EconoFact Chats: Taking Stock of the Economy: Fed Independence, Tariff Uncertainty, and a Shrinking Workforce

Binyamin Appelbaum (The New York Times), Larry Edelman (Boston Globe), Scott Horsley (NPR), and Claire Jones (The Financial Times)

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I'm Michael Klein, executive editor of EconoFact, a non-partisan web-based publication of The Fletcher School at Tufts University. At EconoFact, we bring key facts and incisive analysis to the national debate on economic and social policies, publishing work from leading economists across the country. You can learn more about us and see our work at www.econofact.org.

Michael Klein
People may understandably tune out much of the news in August when they go on vacation, but after Labor Day, they'll find that there's a lot to catch up on in the economy and many unanswered questions. Is the United States going through a short rough patch? Or are we on the precipice of a recession? Are recent price increases a one off blip, or a harbinger of sustained inflation? Will the crackdown on immigrants create jobs for American citizens, or will these jobs go unfilled and hurt the supply of things like food and new houses? Do recent reports of slowing job growth mean that the Federal Reserve lowers interest rates? If so, will this be seen as bending to the will of the President in a way that will affect perceptions of the Fed's independence? To answer these questions and others, I'm happy to welcome to EconoFact Chats our panel of leading economic journalists, Binyamin Applebaum of The New York Times, Larry Edelman of The Boston Globe, Scott Horsley of NPR, and a new member of the panel, Claire Jones, the US Economics Editor of the influential British newspaper The Financial Times. Welcome to the panel, Claire, and welcome back Larry, Scott, and Binyamin. I hope all of you had a good summer, and at least for some of the time in August, you could focus on things other than the economy. So the big news in the past week is the disappointing August jobs report, along with the revision of jobs numbers by the Bureau of Labor Statistics, the BLS, showing that hiring in the 12 months ending in March 2025 was overstated by almost 1 million jobs. Scott you reported on these stories, what lessons did you draw from them?

Scott Horsley
I think the big picture is that the job market is considerably weaker than we might have thought, say, six months ago. The monthly data certainly has shown a slowdown in hiring. The big annual revision shows that hiring has been weaker than we thought for much of the last year. And then we got just some weekly data, which is not terribly reliable and often noisy, but it pointed to a big uptick in the number of first time claims for unemployment, which is again, you don't want to make too much of that, but suggest that not only maybe employers are hiring fewer people, but they may be laying off more people. All of these are sort of worrisome trends, because if the job market really softens, then people may not have as much money to spend, and the whole economic engine may start to sputter.

Michael Klein

Larry, you have a Trend Lines blog titled "Paychecks, Not Prices, Are Now the Biggest Worry." But there are still concerns about prices. In fact just today inflation came in hotter than was expected. This, of course, puts the Fed in a bind. Can you explain why and what you think the Fed might do?

Larry Edelman
I think the Fed is in a bind, Michael, and here's why. Normally, if inflation were this high above its target – its target is about 2% and the inflation numbers are around 3%. With the full headline numbers 2.9% and with energy and food excluded, it's 3.1%, according to the data that came out today. Like I said at this time, they wouldn't be cutting cutting rates, but with the job market suddenly much weaker than it appeared to be even a couple of months ago, it looks all but certain now that the Fed is going to have to begin cutting rates, and that puts it in a strange position of cutting rates when inflation is still above its target.

Michael Klein
I was speaking with a reporter for Al Jazeera today, and he told me that in a survey, 88% of economists surveyed said that they expect the Fed to cut rates, and I guess I would be among that group. Binyamin, what do you think of what's going on now?

Binyamin Appelbaum
Yeah, you know, I'm certainly in that group as well. I guess I'm not an economist, but I'm in that group as far as expectations go. But I think one thing that's really interesting about the current situation is that the jobs numbers may be understating the weakness of the economy in the following sense – the unemployment rate is staying low, in part because workers are leaving the country. There's a lot of evidence that immigrants are emigrating back to the places that they came from under the pressure of the Trump administration's policies, and the consequence is that the labor force is shrinking, even as the job market is weak. And so we're seeing weakness in the job numbers, but we're not seeing the full extent of the weakness, and that may only show up in the economic growth figures.

Michael Klein
Yeah, sort of standard thing that I teach in macroeconomics is you can have a stable unemployment rate, but the job market can be a lot weaker because it's divided by the number of people who are actively looking for a job or are employed. Claire?

