By: Anirban Basu
MPP, MA, JD, PHD
Sage Policy Group, Inc.

On Behalf of
National Frame Building Association

February 25, 2026

First
Brood

One Presentation by One Man

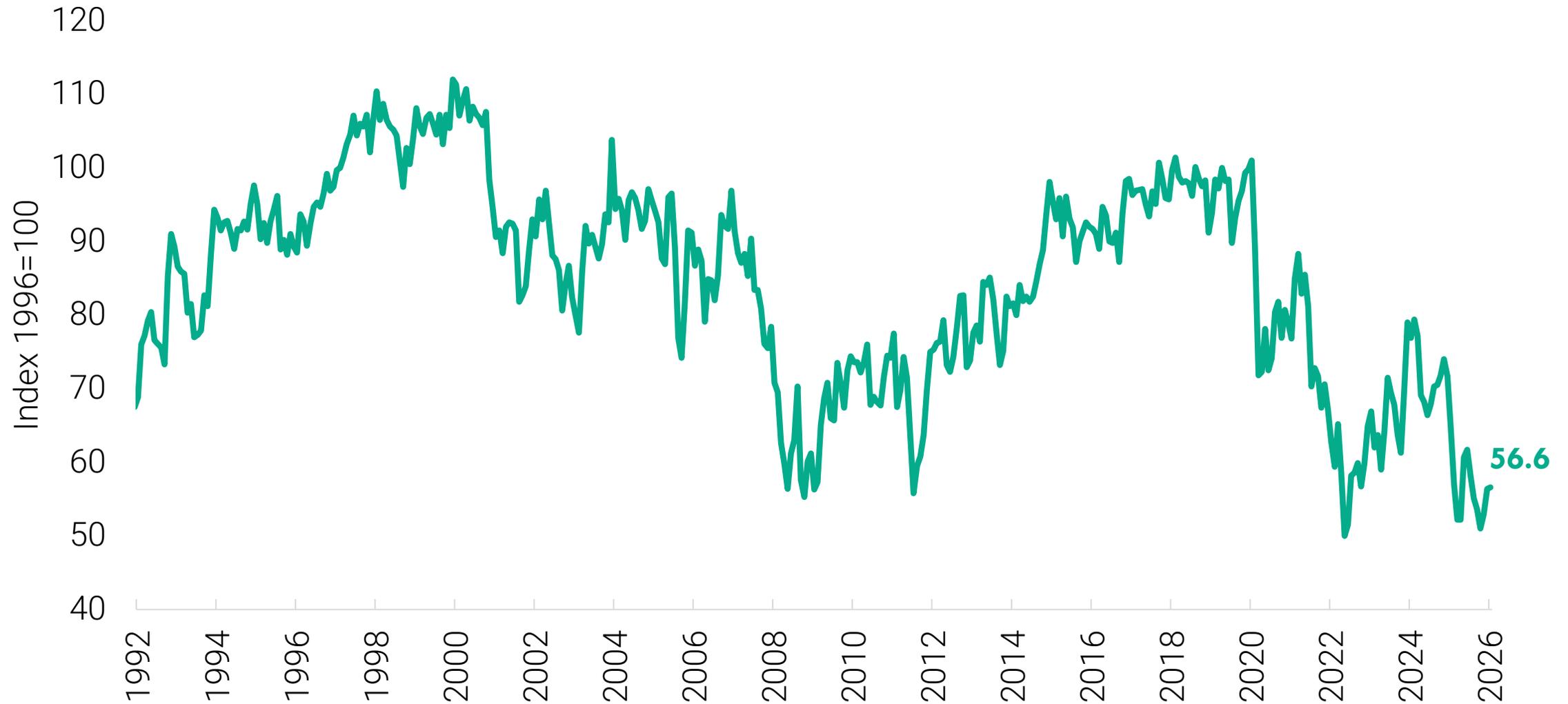Judge Dredd (1995)—Sylvester Stallone as Judge Joseph Dredd

University of Michigan Index of Consumer Sentiment
1992 – February 2026

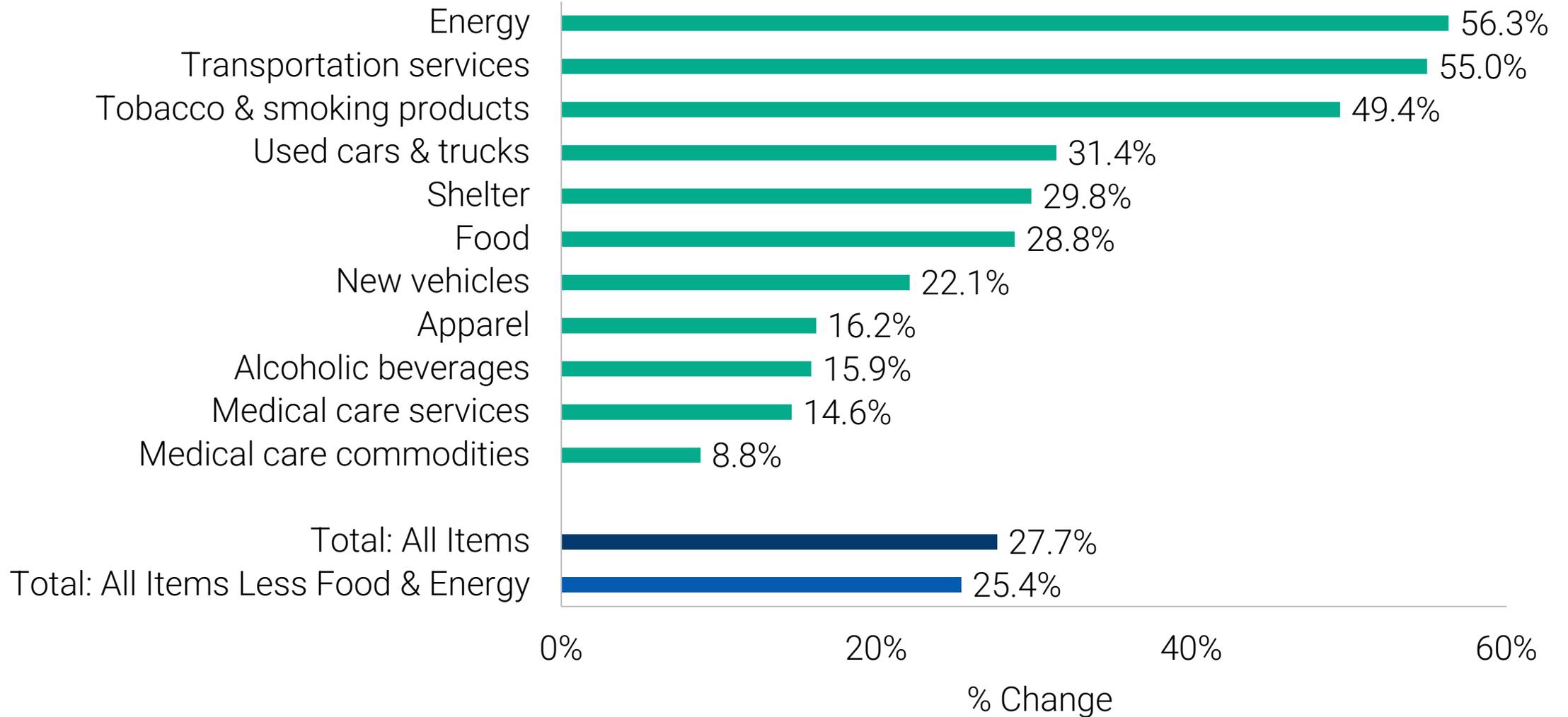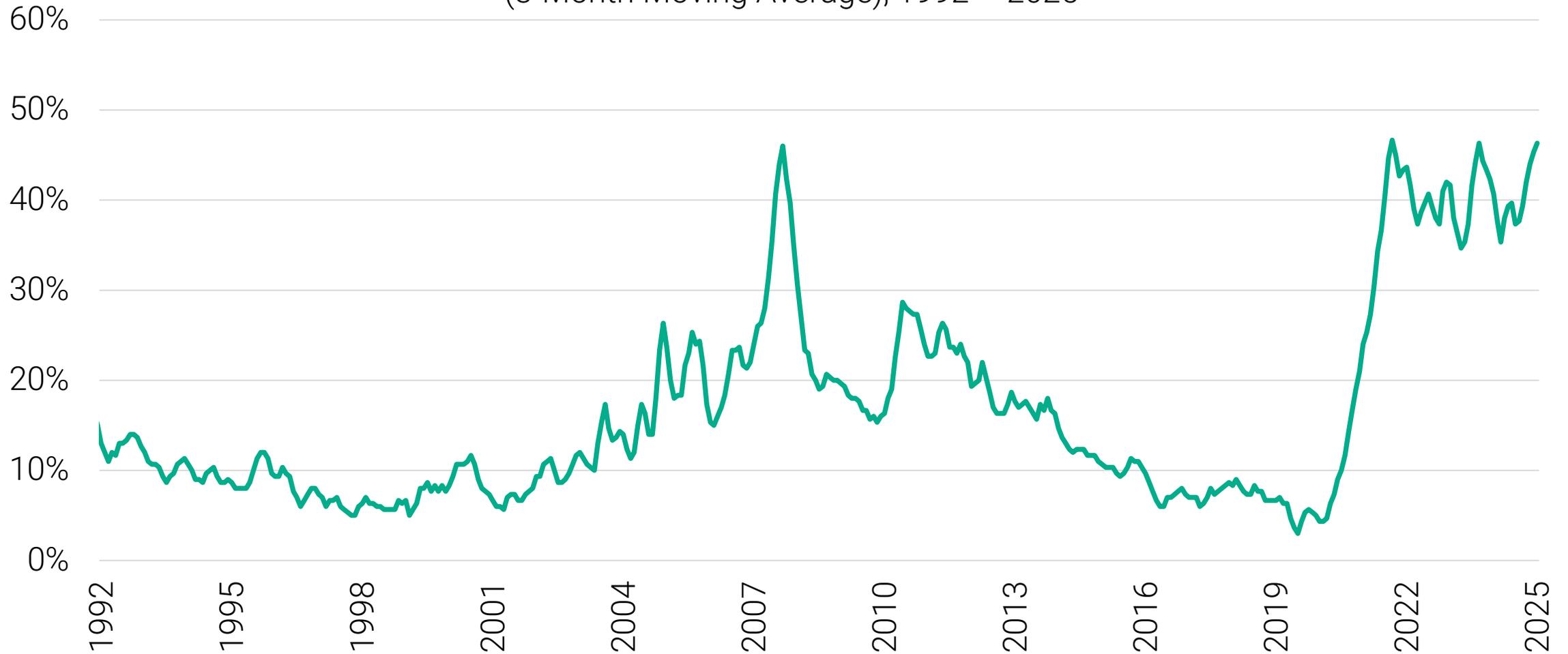Source: University of Michigan Survey of Consumers

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Consumer Price Index, Select Categories (SA)
% Change May 2020 v. January 2026

Category	% Change
Energy	56.3%
Transportation services	55.0%
Tobacco & smoking products	49.4%
Used cars & trucks	31.4%
Shelter	29.8%
Food	28.8%
New vehicles	22.1%
Apparel	16.2%
Alcoholic beverages	15.9%
Medical care services	14.6%
Medical care commodities	8.8%
Total: All Items	27.7%
Total: All Items Less Food & Energy	25.4%

% Change

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Frustration with High Prices Persists

% of Consumers Blaming High Prices for Poor Personal Finances
(3-Month Moving Average), 1992 – 2025

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Federal Funds Rate, Target Rate Upper Limit

