

## Tariff Talk, Dreary Deficits, and Muddled Manufacturing

May 19<sup>th</sup>, 2025

- **Tariff Talk** – The United States and China have reached an agreement to temporarily cut reciprocal tariffs for the next 90 days. The U.S. will cut extra tariffs on Chinese imports from 145% to 30%, while China will lower duties on U.S. imports from 125% to 10% (source: Reuters).
- **Gains and Losses** – From June 2024 to September 2024, there were 7.6 million gross job losses from closing or contracting private-sector businesses. This is a decrease of 131,000 from Q2 2024. However, gross job openings also grew by 7.6 million in Q3 2024 (source: U.S. Bureau of Labor Statistics).
- **Domestic Drafts** – Anheuser-Busch InBev plans to invest \$300 million in manufacturing operations in the United States in 2025. This comes after nearly \$2 billion invested over the past five years in 100 facilities across the United States (source: Reuters).
- **Dreary Deficits** – In March 2025, the goods and services deficit was \$140.5 billion, a \$17.3 billion increase from February 2025. Exports totaled \$278.5 billion in March 2025, while imports totaled \$419.0 billion (source: U.S. Bureau of Economic Analysis).
- **Muddled Manufacturing** – The April 2025 Manufacturing PMI remained unchanged at 50.2. This was below the preliminary estimate of 50.7. New export orders saw the sharpest decline since November 2024 (source: Trading Economics).
- **Plummeting Productivity** – Nonfarm business labor productivity declined by 0.8% in Q1 2025, with output decreasing 0.3% and hours worked increasing 0.6%. This is the first decline in productivity since Q2 2022 (source: U.S. Bureau of Labor Statistics).
- **Posting Losses** – The United States Postal Service announced a \$3.3 billion net loss in the second quarter ended March 31, 2025. These losses stem from a \$1.2 billion workers' comp adjustment and a \$449 million increase in compensation and benefits expenses (source: USPS).

- **Gates' Goals** – Bill Gates announced his plans to give away \$200 billion of his wealth over the next 20 years. The Gates Foundation has already given away more than \$100 billion since its founding (source: CNN).
- **Big Bets** – Betting on the 2025 Kentucky Derby set a new record at \$234.4 million, beating 2024's betting total of \$210.7 million (source: Front Office Sports).
- **Hard Healthy Habits** – The Pew Research Center found that 90% of adults agree that healthy food has become more expensive in recent years, with another 69% of adults outlining that these price hikes make it more difficult to eat healthy (source: Pew Research Center).

### Definitions and Indexes

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