

ECONOMIC OUTLOOK FORUM

30
YEARS

THURSDAY, NOVEMBER 6, 2025



Economic Uncertainty Through the Looking Glass

*We really shouldn't be uh.. uh.. Doing this..
After all we haven't been invited!*



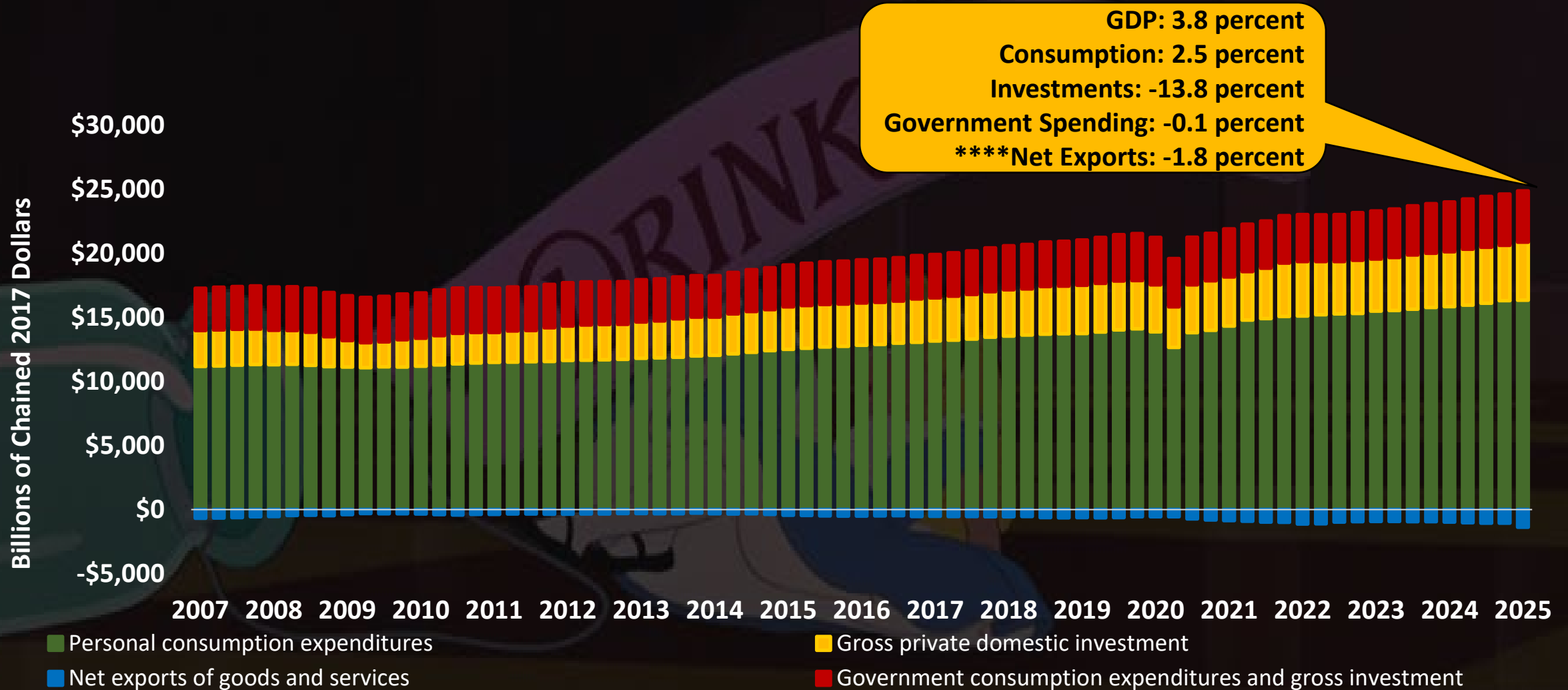




DRINK ME

You're much too big. Simply impassible. Nothing's impossible! Why don't you try the bottle on the table!

GDP Increased by 3.8% In Q2 of 2025



National Unemployment and Underemployment Have Risen Slightly, Remaining Near Pre-Pandemic Levels

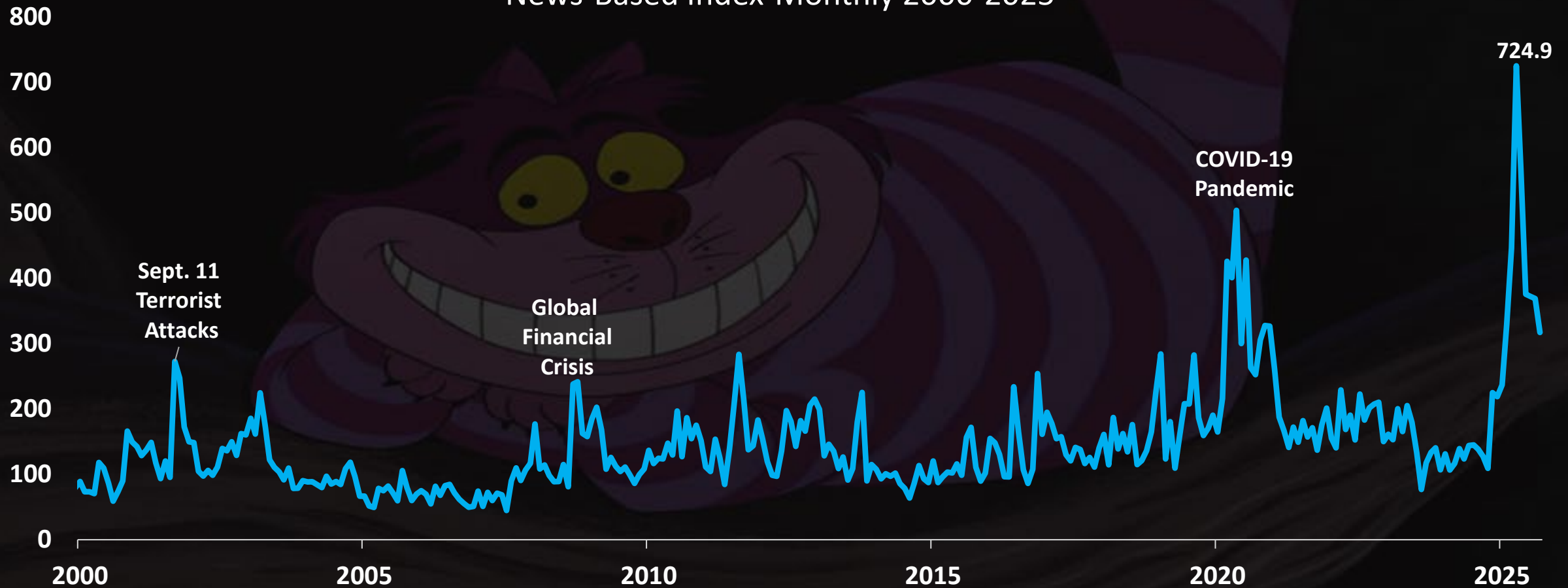


Almost everyone is mad here. ha ha ha! You may have noticed that I'm not all there myself... ha ha