2009 – 2026
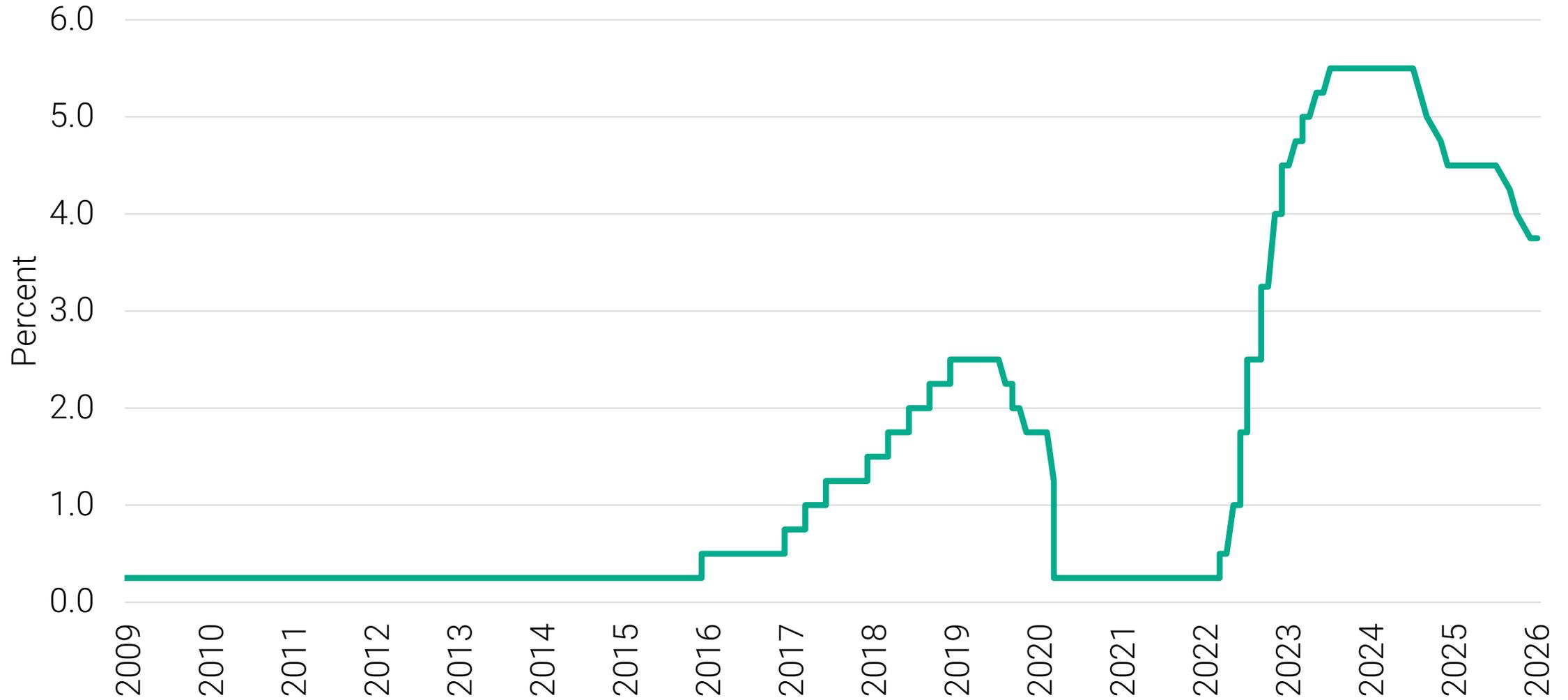
Source: Board of Governors of the Federal Reserve System

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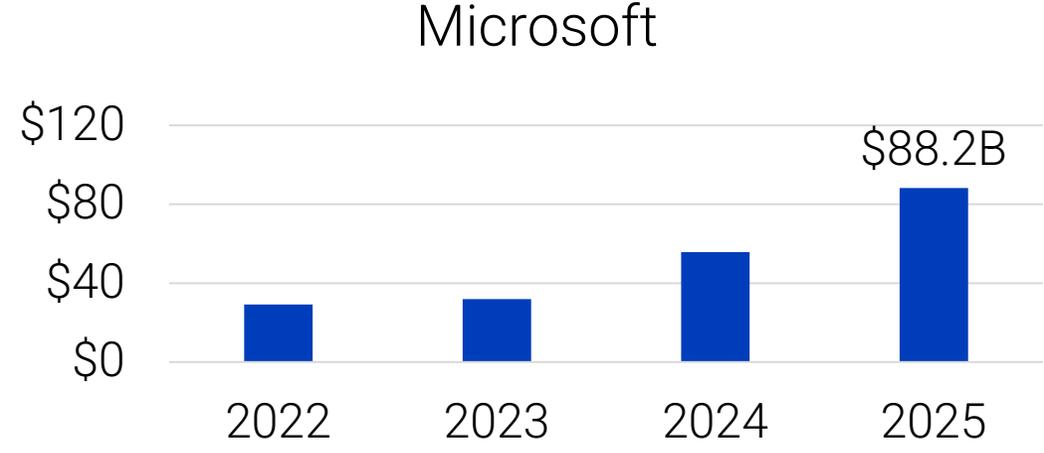
Over the Top

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Big Tech's AI–Fueled Spending Surge

Annual Capital Expenditures ($Billions), 2022 – 2025

Alphabet

$91.4B

Meta

$72.2B

Amazon

$128.3B

Microsoft

$88.2B
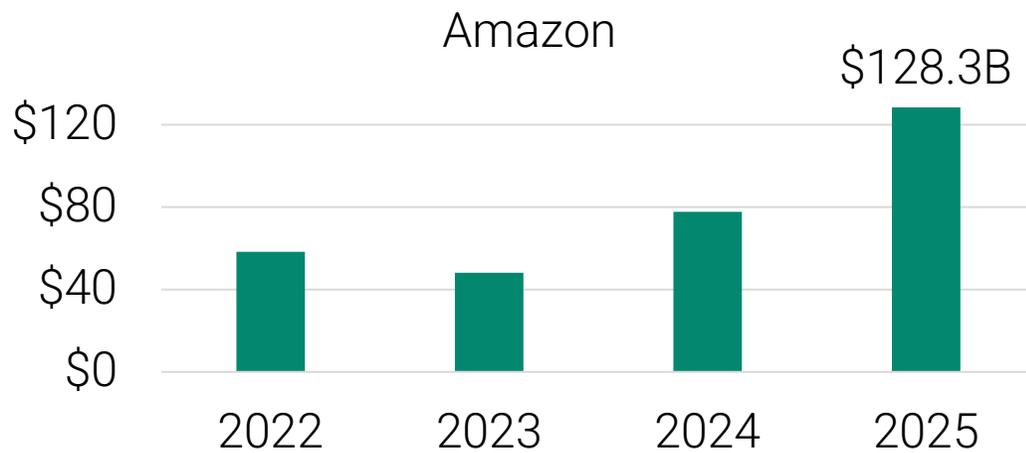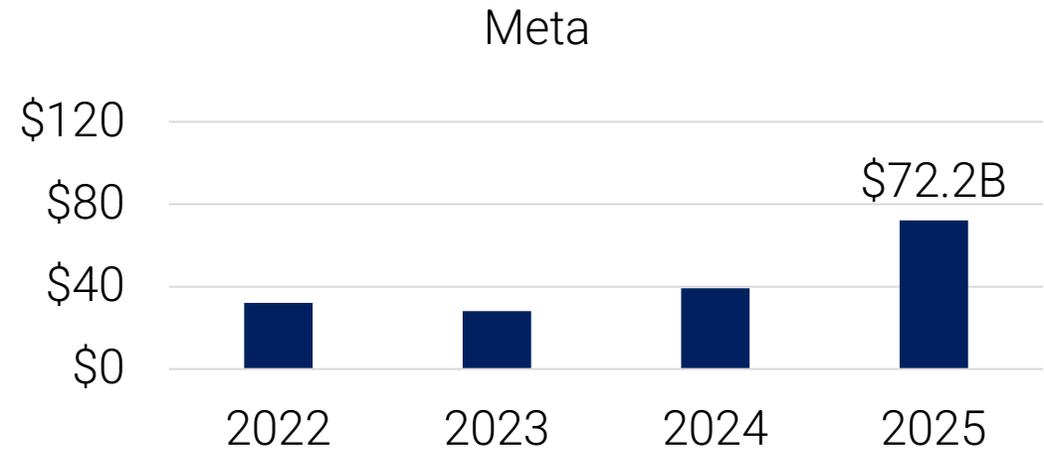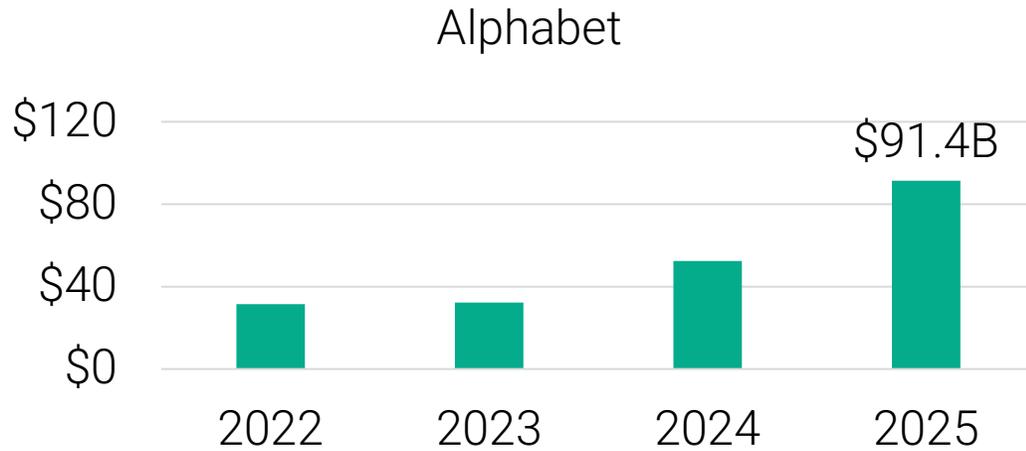
Source: Company financial statements

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Private Construction Spending on Electric Power Generation & Distribution

1993 – October 2025

Source: U.S. Census Bureau

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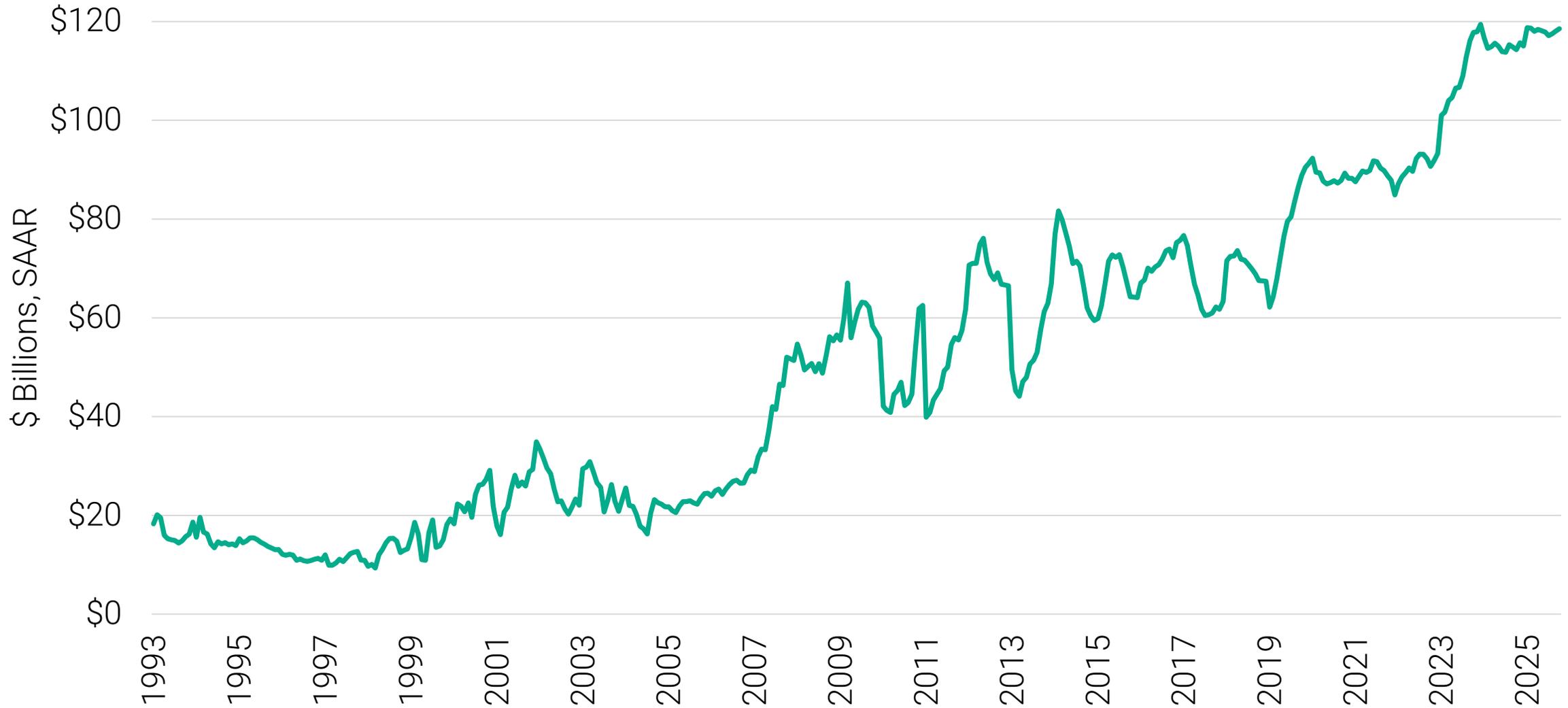
S&P 500

2020 – January 2026

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Magnificent 7 v. Rest of S&P 500

