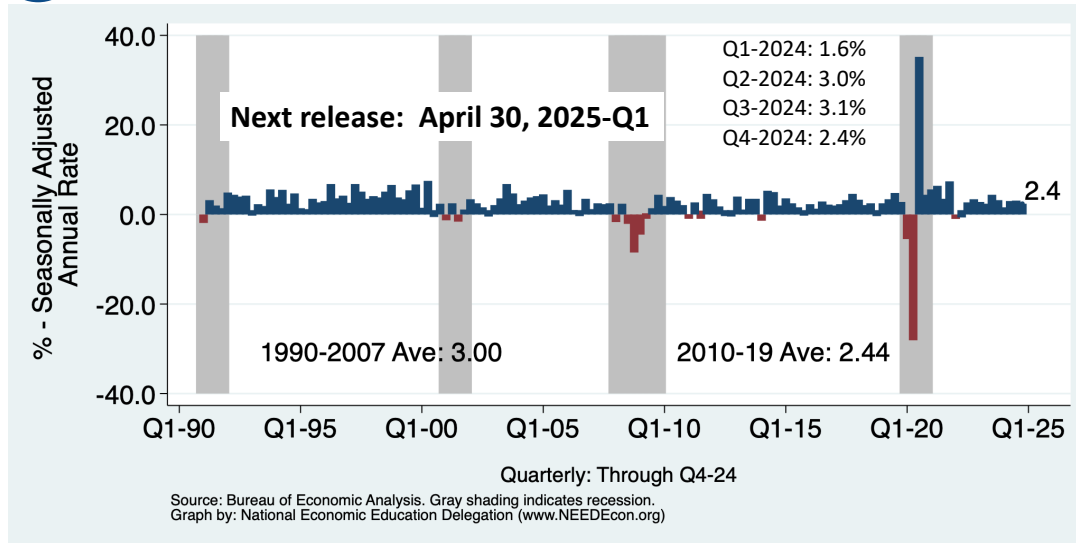
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# Economic Indicators

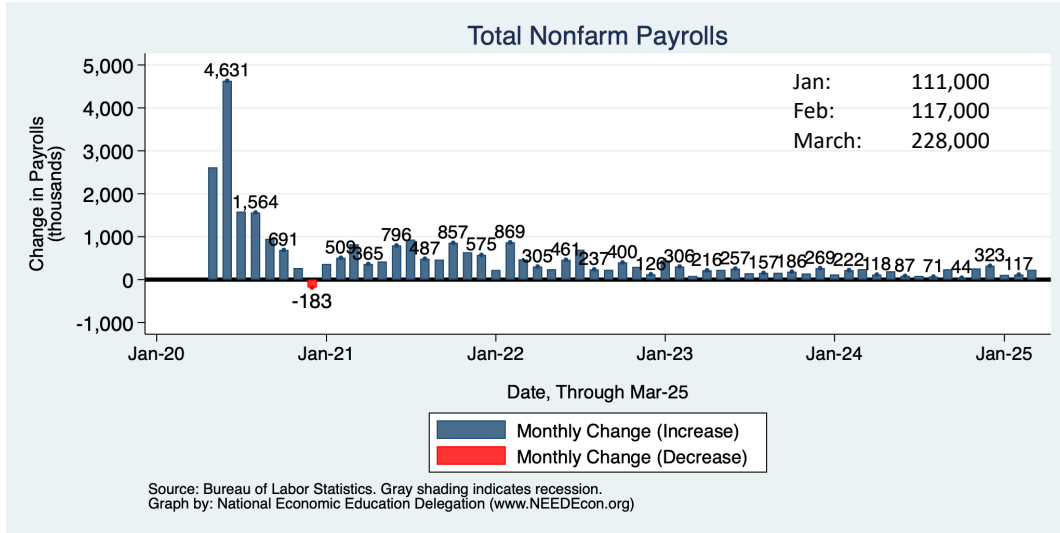
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## GDP: Quarterly Growth



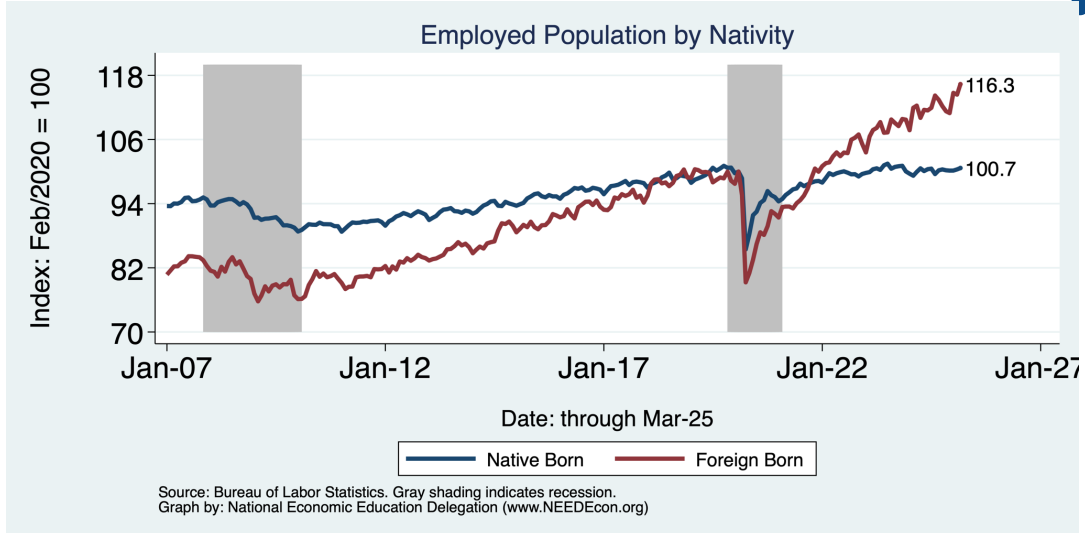
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# Monthly Changes in Nonfarm Employment



