

Preparing for 2026

Economic Insights to Drive Strategy



d. hilton associates inc.

Proprietary Information

The following pages contain information and methodology proprietary to D. Hilton and should not be revealed to outside parties (e.g., other credit unions, local businesses, investment brokers, attorneys, consultants, vendors, or D. Hilton competitors) without the express written consent of D. Hilton Associates, Inc.

Dive
Right
45%

Stay
Center
6%

Dive
Left
49%

Kick
Right
39%

Kick
Center
29%

Kick
Left
32%

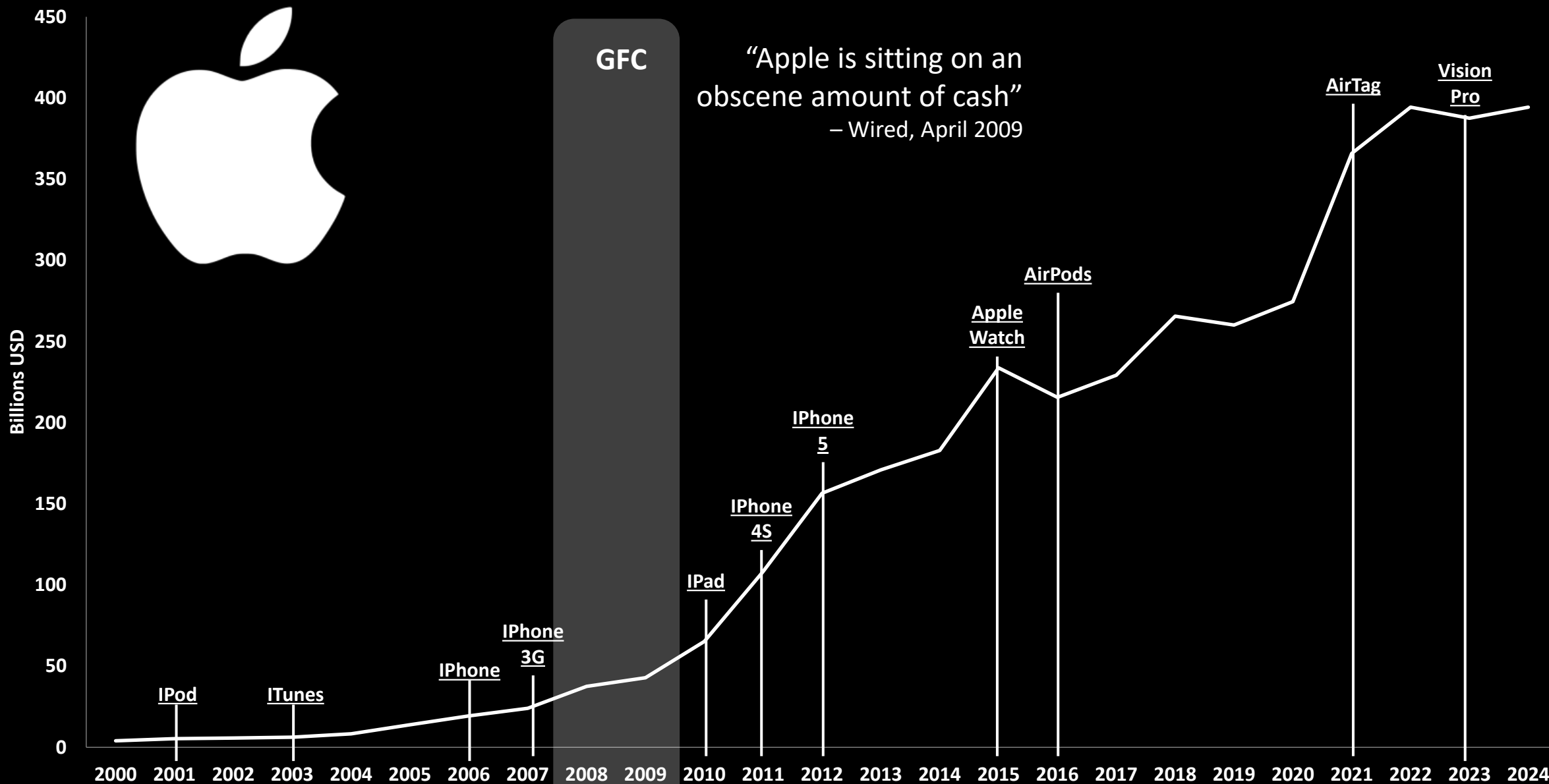
Which way are you going?

"The stock market is a device for transferring money from the impatient to the patient."

- Warren Buffett



Apple Revenue (2000–2024)



UNCERTAINTY

Tailwinds

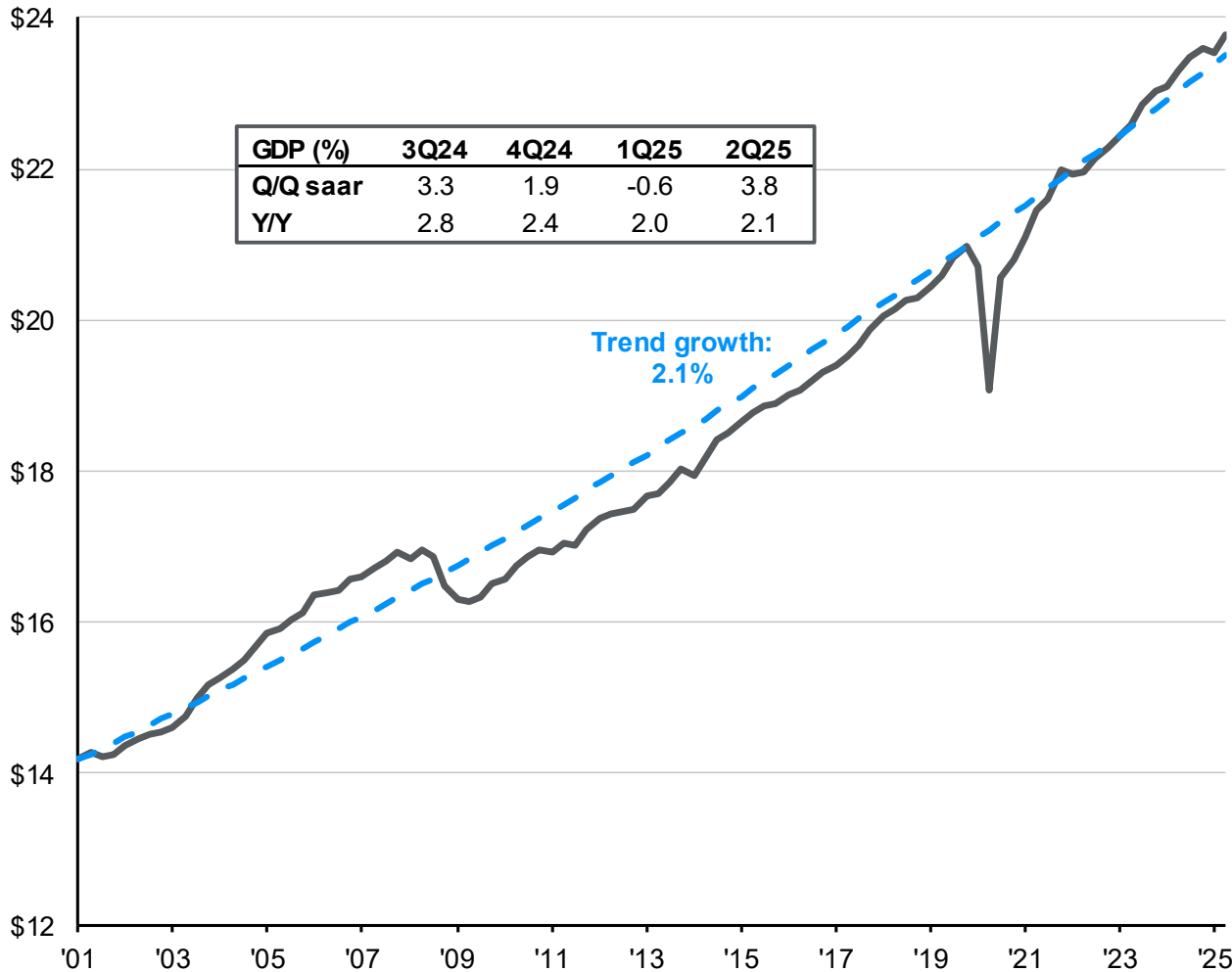
- GDP
- Consumer Demand
- Low Delinquency
- Corporate Earnings
- Lower Rates

Headwinds?