% Change in Close Price Since January 2024

Magnificent 7

Rest of S&P 500
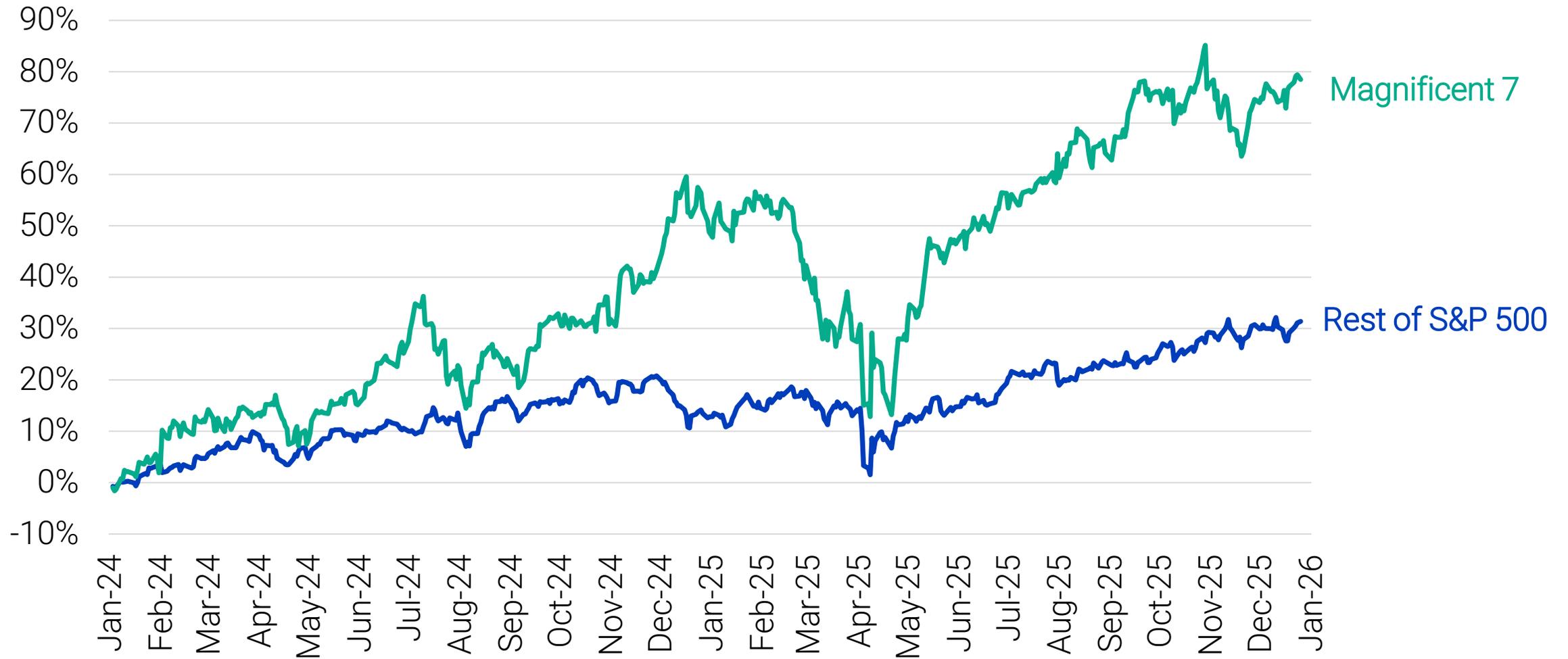
Source: Yahoo! Finance

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Top 20% of Earners Do Almost 40% of Spending
Aggregate Spending ($ Billions) by Income Quintile

81-100%
61-80%
41-60%
21-40%
0-20%

Source: U.S. Bureau of Labor Statistics

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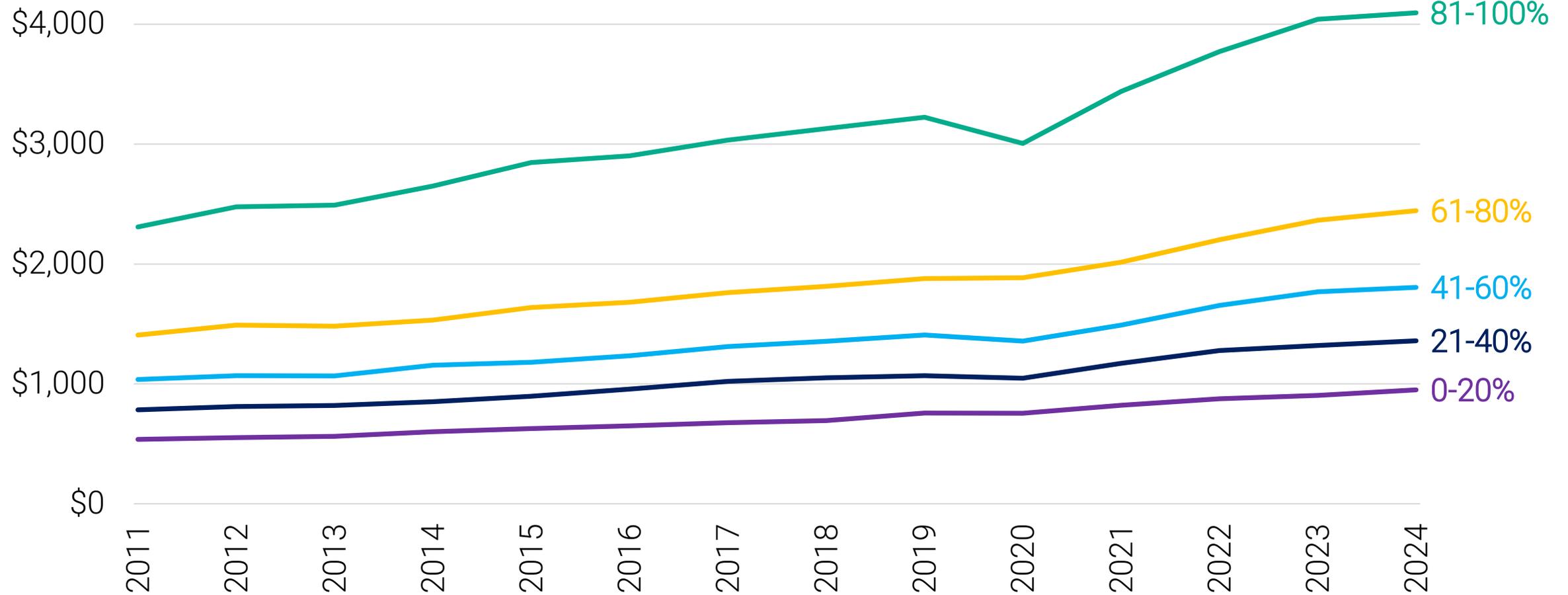
The Spendables

The Expendables (2010)—Sylvester Stallone as mercenary Barney Ross

Tango With Cash

U.S. Retail Sales, 1999 – December 2025
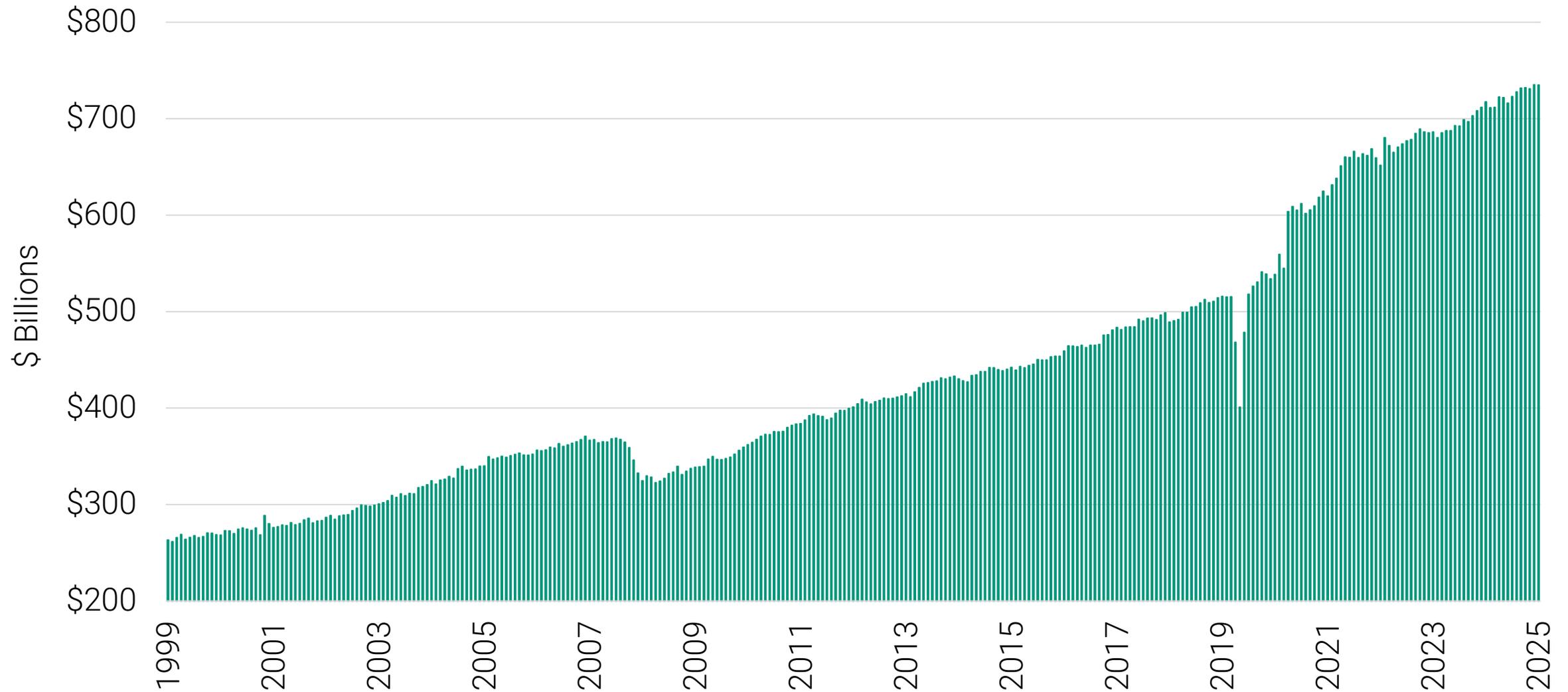
Source: U.S. Census Bureau

Tango & Cash (1989)—Sylvester Stallone as police officer Ray Tango

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U.S. Gross Domestic Product Growth

% Change from Preceding Period (SAAR), 2020 – 2025Q4

Atlanta Fed GDPNow estimate for 2026Q1: +3.1% (as of 2/24)
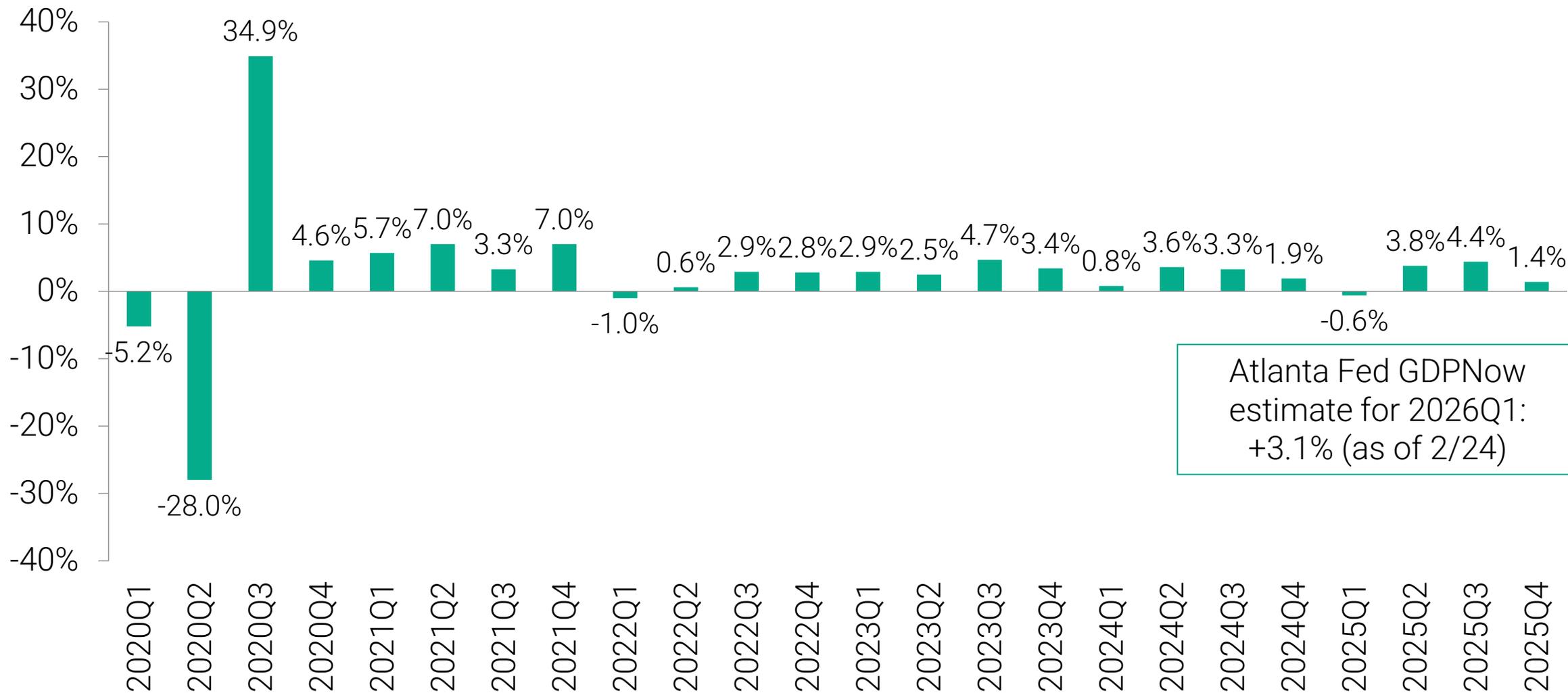
Source: U.S. Bureau of Economic Analysis   *2025Q4: 1st (advance) estimate