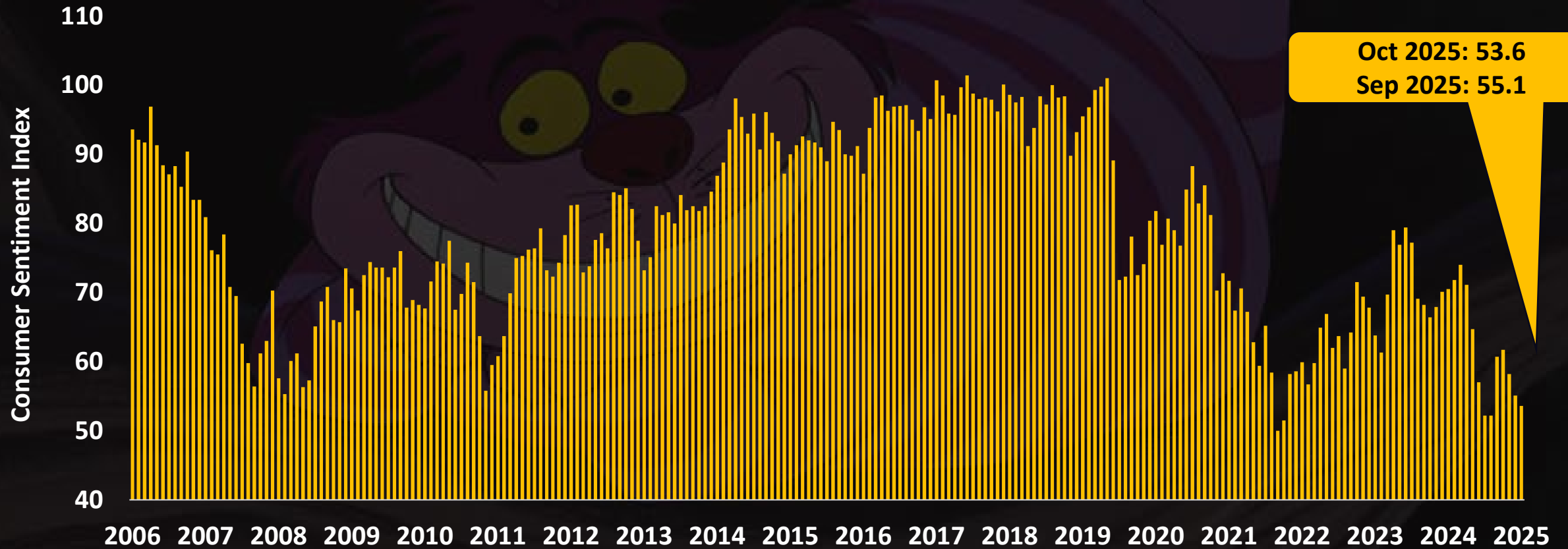


U.S. Economic Policy Uncertainty Index Rose By 60% Between March and April

News-Based Index-Monthly 2000-2025



Consumer Sentiment Eased 3% in October, But Remains Above Spring Lows

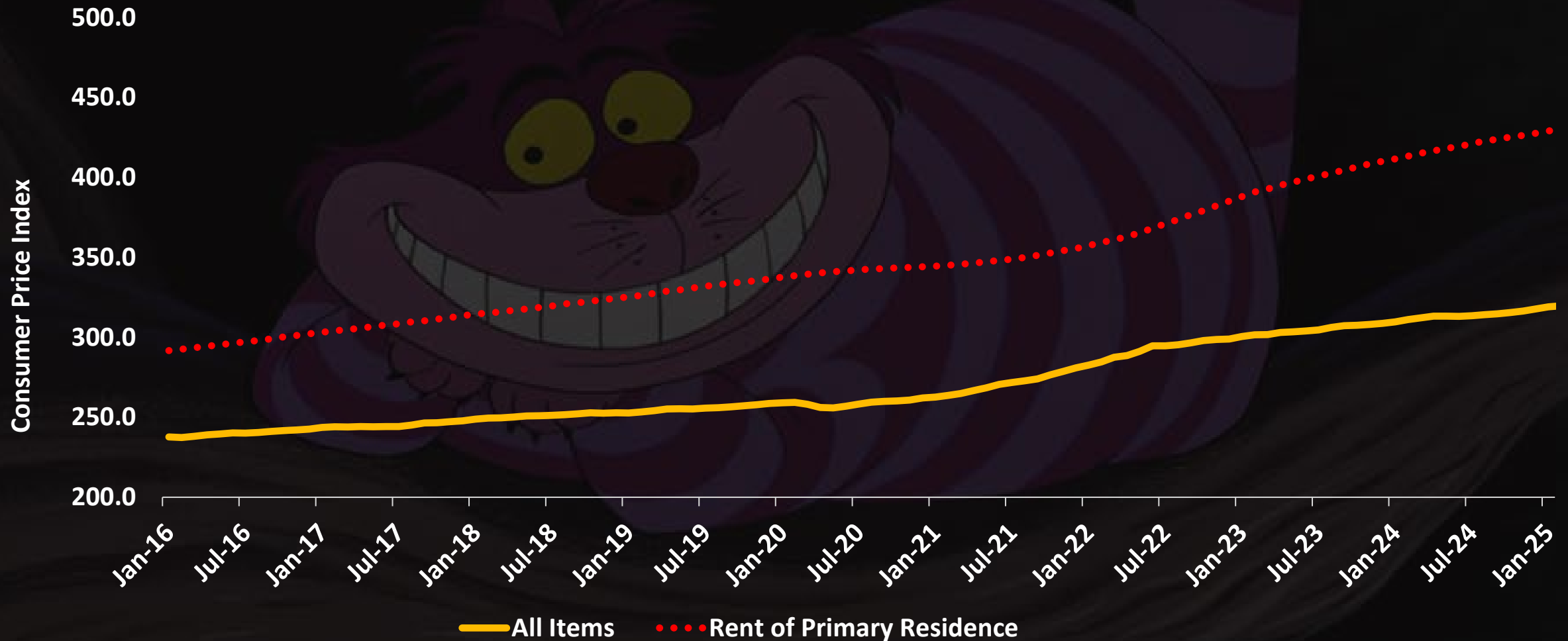


Oct 2025: 53.6
Sep 2025: 55.1

Year-Over-Year Inflation Remains Significantly Above the Fed Target Rate



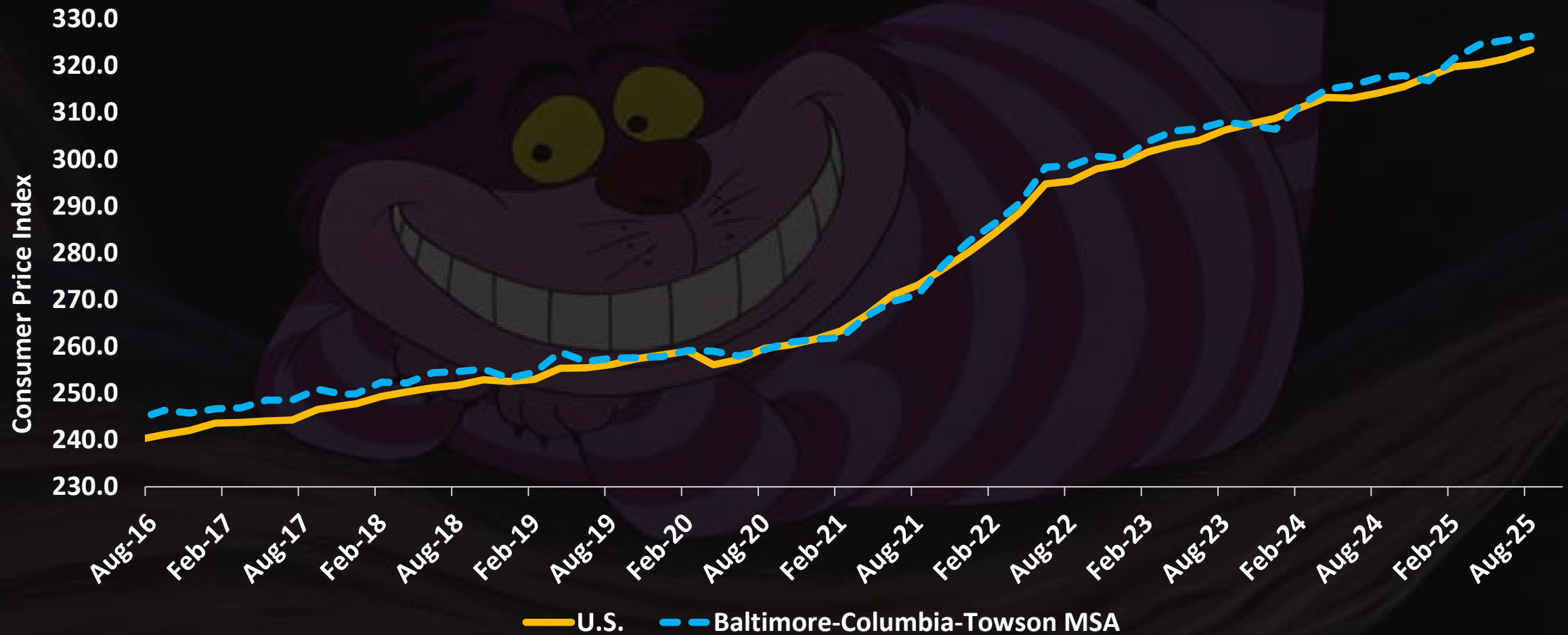
The Price of Rent Rises Faster Than Overall Inflation in U.S. Cities



Gasoline Prices Slowly Decline After a \$0.40 Increase in Early 2024



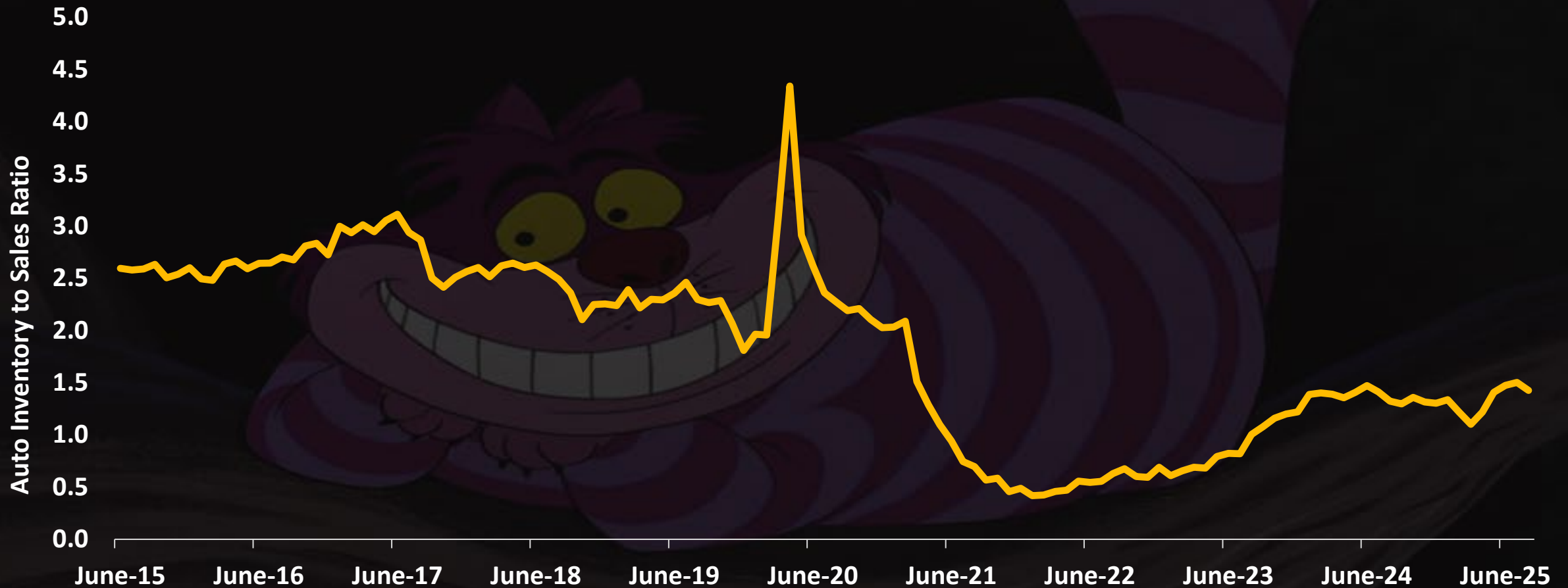
Local Consumer Prices Continue to Rise Alongside National Prices