- Labor Demand
- Inflation
- Trade Shifts
- Rising Deficits
- Demographic Shifts

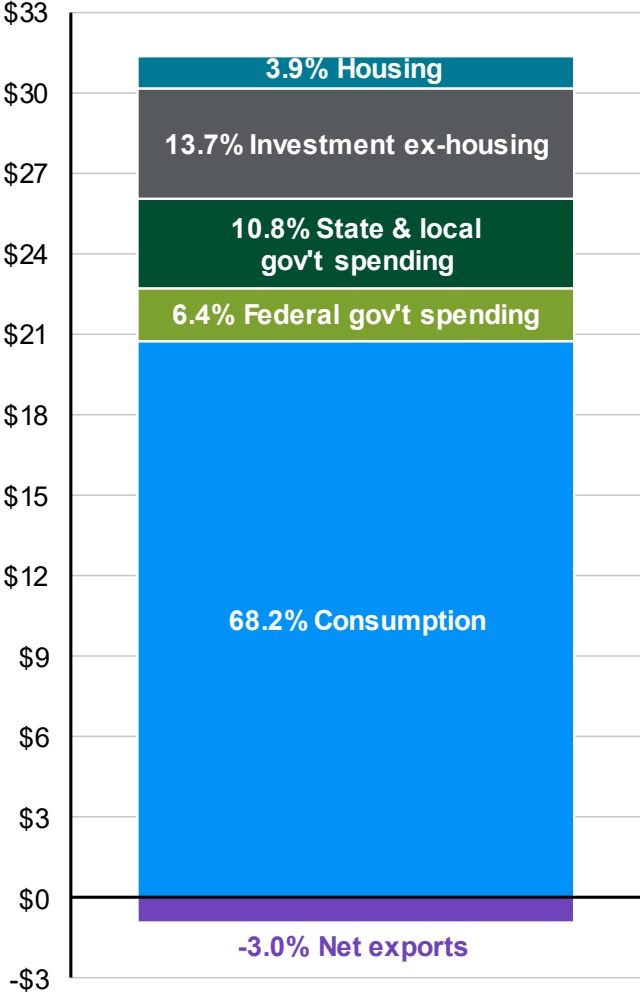
Real GDP

Trillions of chained (2017) dollars, seasonally adjusted at annual rates



Components of GDP

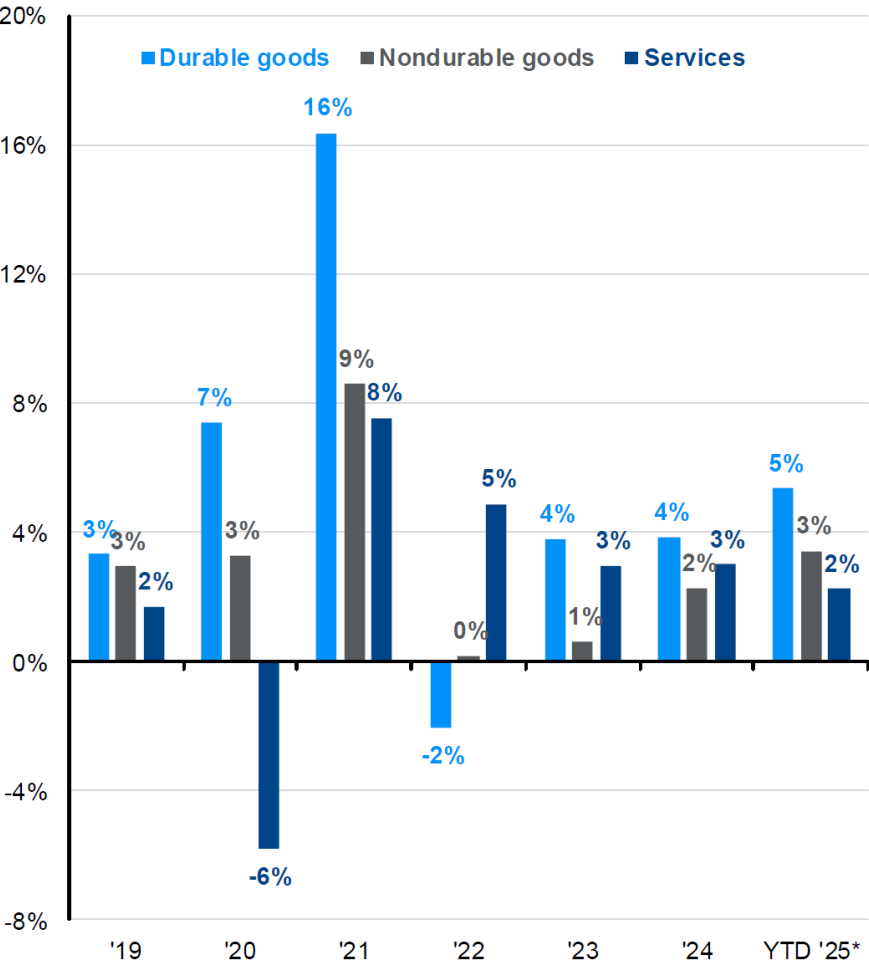
2Q25 nominal GDP, USD trillions



Source: BEA, FactSet, J.P. Morgan Asset Management. Values may not sum to 100% due to rounding. Trend growth is measured as the average annual growth rate from business cycle peak 1Q01 to business cycle peak 4Q19. *Guide to the Markets* – U.S. Data are as of October 31, 2025.

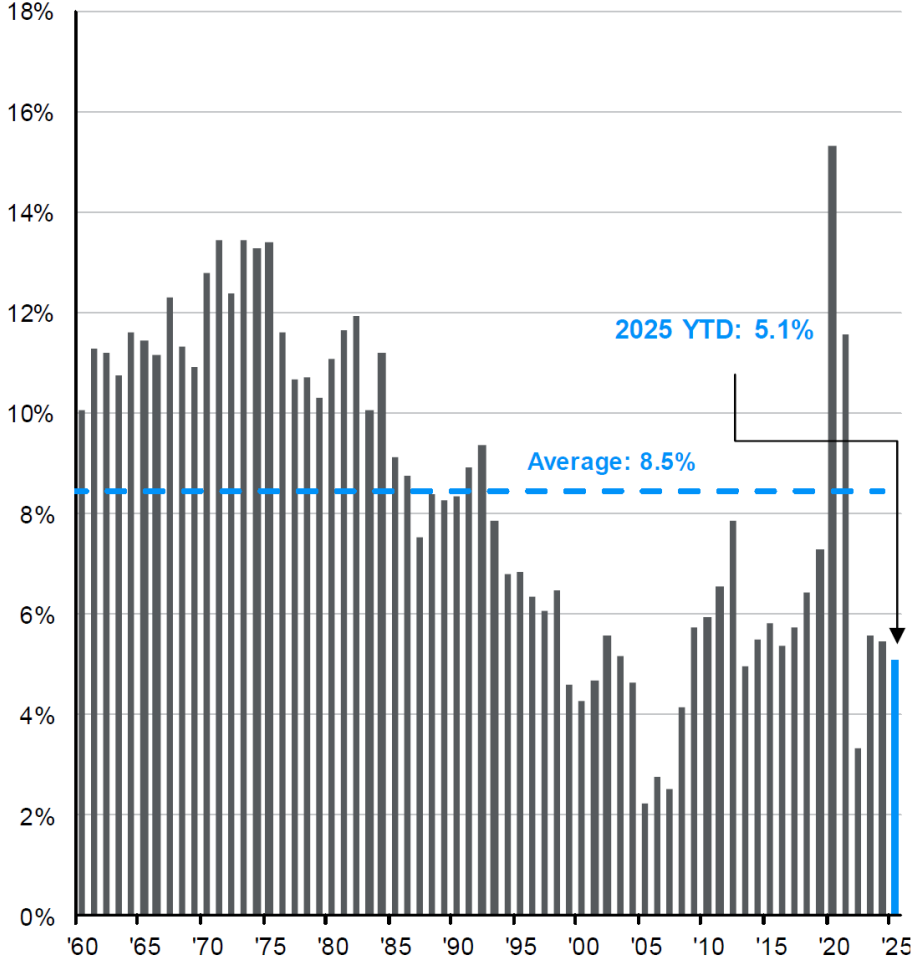
Real consumer spending by expenditure category

Y/y % change, average level of spending



Personal saving rate

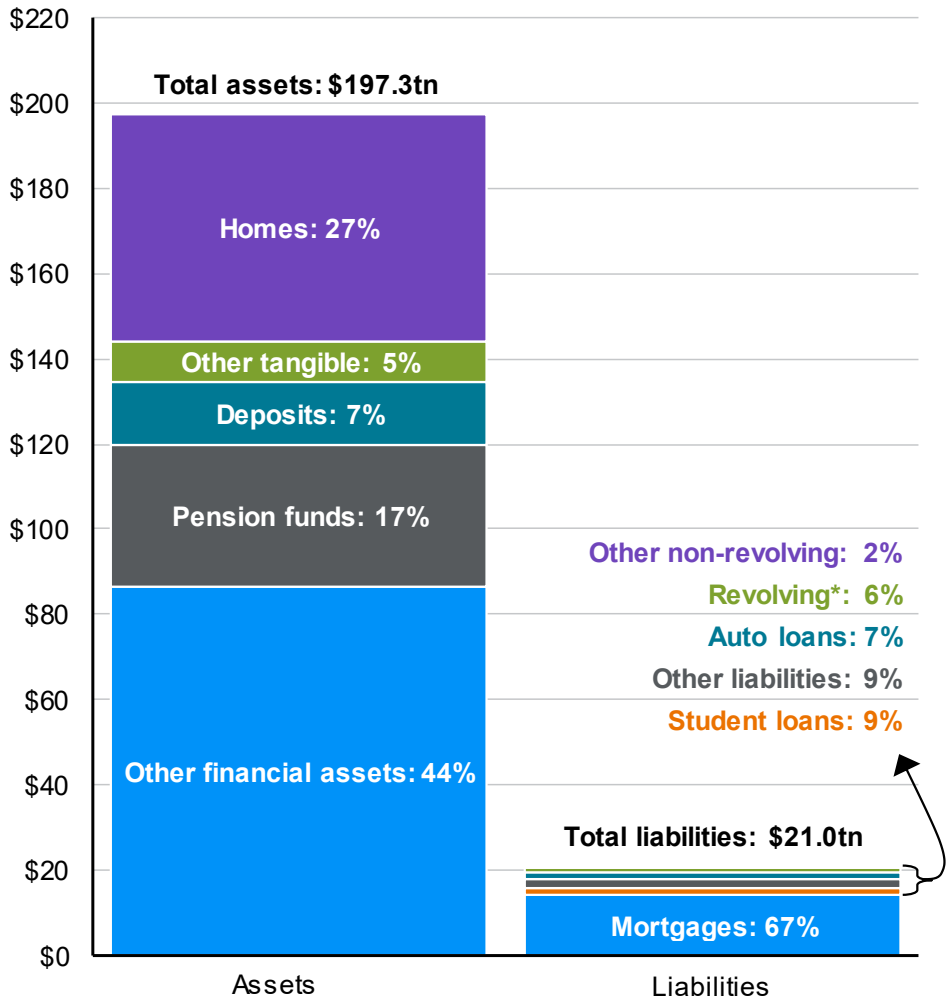
Personal savings as a % of disposable personal income, annual



Source: BEA, Federal Reserve, J.P. Morgan Asset Management.
*YTD figure for 2025 reflects the year-over-year % change in the average level of spending during the first eight months of 2025 relative to the average level of spending during the first eight months of 2024.
Guide to the Markets – U.S. Data are as of September 30, 2025.