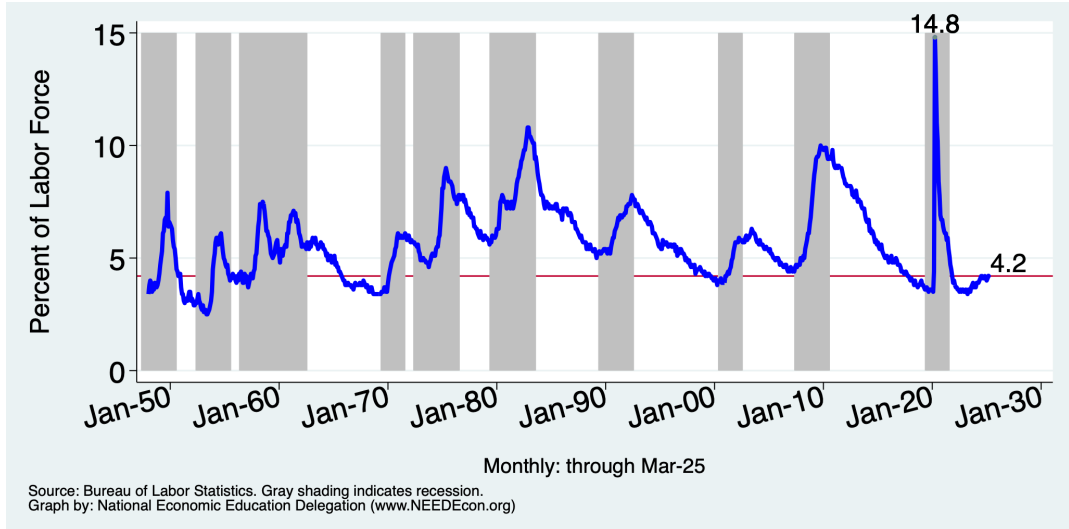
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# Immigrants to the Rescue?



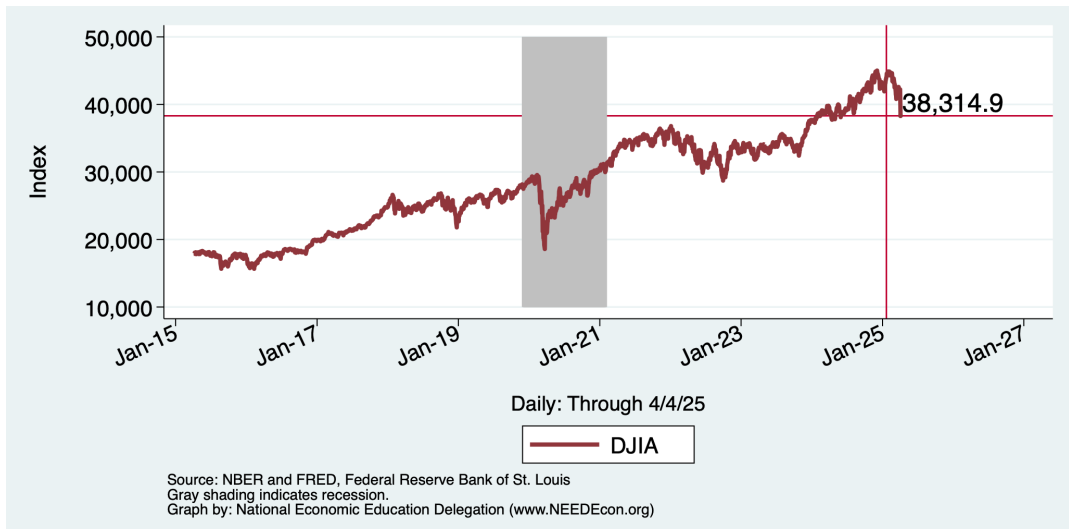
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# What About Unemployment?



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# And Stocks? More in a minute...



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# Inflation



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## Inflation: Latest Figures – Headline - CPI




**Inflation**

+14%  
+12  
+10  
+8  
+6  
+4  
+2  
0  
-2

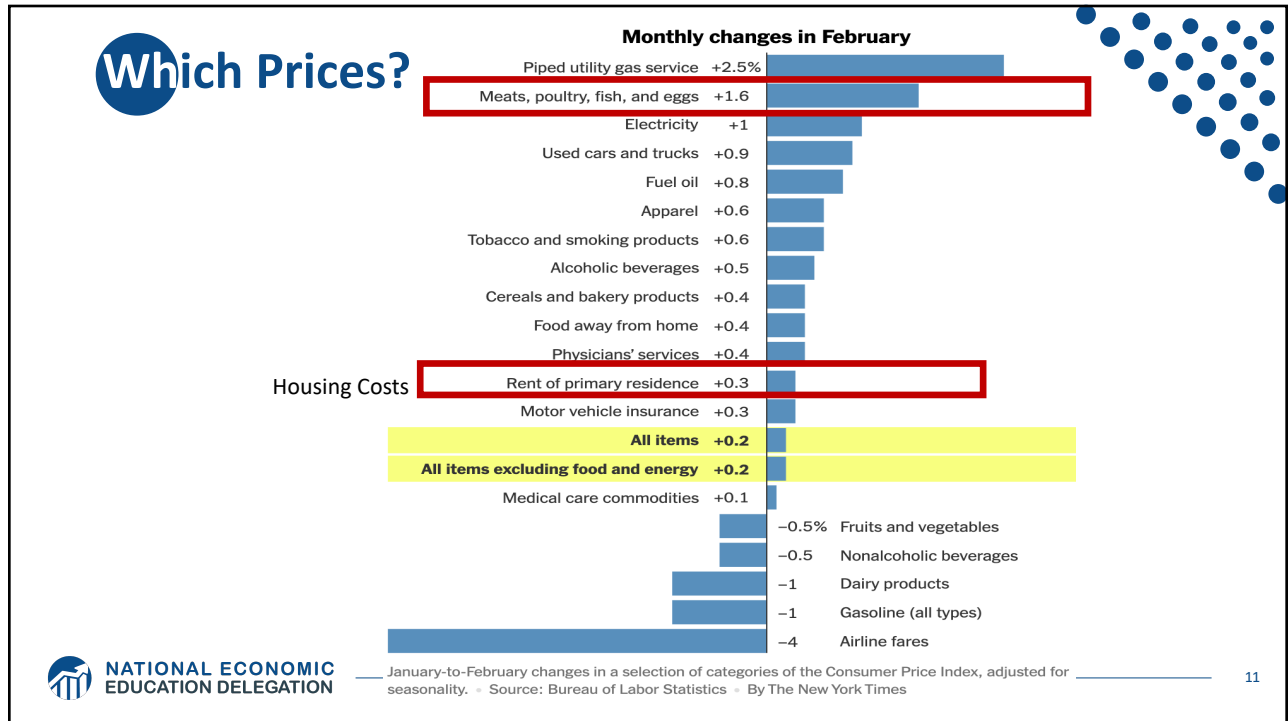
1965 '70 '75 '80 '85 '90 '95 2000 '05 '10 '15 '20 '25

+3.1% excluding food and energy  
+2.8% in Feb.