Consumer Debt Dropped in 2020 but Has Climbed Since



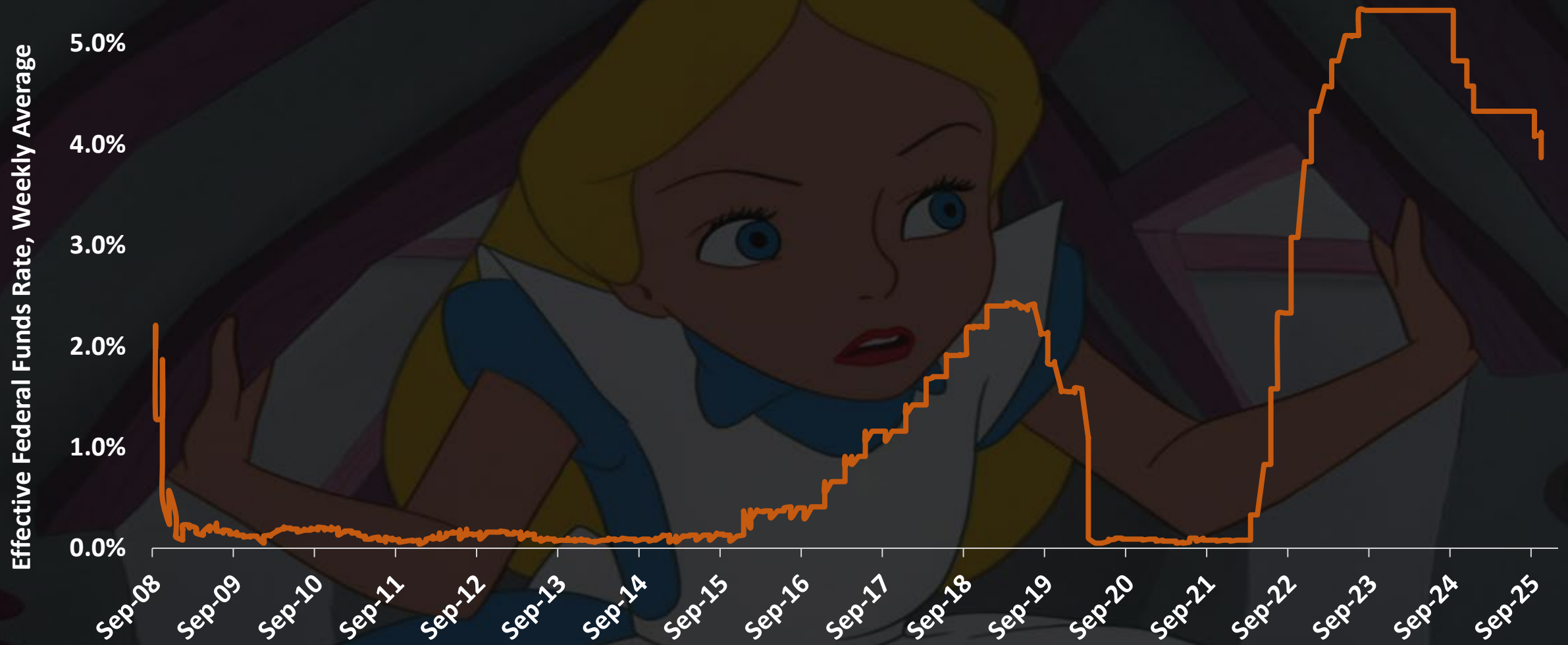
Car Inventory Levels Have Improved But Still Remain Low. Tariffs May Threaten Vehicle Supply Chains in the Future



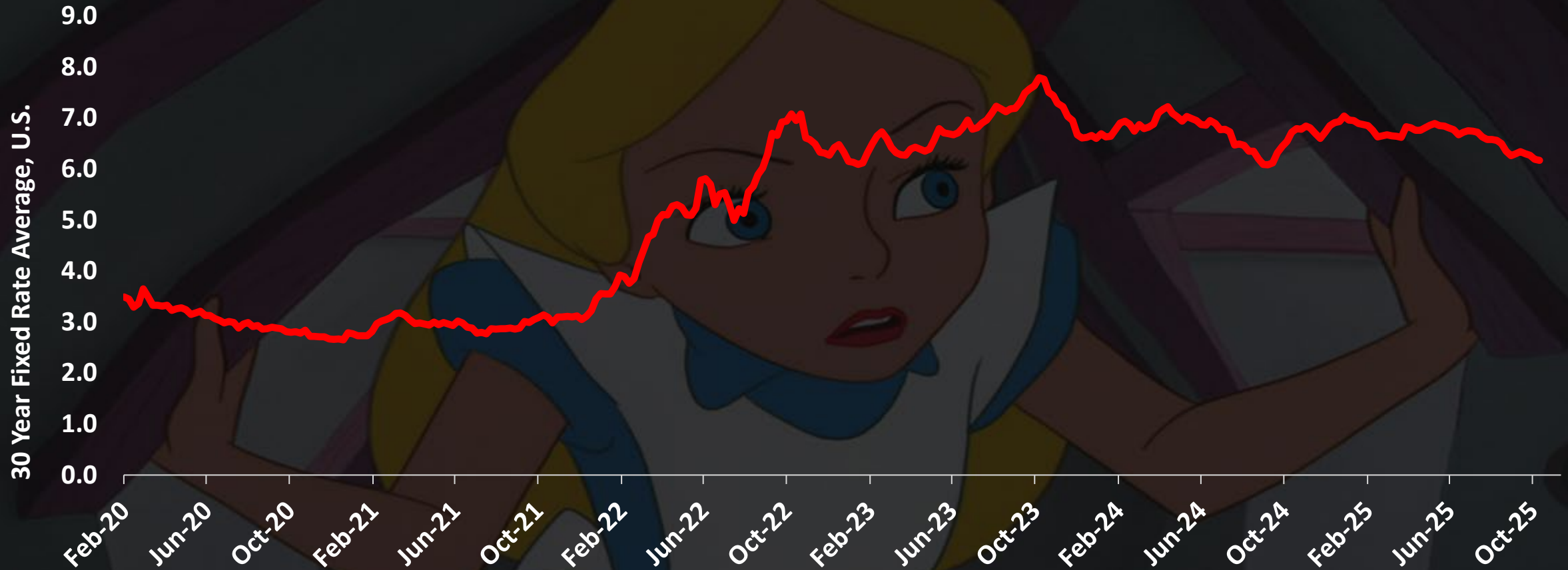


Oh might, poor little bitty house!

Fed Cuts Rates by 0.25%, Second Reduction This Year Brings Lowest Interest Rates Since 2022



Mortgage Rates Have Eased From January Highs, Yet Continue to Exceed Typical Homeowner Levels

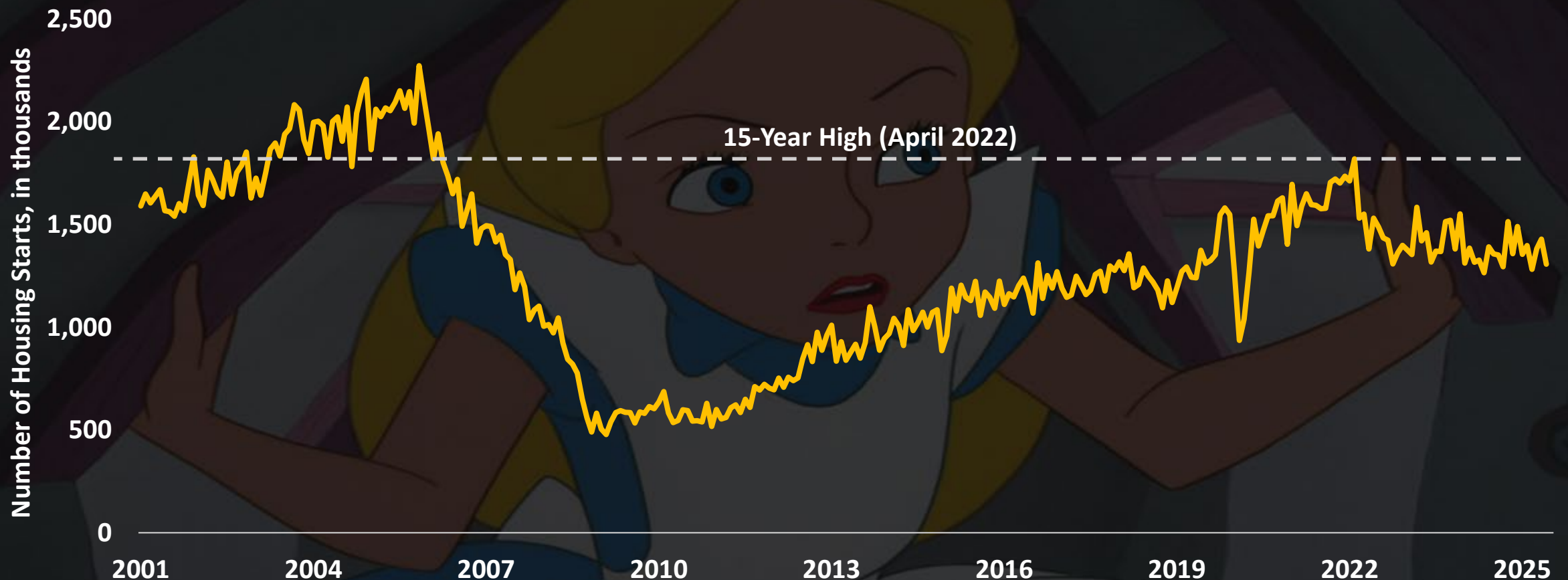


The U.S. is Currently Short Up to 6 Million Homes

- According to various estimates, the United States is short anywhere between 2 and 6 million homes.
- Population growth from 2023 to 2024 has caused housing demand to exceed supply, further driving up housing costs alongside rising mortgage rates.
- Construction has struggled to keep pace, further contributing to housing undersupply. These challenges are likely due to land use, zoning regulations, rising materials and construction costs.



