

# Balancing Growth: Dynamic Policy Analysis for Innovation, Productivity, & Affordability

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# Looking at Economic Megatrends in the United States Economy



## MEGATRENDS



Artificial  
intelligence (AI)



Oil price increases



Housing  
affordability



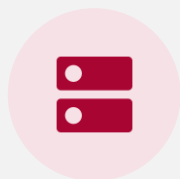
Lower net  
immigration



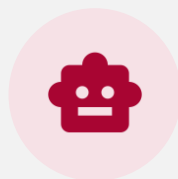
Understanding macroeconomic dynamics at the national and state level

what does **REMI** say? <sup>sm</sup>

# Artificial Intelligence and Data Centers



Large investments in data center development across the United States



More usage of AI in the professional services and manufacturing sectors

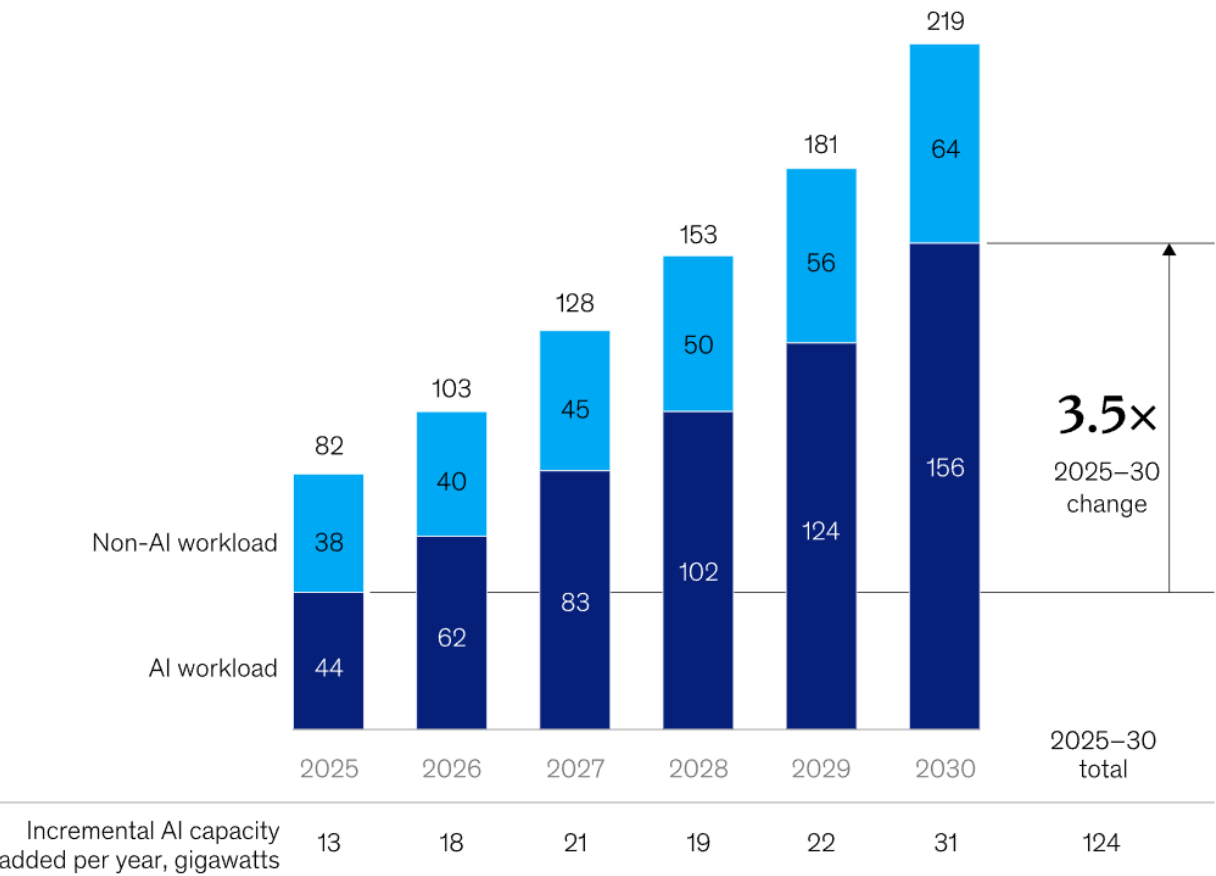


Increase in productivity for workers

# Data Center Demand



Estimated global data center capacity demand, 'continued momentum' scenario, gigawatts



3.5x

growth in AI workload capacity demand, 2025–2030 (44 → 156 GW)