Claire Jones
Yeah. I mean, I really agree with what Larry and Binyamin and yourself have said. But what I'd like to do as well is just zoom out a little bit and just say that we've seen the Fed's credibility really tested since the Coronavirus pandemic, in the sense that they missed the boat on the last inflationary wave. And, this time around they're making a big point in saying the jobs market now looks weak enough that any impact of the tariffs on inflation is just going to be a one-off shock of the sort that we can just ignore. I mean, there's plenty of evidence to suggest that the labor market is weakening and may even be worse than we think at the moment. But at the same time, there's a massive threat to the Fed's credibility here, if they get it wrong on inflation again.

Michael Klein
Yeah, I want to follow up on that. Binyamin, there was an editorial in the Times at the end of August, I kind of guess that you wrote it, which warned that if the courts allow the President to fire Federal Reserve Governor Lisa Cook, and with all of the castigation of Jerome Powell by the President, the Fed could lose its independence. What would be the effect of this loss of independence?

Binyamin Appelbaum
The primary virtue of the Fed's effective independence, its ability to make decisions without facing short term political consequences, is that it can keep control of inflation. It can keep rates higher than politicians would like them to be, which has the effect of dampening price pressures, and the Fed has used that independence very effectively over time to hold down inflation. Claire is certainly right that they didn't do it perfectly during the aftermath of the pandemic, but in general, the Fed has taken advantage of that independence in exactly the way that it is intended to do. To the extent that that independence is compromised, Donald Trump has made very clear that he wants the Fed to lower interest rates and keep them lower than the Fed is otherwise inclined to do. He wants to do it to goose short-term growth, which is exactly the thing that an independent central bank is intended to prevent – is politicians seeking short-term sugar highs that reward them politically, but punish us all in the long-term – and to the extent that the Fed's independence is compromised, I think we can expect lower rates in the short-term, but more inflationary pressure in the longer term.

Michael Klein
Before we go on a short advertisement for EconoFact, we just published today a memo by Alberto Cavallo and some of his co-workers in PriceStats about the effects of tariffs on retail prices. He has very high quality online, very frequent data. It's a really interesting memo. And then also to the point about the independence of the Fed, we have a number of memos on that, including one by Tom Dreschel, who's a professor at the University of Maryland, and he did this analysis showing when the President met more with Fed officials, inflation was higher than what it would have been otherwise. And of course, the prime example of that is Nixon leaning on Arthur Burns in advance of the ‘72 election. Scott, did you have something you wanted to add to this?

Scott Horsley
Yeah, I think just the historical record, both in this country and around the world, is pretty clear that when there's a lot of political meddling with the central bank, it does a less effective job of controlling inflation. And I'm sure lots of presidents have bit their teeth and grumbled privately about what the Fed was up to, but since Nixon, they have generally kept their mouth shut and done that grumbling in private. Of course, Donald Trump has broken that guardrail, like so many others, and he's done his grumbling out loud and on social media, and it looks as if he's going to be able to exercise more control over the Central Bank. I mean, he will, by this time next year, have at least three of his appointees on the seven member Fed Governing Board. He may get a fourth if he succeeds in ousting Lisa Cook. He'll get to choose the new chairman to replace Jerome Powell when his term expires next year, and it's possible that he and his appointees will have the opportunity to remake the regional bank presidents, the 12 regional bank

presidents, because all of them are subject to board approval in early 2026. So Donald Trump will have significant influence on the Fed, possibly a controlling influence on the Fed. And once that's the case, I think you can kiss Fed independence goodbye.

Binyamin Appelbaum
If I can just offer a minor tweak to that. I think grumbling is part of what you get as part of independence. Grumbling is what politicians are allowed to do. Part of the point of having an independent Central Bank is that everyone gets to grumble about how terrible it is. What Trump has done is cross the line from grumbling into action, that's where things really go badly.

Michael Klein
Larry?

Larry Edelman
One point that I would like to add to Larry is the issue of expectations, inflation expectations among businesses and consumers. And one of the reasons right now the Fed feels like it can raise rates is that inflation expectations really haven't moved up that much. But if Trump were to basically grab control of the Fed and influence decision making, you might see those inflation expectations rise, and in that case, you could get a self fulfilling or a self feeding cycle of businesses expecting higher inflation, raising prices in anticipation, workers then asking for more money to keep up with inflation, and that's where you get that inflationary spiral. So we have to really keep an eye on what the expectations do in reaction to the President's moves.