Housing Starts Have Declined After Hitting a 15-Year High in April 2022



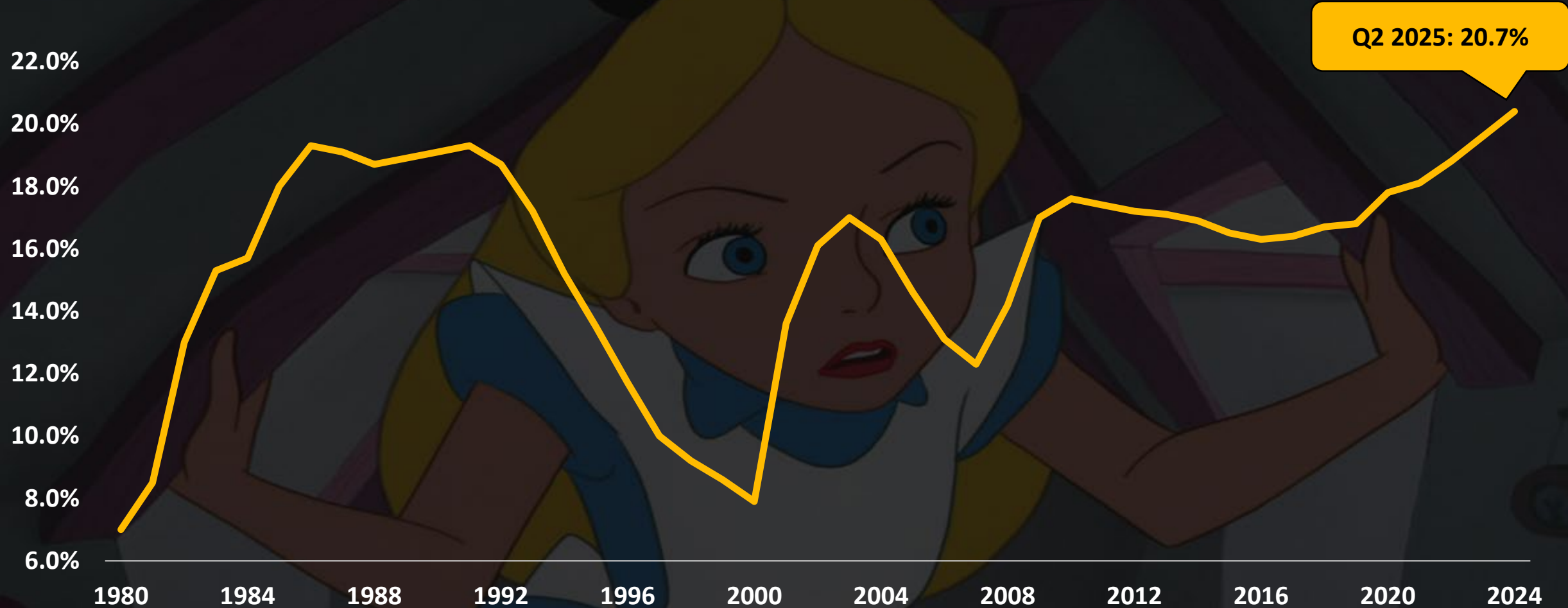
Households With a Typical Income Would Need Approximately 36% More Income to Afford a Typical Home in the U.S.



New Homeowner Income Needed to Qualify for the Median Home in the Baltimore –Columbia-Towson Metro reached \$133K in July



Office Vacancy Rates Continue to Increase



Q2 2025: 20.7%

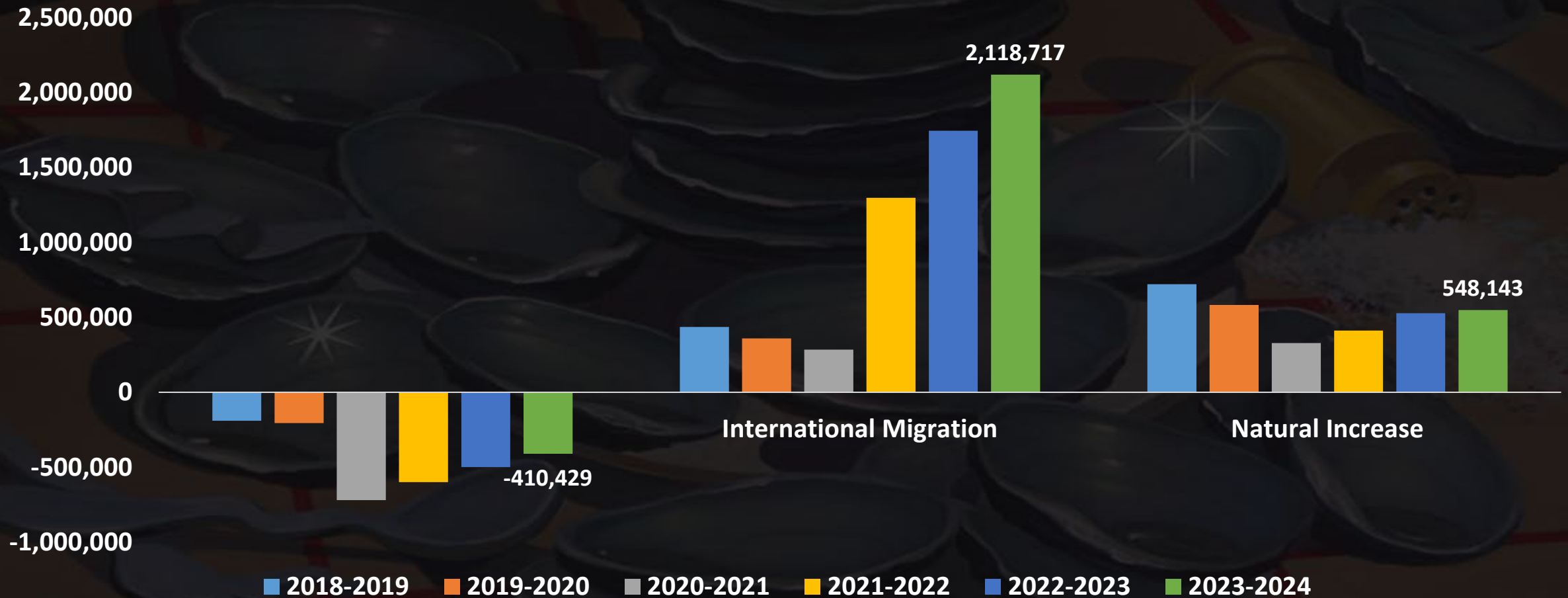
No work today! We're Cabbages and Kings!
Oh, oysters, come and walk with us.
The day is warm and bright!



Labor Force Participation Overall is Lower Than Pre-Pandemic Levels



International Migration Accounted for 94% of Population Growth In Major Metros In 2023-2024, Largest Growth In Decades

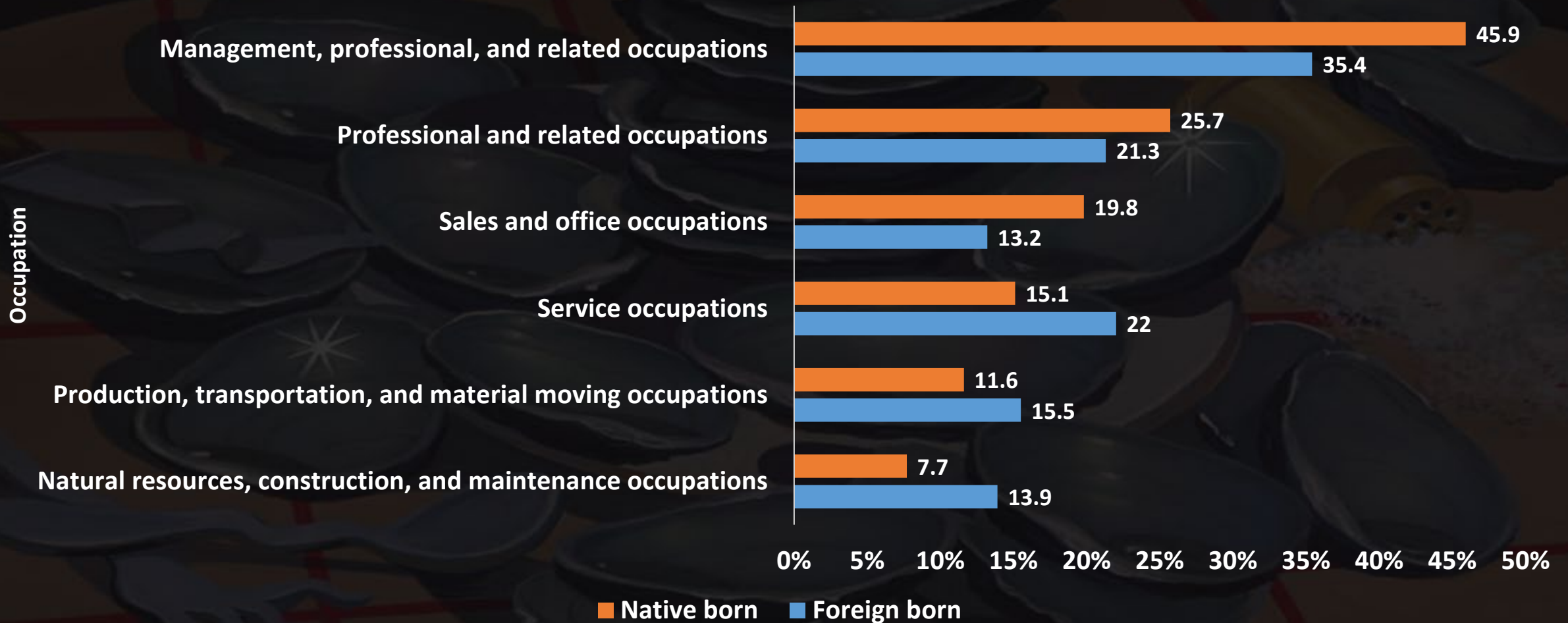


Immigrant Share of Labor Force Reaches Record High

- According to Current Population Survey (CPS) data, immigrants accounted for 19.2 percent of U.S. civilian labor force in 2024, a rise from 18.6 the year prior.
- Immigrants are filling gaps caused by demographic shifts and are playing key roles in the U.S. labor force within multiple industries.
- Current immigration policy under Trump's administration, threatens immigrant participation in the labor force.



