

**The economy
looks okay.**

It isn't.

The numbers most people see
— unemployment, GDP growth —
are technically fine.

But underneath, the foundations
of everyday economic life are in
worse shape than at any point
in a generation.

THE ONE-SENTENCE VERDICT

"Like a house with good paint and a crumbling foundation — and the foundation just got worse."

At a glance: Six things to know



Jobs: mostly fine

4.3% unemployment. 115K jobs added in April — double forecasts.



Business investing heavily

Equipment investment up 17%. The AI boom is real and ongoing.



Household debt: manageable

Families spending ~12% of income on debt. Healthy limit is 15%.



Prices still rising fast

Inflation at 3.8%. Wages at 3.4%. You're losing ground every month.



National debt out of control

\$1.9T deficit this year. Interest bill now bigger than defense.



Can't afford a home

Typical home costs 5× the average annual income. Age 40 to buy first home.

What's Actually Working

There are real positives — worth acknowledging honestly before getting to the problems.



Most people who want a job have one

Unemployment is 4.3% — about 1 in 23. In April, 115,000 new jobs were created, nearly double what forecasters expected. If you have a job, the job market isn't your immediate problem.

Unemployment: 4.3% · April jobs: +115K



Businesses are investing in new technology

Equipment investment up 17%. Software and tech investment up 12%. The AI boom is genuine — when companies invest this aggressively, it usually pays off in higher long-run productivity.

Equipment investment: +17.2% · AI-driven productivity rising



Most households aren't drowning in debt

The average household spends about 11–12% of income on all debt payments combined — mortgages, cars, credit cards. The warning level is 15%. Most families are below that threshold.

Household debt service: ~11–12% of income · Healthy limit: 15%

The Headline Problem: Prices Won't Come Down

3.8%

Headline Inflation
(highest in 3 years)

3.3%

Core Inflation
(Fed target: 2.0%)

3.4%

Wage Growth
(losing to inflation)

8.1

Misery Index
(healthy = under 7)

What this means for you:

If you spent \$1,000 on groceries, gas, and rent last year, the same basket costs roughly \$1,038 today. That doesn't sound catastrophic — but it compounds. After three years of this, your purchasing power has eroded significantly.

The Iran conflict spiked energy prices. Tariffs pushed up goods prices. Neither is going away quickly.

The Federal Reserve has given up on cutting interest rates this year. Some analysts now think the next move could be a rate increase — meaning higher mortgage rates, higher car loan rates, and more pressure on anyone carrying debt.

Wages grew 3.4%. Inflation ran 3.8%. The math is simple: you're slightly poorer in real terms than you were a year ago.

"When inflation runs above your wage growth, you're getting poorer every month — even if your paycheck number goes up."

The Slow-Motion Crisis: The National Debt

The Household Analogy

Imagine your household earns \$100,000 a year —

and you owe \$123,000 on your credit cards alone.

And you're adding to it every month with no plan to stop.

That's the U.S. right now.

\$1.9T

This year's deficit
(3rd highest in U.S. history)

123%

Debt as % of GDP
(healthy: 60–90%)

\$1T+

Annual interest payment
(exceeds defense budget)

\$4.7T

Added to debt by OBBBA
(over next 10 years)

Why this matters to you:

Interest payments now exceed the entire U.S. defense budget — over \$1 trillion per year, just to service old debt. That's money that can't go to schools, roads, healthcare, or tax cuts. The "One Big Beautiful Bill" signed into law this year adds \$4.7 trillion more over the next decade.