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U.S. Job Growth, Monthly
December 2020 – January 2026

1-M Net Change, 000s

130

Source: U.S. Bureau of Labor Statistics

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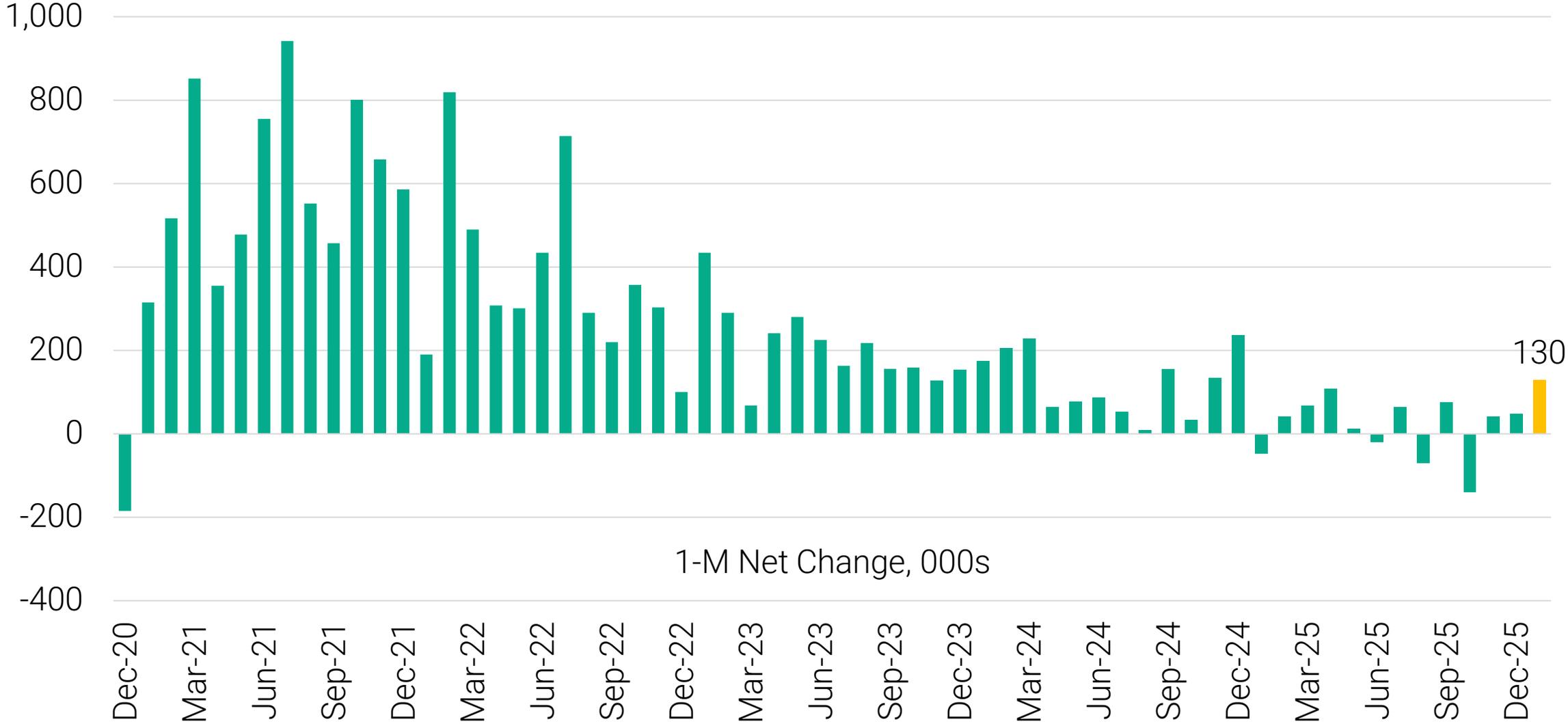
U.S. Job Openings

2001 – December 2025
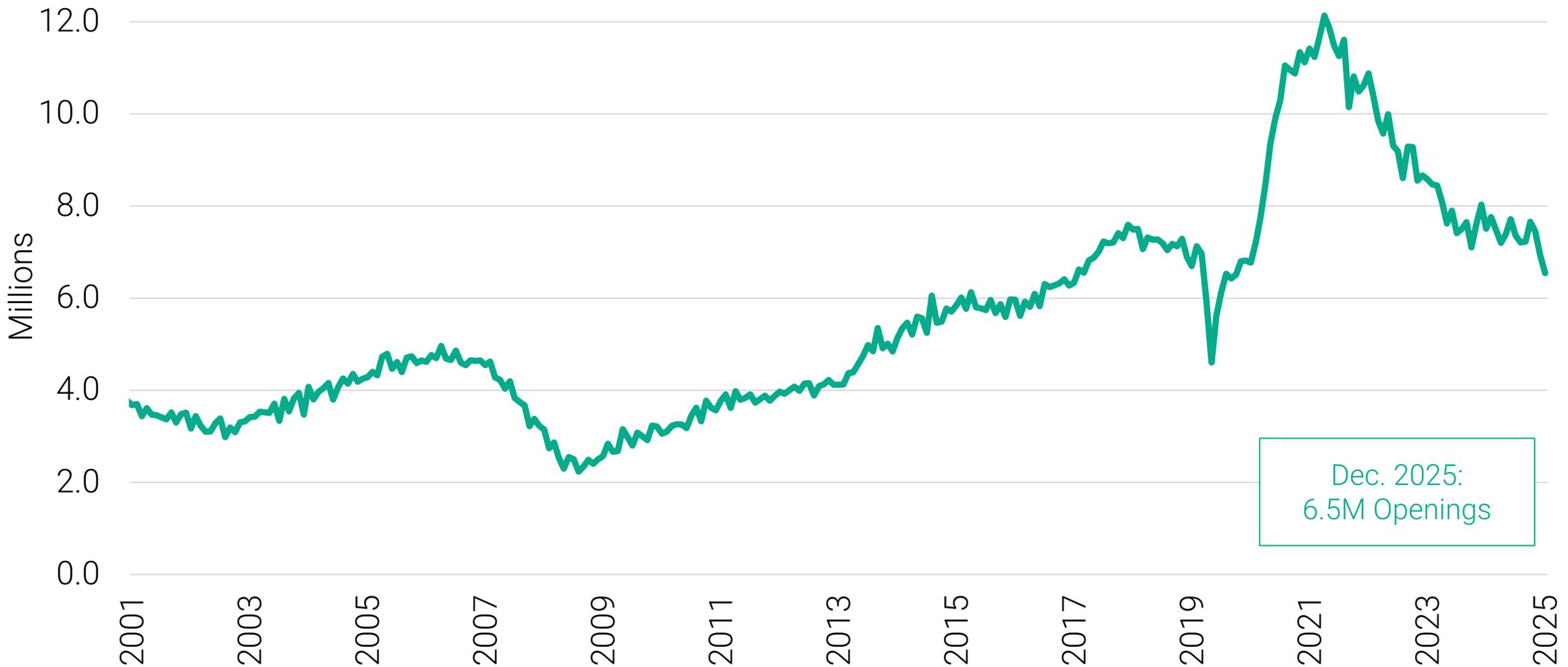
Dec. 2025:
6.5M Openings

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U.S. Construction Job Openings

2015 – December 2025

- From 2015-2019 the number of unfilled U.S. construction jobs averaged 228,000.

- In 2024 there was an average of 306,000 unfilled construction jobs.

- That's 34% higher than the 2015-2019 average.

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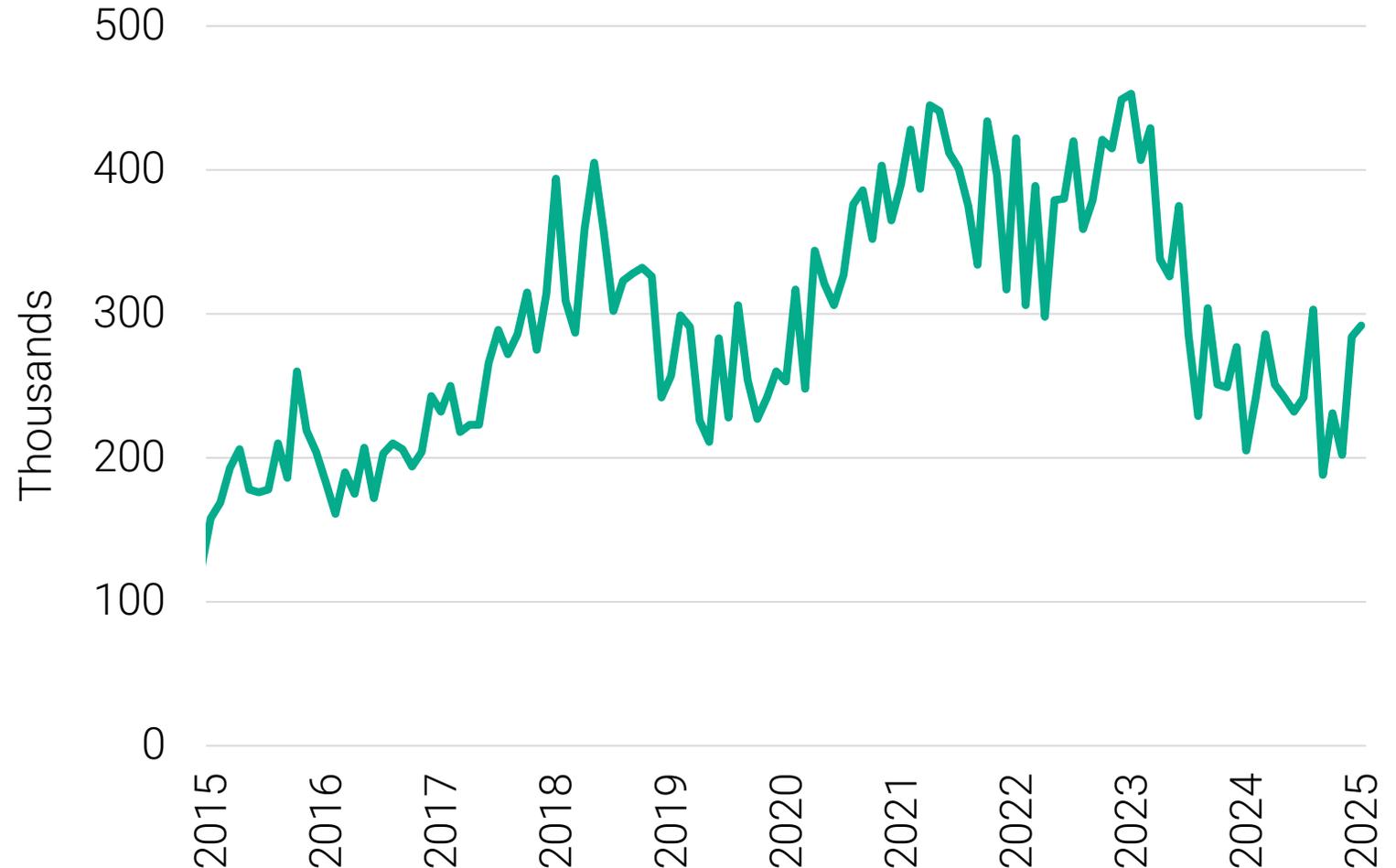
U.S. Employers' Announced Job Cuts

2024 – 2026

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Employment Growth, 25 Largest Metros (NSA)