Distribution of Native and Foreign-Born Workers Across Occupations



The Conflict in the Middle East Threatens Geopolitical Disruptions to Global Energy Supply

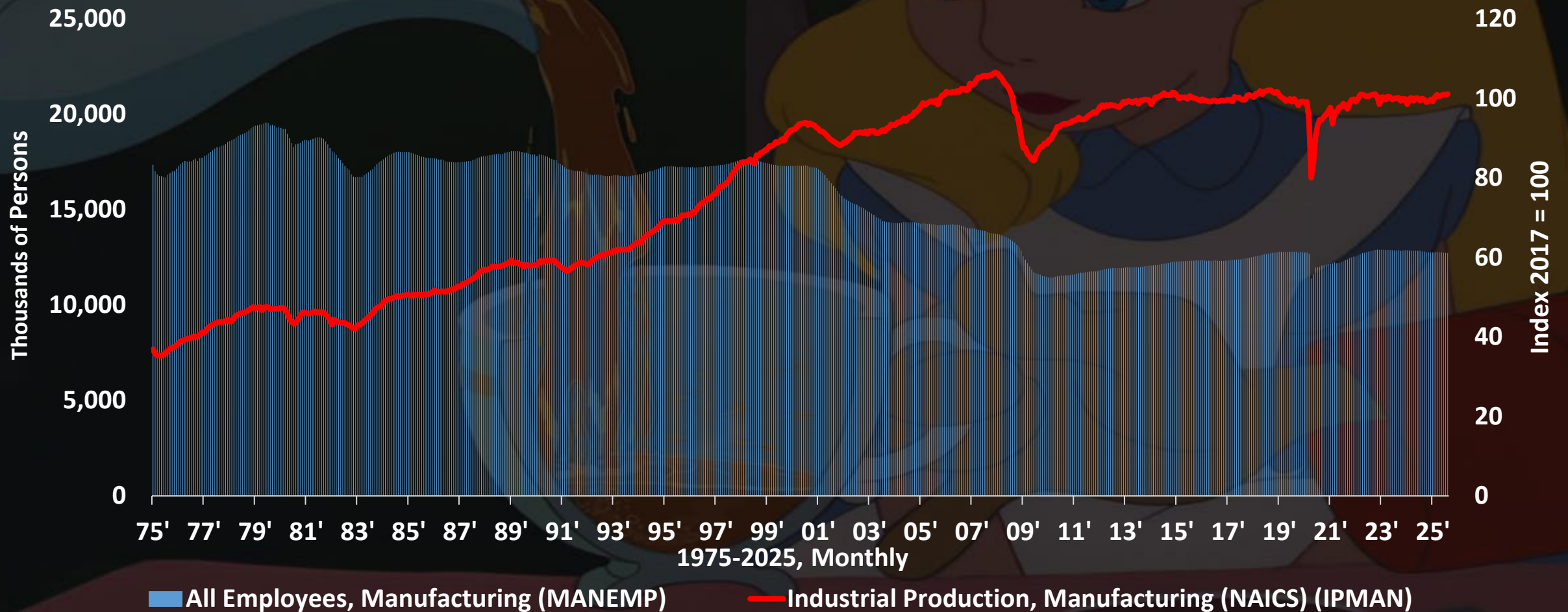
- The conflict in the Middle East threatens global energy supply for the U.S. as well as other global economic partners who rely on resources such as oil and liquified natural gas (LNG).
- Analysts warn that U.S. military actions may provoke retaliatory measures from Iran, including restricting access to the Strait of Hormuz, a key global oil shipping route.
- Global energy prices could spike, fueling inflation. Brent crude briefly surged past \$80 a barrel following U.S. airstrikes, well above the \$60-\$75 average cost. Additionally, U.S. involvement would cause the U.S. to divert significant military assets.



You can always take more than nothing!

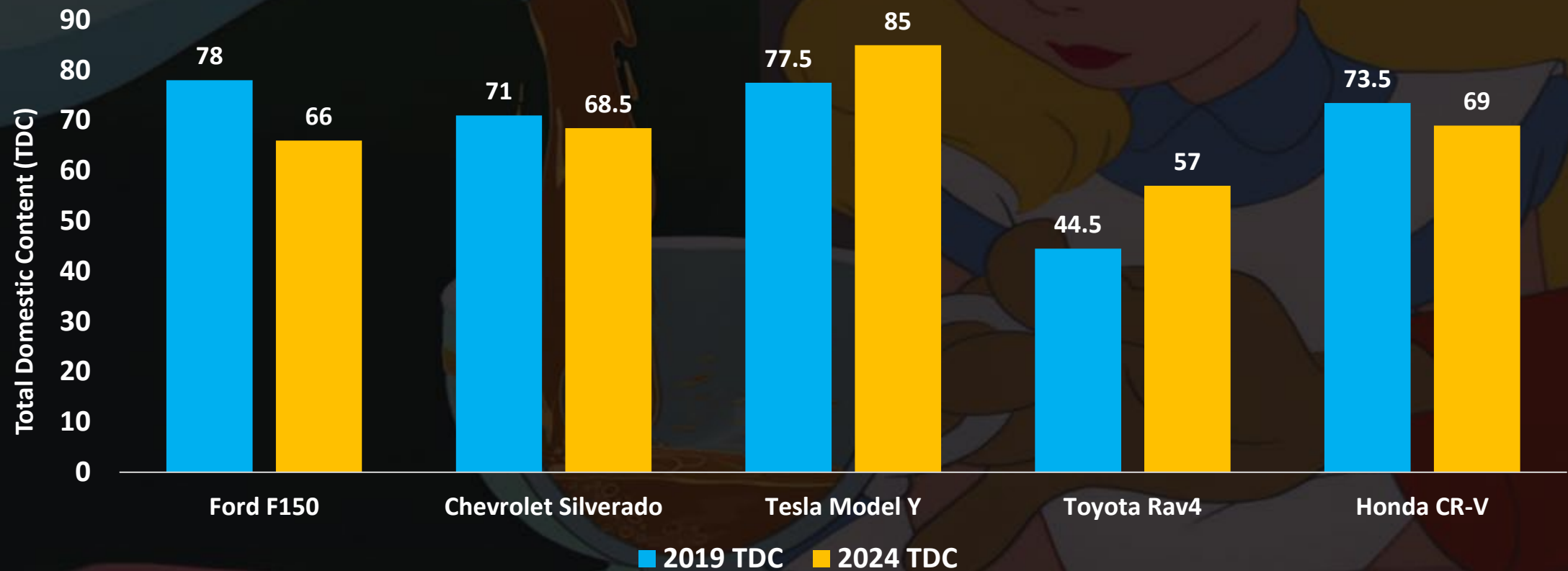


The Number of Manufacturing Employees In the U.S. Has Declined 29% From 1975-2024



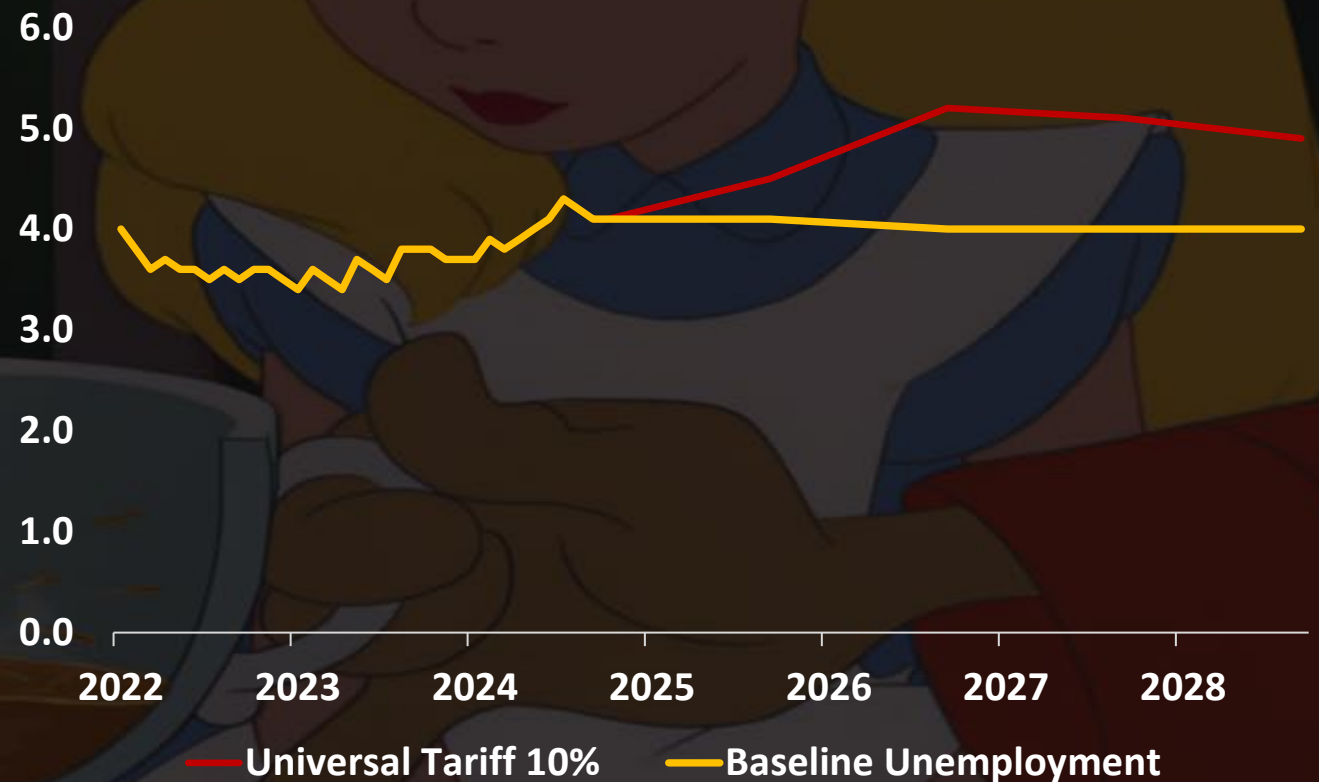
“Made in America” Auto Index 2019 vs 2024

2024: 5 Most Popular Cars in United States



Import Heavy Industries Will Likely Be Impacted by Trump's Tariff Proposals

- The unemployment rate could peak at 5.3% by Q3 of 2026 due the weakened economy imposed by Trump's Universal Baseline Tariff Scenario of 10% on all imports.
- The economic contractions following the proposed tariffs may lead employers to lay off workers and decelerate hiring.
- Import sensitive industries such as the **Construction**, and **Manufacturing**, will be among those significantly impacted by Trump's Tariff Proposals.