219 GW

total estimated global capacity demand in 2030, up from 82 GW in 2025

Source: Gartner reports; IDC reports; Nvidia capital markets reports; McKinsey Data Center Demand Model

what does **REMI** say?<sup>sm</sup>

# Increase Spending with Data Center Buildout



Computer and  
electronic  
products



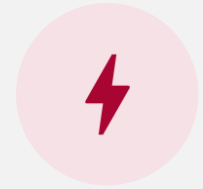
Electrical  
equipment



Construction



Cooling



Energy  
resource:  
capital and  
operations

*what does **REMI** say?<sup>sm</sup>*

# Data Center Productivity Increases



Information and  
software



Professional,  
scientific and  
technical services



Finance and  
insurance



Manufacturing

# Model Simulation 1: Professional Services Productivity



## SCENARIO

Increase productivity in Professional Services: 10% increase from 2026–2035, “Anticipatory Fed.”

## POLICY VARIABLE

Labor productivity in Professional, scientific, & technical services

## ECONOMIC SUMMARY

| Category                                   | Units   | 2025  | 2026  | 2027  | 2028  | 2029  | 2030  | 2031  | 2032  | 2033  | 2034  | 2035  |
|--------------------------------------------|---------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Total Employment                           | Percent | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Gross Domestic Product                     | Percent | 0.47% | 0.49% | 0.50% | 0.51% | 0.52% | 0.52% | 0.53% | 0.54% | 0.55% | 0.56% | 0.57% |
| Real Disposable Personal Income per Capita | Percent | 0.45% | 0.36% | 0.35% | 0.35% | 0.36% | 0.37% | 0.38% | 0.39% | 0.39% | 0.40% | 0.41% |

Note: Units in percentage change. Results reported on the national level.