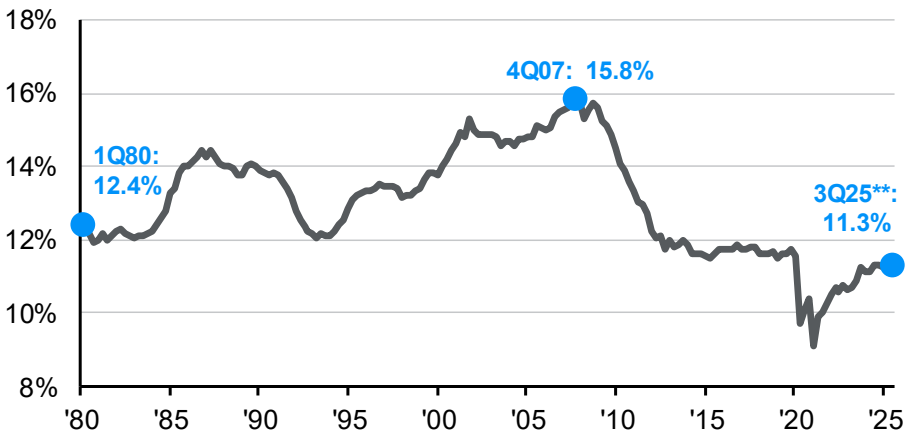
Consumer balance sheet

2Q25, USD trillions, not seasonally adjusted



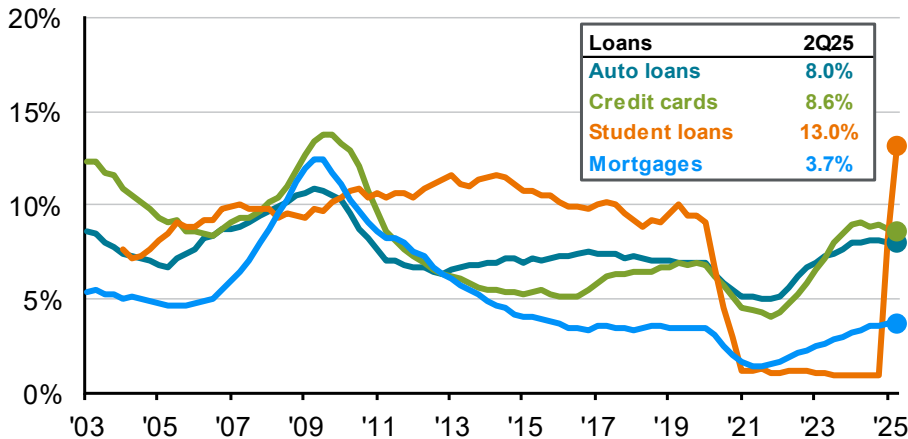
Household debt service ratio

Debt payments as % of disposable personal income, SA



Flows into early delinquencies

% of balance delinquent 30+ days

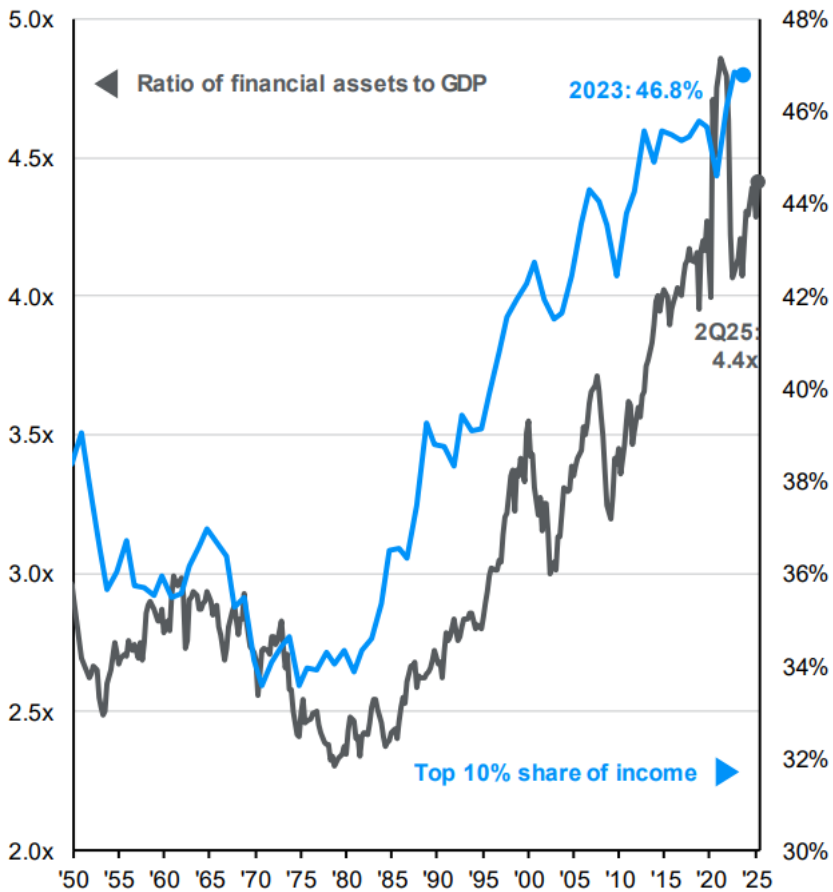


Source: FactSet, FRB, J.P. Morgan Asset Management; (Top and bottom right) BEA. Data include households and nonprofit organizations. SA – seasonally adjusted. *Revolving includes credit cards. Values may not sum to 100% due to rounding. **1Q25 figures for debt service ratio are J.P. Morgan Asset Management estimates. Household debt service ratio data from 1Q80 to 4Q04 are J.P. Morgan Asset Management estimates. Due to the moratorium on delinquent student loan payments being reported to credit bureaus, missed federal student loan payments were not reported until 4Q24. *Guide to the Markets – U.S.* Data are as of October 31, 2025.

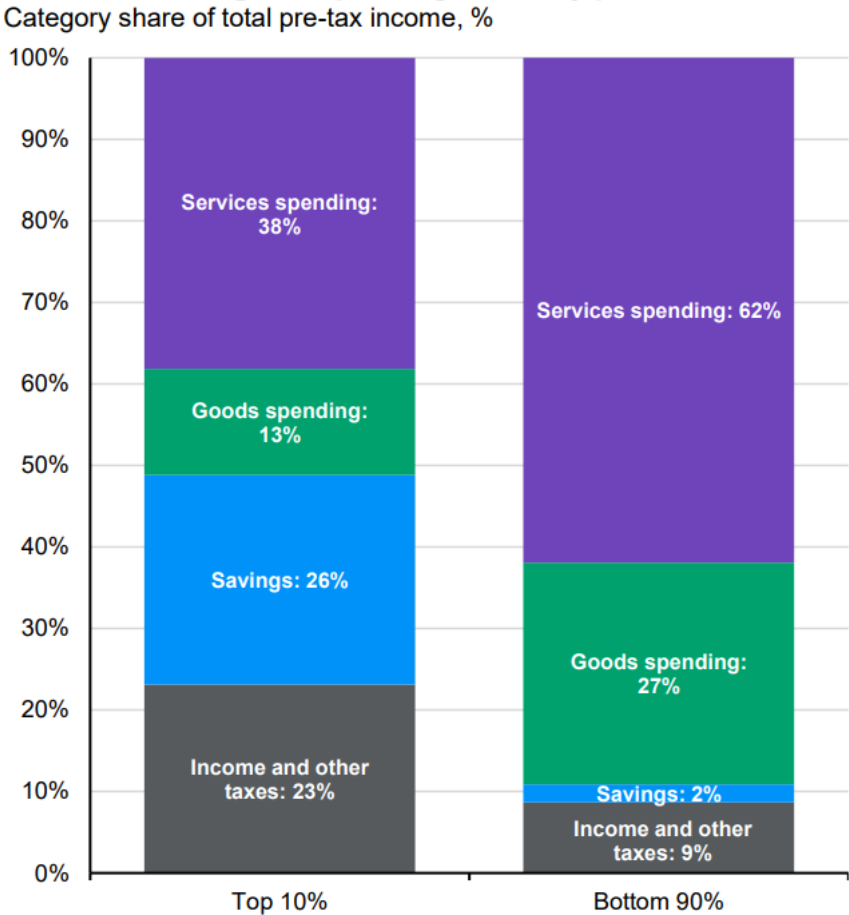
Income distribution and disposition

GTM U.S. OTB

Income share and financial asset appreciation



Consumer saving and spending habits by pre-tax income



Source: Bureau of Labor Statistics, World Inequality Database, J.P. Morgan Asset Management. (Left) Income reflects pre-tax national income, which is the sum of all pre-tax personal income flows accruing to the owners of the production factors, labor and capital, before taking into account the operation of the tax/transfer system, but after taking into account the operation of pension system. (Right) Consumer Expenditure Survey 2023. Guide to the Markets – U.S. Data are as of September 30, 2025.

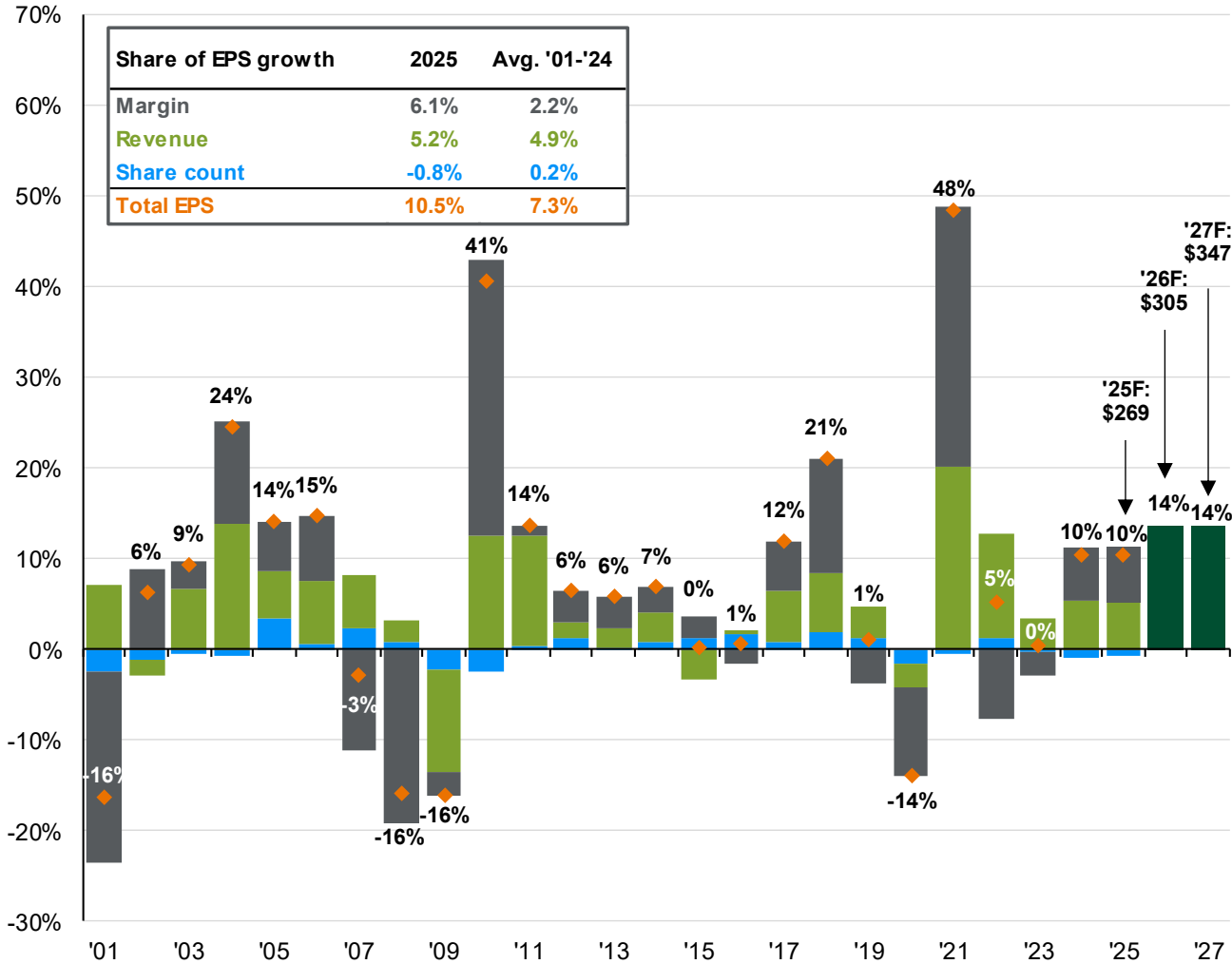
Households running out of emergency funds