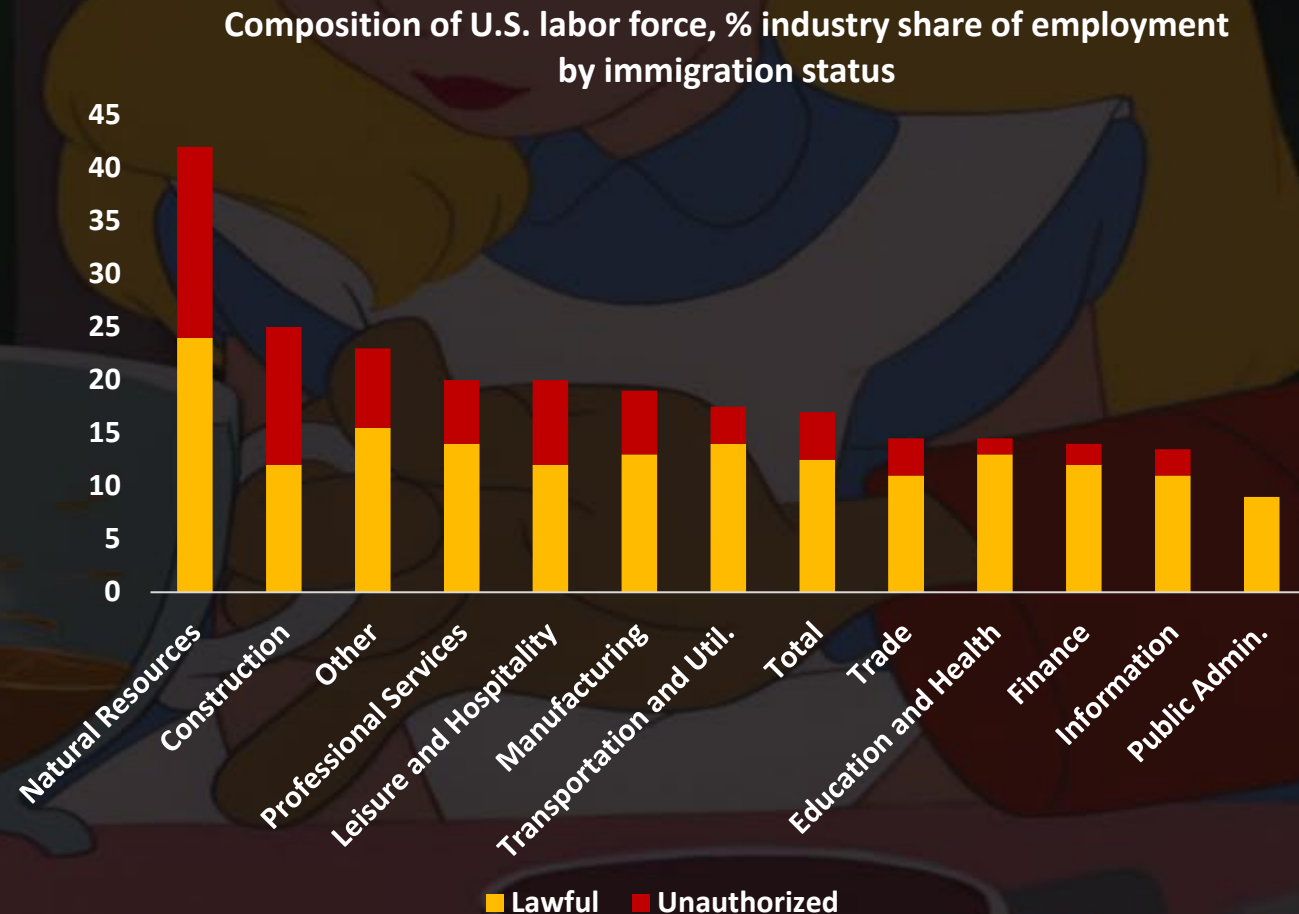
Tariffs Could Potentially Drive Housing Construction Costs Up 18 Percent

- The cost of building a home could rise significantly due to increased tariffs and a shortage of immigrant labor.
- Without immigrant labor, labor costs for construction projects could significantly swell.
- Increased tariffs will lead to higher prices for essential materials, such as HVAC systems and tiles supplied by China.
- Policy uncertainty and increased supplier prices due to proposed tariffs are negatively impacting home builders. NAHB reports builders estimate costs to increase \$11K per home.

Case Study: Home Project Est. \$1.29 M	Base Cost	Labor	Material
Concrete Foundation	\$58,200	+25%	+18%
Framing	\$107,400	+25%	+4%
Exterior Windows and Doors	\$49,400	+0%	+11%
Roofing	\$38,875	+20%	+21%
Siding	\$64,540	+26%	+7%
Plumbing, Electrical and Mechanicals	\$138,000	+0%	+8%
Insulation and Drywall	\$45,000	+35%	+20%
Flooring	\$105,700	+30%	+2%
Painting and Wall Coverings	\$45,400	+19%	+11%
Cabinets and Countertops	\$99,000	+30%	+17%
Appliances	\$26,000	+0%	+11%
Other	\$511,000	+16%	+31%
Total Cost	\$1.289 Million	\$1.524 Million	
Estimated Cost Increase			+\$235,400

Trump's Proposed Restrictive Immigration Policies and Mass Deportation Will Tighten an Already Tightfisted Job Market

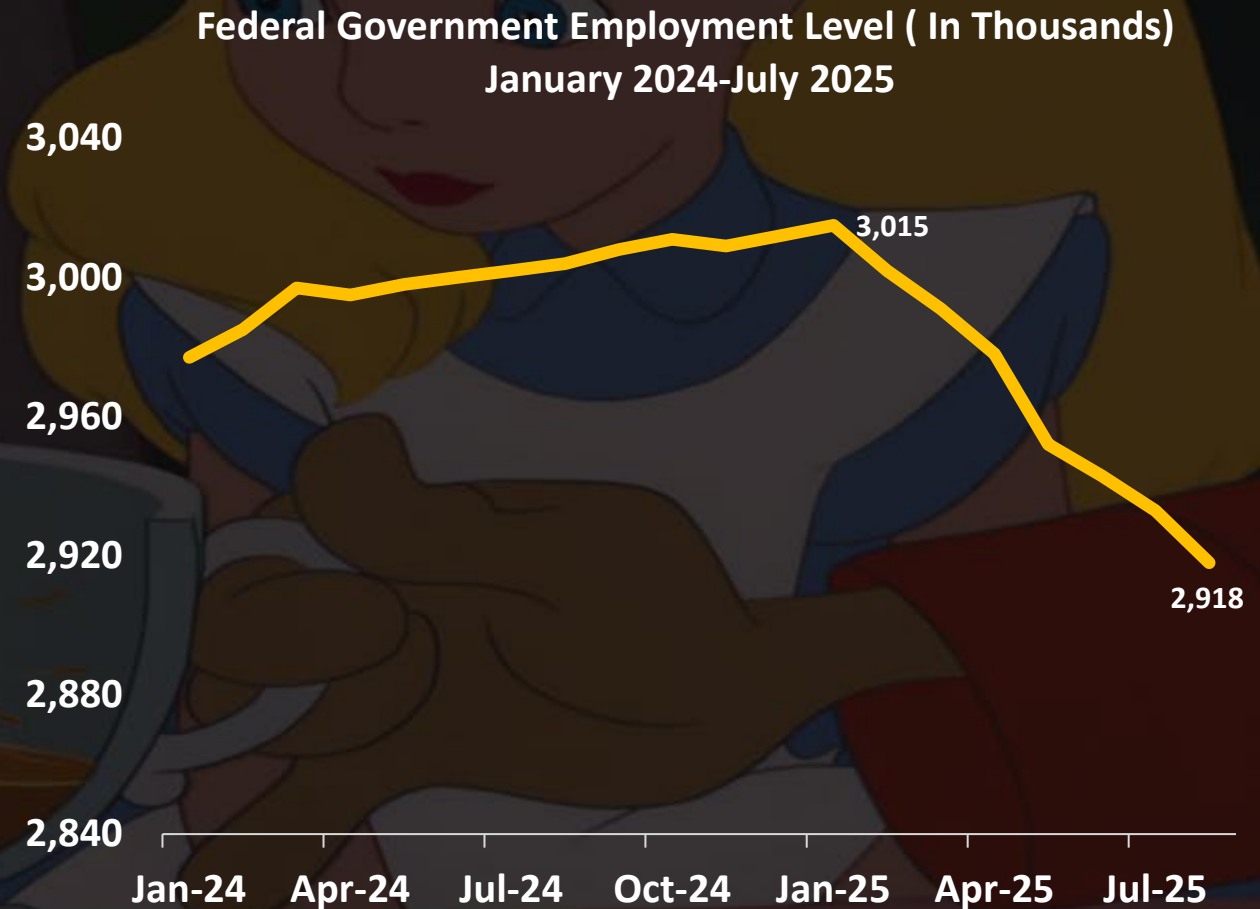
- Industries heavily reliant on immigrants, such as agriculture, construction, retail, and hospitality will face significant tightening under Trump's immigrant enforcement measures.
- These policies are expected to increase wages and prices in affected sectors, as immigrants are crucial to U.S. production and the global food supply.
- Labor costs and inflation are key concerns for the Federal Reserve, which may respond with interest rate hikes or delayed rate cuts. The risk of recession could grow as economic growth slows.



