

Deficit Decline, Rising Reports, and Interesting Investments

September 1st, 2025

- **Deficit Decline** – Congress’ nonpartisan analyst, CBO, estimates that Trump’s global tariff hikes could reduce deficits by \$3.3 trillion and cut federal interest payments by \$0.7 trillion over the next decade (source: Reuters).
- **Young Employment** – The percent of people aged 16 to 24 who were employed in July 2025 decreased to 53.1%, down from 54.5% in July 2024. However, the youth labor force grew from 21.7 million in April 2025 to 23.7 million in July 2025 (source: U.S. Bureau of Labor Statistics).
- **Rising Reports** – Jefferies raises its year-end target for the S&P 500 to 6,600, citing strong second-quarter corporate earnings. The brokerage firm’s previous year-end target was 5,600 (source: Reuters).
- **Growth Galore** – Zoom released its second quarter of fiscal year 2026 results, citing a 4.7% year-over-year revenue growth and a 10.5% year-over-year growth in non-GAAP income from operations (source: Zoom).
- **Interesting Investment** – The U.S. government is set to take a 9.9% stake in Intel through a deal that converts government grants into an equity share. The deal will give Intel \$10 billion in funds to expand chip factories in the U.S. (source: Reuters).
- **Dominating Data** – Databricks, an analytics firm, is targeting a \$100 billion valuation as it closes on a \$1 billion Series K funding round. This is a 61% valuation growth from its December 2024 valuation of \$62 billion (source: Databricks).
- **Still Struggling** – Starbucks has announced the cut of production from seven days a week to five. This comes after Starbucks capped raises for North America salaried employees to a fixed 2%. These budget cuts are expected to pay for upgrades elsewhere in the company (source: Reuters).
- **Coffee Craze** – Keurig Dr Pepper will buy European JDE Peet’s for \$18 billion. JDE Peet’s owns a suite of coffee and tea brands (source: Bloomberg).
- **Digital Disaster** – Seven in ten Americans believe the spread of false information online is a major threat to the U.S., making it the highest perceived threat. Terrorism and the condition of the global economy took the next slots, with about six in ten adults ranking it as a major threat (source: Pew Research Center).
- **Victory Views** – Fox had the best preseason NFL game in four years, with 5.11 million viewers watching the Bears-Bills game on Sunday, August 17. However, the network’s best NFL preseason game remains the Pro Football Hall of Fame Game in 2021 with 7.4 million viewers (source: Sports Business Journal).

Definitions and Indexes

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