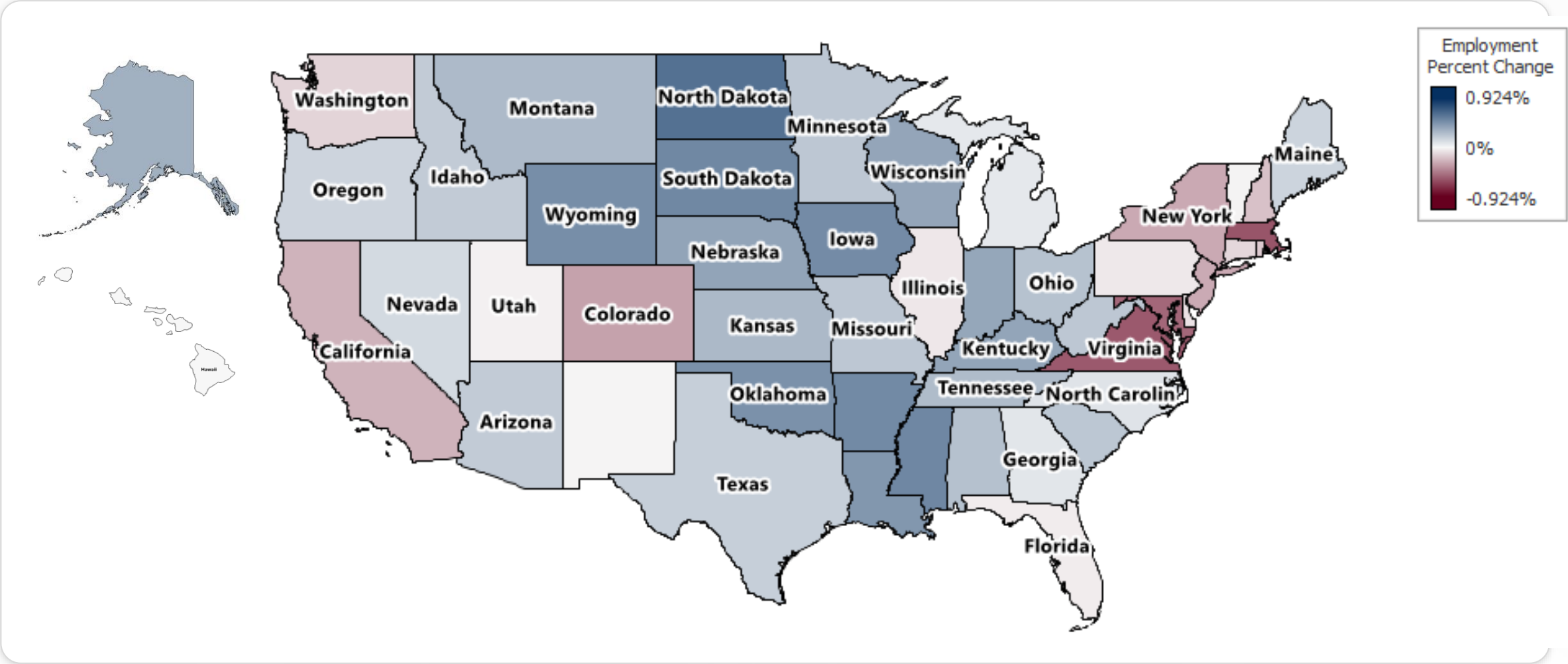
# Professional Services Productivity



| Category                    | Units                            | 2025    | 2026    | 2027    | 2028    | 2029    | 2030    | 2031    | 2032    | 2033    | 2034    | 2035    |
|-----------------------------|----------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Total Employment            | Individuals (Jobs)               | -193    | -36     | -7      | -9      | -21     | -34     | -45     | -56     | -64     | -77     | -71     |
| Private Non-Farm Employment | Individuals (Jobs)               | -30,758 | -45,749 | -53,335 | -57,854 | -60,874 | -63,044 | -64,751 | -66,320 | -67,677 | -68,867 | -69,878 |
| Gross Domestic Product      | Billions of Fixed (2026) Dollars | \$148.7 | \$155.8 | \$162.2 | \$167.2 | \$173.0 | \$179.2 | \$185.8 | \$192.7 | \$199.6 | \$206.5 | \$213.0 |
| Output                      | Billions of Fixed (2026) Dollars | \$260.8 | \$273.4 | \$284.3 | \$291.9 | \$301.5 | \$312.2 | \$323.7 | \$335.6 | \$347.6 | \$359.2 | \$371.4 |
| Personal Income             | Billions of Current Dollars      | -\$40.8 | -\$42.0 | -\$44.3 | -\$46.5 | -\$48.7 | -\$50.9 | -\$53.0 | -\$55.0 | -\$57.1 | -\$59.2 | -\$61.3 |
| Disposable Personal Income  | Billions of Current Dollars      | -\$33.6 | -\$34.4 | -\$36.3 | -\$38.1 | -\$39.9 | -\$41.7 | -\$43.5 | -\$45.2 | -\$46.9 | -\$48.7 | -\$50.4 |

what does **REMI** say?<sup>sm</sup>

# Professional Services Productivity: Map



Employment change in 2030 (%)

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The Iran conflict and restricted shipping through the Strait of Hormuz have put pressure on oil prices this year



Crude fell below \$100 per barrel in September, but prices are unstable



Prices remain sensitive to developments in the conflict, with shipping risks and infrastructure disruptions maintaining uncertainty

# Rising Oil Prices



CRUDE OIL PRICE (USD/BBL), 1-YEAR



Last updated: September 25, 2026

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# Implications for the U.S. Economy



Higher fuel prices reduce purchasing power



Oil price increases raise transportation and production costs, while declines can ease inflation pressures



Higher prices support domestic drilling and energy employment; lower prices can weaken producer revenues and investment

# Model Simulation 2: Oil Production



## SCENARIO

Increase oil & gas production: 10% increase from 2026–2035, “Anticipatory Fed.”

## POLICY VARIABLE

Output for oil & gas extraction

## ECONOMIC SUMMARY

| Category                   | Units   | 2025  | 2026  | 2027  | 2028  | 2029  | 2030  | 2031  | 2032  | 2033  | 2034  | 2035  |
|----------------------------|---------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Total Employment           | Percent | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Gross Domestic Product     | Percent | 0.11% | 0.10% | 0.10% | 0.10% | 0.09% | 0.09% | 0.09% | 0.09% | 0.08% | 0.08% | 0.08% |
| Disposable Personal Income | Percent | 0.05% | 0.05% | 0.05% | 0.05% | 0.05% | 0.05% | 0.05% | 0.05% | 0.05% | 0.05% | 0.05% |

Note: Units in percentage change. Results reported on the national level.

# Model Results: Oil Production



## LARGEST GAINS IN EMPLOYMENT

| State      | 2030 Job Impact |
|------------|-----------------|
| Texas      | 316,500         |
| Oklahoma   | 46,389          |
| Colorado   | 33,661          |
| Louisiana  | 13,986          |
| New Mexico | 13,487          |