Source: Moody's Analytics, and Pew Research

Federal Employment Declined by 97,000 Following January High

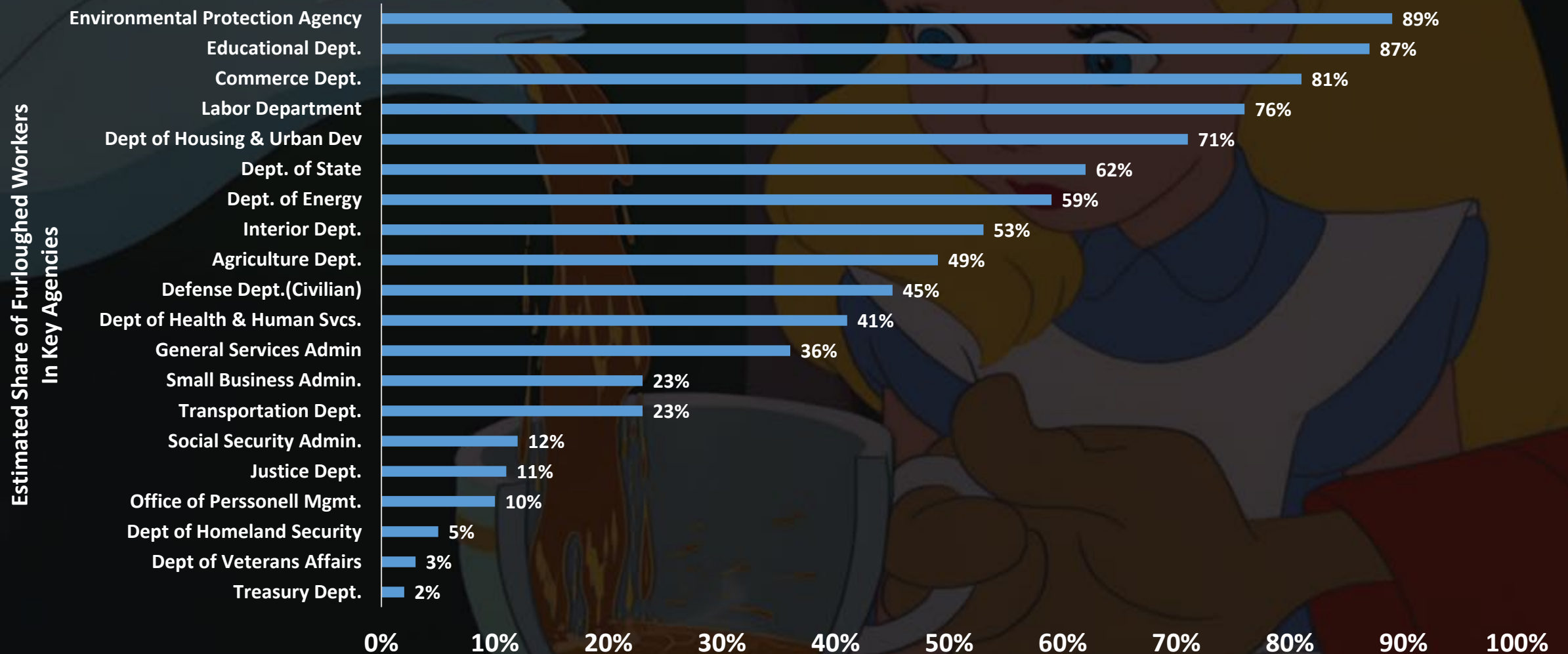
- **Federal Government Employment has declined by 97,000** since peaking in January 2025. Between July 2025 and Aug 2025, Federal Employment Declined by 15,000.
- **According to August reports, more than 154,000 federal employees are being paid not to work.** White House budget proposal plans a 5% cut the federal workforce. That is an **estimated loss of 114K jobs offset by 9.6K new jobs.**
- **As of late October, there were 227+ active cases involving the Trump administration.** Of which, the Trump administration filed 19 suits challenging state and local laws.



The Federal Workforce Has Shrunk Significantly Since September 2024

Top 5 Federal Agencies With Significant Employment No. Changes	Sept. 2024 No. of Employees	Recent No. of Employees	Percent Change
Education Department	4,200	2,447	-42%
Office of Personnel Management	3,011	2,007	-33%
Housing and Urban Development	8,843	6,105	-31%
Treasury Department	113,992	945,000	-29%
Defense Department (Civilian Workers)	945,000	741,477	-22%

Government Shutdown Places an Estimated 600,000+ Federal Workers on Furlough



What the Future Holds

Headwinds

- Continuing War in Ukraine
- Conflict in the Mideast
- Climate Change impacts-more frequent, more severe
- Executive Actions
 - Knowledge economy at risk
 - Loss of institutional knowledge
 - Tariffs
 - Enhanced Deportations

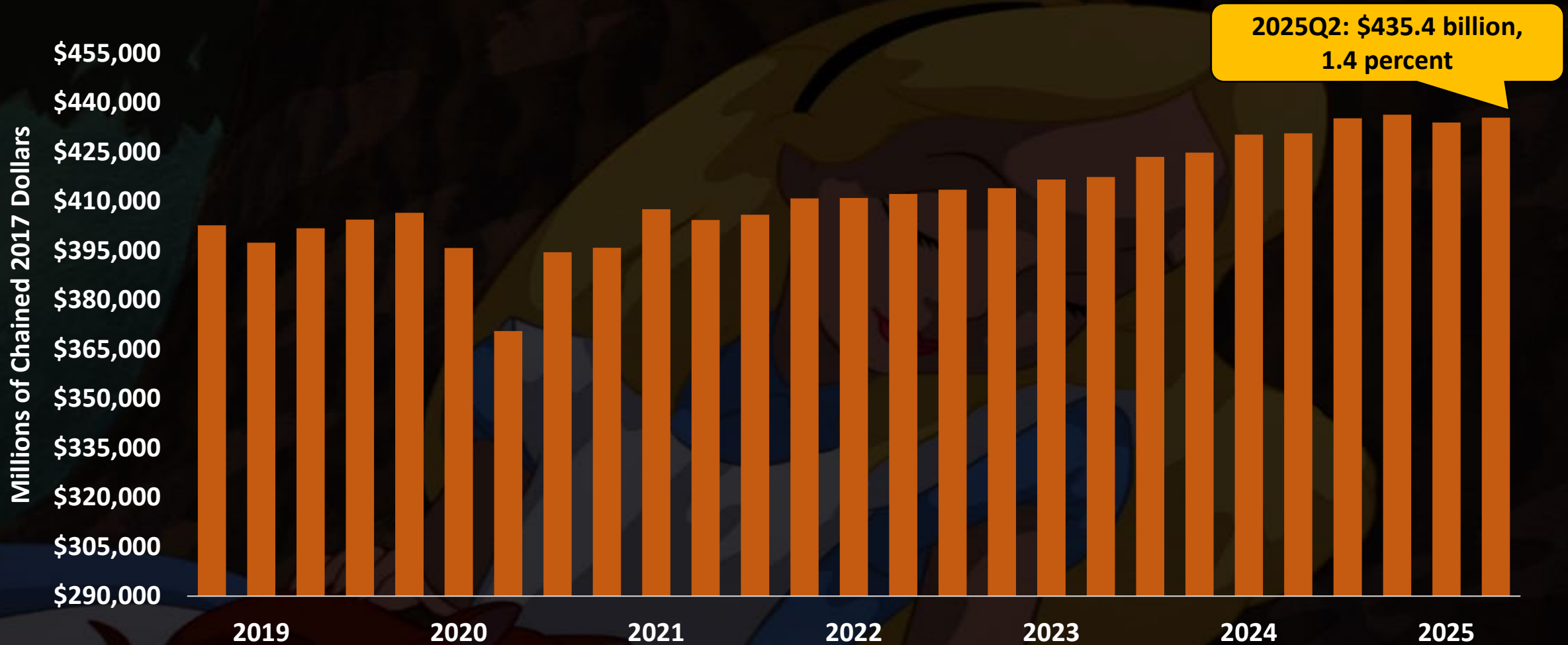
Tailwinds

- Strong Labor Markets (?)
- Strong GDP Growth (?)
- Softening Home Prices
- Slowing Inflation (?)
- Interest Rates (?)