December 2023 v. December 2025 Absolute Change

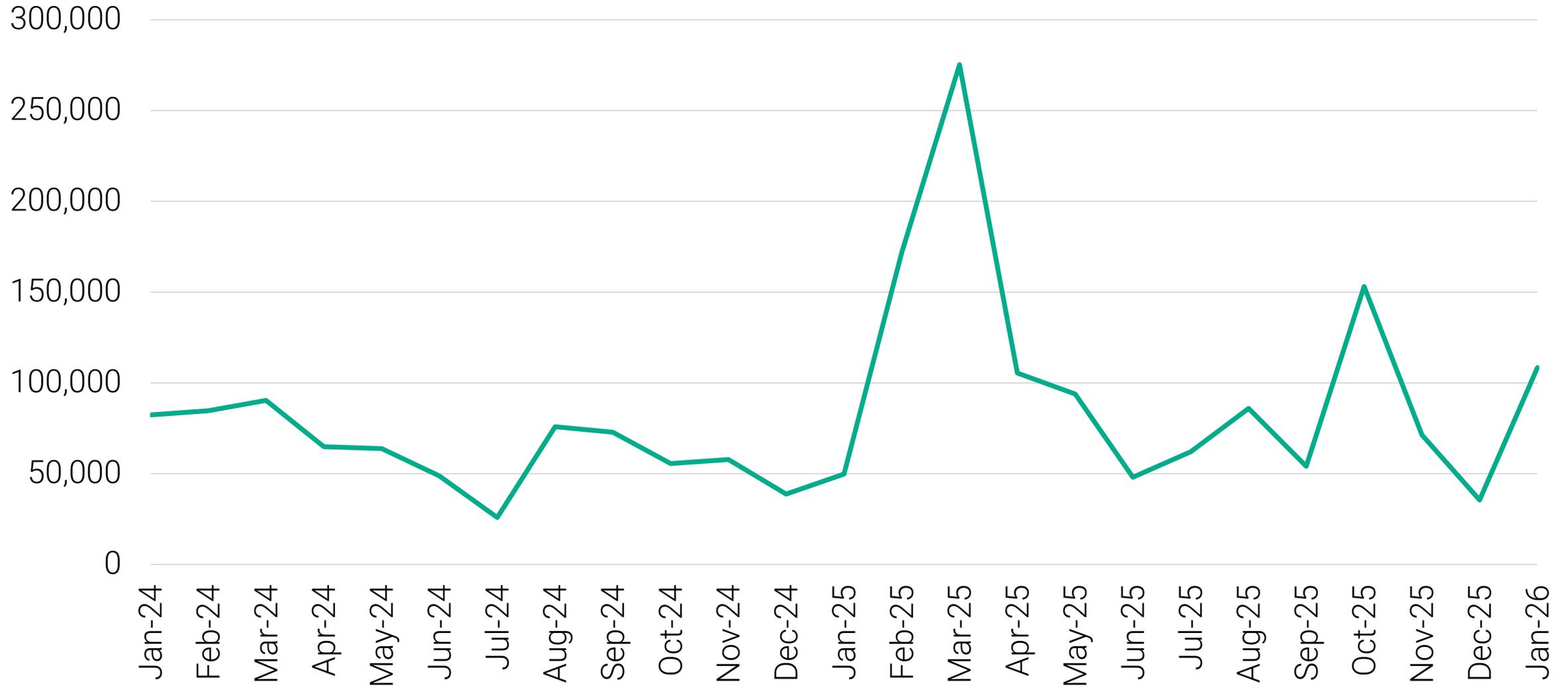| Rank	MSA	%	Rank	MSA	%
1	Charlotte-Concord-Gastonia, NC-SC	3.9%	14	Atlanta-Sandy Springs-Roswell, GA	1.4%
2	San Antonio-New Braunfels, TX	3.1%	14	Minneapolis-St. Paul-Bloomington, MN-WI	1.4%
3	Austin-Round Rock-San Marcos, TX	2.9%	16	San Diego-Chula Vista-Carlsbad, CA	1.2%
4	Orlando-Kissimmee-Sanford, FL	2.8%	17	Chicago-Naperville-Elgin, IL-IN-WI	1.0%
5	New York-Newark-Jersey City, NY-NJ	2.1%	18	Baltimore-Columbia-Towson, MD	0.9%
6	Philadelphia-Camden-Wilm., PA-NJ-DE-MD	2.0%	18	Denver-Aurora-Centennial, CO	0.9%
6	Phoenix-Mesa-Chandler, AZ	2.0%	20	Detroit-Warren-Dearborn, MI	0.5%
6	Tampa-St. Petersburg-Clearwater, FL	2.0%	21	Los Angeles-Long Beach-Anaheim, CA	0.4%
9	Houston-Pasadena-The Woodlands, TX	1.9%	21	St. Louis, MO-IL	0.4%
10	Dallas-Fort Worth-Arlington, TX	1.8%	23	Washington-Arlington-Alex., DC-VA-MD-WV	0.2%
11	Miami-Fort Lauderdale-West Palm Beach, FL	1.6%	24	Boston-Cambridge-Newton, MA-NH	-0.4%
11	Seattle-Tacoma-Bellevue, WA	1.6%	25	San Francisco-Oakland-Fremont, CA	-0.9%
13	Riverside-San Bernardino-Ontario, CA	1.5%	-	U.S. Total (SA)	1.0%

Note: MSA data are not seasonally adjusted (NSA);
U.S. data are seasonally adjusted (SA)

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Construction Employment Growth, 25 Largest Metros (NSA)

December 2023 v. December 2025 Absolute Change

Rank	MSA	%	Rank	MSA	%
1	Washington-Arlington-Alex., DC-VA-MD-WV	9.2%	14	Atlanta-Sandy Springs-Roswell, GA	-0.8%
2	Charlotte-Concord-Gastonia, NC-SC	8.2%	15	Denver-Aurora-Centennial, CO	-1.2%
3	Orlando-Kissimmee-Sanford, FL	5.1%	16	Chicago-Naperville-Elgin, IL-IN-WI	-2.0%
4	Austin-Round Rock-San Marcos, TX	5.0%	16	Philadelphia-Camden-Wilm., PA-NJ-DE-MD	-2.0%
5	Miami-Fort Lauderdale-West Palm Beach, FL	4.9%	18	Minneapolis-St. Paul-Bloomington, MN-WI	-2.3%
5	Phoenix-Mesa-Chandler, AZ	4.9%	19	Boston-Cambridge-Newton, MA-NH	-2.6%
7	Dallas-Fort Worth-Arlington, TX	4.7%	20	San Diego-Chula Vista-Carlsbad, CA	-3.7%
8	Tampa-St. Petersburg-Clearwater, FL	4.5%	21	San Francisco-Oakland-Fremont, CA	-3.8%
9	St. Louis, MO-IL	3.8%	22	Seattle-Tacoma-Bellevue, WA	-7.2%
10	Houston-Pasadena-The Woodlands, TX	3.2%	23	Los Angeles-Long Beach-Anaheim, CA	-7.4%
11	San Antonio-New Braunfels, TX	2.8%	24	New York-Newark-Jersey City, NY-NJ	-7.9%
12	Baltimore-Columbia-Towson, MD	2.5%	25	Riverside-San Bernardino-Ontario, CA	-9.6%
12	Detroit-Warren-Dearborn, MI	2.5%	-	U.S. Total (SA)	2.2%

Note: MSA data are not seasonally adjusted (NSA);
U.S. data are seasonally adjusted (SA)

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Unemployment Rates, 25 Largest Metros (NSA), Dec. 2025

Rank	MSA	%
1	Austin-Round Rock-San Marcos, TX	3.2%
2	Atlanta-Sandy Springs-Roswell, GA	3.3%
3	Miami-Fort Lauderdale-West Palm Beach, FL	3.5%
3	Phoenix-Mesa-Chandler, AZ	3.5%
3	St. Louis, MO-IL	3.5%
6	Baltimore-Columbia-Towson, MD	3.6%
6	Charlotte-Concord-Gastonia, NC-SC	3.6%
6	Dallas-Fort Worth-Arlington, TX	3.6%
6	Denver-Aurora-Centennial, CO	3.6%
10	San Antonio-New Braunfels, TX	3.7%
11	Washington-Arlington-Alex., DC-VA-MD-WV	3.8%
12	Minneapolis-St. Paul-Bloomington, MN-WI	4.0%
12	Philadelphia-Camden-Wilm., PA-NJ-DE-MD	4.0%

Rank	MSA	%
14	San Francisco-Oakland-Fremont, CA	4.1%
15	Houston-Pasadena-The Woodlands, TX	4.2%
16	Boston-Cambridge-Newton, MA-NH	4.3%
17	Orlando-Kissimmee-Sanford, FL	4.4%
17	San Diego-Chula Vista-Carlsbad, CA	4.4%
19	Chicago-Naperville-Elgin, IL-IN-WI	4.5%
19	New York-Newark-Jersey City, NY-NJ	4.5%
21	Tampa-St. Petersburg-Clearwater, FL	4.6%
22	Detroit-Warren-Dearborn, MI	4.7%
23	Los Angeles-Long Beach-Anaheim, CA	4.8%
24	Seattle-Tacoma-Bellevue, WA	5.0%
25	Riverside-San Bernardino-Ontario, CA	5.1%
-	U.S. Total (SA)	4.4%

Note: MSA data are not seasonally adjusted (NSA);
U.S. data are seasonally adjusted (SA)

A Little **R**ocky

Rocky (1976)—Sylvester Stallone as boxer Rocky Balboa

Rocky I: Loan Delinquency Surges

Severe Delinquency by Loan Type, 2003 – 2025
% of Balance 90+ Days Delinquent

Source: New York Federal Reserve   First Blood (1982)—Sylvester Stallone as Vietnam War veteran John Rambo

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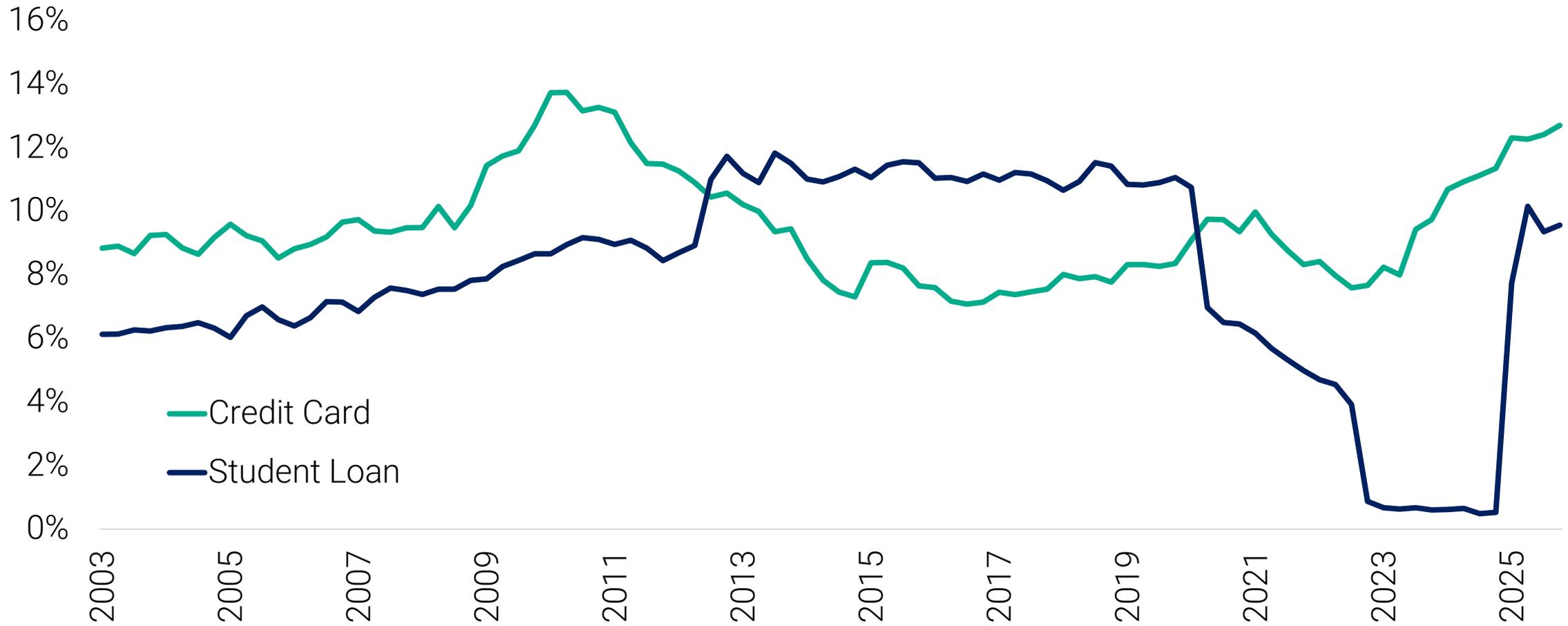
Rocky II: S&P Case-Shiller Home Price Index

1-Month % Change, December 2025

Minneapolis	-0.7%
Denver	
San Francisco	
Portland	
Las Vegas	
Detroit	
Boston	
Atlanta	
Washington D.C.	
Seattle	
Phoenix	
Cleveland	
Chicago	
Dallas	
Miami	
Tampa	
New York	
Charlotte	
Los Angeles	
San Diego	0.4%
U.S. National	-0.3%