Sources: SCE, Federal Reserve Bank of New York, Haver Analytics, Apollo Chief Economist

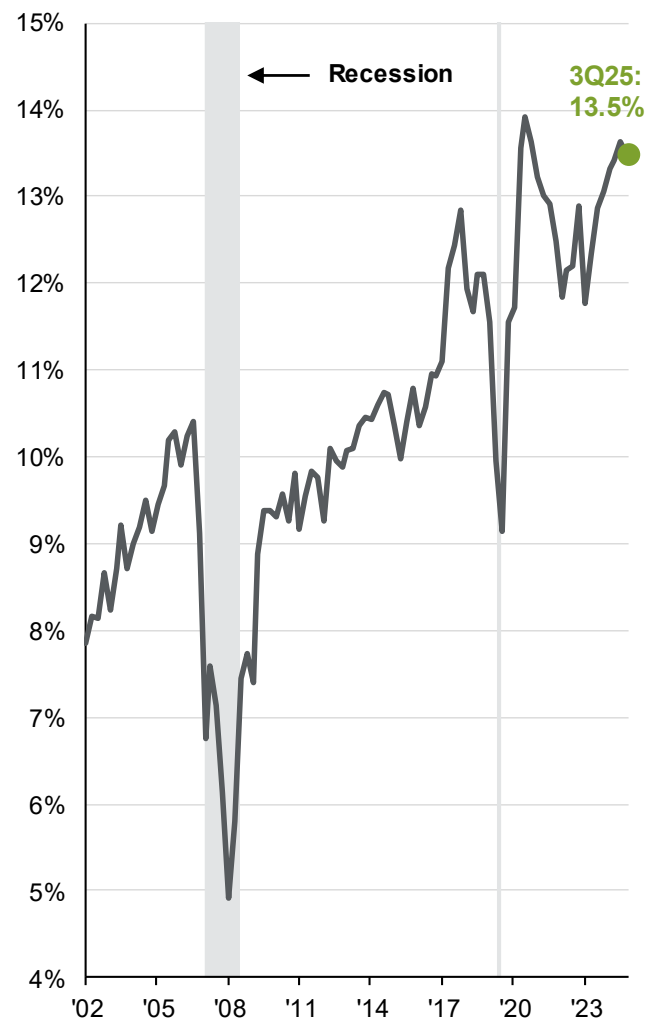
S&P 500 EPS growth

Year-over-year growth broken into changes in revenue, profit margin and share count



S&P 500 profit margins

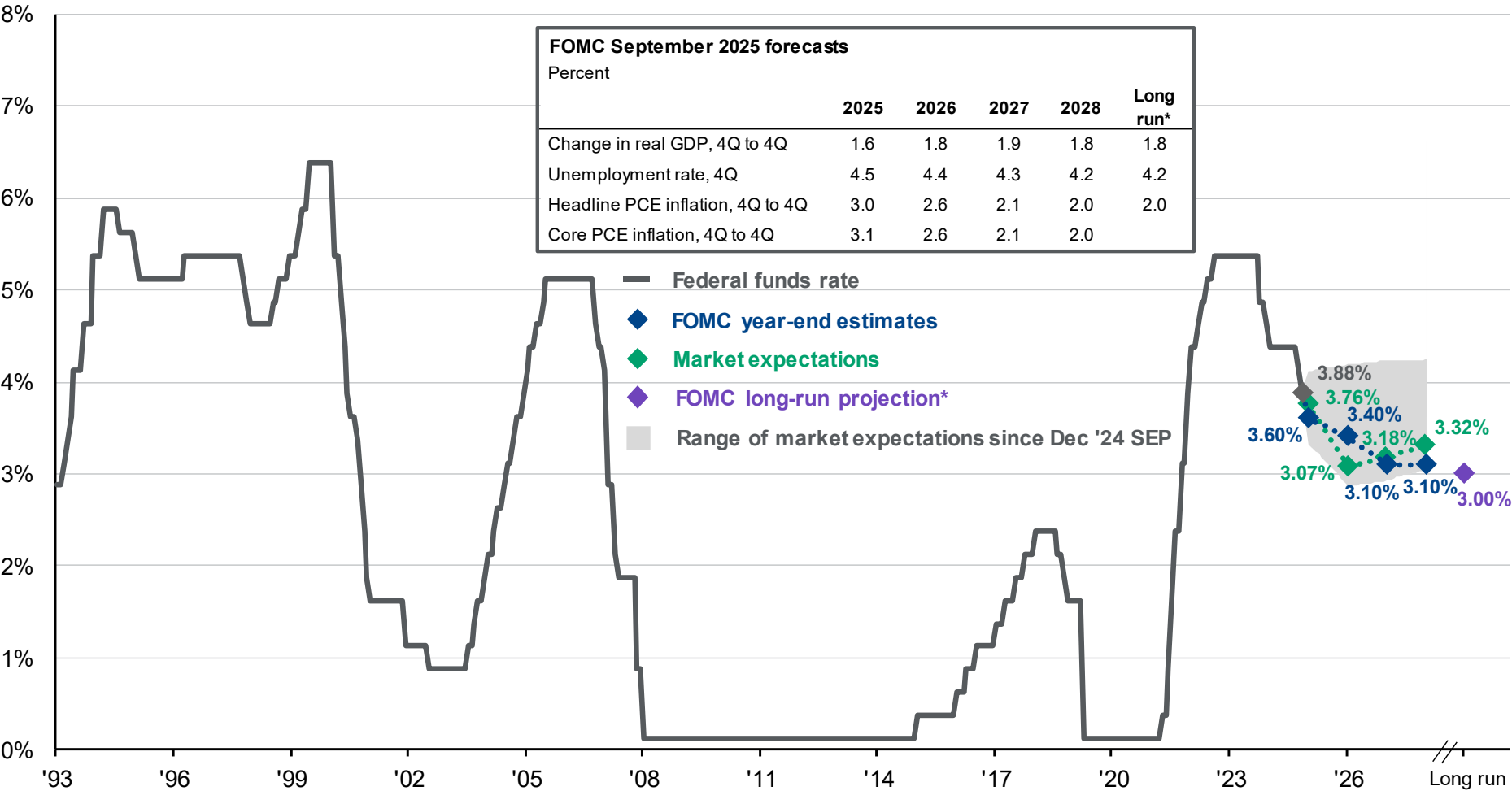
Quarterly earnings/sales



Source: Compustat, FactSet, Standard & Poor's, J.P. Morgan Asset Management. Historical EPS values are based on annual earnings per share. Forecasts for 2025, 2026 and 2027 reflect consensus analyst expectations, provided by FactSet. Past performance is no guarantee of future results. *Guide to the Markets – U.S.* Data are as of October 31, 2025.

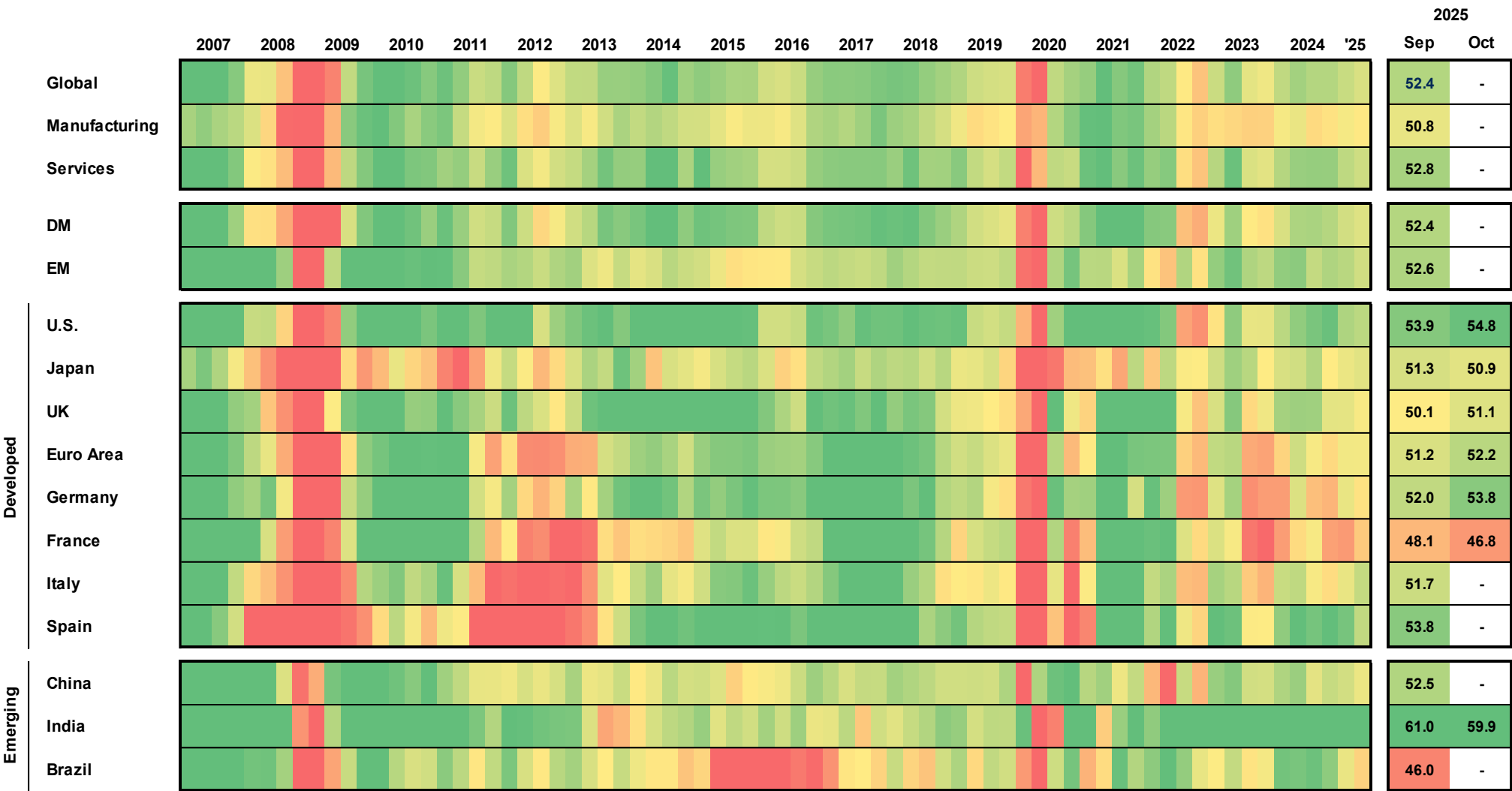
Federal funds rate expectations

FOMC and market expectations for the federal funds rate



Source: Bloomberg, FactSet, Federal Reserve, J.P. Morgan Asset Management. Market expectations are based off of USD Overnight Index Swaps. *Long-run projections are the rates of growth, unemployment and inflation to which a policymaker expects the economy to converge over the next five to six years in absence of further shocks and under appropriate monetary policy. Forecasts are not a reliable indicator of future performance. Forecasts, projections and other forward-looking statements are based upon current beliefs and expectations. They are for illustrative purposes only and serve as an indication of what may occur. Given the inherent uncertainties and risks associated with forecasts, projections or other forward-looking statements, actual events, results or performance may differ materially from those reflected or contemplated. *Guide to the Markets – U.S.* Data are as of October 31, 2025.