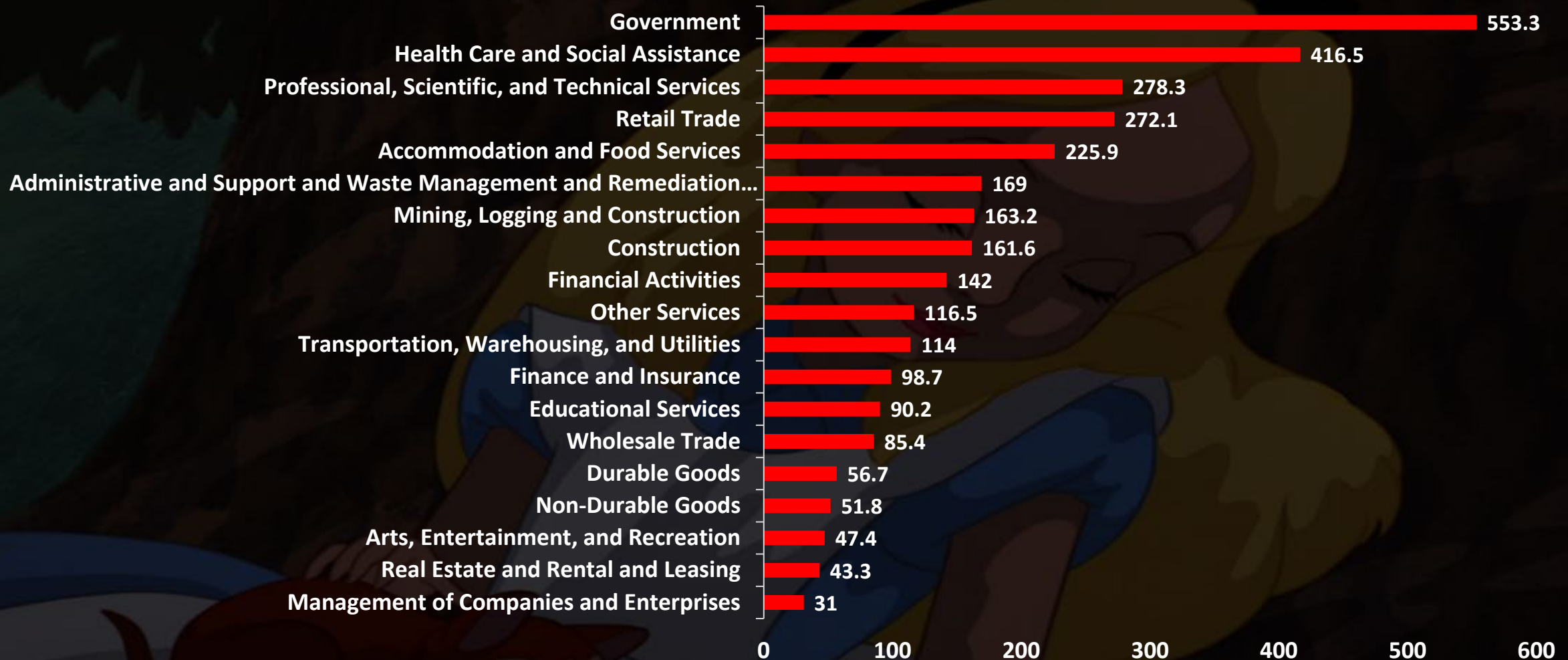


Simply must get home!

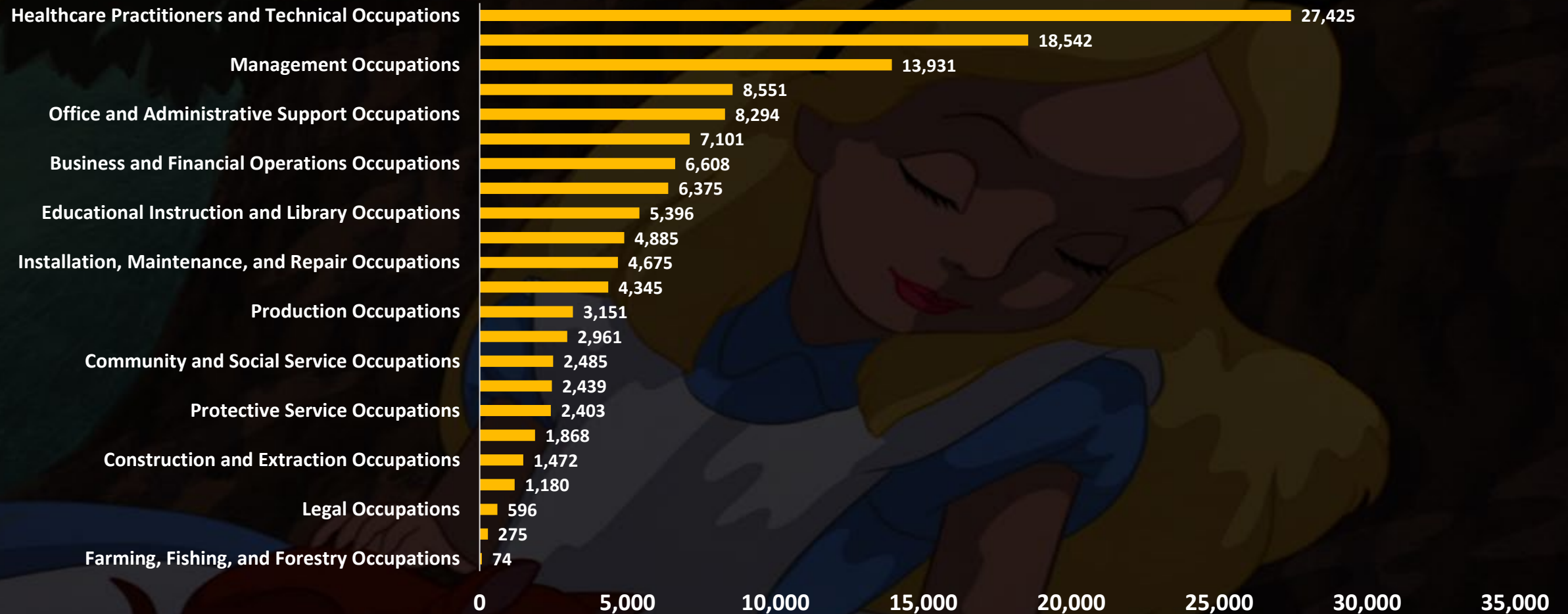
Maryland's Real GDP Up 1.4% in Q2; Following National Growth



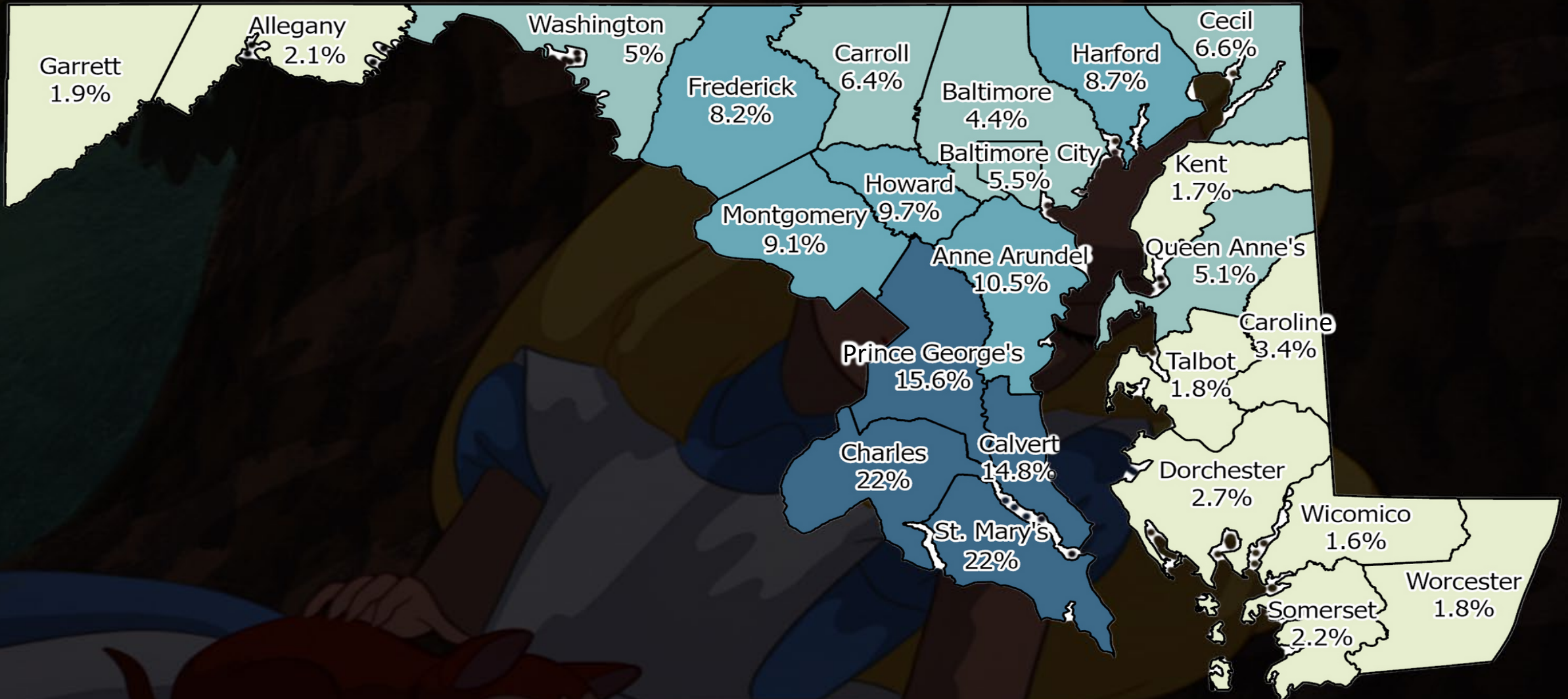
Government and Healthcare Sectors Have the Largest Current Employment In Maryland



Healthcare, Computer and Math, and Management Occupations Dominate Job Openings in Maryland



Federal Wage Percentage By County In Maryland



Potential Impacts to MD Reductions In Federal Spending and Employment



If federal employment were to decline by 30K with a \$11.B reduction in federal spending (10%) in Maryland, the outcomes would result:

- Total employment in MD would decline by 98.25K
- State GDP would decline by \$35.1B
- State taxes would decline by \$720M
- Local taxes would decline by \$383.1M

Maryland's Economy

- Uncertainty around Federal budget and policies
 - DOGE (feds)
 - Knowledge Economy (eds and meds)
 - Tourism (beds)
 - Tariffs (port of Baltimore)
- MD Structural Deficit
- Population decline
- Affordability
- Labor shortages continue to plague hospitality and eating establishments in addition to IT, health and transportation



Wake up! Please wake up!



Increasing Maryland's Business Competitiveness



Mary Kane
President and CEO,
Maryland Chamber
of Commerce



Brooke Lierman
Comptroller,
State of Maryland



Nico Sanders
President and CEO,
Community Housing
Associates



Jay Steinmetz
Founder, Barcoding;
CEO,
Power Up Connect



Jeff Salkin
News Anchor,
Maryland Public
Television



Stay Connected

Scan to sign up for
our newsletter



@RESIofTU



RESI of Towson University