The Generational Crisis: You Can't Afford a Home

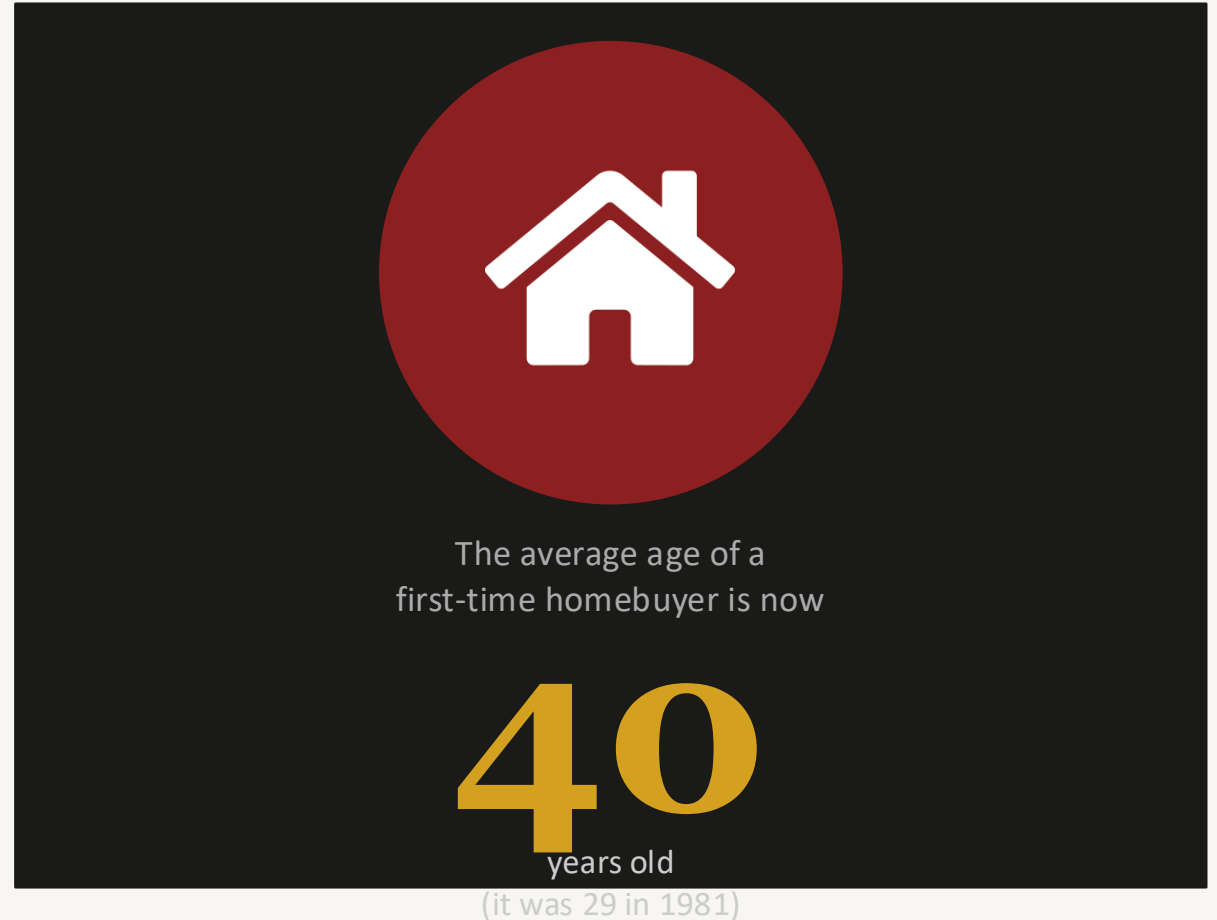
1990s: home cost 3.2× annual income

TODAY: home costs 5.08× annual income

Nearly double the historical norm

2019
\$75K income →
afford 49% of homes

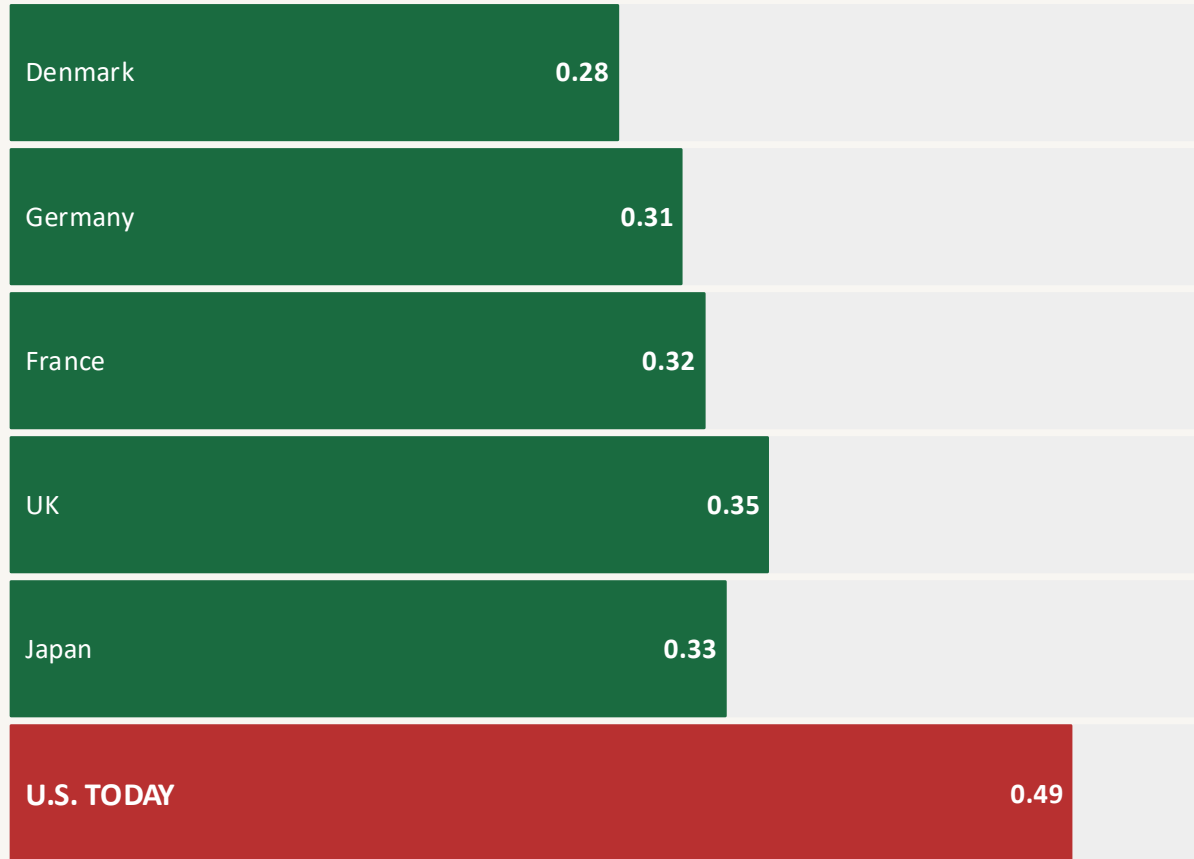
TODAY
\$75K income →
afford only 21% of homes



The average age of a first-time homebuyer is now

40
years old
(it was 29 in 1981)

The Background Reality: The Gains Aren't Shared



Gini Coefficient (0 = perfect equality, 1 = one person has everything)

ENTRENCHED — NO CHANGE

The economy is growing — but mostly for people at the top

The top 20% of earners take in about 52% of all income. The U.S. has one of the highest inequality levels of any wealthy country in the world.

The AI investment boom is real — but its gains are flowing primarily to tech companies, their shareholders, and highly skilled workers. For the median family, the economy doesn't feel like the headline numbers suggest.

This matters for the good news on slide 3: that productivity surge and business investment? Most people aren't seeing it in their paycheck.

The Fine Print on "Good" Unemployment

The Traffic Analogy

*Saying traffic is flowing well
because a lot of cars left the highway.*

That's what the unemployment rate is doing right now.

What's really happening:

The unemployment rate is 4.3% — technically healthy. But it's holding there not because hiring is booming, but because the labor force itself is shrinking. Over 1 million immigrant workers have left the U.S. Fewer people searching = lower unemployment rate.

Fed economists confirmed the "breakeven" — jobs needed monthly to keep unemployment stable — dropped to nearly zero, briefly went negative. The economy could shed jobs and unemployment wouldn't move.

~150K

Jobs needed monthly
(pre-2025 normal)

~0

Jobs needed monthly
(today)

1M+

Immigrant workers
who exited since peak

What does all this actually mean for you?



If you have a stable job...

...your immediate situation may feel manageable — even if prices are pinching. The surface of the economy is holding. Employment is real, even if its numbers are misleading.



But the foundations are cracking.

Inflation re-accelerated. The debt got bigger through legislation. Housing became less affordable. The benefits of economic growth remain concentrated at the top. All of these got worse since just April.