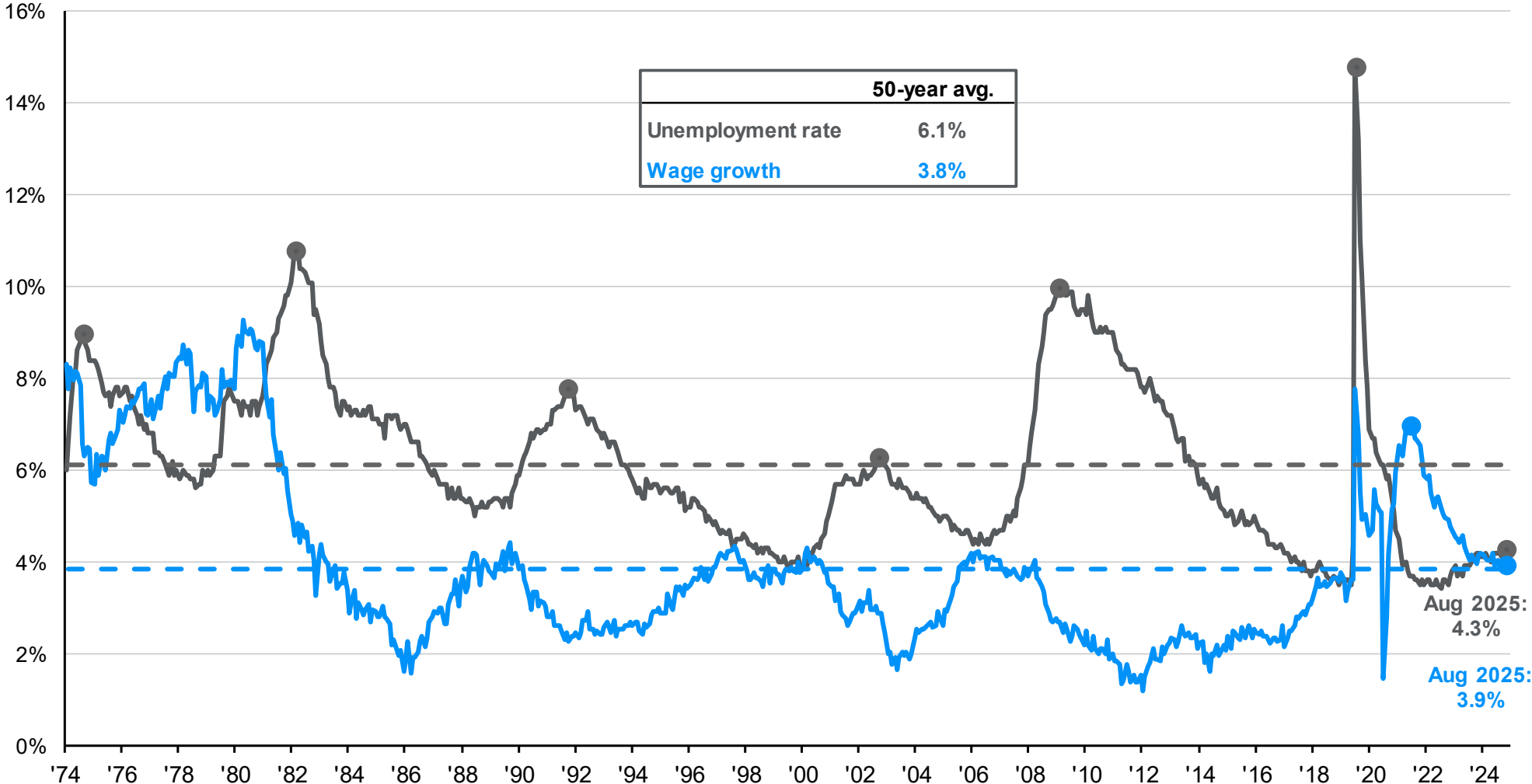
Global Composite (manufacturing & services combined) Purchasing Managers' Index, quarterly



Source: J.P. Morgan Economic Research, Standard & Poor's, J.P. Morgan Asset Management. The Composite PMI includes both manufacturing and services sub-indices. Heatmap colors are based on PMI relative to the 50 level, which indicates acceleration or deceleration of the sector, for the period shown. Heatmap is based on quarterly averages, except for the two most recent figures, which are single month readings. Data for the U.S. are back-tested and filled in for 2007-2009. Data for Japan are back-tested and filled in for the first two quarters of 2007. DM and EM represent developed markets and emerging markets, respectively. *Guide to the Markets – U.S.* Data are as of October 31, 2025.

Civilian unemployment rate and year-over-year wage growth

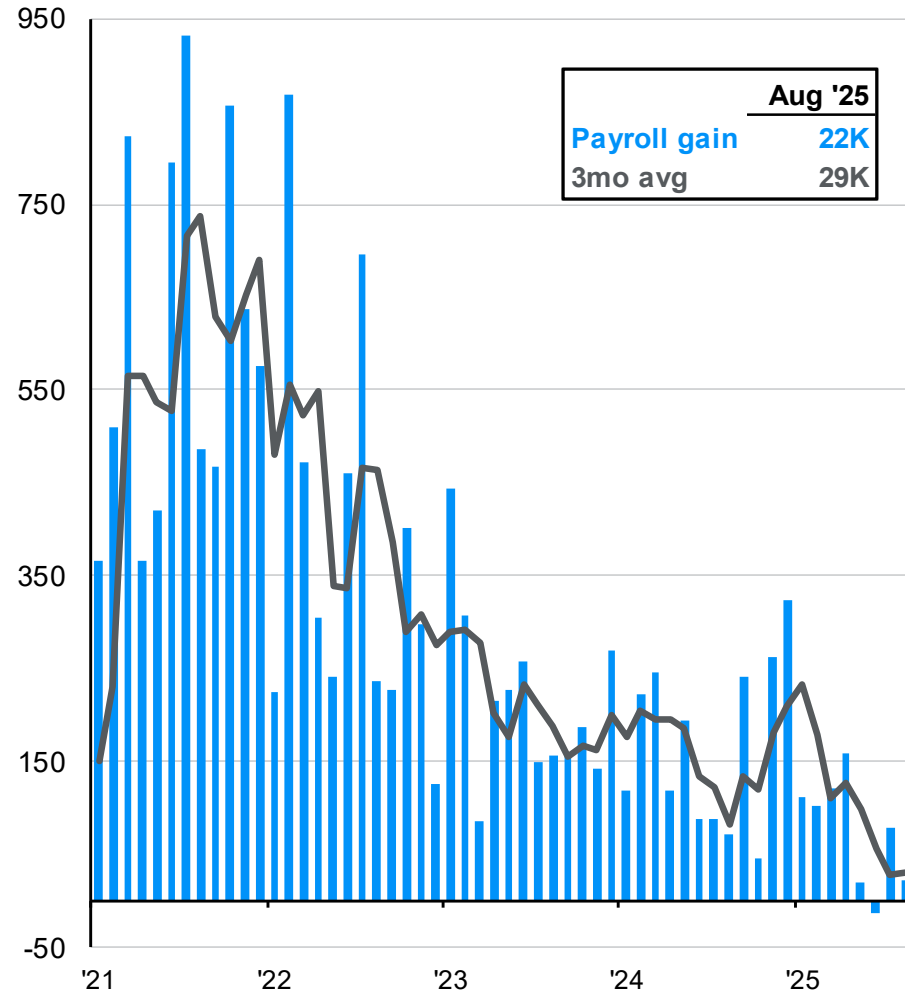
Private production and non-supervisory workers, seasonally adjusted, percent



Source: BLS, FactSet, J.P. Morgan Asset Management. Private production and non-supervisory jobs represent just over 80% of total private nonfarm jobs. Guide to the Markets – U.S. Data are as of October 31, 2025.

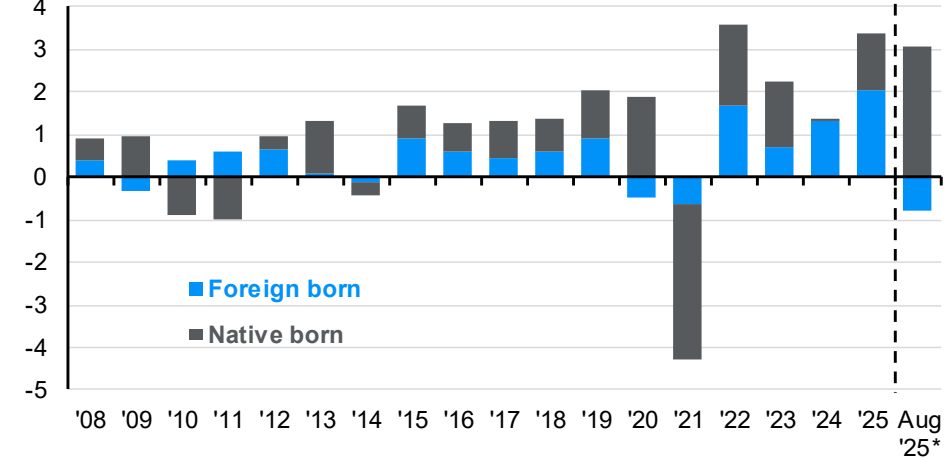
Nonfarm payroll gains

Month-over-month change and 3-month moving average, thousands, SA



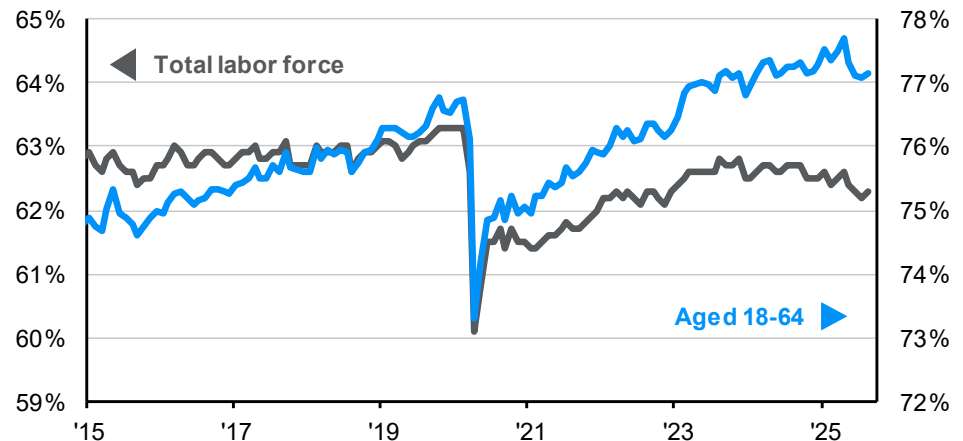
Labor force growth, native and immigrant contribution

Year-over-year change as of January, aged 16+, millions



Labor force participation

% of civilian noninstitutional population, seasonally adjusted (SA)



Source: BLS, FactSet, J.P. Morgan Asset Management. Labor force data are sourced from the Current Population Survey, also known as the household survey, conducted by the BLS. *Year-over-year change in the labor force calculated from January of each year. For example, the 2024 figures are calculated by subtracting the size of the labor force as of 1/31/2024 from the size of the labor force as of 1/31/2025. *Guide to the Markets – U.S.* Data are as of October 31, 2025.

