

Timid Travel, AI Investments, and Industrial Uptick

June 2nd, 2025

- **Timid Travel** – International visits to the United States fell by 14% in March 2025. Visits from Canada declined by 26%, while travel from Western Europe fell by 17%, which is the first decline since 2021. The U.S. Travel Association estimates that every 1% drop in international travel equates to \$1.8 billion in lost revenue (source: U.S. Travel Association).
- **State Stats** – Unemployment rates were higher in Massachusetts, Iowa, and Virginia, while Indiana and Nevada saw unemployment decreases in April 2025. Unemployment in the remaining 45 states was stable in April 2025 (source: U.S. Bureau of Labor Statistics).
- **Mixed Results** – Target released its first quarter earnings for the period ending May 3, 2025, citing a 36% growth in same-day delivery services and that 70% of all Q1 digital orders were fulfilled within a day. However, sales declined by 2.8% (source: Target).
- **Interesting Unemployment** – The unemployment rate for foreign-born workers in the United States was 4.2% in 2024, a 0.6% increase from 3.6% in 2023. The unemployment rate for native-born workers in the United States was 4.0% in 2024, a 0.4% increase from 3.6% in 2023 (source: U.S. Bureau of Labor Statistics).
- **AI Investments** – Silicon Valley Bank uncovered a 43% year-over-year growth in U.S. venture capital investments in enterprise software companies in 2024. Similarly, 40% of all U.S. venture capital-backed unicorns were in the enterprise software realm (source: Silicon Valley Bank).
- **Scaling Back** – Volvo has announced 3,000 job cuts as part of a restructuring plan to lower costs. Most cuts will be in the R&D, communication, and human resource sectors (source: Reuters).
- **Flight Fiasco** – United Airlines has reached a tentative agreement with flight attendants on their new contract. United Airlines cabin crews filed for federal mediation in 2023 after not receiving a raise since 2020. The new agreement is estimated to result in a 40% financial gain for flight attendants in the first year of the new contract (source: Reuters).
- **Ready to Retire?** – The magic number to retire has decreased by \$200,000 to \$1.26 million for 2025, according to a study by Northwestern Mutual. However, the average 401(k) balance was \$131,700 in Q4 2024 (source: CNBC).
- **Industrial Uptick** – U.S. industrial production rose by 0.6% in April 2025, driven primarily by gains in manufacturing and utilities output. Auto production rebounded sharply after weather-related slowdowns in March, while mining activity remained flat (source: Federal Reserve).
- **Shipping Strain** – The average cost to ship a 40-foot container from China to the U.S. West Coast rose 18% in May 2025, reaching its highest level since January 2022. Rising fuel costs and persistent supply chain bottlenecks are contributing to the increase, pressuring margins for import-heavy businesses (source: Freightos).

Definitions and Indexes

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