

Spending Surge, Freight Frenzy, and Unemployment Upticks

December 30, 2024

- **Insurance Acquisition** – MetLife Investment Management, a subsidiary of MetLife, has entered into an agreement to buy PineBridge Investments, a global asset manager, for \$1.2 billion, which includes \$800 million in upfront cash payments and another \$400 million in contingencies (source: Reuters).
- **Spending Surge** – Personal income increased by \$71.1 billion in November 2024. Similarly, personal consumption expenditures increased by \$81.3 billion in November 2024, led by a \$48.3 billion rise in spending on goods. Goods spending was driven by new motor vehicles and video, audio, photographic, and information processing equipment and media (source: U.S. Bureau of Economic Analysis).
- **Freight Frenzy** – FedEx reported strong earnings for the second quarter ending September 30, 2024, citing a 13% increase in operating profit despite flat revenue. CEO Rajesh Subramaniam also announced the separation of FedEx into two separate public companies: FedEx Ground and FedEx Freight. FedEx Ground focuses on low-weight domestic deliveries, while FedEx Freight transports goods internationally by different means. Full separation is expected within the next 18 months (source: The Motley Fool).
- **Unemployment Uptick** – In 2023, 13.7 million people experienced unemployment at some point, which is up 747,000 from 2022. The same study also found that the number of full-time workers in 2023 was 70.1%, down 0.9% from 2022 (source: U.S. Bureau of Labor Statistics).
- **Merging Manufacturers** – Car manufacturers Honda and Nissan plan to merge by 2026, which would make the merged company the world's third largest auto group by vehicle sales behind Toyota and Volkswagen. Both companies are based in Japan (source: Reuters).
- **Good GDP** – Real GDP increased in 46 states and the District of Columbia in Q3 2024. Arkansas had the highest increase with a 6.9% year-over-year change, while North Dakota had a -2.3% decrease (source: U.S. Bureau of Economic Analysis).
- **Status of State Unemployment** – In November 2024, six states reported higher unemployment rates. Alabama, Maine, and Mississippi all reported a 0.2% increase, while Iowa, Kansas, and Vermont saw a 0.1% rise. Nevada had the highest unemployment rate among all the states at 5.7% (source: U.S. Bureau of Labor Statistics).
- **Coffee Chaos** – Starbucks workers in nine states are on strike, seeking wage increases and litigation resolutions related to partner benefits. Wage proposals call for an

immediate 64% increase in the minimum wage of hourly partners, which Starbucks officials call not sustainable (source: CNN).

- **Lingering Lawsuit** – U.S. District Judge Ed Kinkeade recused himself from the lawsuit between Elon Musk’s X and the World Federation of Advertisers, a group that allegedly boycotted X and caused lost revenue. This follows U.S. District Judge Reed O’Connor’s decision to remove himself from the case back in August, citing he owned shares of Tesla. U.S. District Judge Jane Boyle has been assigned to the case (source: Reuters).
- **Claiming the Cup** – The Milwaukee Bucks claimed the NBA Cup title on Tuesday, December 17th. The NBA Cup debuted in the 2023-24 NBA season (source: ESPN).

Definitions and Indexes

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