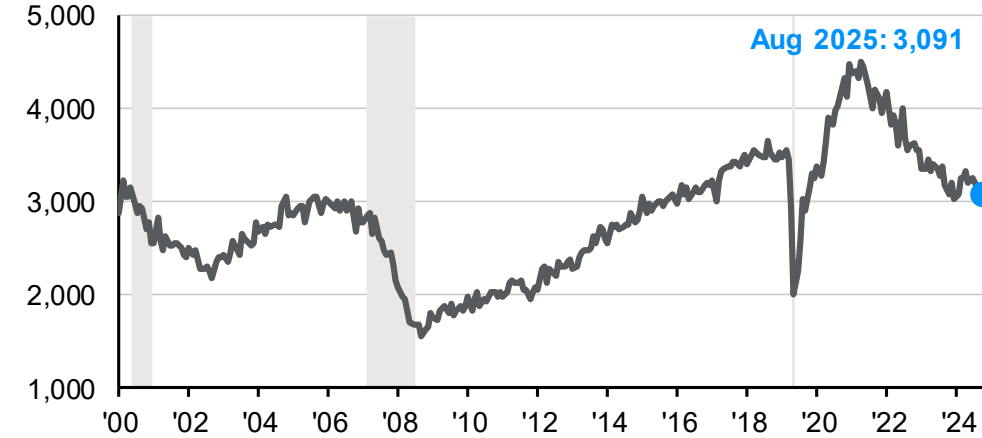
JOLTS job openings*

Total job openings, thousands, seasonally adjusted



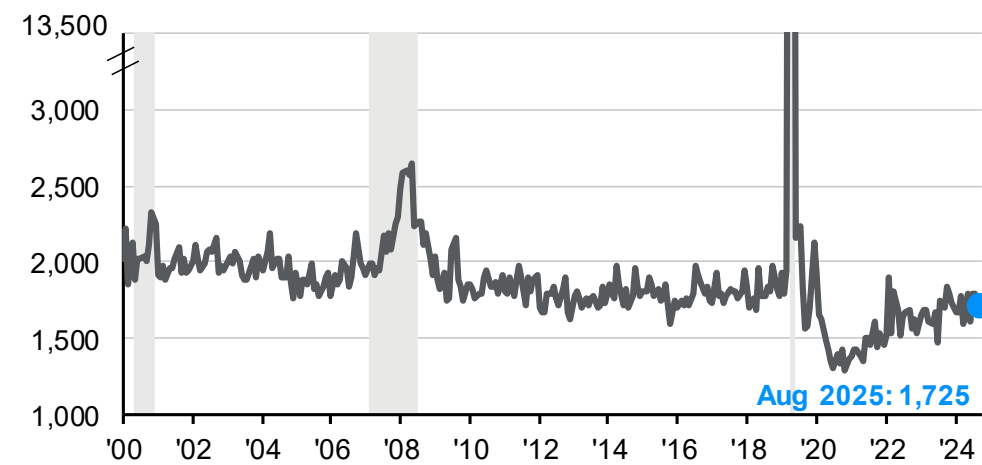
JOLTS quits

Total nonfarm quits, thousands, seasonally adjusted

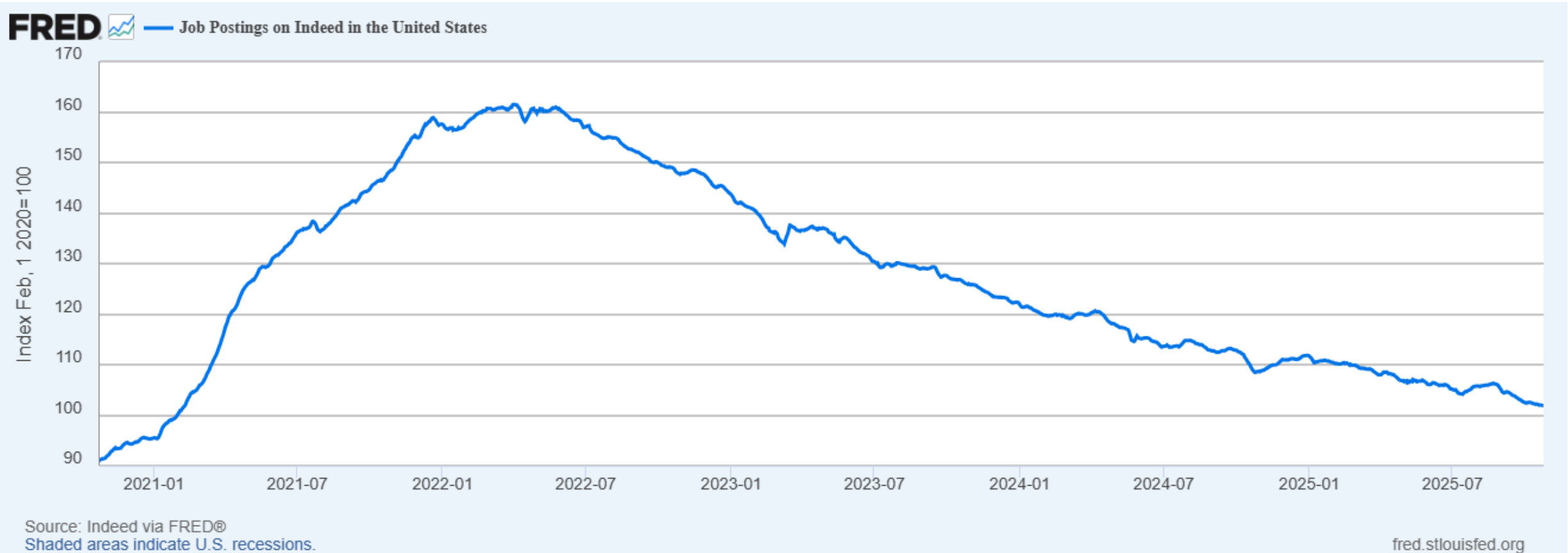


JOLTS layoffs

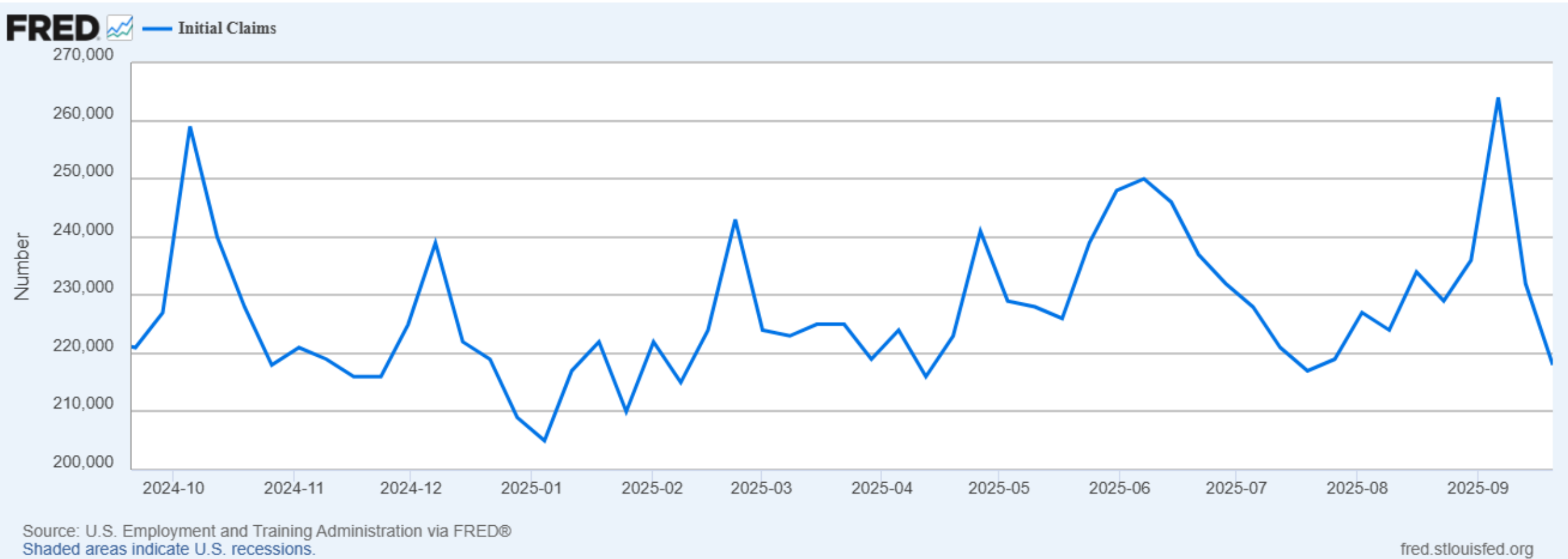
Total nonfarm layoffs, thousands, seasonally adjusted