Michael Klein
Yeah, we have another really good memo by Ken Kutner at Williams College, who estimated the way in which inflation expectations change with actual inflation. And he found during the high inflation period, up until like the early ‘80s, when inflation went up by one percentage point, inflation expectations went up by 0.8. But then subsequently, when inflation went up by one percentage point, inflation expectations only went up by 0.2. So that was a real victory for the Fed, and a hard fought victory given the recession at the beginning of the 1980s, and as you're all suggesting, that could be imperiled now. Scott?

Scott Horsley
I would just say that one potential caveat to that is that workers may not have the bargaining power to command higher wages if in fact, the job market is weaker, as it looks like it's going to be. They may expect higher inflation but not be able to compel their employers to keep up with those higher inflation expectations, if in fact, the job market is weakening as much as it looks like.

Michael Klein
The late economist Rudy Dornbusch famously said ‘a crisis takes a much longer time coming than you think, and then it happens much faster than you would have thought.’ Claire, you've recently reported on a Financial Times survey of economists who warned that financial markets have not fully taken account of

the President's attacks on the Fed. What does this mean for current market conditions, and what do you think could happen if and when these views of people in financial markets change?

Claire Jones
Yeah, so I think there's a remarkable disconnect at the moment between how economists are viewing things and how the financial markets are viewing things. I mean, I recall when the news that the President was going to fire Lisa Cook broke, that we were kind of sitting there and we thought, as the other commentators have said, this is potentially going to give Donald Trump a controlling interest in the Fed – a US president who said he wants rates to be three percentage points lower, at 1% – the sort of level usually associated with an economy in crisis. Basically giving him an awful lot of sway, potentially, over the most important central bank, and one of the most important financial institutions in the world, and the dollar barely budged. In fact, the US currency reacted more to Powell's speech in Jackson Hole, where he set out the argument for cutting interest rates next week, than it did to the news of Lisa Cook. I think economists find that remarkable, because as far as they're concerned, this is a sort of DEF CON one event. I mean, central bank independence has really been one of the underpinnings of how economic policy has been done over recent decades, and it's now really, really under threat here in the US. That's how economists view it. It doesn't seem as though financial markets are not…as concerned as economists are yet. But I think the dawnbush quote that you pick out is a really, really great one, because these things can change in an instant, and if they do, we could see quite dramatic impacts, not only on the dollar, but on the cost of borrowing for the US government as well. We know Trump's talked about lower interest rates in the sense that he thinks this could lower the US government's cost of borrowing. What we might really see, if the financial markets think central bank independence is completely out the window in the US, is that the government's cost of borrowing could actually rise if financial markets start reading the situation and become as concerned as economists are.

Michael Klein
Yeah, there's an important distinction between the federal funds rate, which the Fed is setting, and the 10 year bond rate, Treasury bond rate, which is set by markets. And if people think there's going to be a spike in inflation, they're going to demand higher rates on those 10 year bond rates. Larry?

Larry Edelman
Exactly, Michael. I think what's happening here is a bit of a repeat of what happened with tariffs, in that the markets are really…right now the bond market is focused on the rate cut. That's really what is driving the trading. And you know, the yields on the 10 year are coming down. But as we get closer to a resolution of the Lisa Cook matter and any other steps, I think that once it becomes clear what Trump is going to be able to do, you could see a much faster and more volatile reaction in the markets than we're seeing right now. And don't even get started with the stock market…continually rising as the economy is clearly weakening, that's a ticking time bomb just waiting to go off.

Michael Klein

Another story that's gotten a lot of attention in August was the firing of the Bureau of Labor Statistics Commissioner Erika McEntarfer after the agency released a weaker than expected July jobs report. In March, I interviewed a previous BLS Commissioner, Erica Groshen, and she warned about something like this happening. Claire, you had an article soon after the firing discussing the problems that could arise from the politicization of the government's economic statistics. What did you write in that article?

Claire Jones
So I think one of the main points of that article was that this was a real double whammy for the statistics and the economic community here in the US. Not only was McEntarfer fired over unproven allegations that the data were rigged, but the nomination to replace her is someone who is viewed by the statistics and economics community as entirely inappropriate. E.J. Antoni, he's an economist at the Heritage Foundation. The view on him is just that he's very partisan, and he lacks the clout and experience to really manage this organization. And the end result of both those things is that people really worry that US statistics, which for ages now have been really thought as the gold standard, are not going to be trusted at all.

Michael Klein
Binyamin?