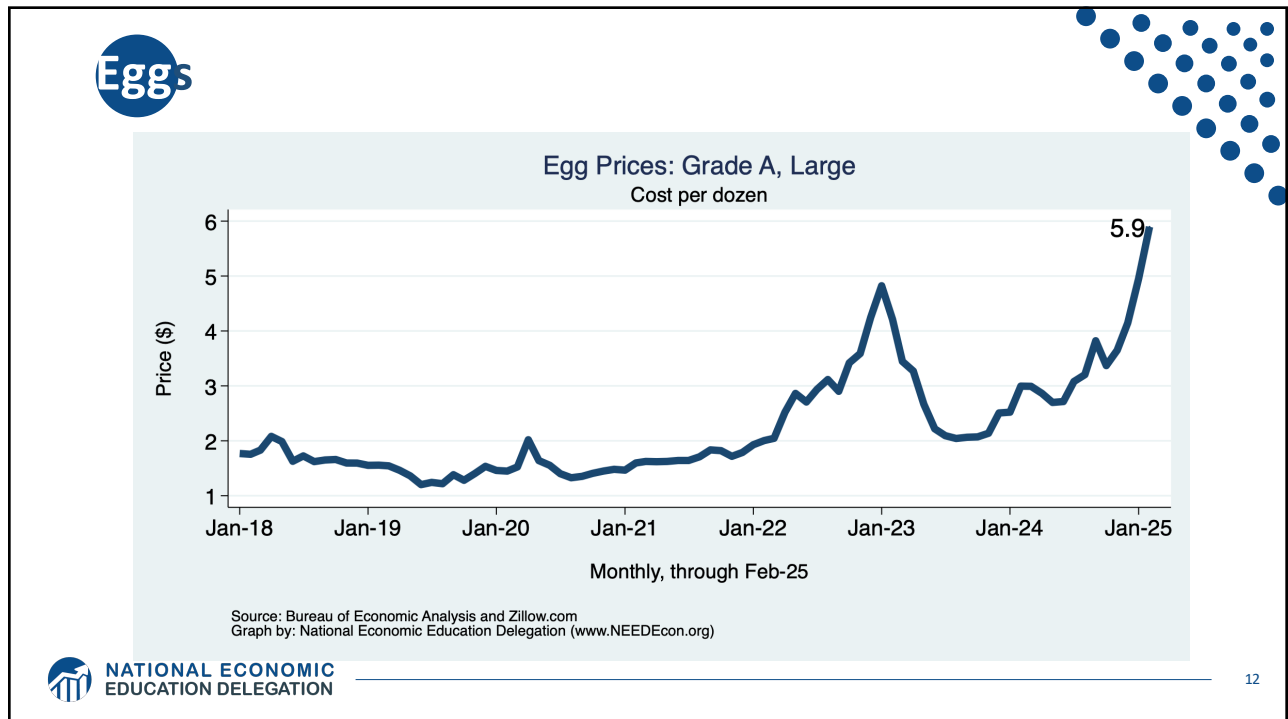
Year-over-year change in the Consumer Price Index • Source: Bureau of Labor Statistics • By The New York Times

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## My Thoughts on Inflation

- **If it stays around 3%? Not a problem.**
- **But it is unlikely to stay at around 3%.**
- **Some measures of expectations exceed 6% for 2025.**
  - That was before the tariff announcement.



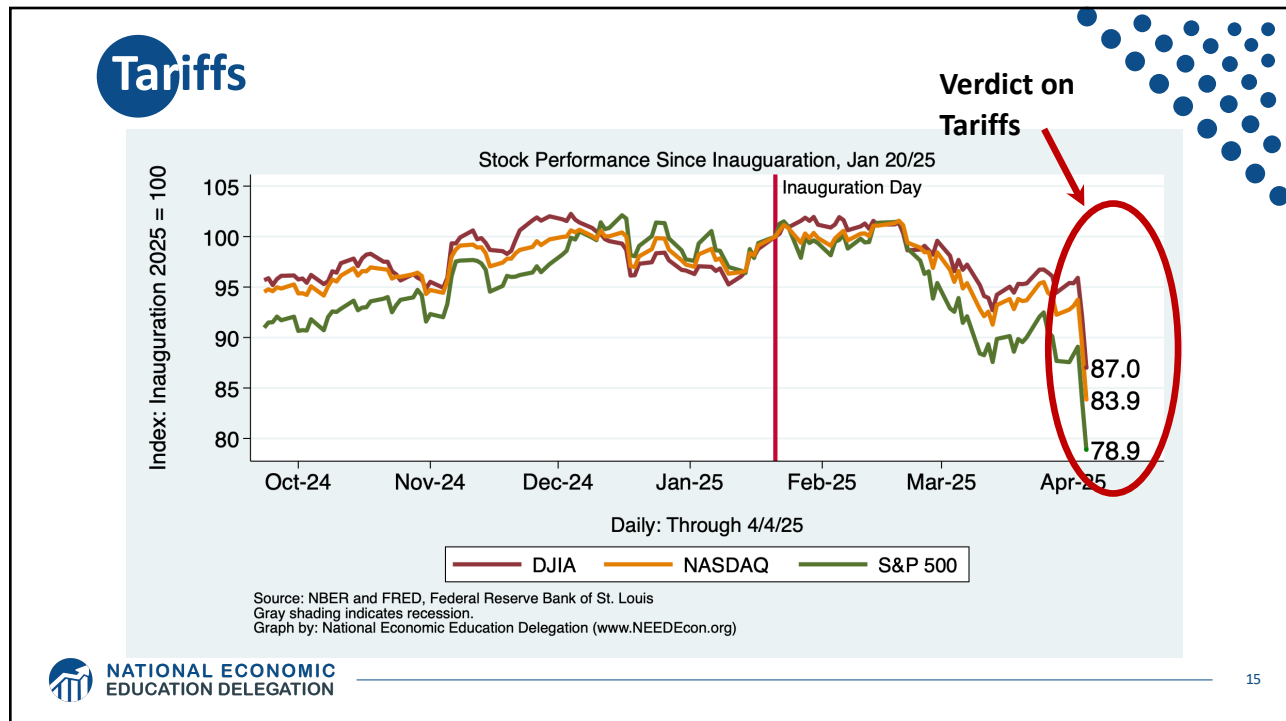
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## Takeaways

- **Is a recession on the horizon?**
  - Increasingly yes.
  - Current indicators are not helpful.
- **Inflation is a real risk.**
- **Fed will hold steady.**
  - Worried about stagflation.
- **Threats to continued growth:**
  - Tariffs.
  - Cuts in government spending.
  - Deportations.
  - Uncertainty.