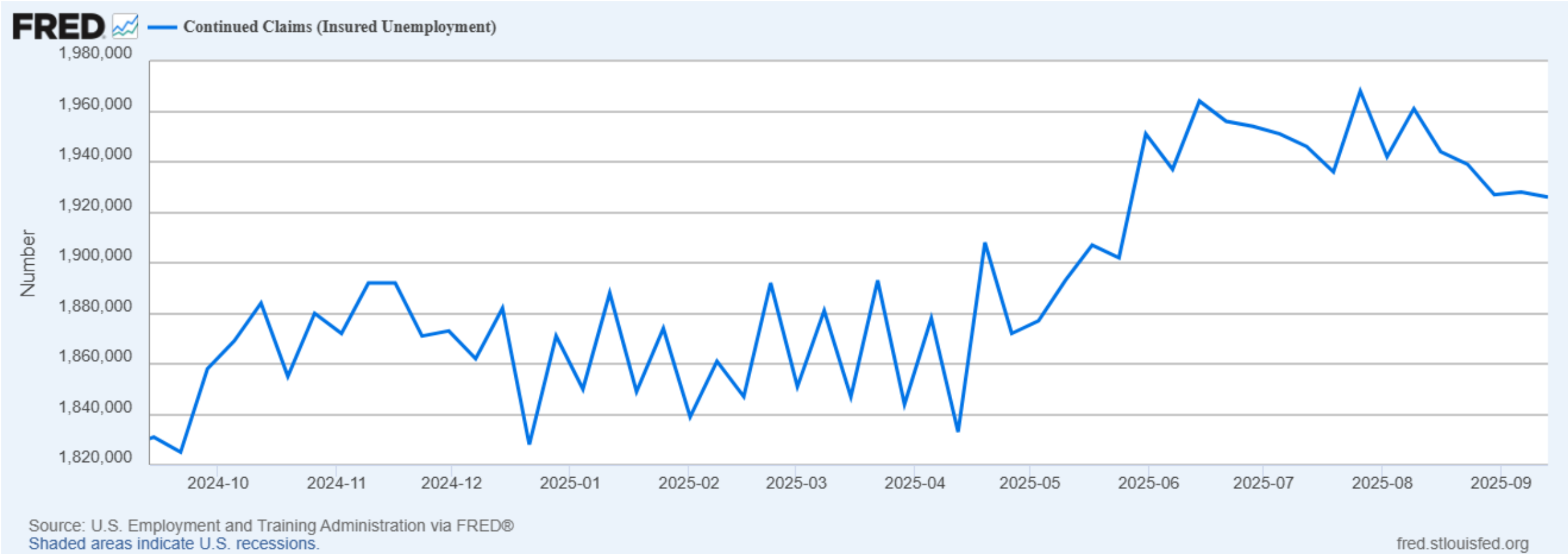
Source: U.S. Department of Labor, J.P. Morgan Asset Management. *JOLTS job openings from February 1974 to November 2000 are J.P. Morgan Asset Management estimates. *Guide to the Markets – U.S.* Data are as of October 31, 2025.



Source: BLS. U.S. Data are as of October 31, 2025.



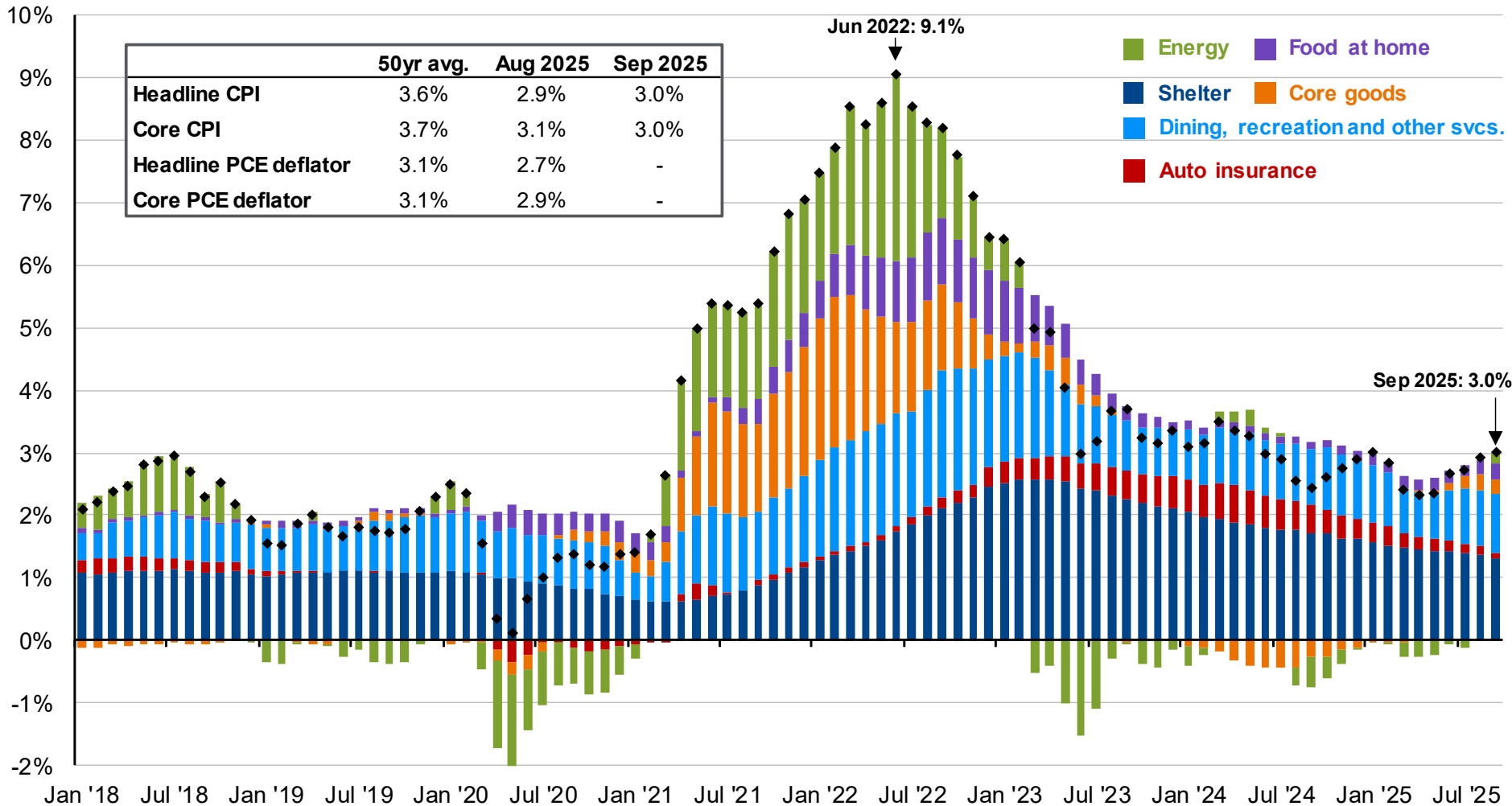
Source: BLS. U.S. Data are as of October 31, 2025.



Source: BLS. U.S. Data are as of October 31, 2025.

Contributors to headline CPI inflation

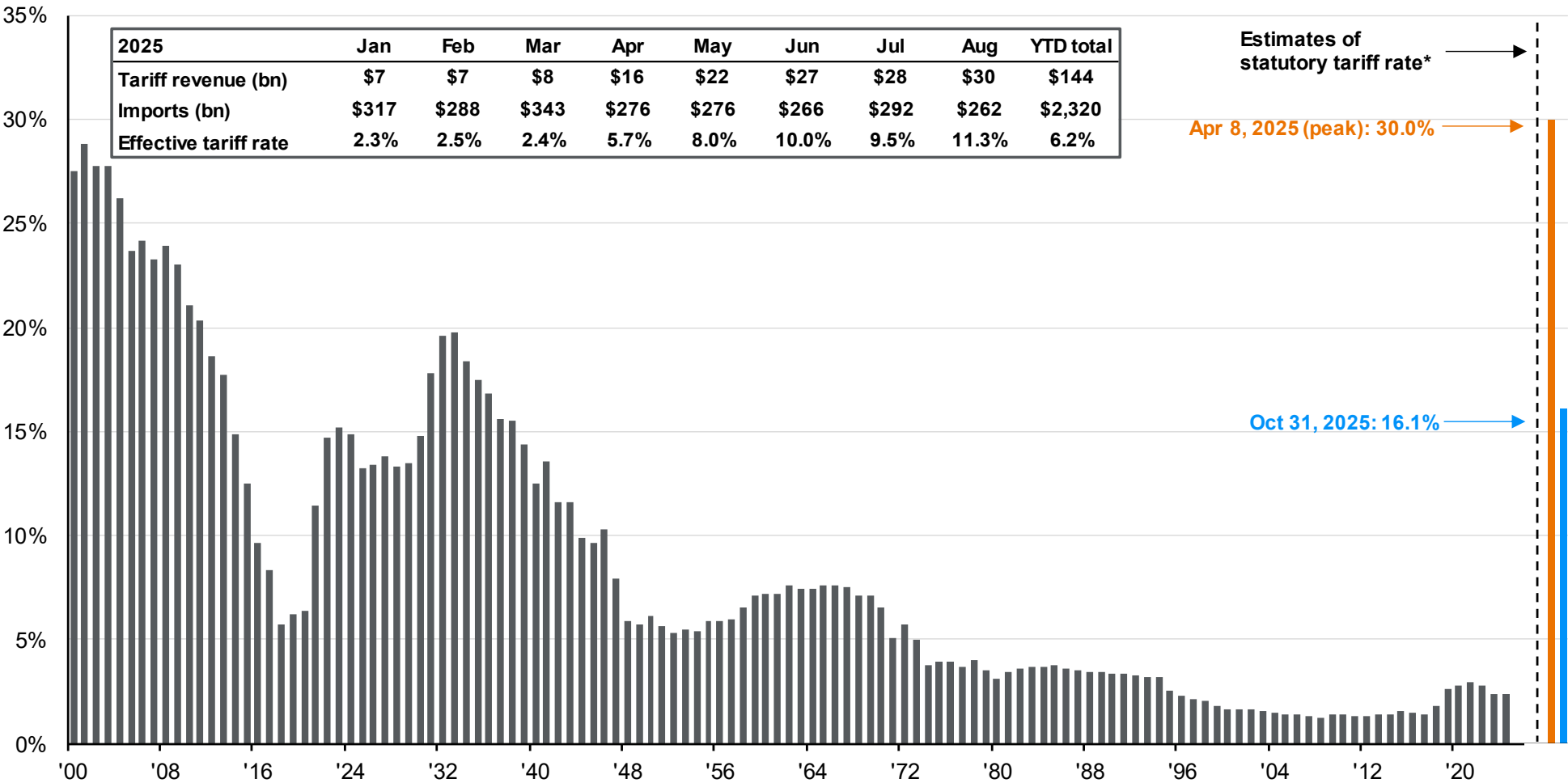
Contribution to year-over-year % change in CPI, non-seasonally adjusted



Source: BLS, FactSet, J.P. Morgan Asset Management. Contributions mirror the BLS methodology on Table 7 of the CPI report. Values may not sum to headline CPI figures due to rounding and underlying calculations. "Shelter" includes owners' equivalent rent, rent of primary residence and home insurance. "Food at home" includes alcoholic beverages. *Guide to the Markets – U.S.* Data are as of October 31, 2025.

