

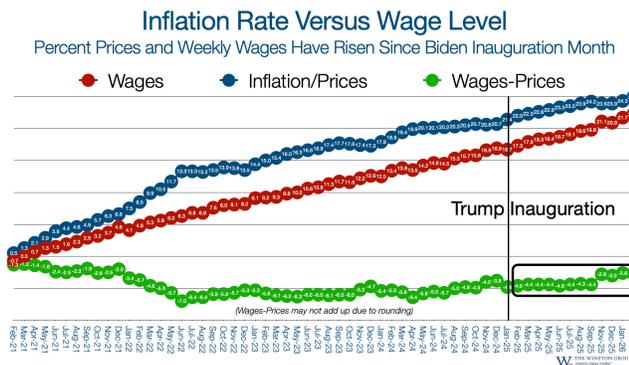
Where Are We On The Economy?

Even before the conflict in Iran, the economic picture had become more complicated. What had been an improving economy has become more uncertain. Recent economic reports do not yet incorporate the impact of the Middle East conflict, but here is what we know so far in three key areas:

Prices vs. Wages

There has been progress in closing the gap between wages over prices, but there is more work needed.

- From the latest BLS reports, unfortunately the margin of prices over wages (using January 2021 as the base month) increased slightly going to 2.7% from 2.6%. However, the structural improvement in prices versus wages seen last November has been sustained for several months, but the electorate wants the Biden economy fixed and not just improved.
- By the last month of Biden's term, prices had outpaced wages by 4.8%. A sustained margin at or below 3% like we are seeing in the current economy is a positive development, but voters are still looking for continued progress. This is why so many surveys still reflect a negative attitude about the economy. When President Trump says he was handed an economic mess, the electorate agrees, but the current situation is still not satisfactory.



Gas Prices

Gas prices have improved significantly from their peak in 2022, but following the start of the conflict in Iran, the current national average is 40 cents higher than the start of President Trump's term in January 2025.

- According to the [Energy Information Administration](#), when President Biden came into office, the national average for gas prices was \$2.46. It peaked at \$5.11 in the middle of June 2022. When Biden left office and President Trump's term began, the national average was \$3.23.
- From the end of December 2025 through the first week of February 2026, prices dipped slightly below the 3-dollar for the first time since 2021.
- Prior to the start of Operation Epic Fury at the end of February, the national average was \$3.07, with the most recent average for this week being \$3.63.

Jobs Outlook

Recent jobs reports have shown a concerning outlook.

- Over the last nine months (June 2025-February 2026) 32,000 jobs have been lost. The job loss in the 4th quarter of 2025 was 116,000.
- This jobs trend now aligns with the current 4th quarter 2025 GDP report of 0.7% growth, after a robust 3rd quarter GDP growth of 4.4%.

While the legislative focus has been on trying to positively impact inflation, the question now becomes how to keep the cost of living moving in a positive direction, and also address job creation. As we have seen in past presidencies, dealing with either inflation (Biden) or jobs (Obama) is tough enough, but dealing with both would be exponentially more challenging.

Have a good weekend.

David & Myra