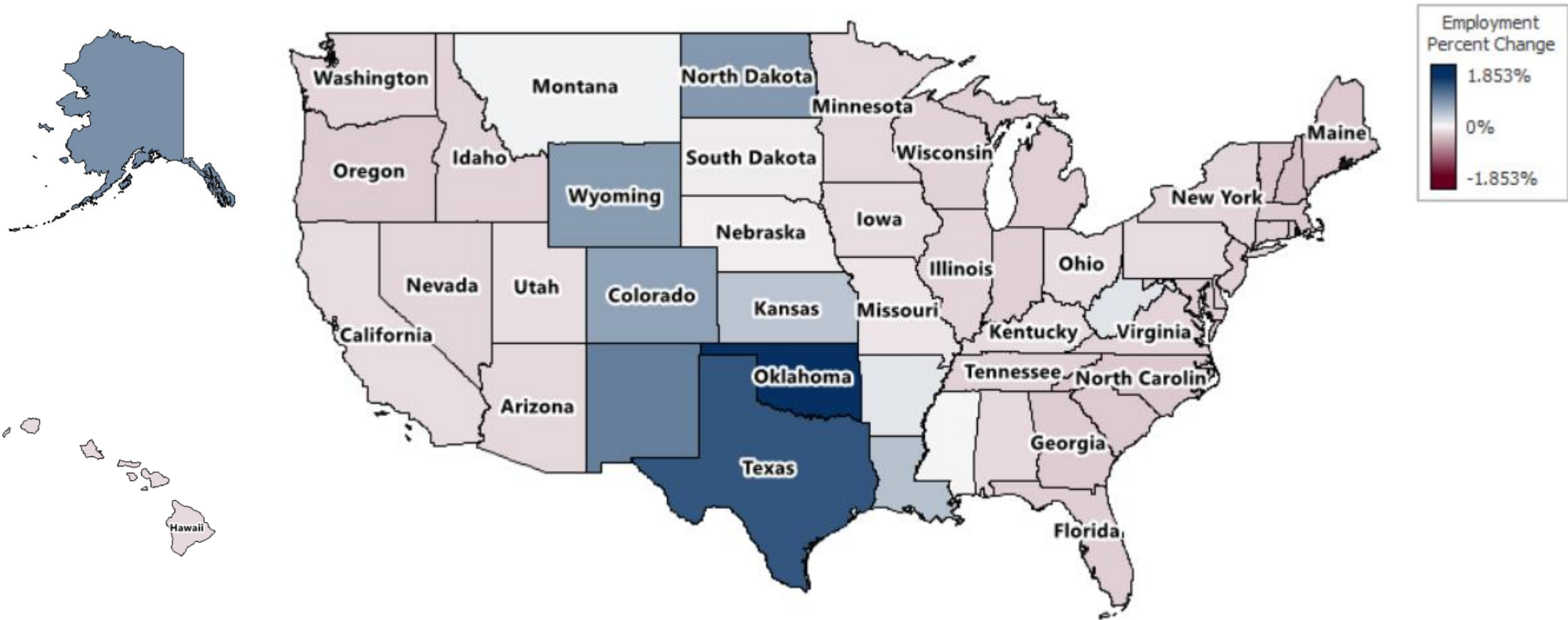


## LARGEST DROPS IN EMPLOYMENT

| State          | 2030 Job Impact |
|----------------|-----------------|
| California     | -48,751         |
| Florida        | -45,607         |
| New York       | -32,060         |
| North Carolina | -24,065         |
| Georgia        | -23,795         |

Based on employment change in 2030

# Model Results (Map): Oil Production



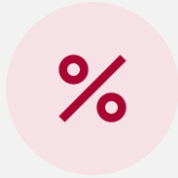
Employment change in 2030 (%)

what does **REMI** say?<sup>sm</sup>

# Housing Affordability



Affordability improved compared to last year, although homeownership remains challenging for many households



The average 30-year mortgage rate reached nearly 7% in September, increasing monthly payments for buyers



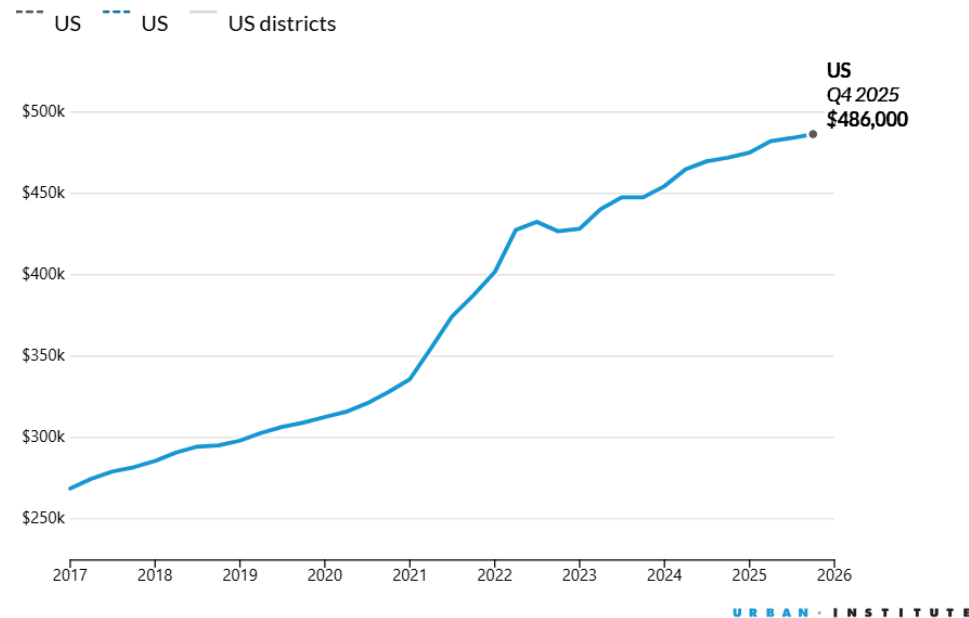
High home prices and shortages of housing continue to limit access to homeownership