Average tariff rate on U.S. goods imports for consumption

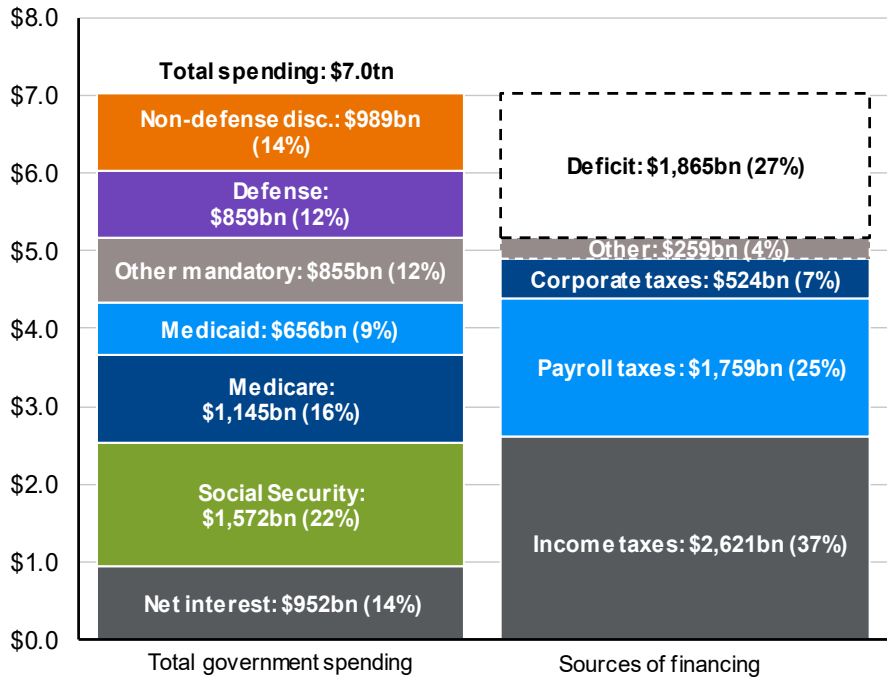
Duties collected / value of total goods imports for consumption, 1900 - 2024



Source: Goldman Sachs Investment Research, United States International Trade Commission, J.P. Morgan Asset Management. For illustrative purposes only. The estimated weighted average U.S. tariff rate includes the latest tariff announcements. Estimates about which goods are USMCA compliant come from Goldman Sachs Investment Research. Imports for consumption: goods brought into a country for direct use or sale in the domestic market. The estimate does not consider non-tariff barriers, such as value-added taxes. *Figures are based on 2024 import levels and assume no change in demand due to tariff increases. Forecasts are based on current data and assumptions about future economic conditions. Actual results may differ materially due to changes in economic, market, and other conditions. *Guide to the Markets – U.S.* Data are as of October 31, 2025.

The 2025 federal budget

USD trillions

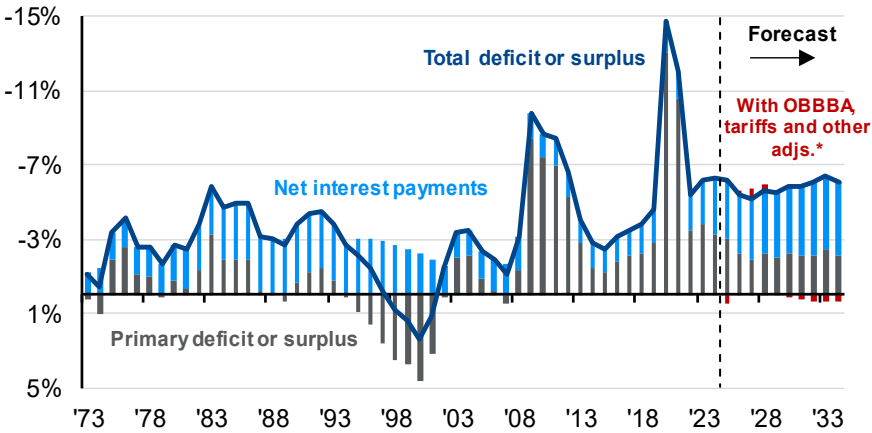


CBO's Baseline economic assumptions

	2025	'26-'27	'28-'29	'30-'35
Real GDP growth	2.2%	1.8%	1.8%	1.8%
10-year Treasury	4.1%	3.9%	3.9%	3.8%
Headline inflation (CPI)	2.3%	2.4%	2.3%	2.2%
Unemployment	4.2%	4.4%	4.4%	4.4%

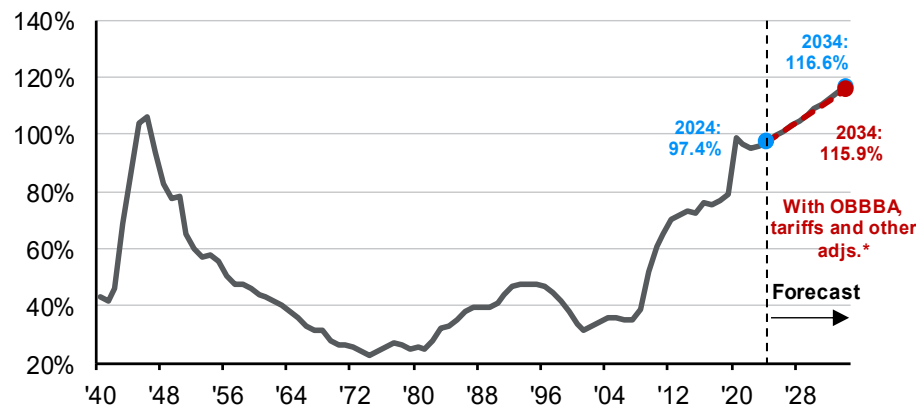
Federal deficit and net interest payments

% of GDP, 1973 - 2034, CBO Baseline Forecast



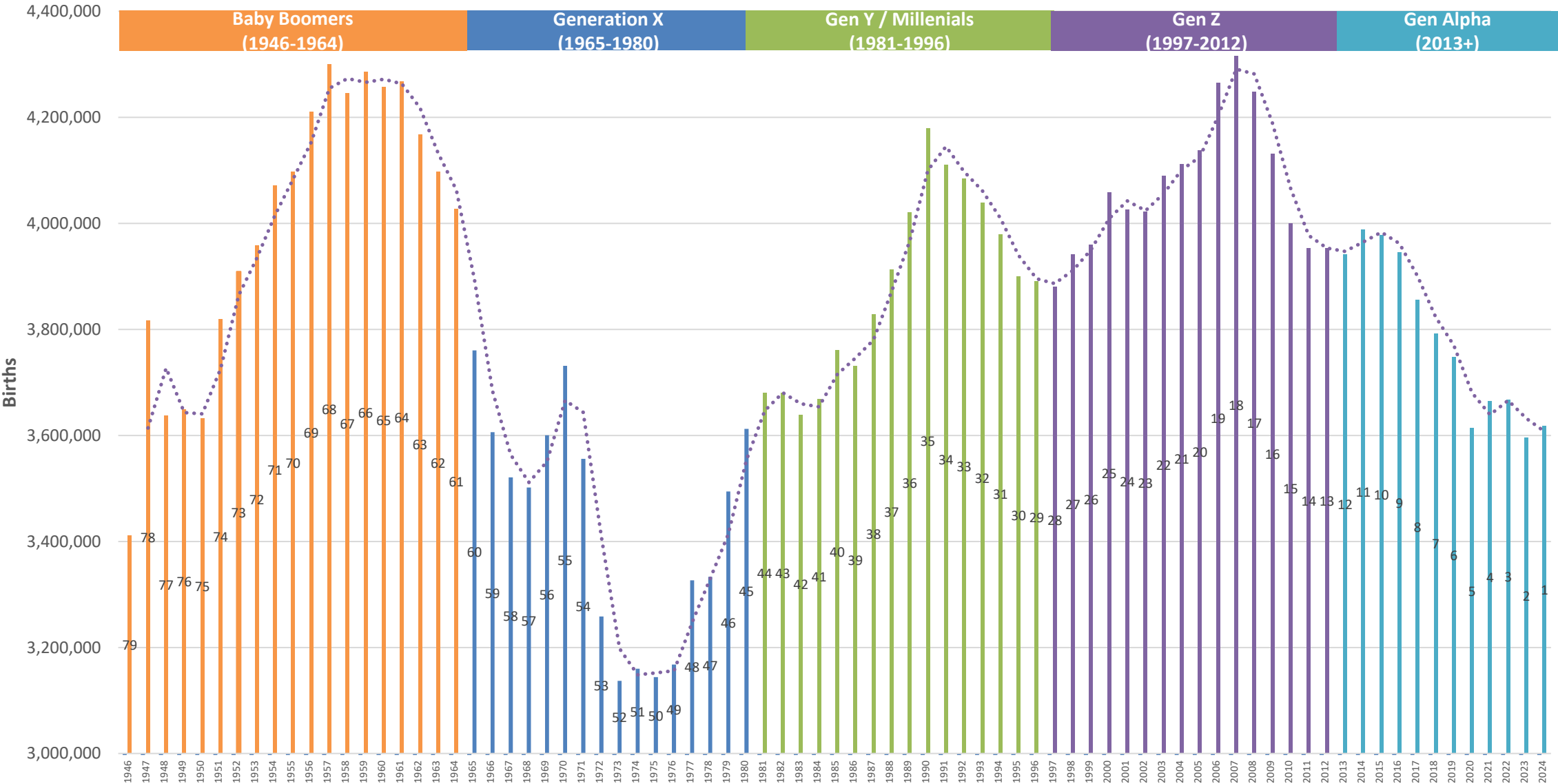
Federal net debt (accumulated deficits)

% of GDP, 1940 - 2034, CBO Baseline Forecast, end of fiscal year



Source: CBO, J.P. Morgan Asset Management; (Left) Numbers may not sum to 100% due to rounding; (Top and bottom right) BEA, Treasury Department. Estimates are from the Congressional Budget Office (CBO) January 2025. An Update to the Budget Outlook: 2025 to 2035. "Other" spending includes, but is not limited to, health insurance subsidies, income security and federal civilian and military retirement. Years shown are fiscal years. OBBBA refers to the "One Big Beautiful Bill Act." *Adjusted by JPMAM to include estimates from the CBO July 2025 report "Estimated Budgetary Effects of Public Law 119-21, to Provide for Reconciliation Pursuant to Title II of H. Con. Res. 14, Relative to CBO's January 2025 Baseline." Figures are also adjusted to include JPMAM estimates of tariff revenues and the estimated cost of extending expiring tax cuts beyond 2028, based on CBO August 2025 report "Effects on Deficits and the Debt of Public Law 119-21 and of Making Certain Tax Policies in the Act Permanent." Forecasts are not a reliable indicator of future performance. Forecasts, projections and other forward-looking statements are based upon current beliefs and expectations. They are for illustrative purposes only and serve as an indication of what may occur. Given the inherent uncertainties and risks associated with forecasts, projections or other forward-looking statements, actual events, results or performance may differ materially from those reflected or contemplated. *Guide to the Markets – U.S.* Data are as of October 31, 2025.

Birthrates by Year



11TH Annual

Total Rewards Symposium 2025



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