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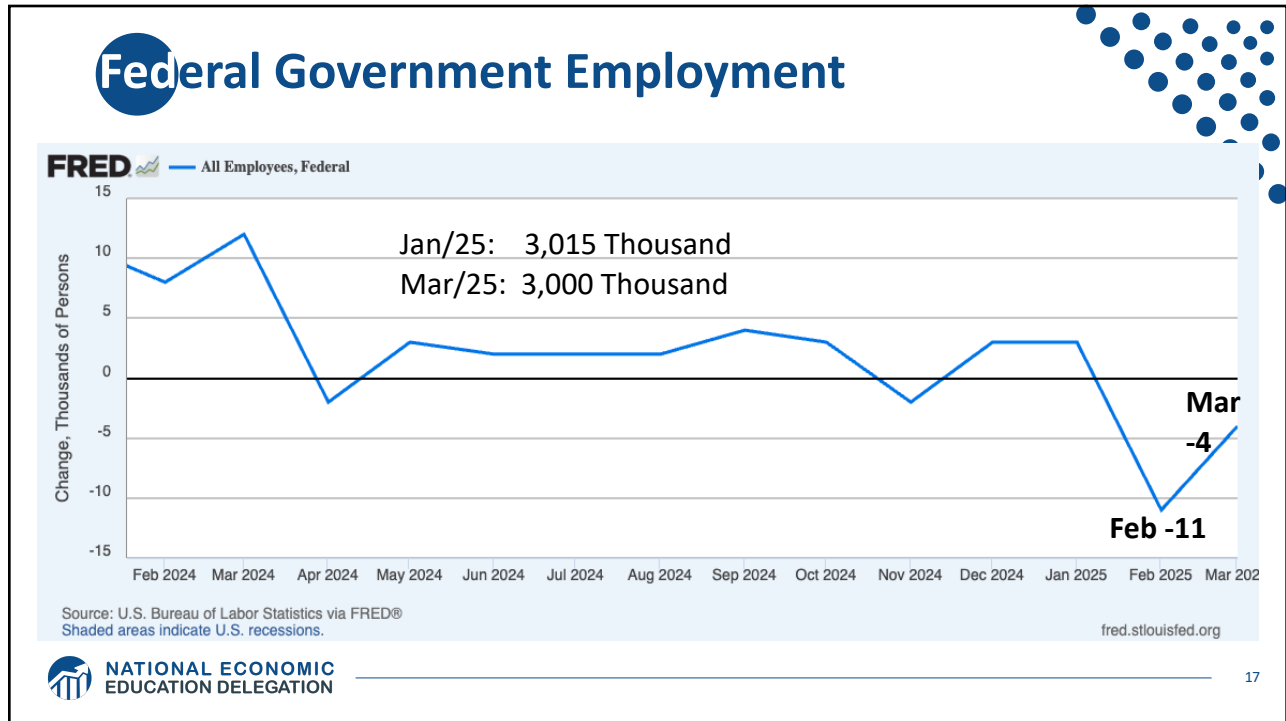
## Deportations

- **Immigrants work different jobs than does the native-born population.**
- **Immigrants contribute to the local economy.**
  - GDP losses of up to \$1.7 trillion annually with mass deportations.
- **Immigrants keep prices low: in particular, food!**
- **Deportations impact tax revenues.**
  - \$1,300 more IN on average than OUT, annually.
  - Unauthorized immigrants: \$22.6 billion in social security and \$5.7 billion in Medicare payments.
- **Deportations are expensive (\$13,000 each).**
  - Total cost \$315 billion.
- **They rob people of their dignity.**

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## Recent Government Policies:

- Are challenging a robust economy.
- Recent past is not prologue.
- Uncertainty is perhaps the greatest threat.

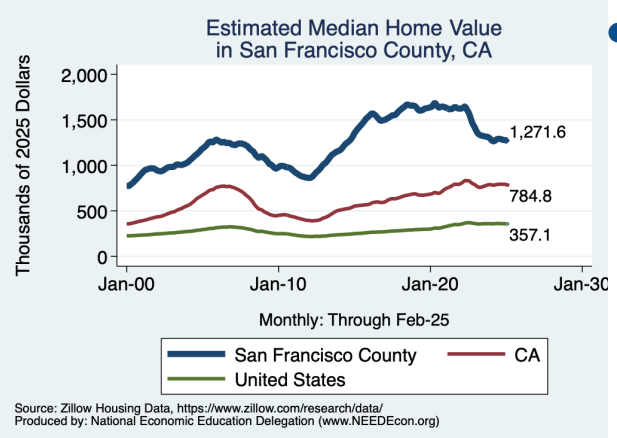
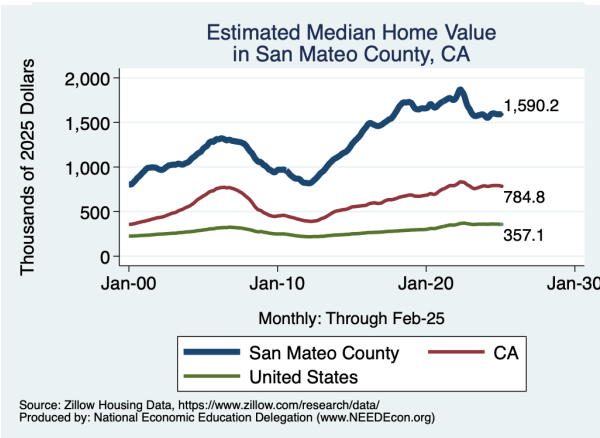
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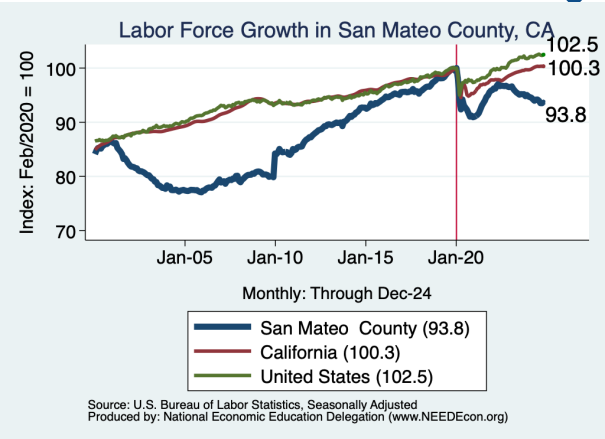
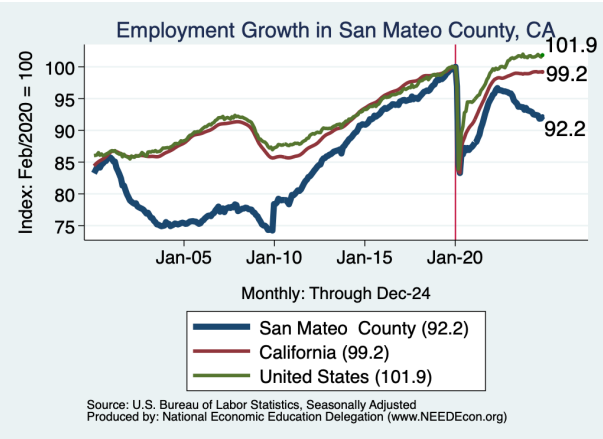
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# San Mateo Economy