Binyamin Appelbaum
I'd say a couple of things. The first is that I think it's important to say that we don't actually know that the BLS is going to become less reliable. It's staffed by economists who are not political appointees. They have a very careful process that involves a lot of people. I think it's reasonable to expect that if they did feel themselves to be under political pressure, there would be shouts from the building. So I think it's premature to say that the integrity of the BLS has been undermined at this point. That said, I think it's clear that Donald Trump wants to. It's clear that he does not value the integrity of federal data. To the contrary, he regards data as sort of secondary to the arguments he wants to make. When facts disagree with his position, he discards the facts, not the position. And I think it's very clear the direction that we're going in is towards a systematic effort…not to replace the reliable sources of data that we have with other reliable sources of data, but to get rid of the impediment of having to mark your positions to the facts, to undermine the ability of Americans or corporations or other people to assess independently, the health of the American economy. That's an enormously dangerous thing, and it's a pattern that we often see in countries that are tending toward authoritarianism and it is very clear that Donald Trump sees the advantages in it for his own exercise of power, and we should all be acutely aware of the disadvantage of of it for our own country. Not least, final point, that governments rely on data in order to do their jobs. That's what the origin of the term statistics is. It's information about the state. It's necessary for the state to make good decisions. When the government starts lying to itself, which is effectively what it's doing, when it starts making up data, or not taking the care to make sure the data is right, it deteriorates the government's ability to make good decisions, to make good policy, and to do its job. That's what's at stake here. So I think the stakes couldn't be higher, and I'm extremely worried about it.

Michael Klein

Scott?

Scott Horsley
And it's not just the government that relies on correct statistics to do its job well, the private industry relies on this data as well to make decisions, to make big investments. And I'm a little surprised that we haven't heard more of an outcry from the private sector about just how important reliable, dependable data is. I'll also just say that the criticisms of E.J. Antoni have not just come from academic economists, but from other partisans across the political spectrum. I've talked to conservative economists at right-wing think tanks here in Washington who say, I may even share some of E.J. Antoni’s political views, but I don't want that guy running the government's number crunching shop. And finally, aside from deliberate efforts to maybe install his own people, as Kevin Hassett said, the White House economist said that Trump wants to do, the Trump administration is also just chipping away at the statistical agencies through budget cuts, through layoffs, through job cuts. We know that the BLS conducts fewer price checks now in assembling the inflation data, just because they don't have the people power to do what they used to do, and that also is pernicious. It doesn't mean that they will be skewed one way or the other. They'll just be generally less reliable, and that's another unfortunate consequence of the choices this administration is making.

Michael Klein
So you're pointing to the problem of uncertainty in the economy, and how, if you don't have good statistics, there's more uncertainty. There's also more uncertainty because of policy volatility. I have a couple of memos with my colleague, Charles Collyns on how that's affected gold prices and the value of the dollar. Larry, in one of your recent Trend Line blogs, you focus on how uncertainty is hampering the economy. How do you see uncertainty affecting the economy these days?

Larry Edelman
First and foremost, it is an issue for the business world in that all the uncertainty around monetary policy, around tariffs make it very hard to plan. And that's why I think you're seeing a slowdown in hiring, in part because I think businesses are playing low for a while to see how things shake out, especially on the tariffs, especially with interest rates. That uncertainty is just really bad for the economy. It makes all kinds of planning harder. How many people should you hire? What should my prices look like? You know, can I afford to expand this manufacturing line, that kind of stuff. And it just kind of clogs up the machine of industry in a way that is only going to hurt economic growth.

Michael Klein
Yeah, there's a basic economic argument that with greater uncertainty, people wait more. There's a greater value of waiting, and it's nice to see that theory is following facts here. Or maybe it's not so nice to see given what's happening. Scott, you had a recent piece about how tariffs are affecting companies, and how they're adjusting to uncertainty. What did you find?

Scott Horsley

Yeah, I spoke to a lot of people after the appeals court struck down the majority of the Trump tariffs a couple of weeks ago. And of course, those tariffs remain in effect for now, while we wait for a final decision by the US Supreme Court, that's going to hear oral arguments in November. But I expected to hear some relief from some of the importers. The fact that they had found these tariffs to be illegal and the prospect of maybe they would get refunds in the end of the money that they've been paying in, I didn't hear that. What I heard was, 'Oh, great. Now, we're just left with more months of uncertainty, of not knowing what the tariff regime is going to be.' So do I just leave some cargo in China now, and hold off importing it, because I'm hoping that maybe this 30% levy is going to go away? Do I race to bring it in out of fear that the administration might find another way? One importer told me we're just handcuffed by uncertainty, and we're exhausted from operating in this environment over the last few months. So it's really been…and conversely, for the domestic businesses that might think they're going to be the beneficiaries of the tariffs, for the domestic manufacturer who thinks maybe this will give him a price advantage over his foreign competition, he's also stuck in this tariff limbo, because the tariffs could go away in a couple of months, or six months, and so is he really going to sink millions of dollars into a new factory or an expansion to take advantage when he doesn't know what the landscape is going to look like? It's just, it's been very frustrating for people on all sides, I'd say.