# Housing Prices in the United States



## How have home prices changed over time?

The average home sale price is \$486,000 in the US, up 2.4 percent compared with \$475,000 in Q1 2025.



Source: Federal Housing Finance Agency (FHFA) House Price Index (all transactions) and ICE Mortgage Technology (base prices).

## SOURCE

Federal Housing Finance Agency (FHFA) House Price Index (all transactions), ICE Mortgage Technology (base prices), and the Urban Institute

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# Implications for the U.S. Economy



High housing costs leave households with less money for other goods, services, and savings



Affordability constraints can weaken home sales and residential investment



High housing costs can prevent workers from moving closer to job opportunities, making hiring more difficult in high-cost regions

# Policy Topics to Address Housing Affordability



Increasing housing supply by changing zoning regulations and streamlining permitting



Expanding tax credits and financing for low and middle-income housing



Expansion of first-time homebuyer down payment assistance

# Model Simulation 3: Housing Affordability



## SCENARIO

Decrease rental costs in Ohio: 2% decrease from 2026–2035, “Anticipatory Fed.”

## POLICY VARIABLE

Consumer price in rental of non-farm housing

## ECONOMIC SUMMARY

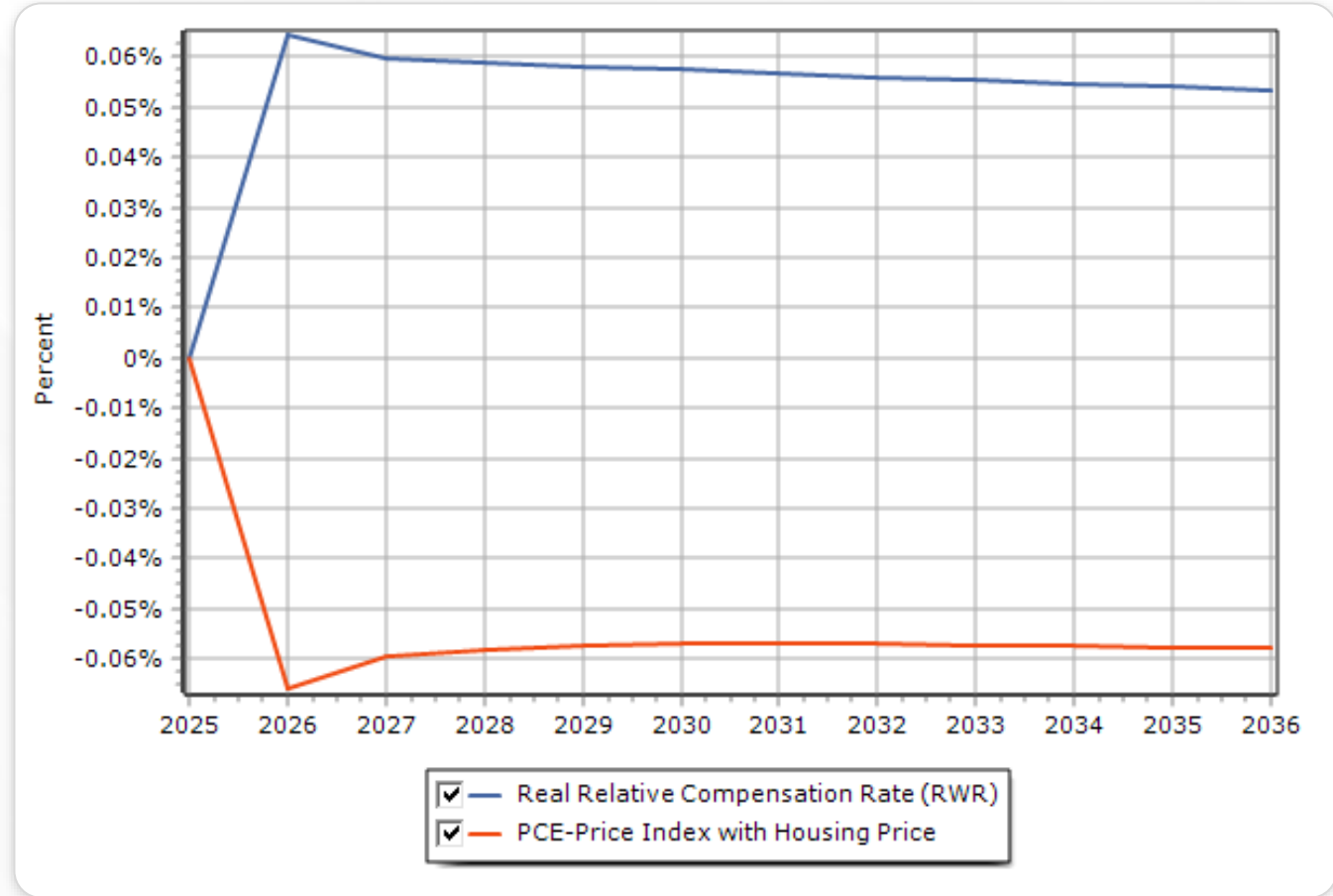
| Category                   | Units   | 2026  | 2027  | 2028  | 2029  | 2030  | 2031  | 2032  | 2033  | 2034  | 2035  |
|----------------------------|---------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Total Employment           | Percent | 0.03% | 0.04% | 0.04% | 0.04% | 0.04% | 0.03% | 0.03% | 0.03% | 0.03% | 0.02% |
| Gross Domestic Product     | Percent | 0.03% | 0.04% | 0.04% | 0.04% | 0.04% | 0.04% | 0.03% | 0.03% | 0.03% | 0.03% |
| Disposable Personal Income | Percent | 0.02% | 0.02% | 0.03% | 0.03% | 0.03% | 0.03% | 0.03% | 0.03% | 0.03% | 0.03% |