## Home Prices ... Stabilized

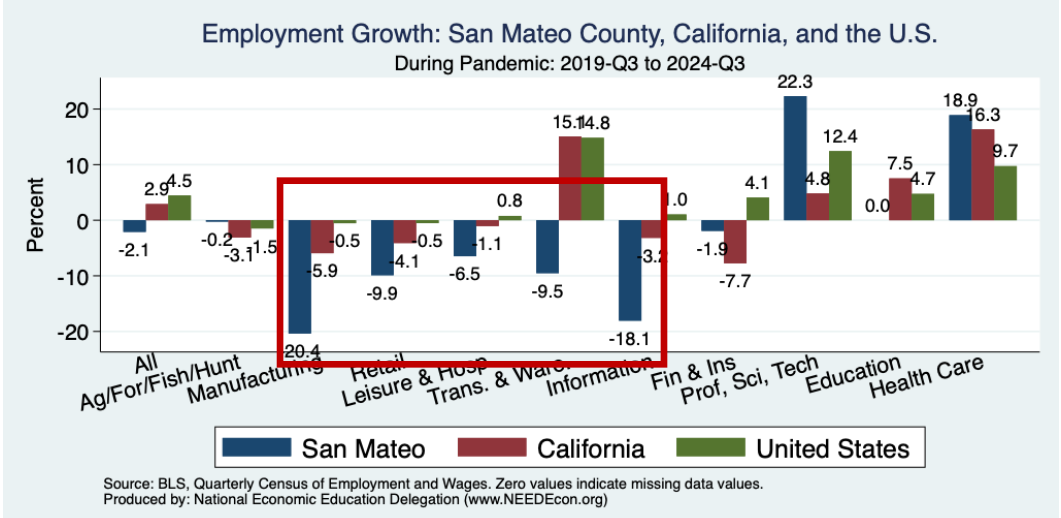


# Employment in San Mateo County?



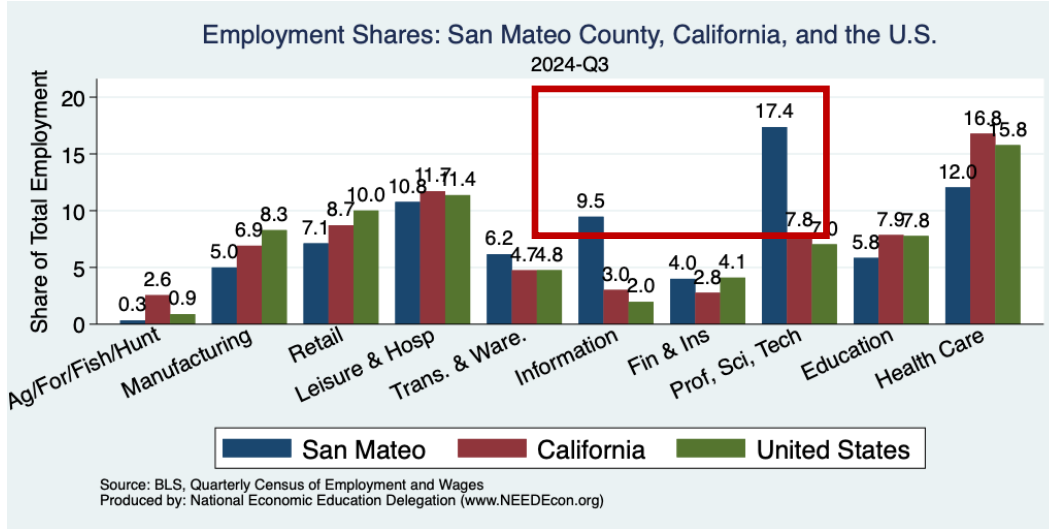
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# The Pandemic Effect: Employment

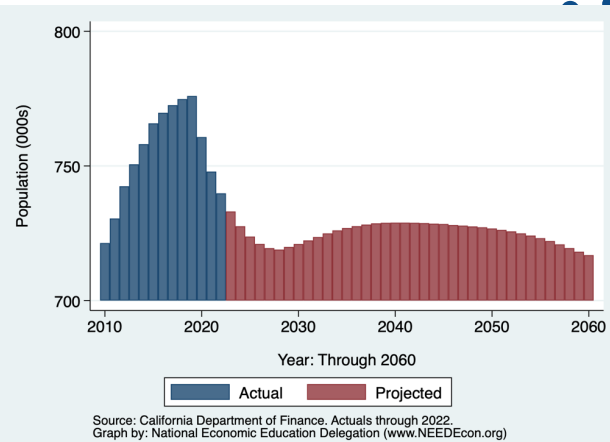
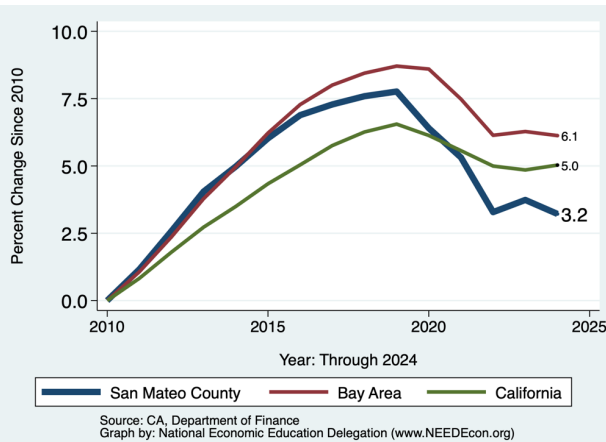