Michael Klein
Following up on tariffs, while some countries initially retaliated against the United States, the recent New York Times editorial points out that other countries have not been following the President's lead on trade restrictions. Benyamin, what was the main message of that editorial?

Binyamin Appelbaum
You know, I think it's really a fascinating pattern, and it wasn't our original observation. Some of the international bodies that track this stuff have sort of flagged the fact that the trade war everybody expected to explode after Donald Trump took office hasn't happened, and maybe it just hasn't happened yet. But there's a growing body of evidence that a lot of countries are sort of parting ways with Trump on this issue, and that they've decided, in accordance with classic economic theory, that even if it's unilateral, keeping tariffs low is better for them, better for their own countries, better for their own economies, than engaging in tit-for-tat war with Trump. And so we see other countries not just refraining from retaliating against the United States, which Trump likes to boast, is a sign of how strong the United States is, but refraining from imposing similar policies on other countries. We have not seen the type of embrace of Trump's view that if you just build higher walls around your country, you'll keep all the prosperity in. To the contrary, a lot of other countries are now pursuing trade agreements without the United States. They're turning to other trade partners, trying to lower the barriers between their markets and other markets, trying to replace the United States on the terms that have worked so well for them for so long, rather than embracing Trump's argument. I think if you're an American, you should be looking at and wondering, why does no one else get what we're doing? Why does no one else think this is a good idea? Why is the rest of the world parting ways with us and pursuing a very different course.

Michael Klein

I interviewed Dani Rodrik, the Harvard economist, I think it was in January or February, and he said just that point, that if the US is imposing tariffs, other countries should not. It's not to their advantage. Claire?

Claire Jones
I think one of the issues here is that the US just does have some clarity that other countries don't, in the sense that it is the global consumer of last resort. And I think there is a bit of angst in capitals elsewhere about taking on Trump and engaging in tit-for-tat, because they know the US is just such a big market, that Americans just buy so much stuff that they need to keep things as sweet as possible.

Michael Klein
Scott?

Scott Horsley
I do think we are an outsized consumer in the world economy, so if we put up walls, that does affect everyone. But I also think some of those headlines that greeted the initial tariff announcements that said things like globalism is dead, or world trade is going to grind to a halt…no, it's going to keep going, and globalism will continue for the rest of the world, and the US may just find itself on the sidelines.

Michael Klein
Another important story from the summer is the efforts to deport immigrants. There are lots of important implications of this, but I'd like to focus on the economic consequences. Claire, you wrote about the discussion at the Jackson Hole meeting of central bankers about the need for foreign workers in rich countries with aging populations. What did these central bankers say was the problem, and how would immigration resolve it?

Claire Jones
So something that was really interesting at the Jackson Hole meeting was just the degree to which people in the room were really focused on the demographic issues that are occurring throughout advanced, rich economies where there's just a big concern that you're going to have too few workers and too many dependents and that's going to put big burdens on finances. What we saw in the story that I wrote was a panel made up of ECB President Christine Lagarde, Bank of Japan Governor Ueda, and also Andrew Bailey from the Bank of England, and they were all making very similar points that the demographic trends aren't working in their favor. And the conclusion that they all went towards was that you would need to attract more foreign workers, and Lagarde was quite clear in saying that this had had a big impact in cushioning a lot of blows that the Eurozone economy has faced in recent years. What also surprised me was that I think a lot of people see AI as being a solution here, where they think AI is going to have a massive productivity boost. I mean that societies need fewer workers in the sense of balancing state finances and so on. None of the three seemed convinced by AI. They all thought it was really too soon to tell. And I certainly didn't get the sense that there were many tech evangelists in the room. So despite it being unpopular, the sense from central bankers was that more foreign workers need to be attracted if we're going to maintain the sort of growth that we've gotten used to in recent decades.

Michael Klein

Larry?