Note: Units in percentage change. Results reported on the state level.

# Model Results: Housing Affordability



RELATIVE COMPENSATION RATE & PCE INDEX

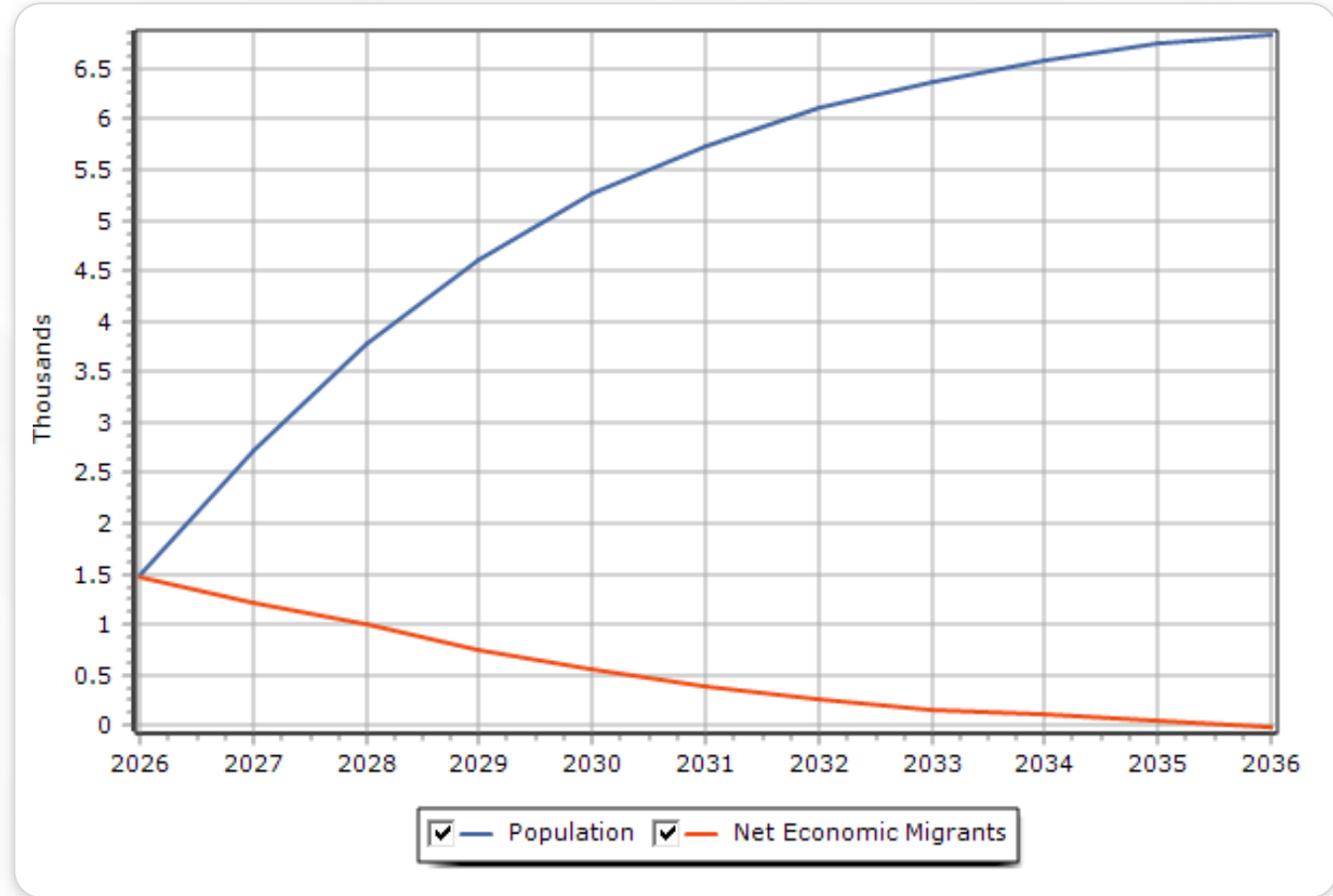


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# Model Results: Housing Affordability