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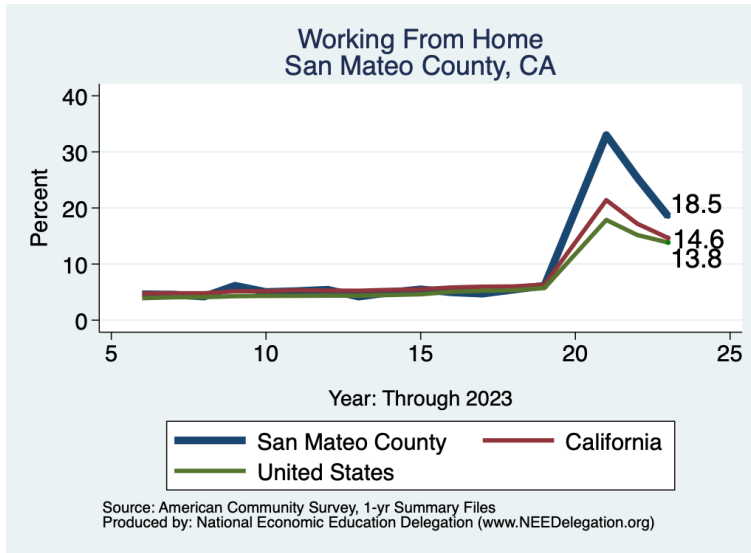
# San Mateo Economy: Employment



# Local Population Change



## Working From Home



## San Mateo County: Summary

- Home prices have stabilized.
- Employment continues to trend downward.
- San Mateo County is vulnerable to policy changes.
  - Many undocumented immigrants.
  - Reasonably trade oriented.
- Population declines.

**Thank you!**

# Any Questions?

[www.NEEDEcon.org](http://www.NEEDEcon.org)

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# [www.NEEDEcon.org/LocalGraphs](http://www.NEEDEcon.org/LocalGraphs)

For every state and county in the United States.

Detailed graphs on employment, housing, moves, and other statistics.

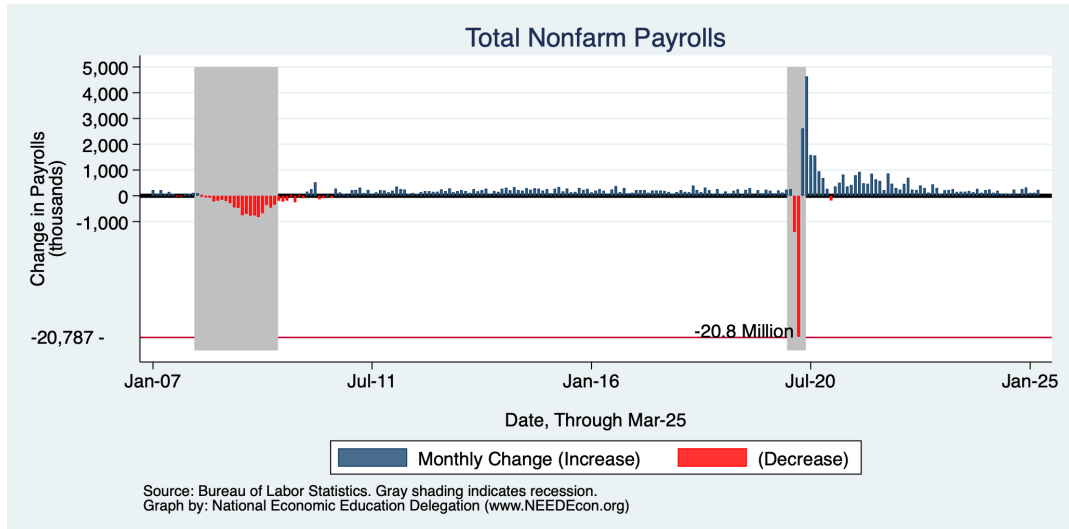


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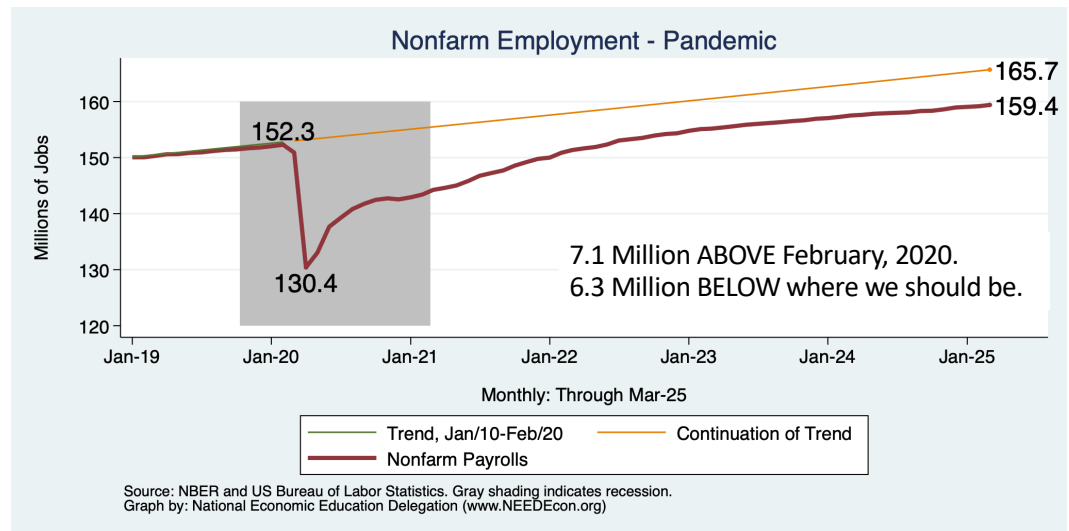
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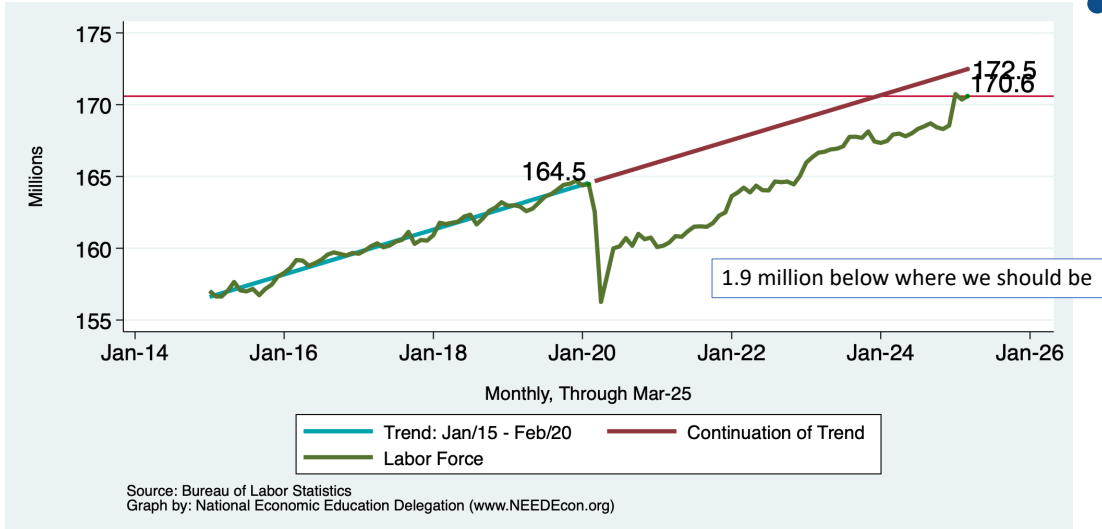
# Monthly Changes in Nonfarm Employment