Larry Edelman
I write about the Massachusetts economy a lot for the Globe, obviously, and the immigration issue and the impact on the workforce is especially important here because we are an older state, and only getting older. Our population is declining. And we face a real prospect of not having enough workers. I mean, AI is one thing, but I don't think AI is going to be cutting the grass. It's not going to be fixing your toilet, that kind of stuff. And this is something that I see as one of these issues where Trump has this theory of economics and it's going to hit head on with reality. And that's where the real problems are going to emerge, because you can talk and talk and talk all you want. But if it doesn't really work, it doesn't matter what your theory is, if it fails in practice. So this is an issue that is playing out in Massachusetts, really, and the rest of the country should keep an eye on it.

Michael Klein
Binyamin?

Binyamin Appelbaum
I saw a remarkable headline the other day that some demographers are now projecting that the population of the United States may shrink in 2025 for the first time in the history of the nation. We're about to have our 250th birthday. And for the first time in those 250 years, we are on the verge of losing population. It is very hard to have economic growth in a context of population decline. Economic growth is just straight up workers times output. And if you've got fewer workers, it gets very hard to be increasing productivity enough to have growth. So everyone should see that as a flashing siren about this country's economic trajectory. The flashing siren is maybe a mixed metaphor, but you get the idea.

Michael Klein
I get the idea. Yeah. Scott, along the point on July 4th, in fact, you had a piece titled ‘More Immigrants Likely to Leave US. This Year Than Enter, Forecasters Say.’ I guess there's some obvious reasons for this, and there's some obvious economic implications that we've been talking about. But can you expand on that a bit?

Scott Horsley
Sure. So that yeah this was a forecast from demographers at both Brookings and the American Enterprise Institute. And what they were focusing on was net immigration. That is the you know the sum of people moving in and and moving out. And obviously, we've had people moving out both voluntarily and involuntarily as a result of deliberate policies by the Trump administration. But we've also seen a lot fewer people moving in, either legally or illegally. Again, as a result of those policy changes. We'd already seen a big drop in immigration in the last year of the Biden administration, but it's gone further now in the Trump administration. And so these demographers were projecting that it was very possible we would have a net negative immigration in 2025 for the first time since 1960. You couple that with what's a very slow natural increase, that is births over deaths of the population that's here already in a given year, and it wouldn't be a huge stretch to see what Binyamin is talking about, which is a you know net decline in

population overall. The Congressional Budget Office put out their own demographic forecast this week, which was not quite so draconian, but which was directionally very similar. And they're anticipating that because of falling birth rates, natural increase is going to go negative...will become natural decrease somewhere around 2031. That is, more people will be dying than being born in just a matter of five or six years. Immigration has been the lifeboat for the United States. It's been immigration, net immigration, that's allowed us to avoid the fate of some of those aging, shrinking populations elsewhere around the globe. And if immigration dries up and goes negative, you know that that lifeboat will sink. Now I will say in the Brookings-AEI forecast, they thought that net negative immigration would only last for a couple of years because they just thought that the results would so quickly become so bad that there would be a rebellion and a policy reversal. So we'll see if that bears out. One thing to consider is, you know, if the overall economy shrinks because the population shrinks, that may be okay to individuals as long as their per capita economy grows. Jed Kolko, who used to be the Commerce Department's Chief Economist and who paid a lot of attention to these kinds of demographic trends says we may have to stop talking about economic indicators in macro, national level terms and really start talking about per capita terms. Because if the capita shrinks, we might have to figure out whether that's a net positive or a net negative. But overall, it's certainly the case that it's very hard to have a growing economy, and even growing standards of living for individuals in that economy if the overall population is shrinking.

Michael Klein
Yeah, in Japan, if you look at GDP growth versus GDP per capita growth, the former looks a lot worse than the latter because of population issues. But then, of course, there are these attendant problems that you've been talking about that have to do with the dependency ratio.

Scott Horsley
Artificial intelligence is not going to be paying into social security or or you know taking care of seniors and that kind of thing.

Michael Klein
Yeah Most likely not. So I started off this podcast by saying that, you know, I hope everybody got a bit of a chance to have a rest and be separate from the news of the day for at least part of August. But we're back in the thick of it right now. And I really appreciate the insights that you've brought to this podcast about these very important issues that we're all facing. So thanks again, Claire, Scott, Binyamin, and Larry for joining me on this episode of Econofact Chats.

Binyamin Appelbaum
Thank you.

Claire Jones
Yeah, thanks. Great to be on.

Scott Horsley

Great to be with you.

Larry Edelman
Thank you, Michael.

Michael Klein
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