-1.0%   -0.5%   0.0%   0.5%   1.0%

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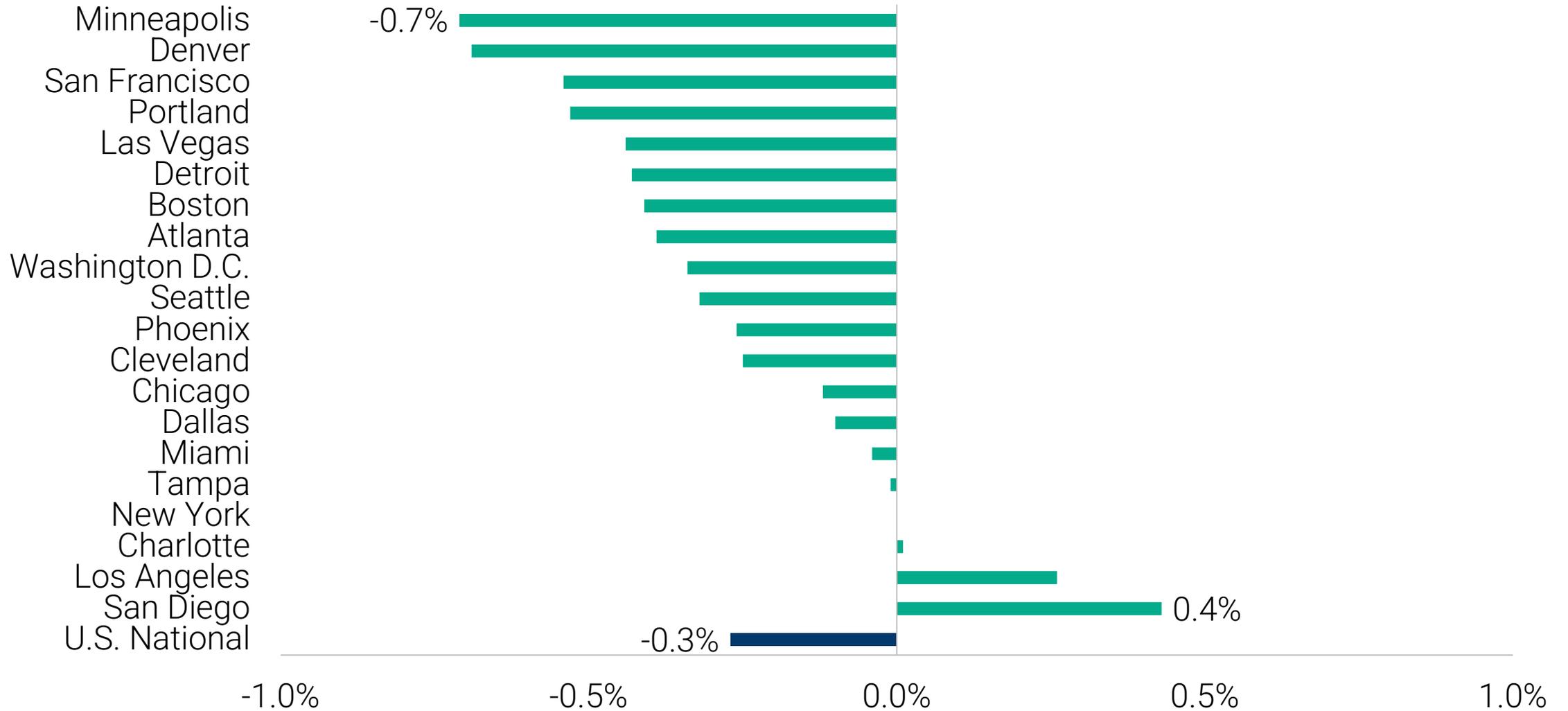
Americans are Increasingly Staying Put

Percentage of U.S. Population that Moved in the Past Year

16.8%

11.8%

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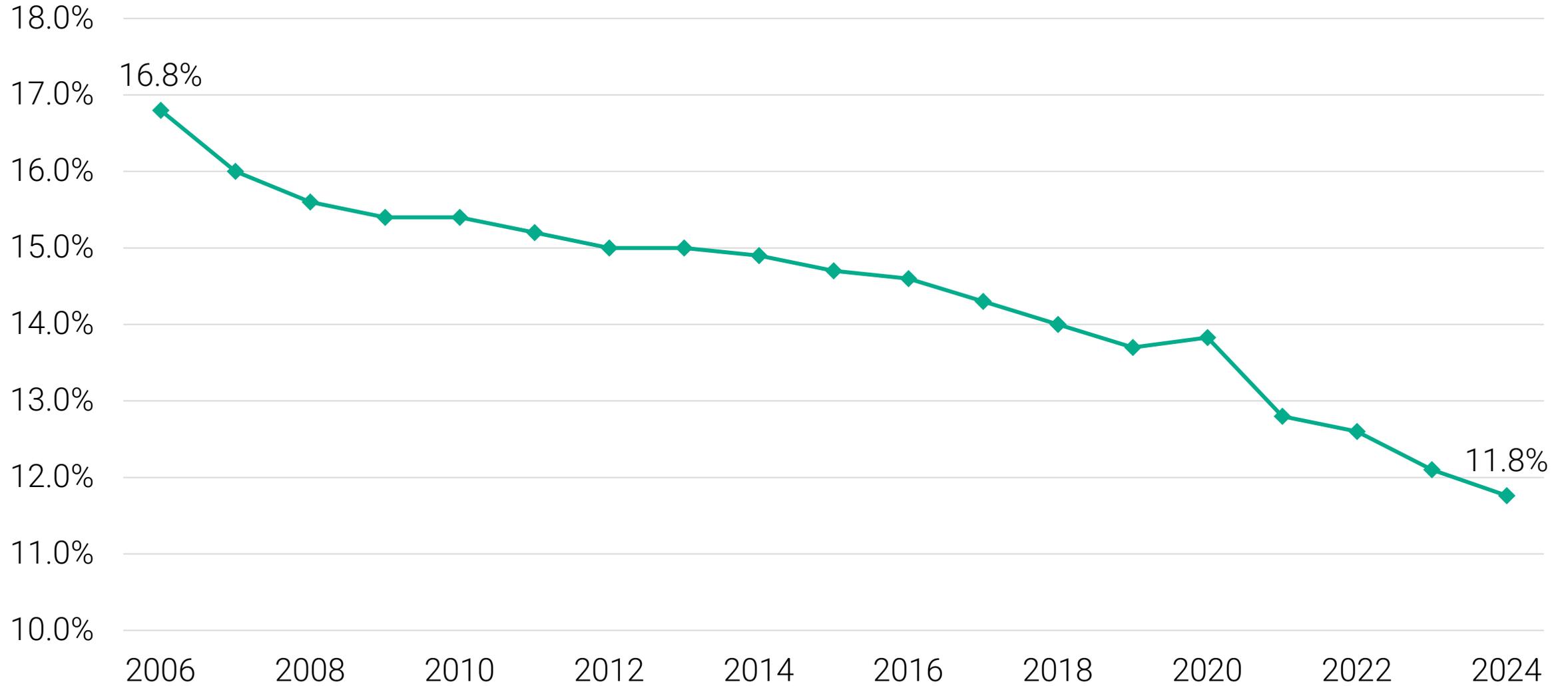
Housing Units Under Construction vs. Residential Employment
2000 – 2026

— Housing Units Under Construction
— Employment: Residential Building Construction

y-axis: Millions (0.0, 0.2, 0.4, 0.6, 0.8, 1.0, 1.2, 1.4, 1.6, 1.8, 2.0)

x-axis: 2000, 2002, 2004, 2006, 2008, 2010, 2012, 2014, 2016, 2018, 2020, 2022, 2024, 2026

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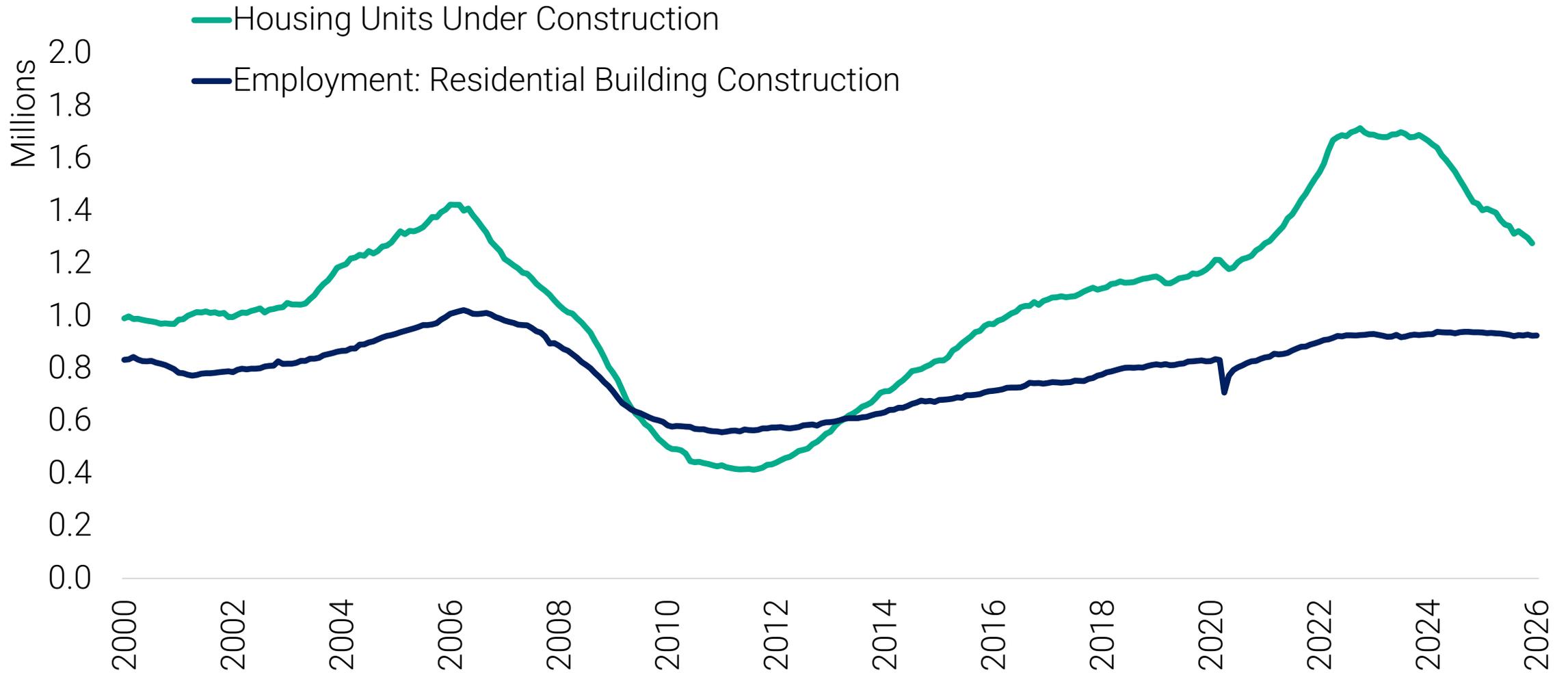
U.S. Residential Building Permits
2000 – December 2025

Single-Family

Multifamily

Source: U.S. Census Bureau

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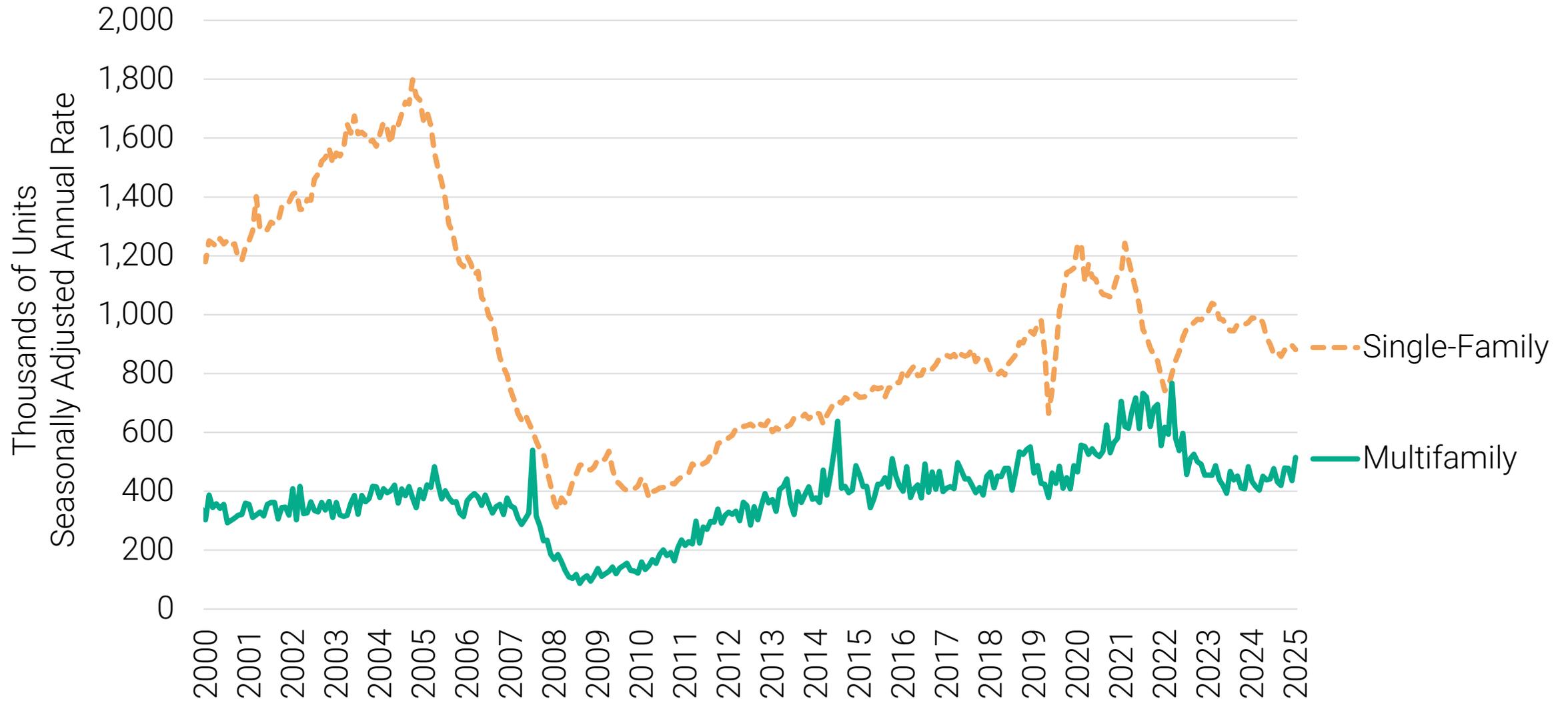
Rocky III: Highest Office Vacancy Rates, 2025Q4