# Employment Gap

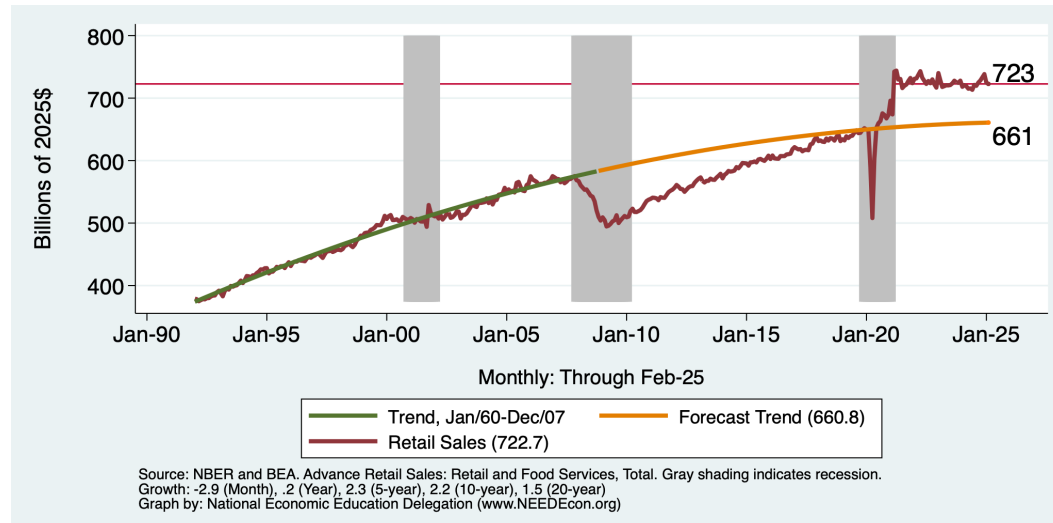


## Where Have All the Workers Gone?



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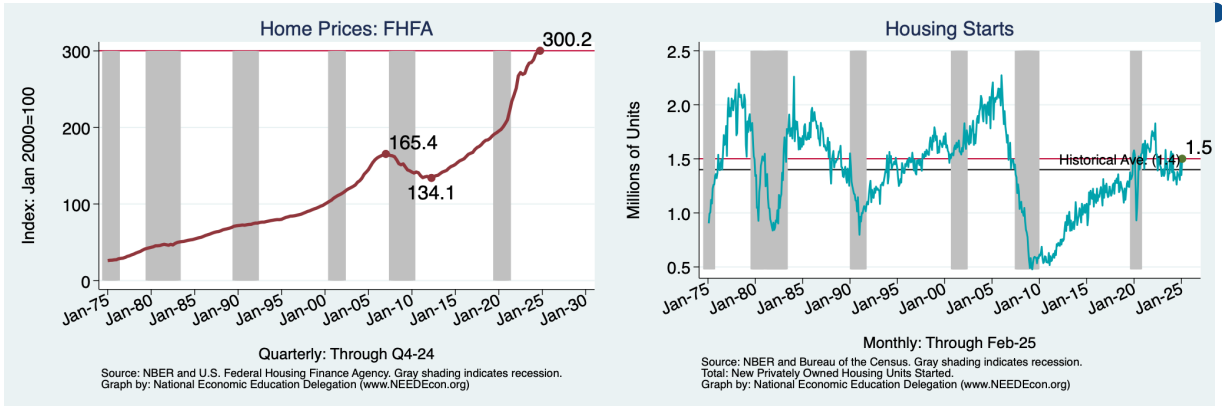
## But SUPER High to Begin With!



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# Home Prices and Housing Starts

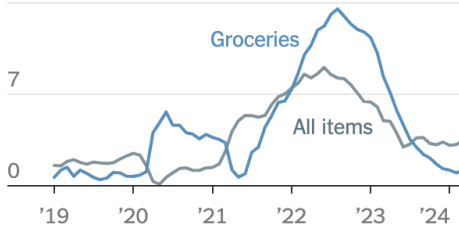


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## Change in prices from a year earlier in select categories