The trajectory is not improving.

Things look okay from the outside. From the inside, for most people, it's harder than the numbers suggest. The structural problems — debt, housing, inequality, inflation — are moving in the wrong direction.

What Needs to Be Done.



Three levels. One standard.

01 The Individual

What you can do — starting today

02 The Community

What we owe each other — and the most vulnerable

03 The Policy

What structural change actually requires

The evaluative standard running through all three:

"Is this ordered toward the flourishing of all — or the accumulation of the few?"

The Individual: What You Can Do

Shalom calls for:

Not passive acceptance, not mere self-protection — but informed engagement. The person who understands what's happening has an obligation to act on that understanding.



Get economically literate

Use reports like this one. Learn what indicators actually mean. Understand the difference between what you're told and what the data shows. The gap between the official story and lived reality has a name — and now you can see it.



Name it in conversation

The gap between 'greatest economy in history' and 'I can't afford anything' needs to be spoken aloud in ordinary life. Kitchens, churches, workplaces. Economic propaganda loses power when people compare notes.



Make decisions based on reality

Housing, debt, savings — make financial decisions that account for the structural conditions, not the official narrative. A 5x price-to-income ratio is not a temporary blip. Plan accordingly.



Vote with economic accountability

Not how the economy feels — how the indicators actually moved. Debt, housing affordability, real wages, inequality. Hold candidates to the data, not the slogan.

The Community: What We Owe Each Other

Shalom calls for:

The community bears responsibility for its most vulnerable members first. The dashboard shows who is being left behind — shalom names that as a community failure, not just a policy failure.



Close the literacy gap actively

Churches, civic organizations, community groups — teach people to read the economy honestly. Economic literacy is a form of care for the vulnerable. If people can't evaluate what they're being told, they can't protect themselves or their neighbors.



Advocate for local housing supply

Zoning decisions are made locally. The national housing crisis is assembled from thousands of local 'not in my backyard' decisions. Community institutions have both standing and obligation to push for housing that the least of us can afford.



Practice mutual aid — don't wait

Purchasing power is eroding. Real wages are negative. Communities can fill gaps now — food, housing assistance, shared resources — without waiting for policy to catch up. Shalom has always moved faster than legislation.



Hold local officials to structural indicators

Not the headline number. Not the slogan. The actual affordability ratio, the actual wage data, the actual housing access in your zip code. Community accountability starts before it reaches Washington.

The Policy: What Structural Change Requires

Shalom calls for:

Systems ordered toward the flourishing of the least, not the accumulation of the most. Empire optimizes for concentration. Shalom distributes.
Honest caveat: several required responses are politically nearly impossible right now. Naming that isn't defeatism — it's accuracy.

DEBT

Treat debt as generational equity

The current trajectory steals from people not yet born. Shalom doesn't do that. Required: a bipartisan fiscal framework that names the debt as a moral obligation, not a partisan football.

HOUSING

Aggressive supply-side reform

5.08× price-to-income is not a market outcome — it's a policy outcome. Zoning liberalization, public investment in affordable housing, removal of exclusionary barriers. This can be changed.

INEQUALITY

Structural reform, not charity

A Gini of 0.49 is not inevitable — it is chosen. Tax policy that doesn't accelerate concentration. Labor policy that restores bargaining power. Investment in public goods that lift the bottom.

INFLATION

Protect Fed independence

Monetary credibility is a public good. Shalom protects public goods. Political interference in the Fed is not an economic policy — it's a power grab with inflationary consequences.

NARRATIVE

Economic literacy as a civic right

A press and public education system that equips people to evaluate economic claims rather than simply receive them. Not a privilege of the educated — a requirement of democratic self-governance.

Shalom has never waited for favorable conditions.

It has always been a claim made against the grain of empire — that another ordering is possible, that it is required, and that the people who see it clearly bear some responsibility for moving toward it.

INDIVIDUAL

Get literate. Make honest decisions. Name what you see. Vote with accountability.

COMMUNITY

Close the gap. Advocate locally. Practice mutual aid. Don't wait for Washington.

POLICY

Debt as moral obligation. Housing as policy choice. Fed independence as public good.

"Is this ordered toward the flourishing of all — or the accumulation of the few?"