City	Vacancy Rate
San Francisco	32.8%
Seattle	28.6%
Chicago	28.6%
Denver	28.3%
Dallas–Ft. Worth	27.4%
Portland	27.3%
Oakland	25.7%
Atlanta	25.7%
Los Angeles	25.5%
Charlotte	25.4%
Houston	25.2%
Austin	25.0%
Philadelphia	24.6%
Jacksonville	24.4%
San Francisco Peninsula	24.1%
U.S. Total	18.8%

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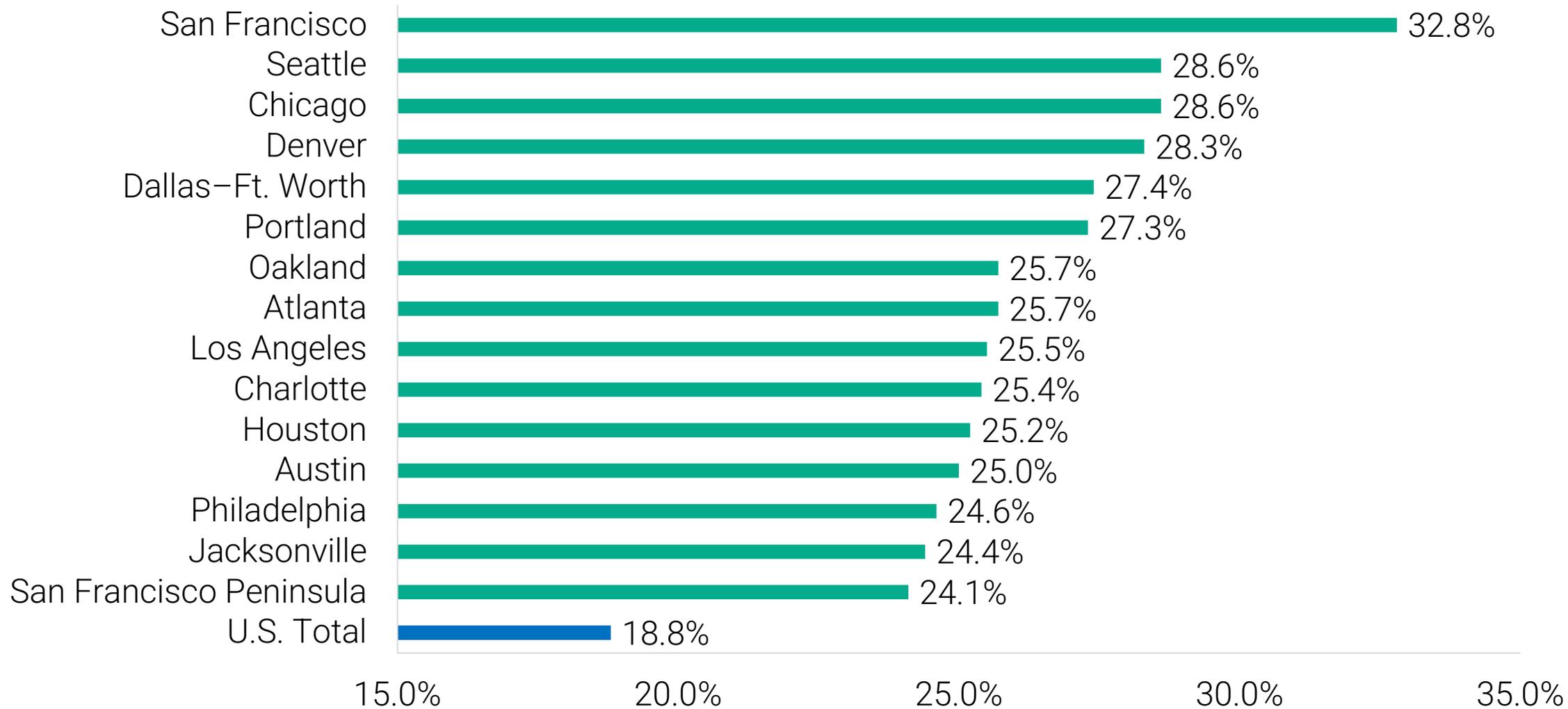
Rocky IV: U.S. Cities Face Fiscal Stress

- With the city facing a projected $1.12 billion shortfall in 2026 Chicago Mayor Brandon Johnson said recently, "We have reached a point of no return".

- Between December 2024 and April 2025, Chicago, Los Angeles, San Francisco, and Washington all experienced credit rating downgrades.

- According to research conducted by The Pew Charitable Trusts, at least 20 of the nation's 25 most populous cities have reported budget gaps for fiscal year 2026—and often beyond.

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Rocky V: Design Work in Retreat
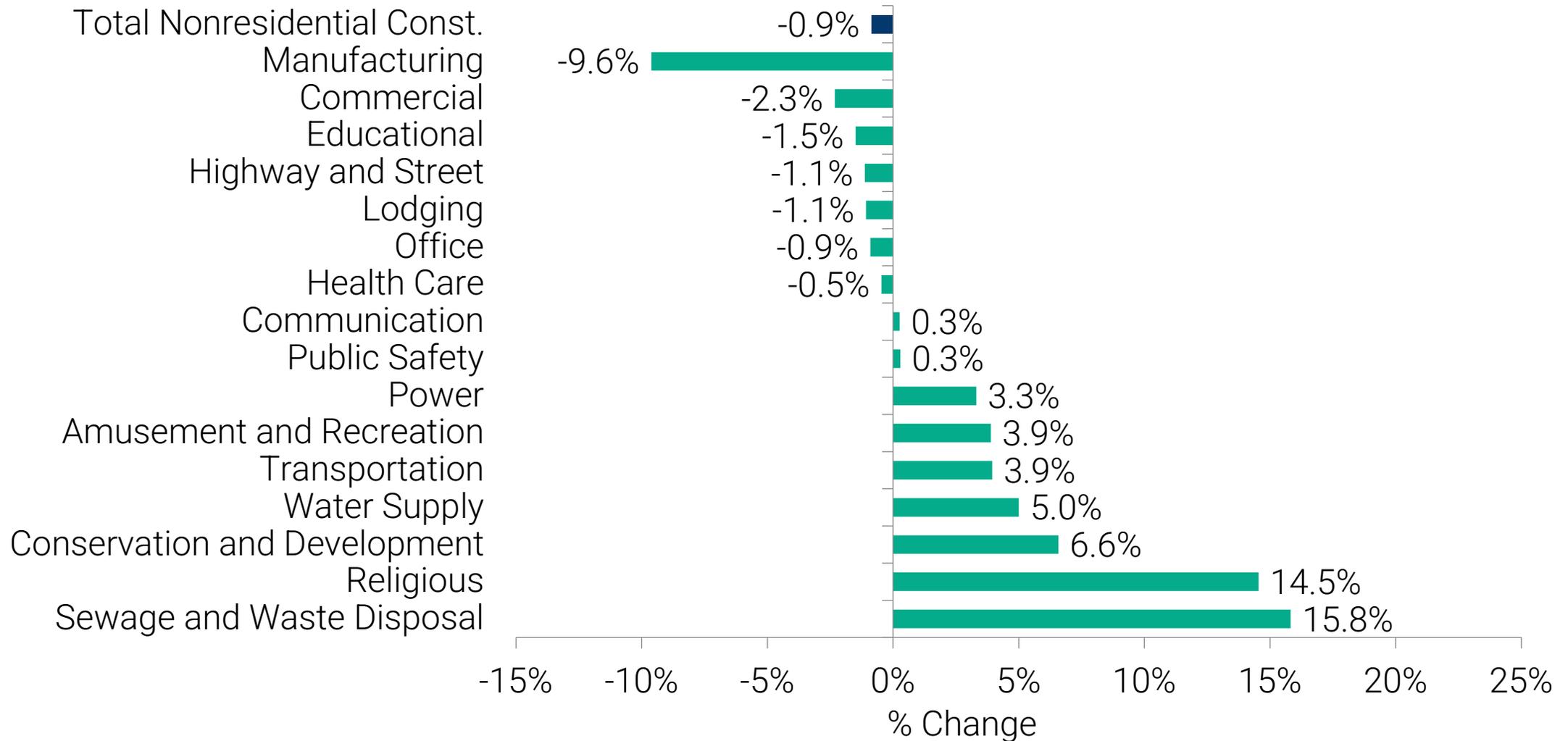## Architecture Billings Index: 2008 – January 2026

Jan. 2026:
43.8
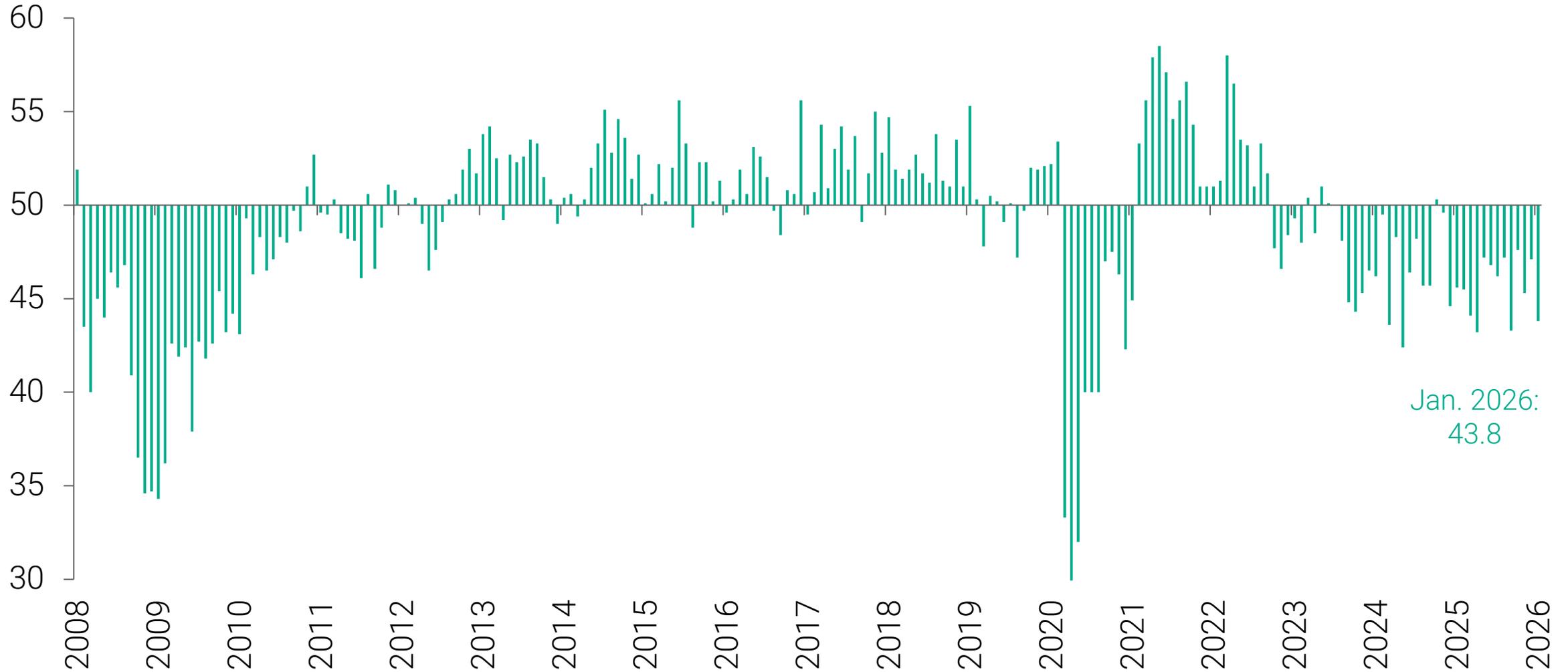
Source: The American Institute of Architects