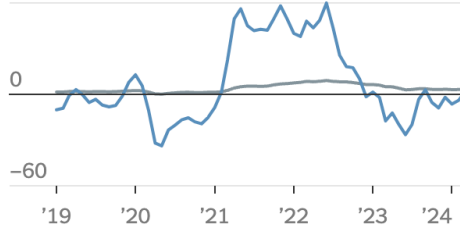
### Groceries

+14%



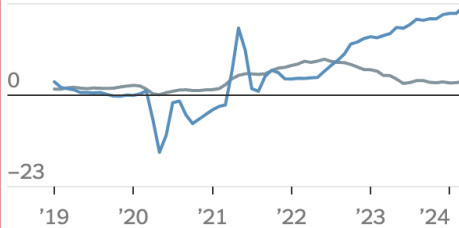
### Gasoline

+60%



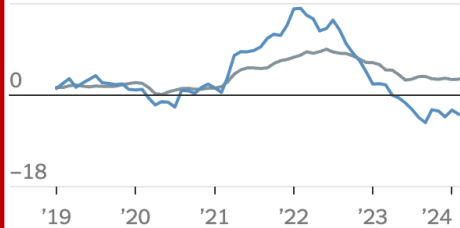
### Car insurance

+23%



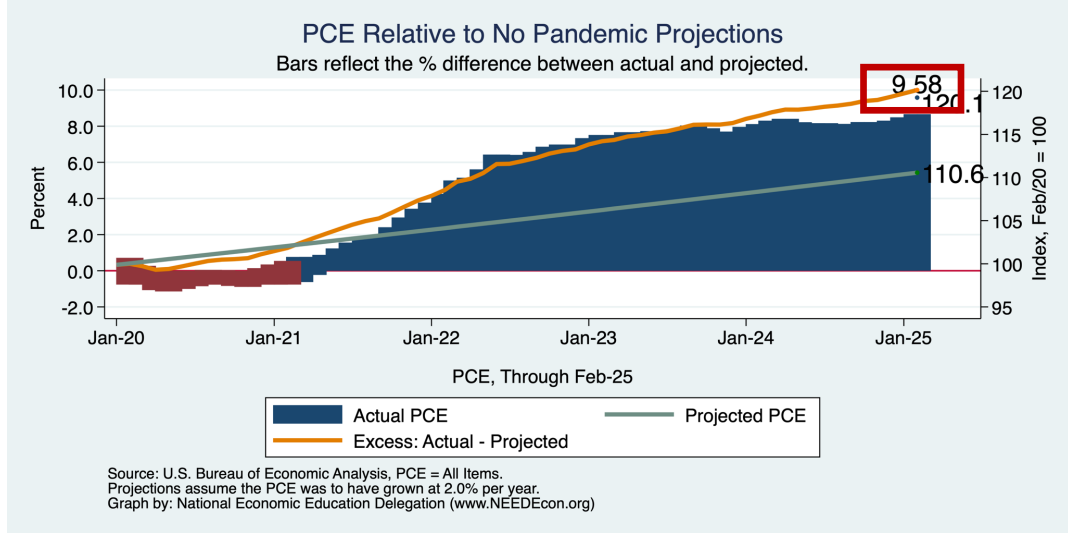
### Furniture

+18%



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# Inflation: Prices up About 9.6%

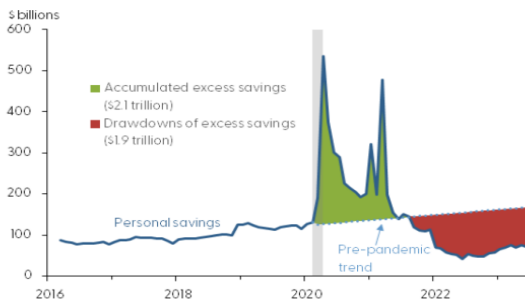


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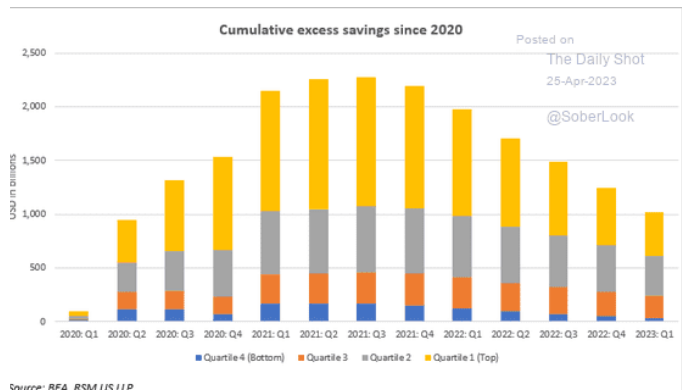
# Policy Effects: Fiscal

- 2020-2021: massive stimulus, \$4.6t: Cares Act, 3 rounds of stimulus checks, expanded unemployment benefits, Payroll Protection Loans.

## Aggregate Personal Savings



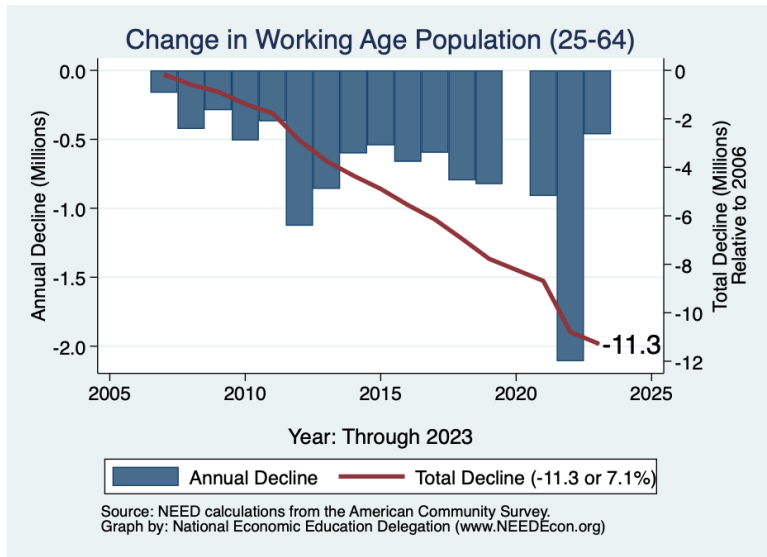
Source: Abdelrahman, Hamza et al., "Excess No More? Dwindling Pandemic Savings," Federal Reserve Bank of San Francisco, Aug. 2023. <https://www.frbsf.org/our-district/about/sf-fed-blog/excess-no-more-dwindling-pandemic-savings/>



Source: BEA, RSM US LLP

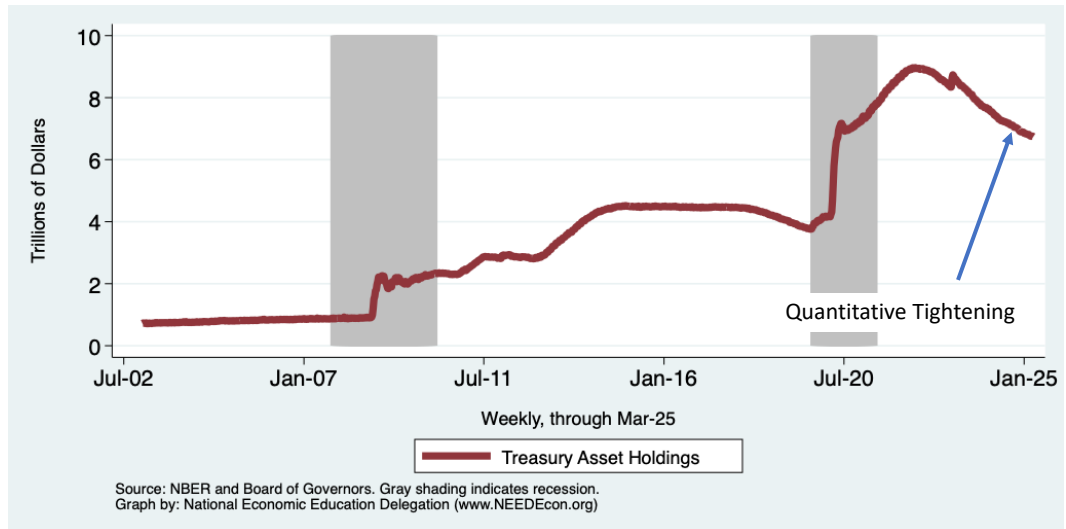
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# Early Retirements Among Native Born



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# Fed: Reducing its Asset Holdings



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