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Rocky VI: Nonresidential Construction Spending Declines
October 2024 v. October 2025 (Current $)

Category	% Change
Total Nonresidential Const.	-0.9%
Manufacturing	-9.6%
Commercial	-2.3%
Educational	-1.5%
Highway and Street	-1.1%
Lodging	-1.1%
Office	-0.9%
Health Care	-0.5%
Communication	0.3%
Public Safety	0.3%
Power	3.3%
Amusement and Recreation	3.9%
Transportation	3.9%
Water Supply	5.0%
Conservation and Development	6.6%
Religious	14.5%
Sewage and Waste Disposal	15.8%

% Change

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Construction Materials PPI (NSA)

February 2020 v. December 2025

Category	% Change
Inputs to Construction Industries	42.4%
Natural Gas	96.9%
Nonferrous Wire and Cable	72.4%
Steel Mill Products	66.4%
Fabricated Structural Metal Products	66.4%
Iron and Steel	54.8%
Crude Energy Materials	50.9%
Prepared Asphalt & Tar Roofing/Siding Products	44.4%
Concrete Products	42.5%
Plumbing Fixtures and Fittings	28.2%
Crude Petroleum	19.0%
Softwood Lumber	8.9%

% Change

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PPI: Softwood Lumber
2001 – 2025

Index 1982=100

-8.2% YOY
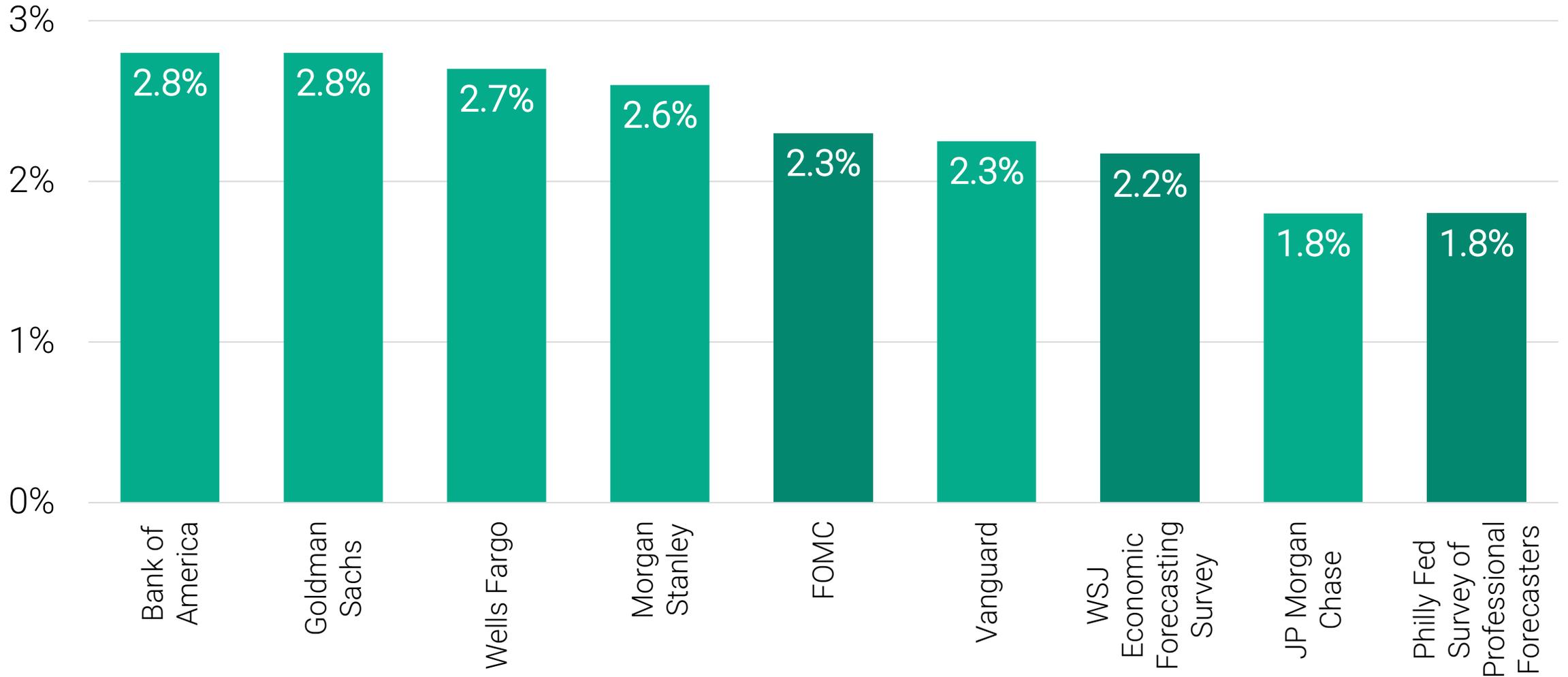+8.9% v. Feb. 2020

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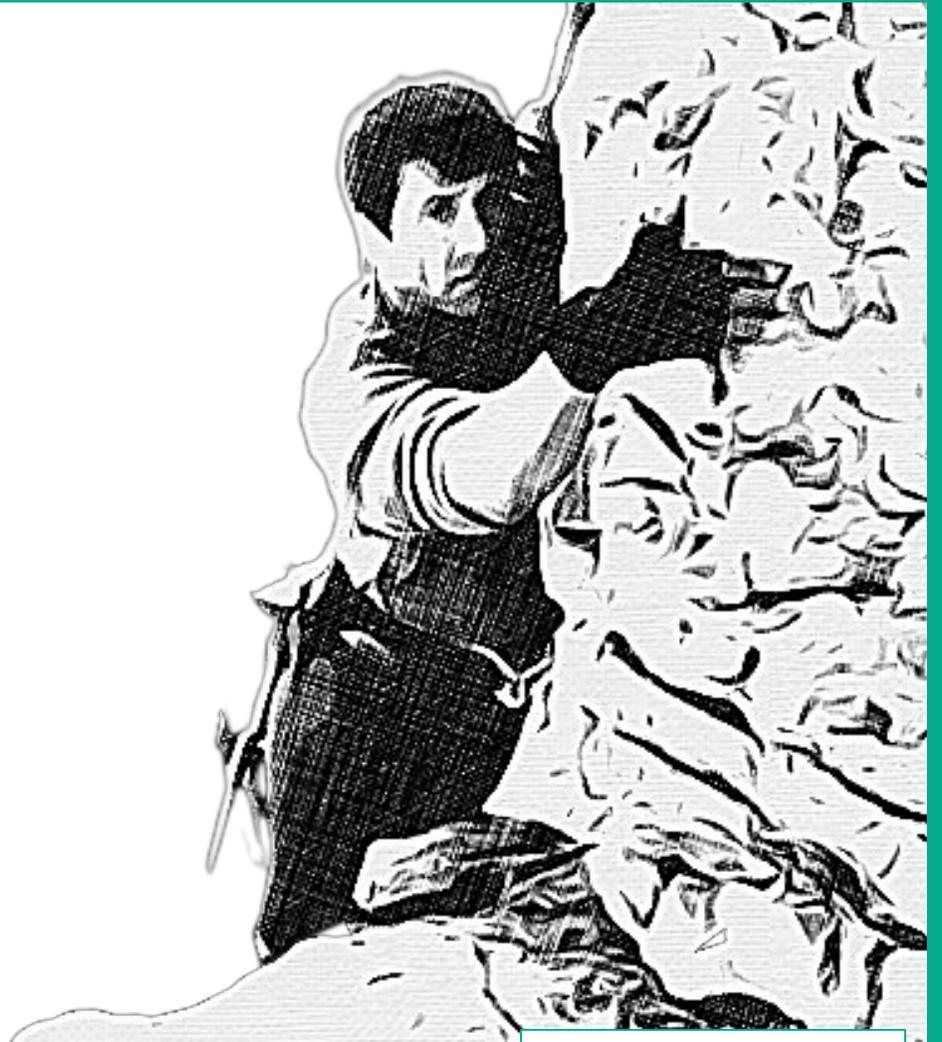
Cliffhanger

Cliffhanger (1993)—Sylvester Stallone as mountain climber Gabe Walker

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Major Forecasts for U.S. GDP Growth in 2026

Bank of America	2.8%
Goldman Sachs	2.8%
Wells Fargo	2.7%
Morgan Stanley	2.6%
FOMC	2.3%
Vanguard	2.3%
WSJ Economic Forecasting Survey	2.2%
JP Morgan Chase	1.8%
Philly Fed Survey of Professional Forecasters	1.8%

Source: Brokerage and media reports

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2026 Recession Probability, Major Forecasts

Source: Brokerage and media reports

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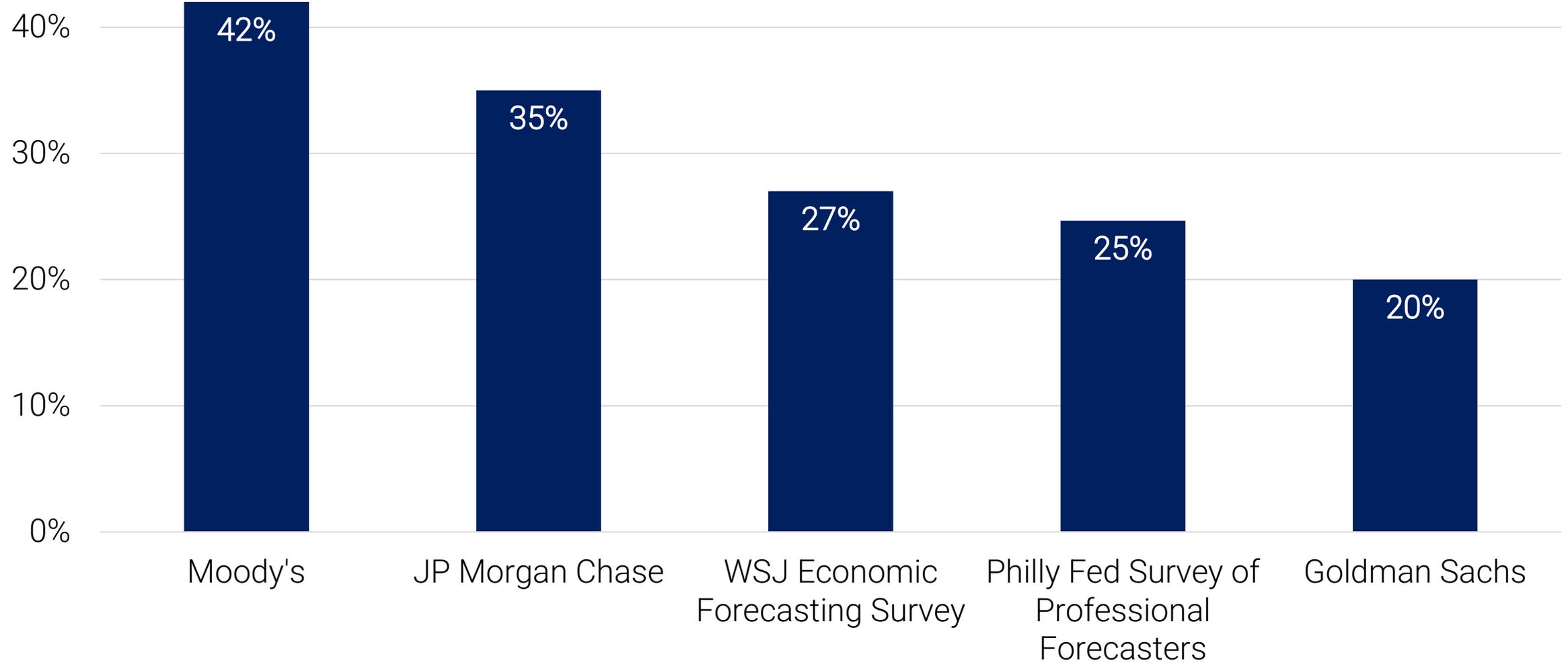
The **Alarum** has Sounded

- Inflation poised to stage a comeback – blame tariffs/immigration?;

- Interest rates will be higher for longer – ditto;

- Many consumers now exhausted financially, and circumstances could worsen;

- Are asset prices overextended?

- So forecast is for growth in 2026, but there are risks, including rising interest rates and falling asset prices, and that's because of . . . well you know.

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Thank You

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