## POPULATION COMPONENTS

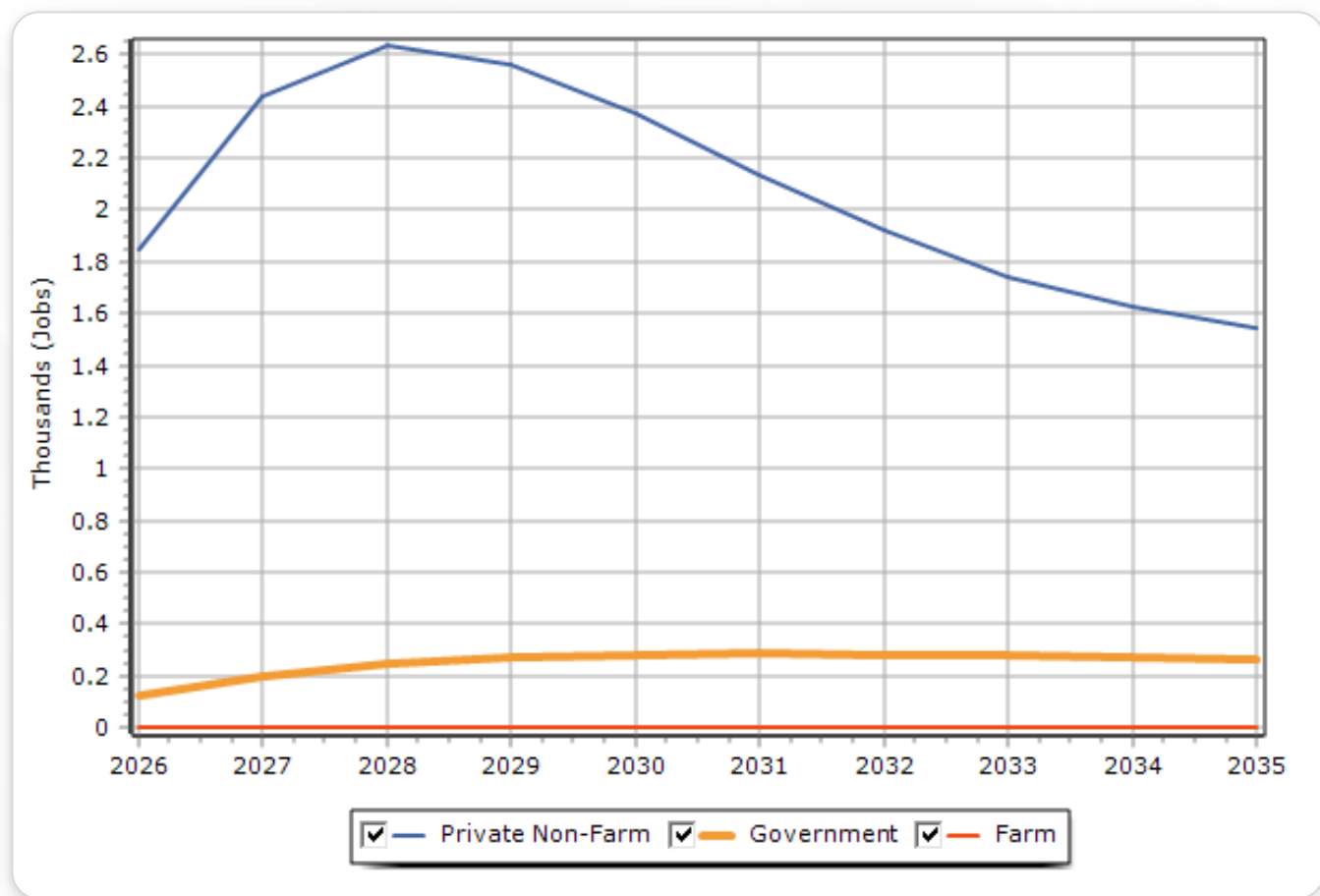


what does **REMI** say?<sup>sm</sup>

# Model Results: Housing Affordability



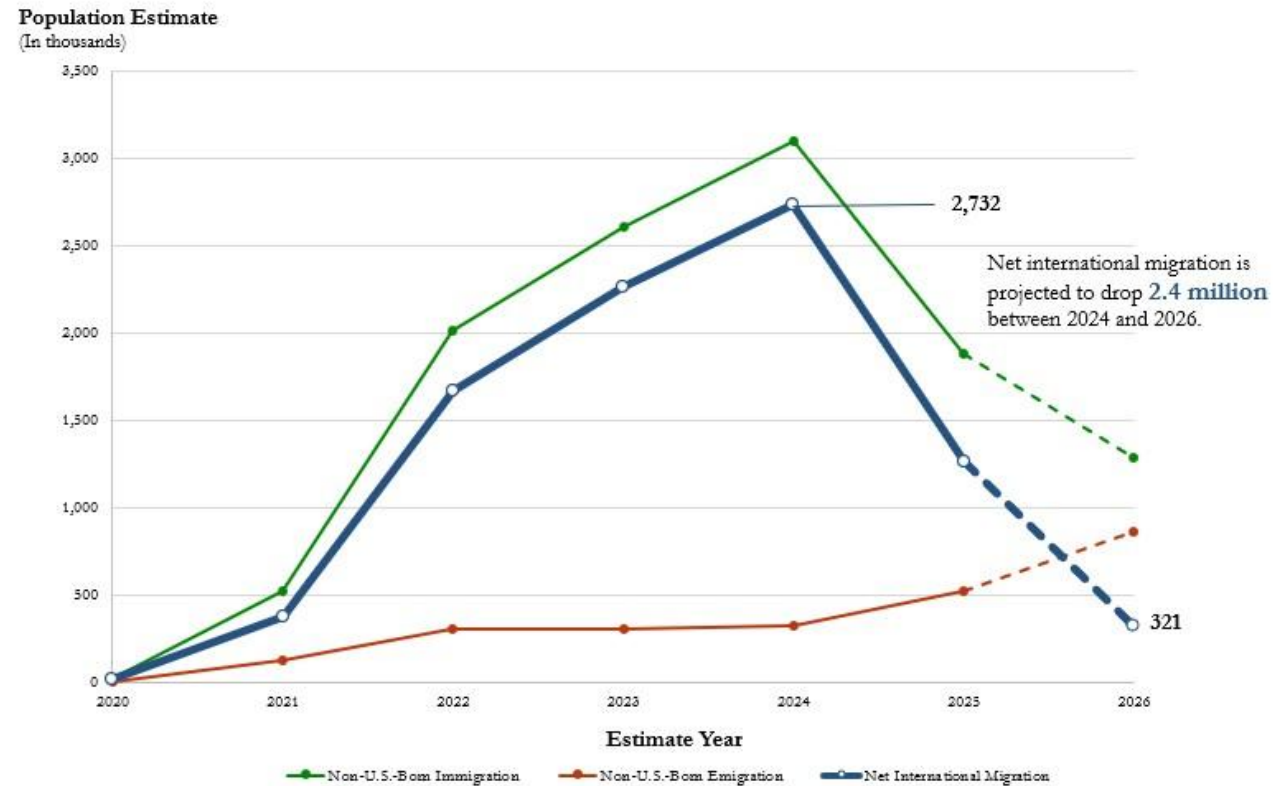
TOTAL EMPLOYMENT COMPONENTS



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# Immigration Slowdown

Figure 1. Estimates of Net International Migration Components: 2020 to 2026



Note: The dashed line from 2025 to 2026 indicates a projection.  
Source: U.S. Census Bureau, Vintage 2025 Population Estimates.

# Model Simulation 4: Immigration



## SCENARIO

Decrease international migration in the United States: 1,000,000 decrease in 2025, "Labor Supply"

## POLICY VARIABLE

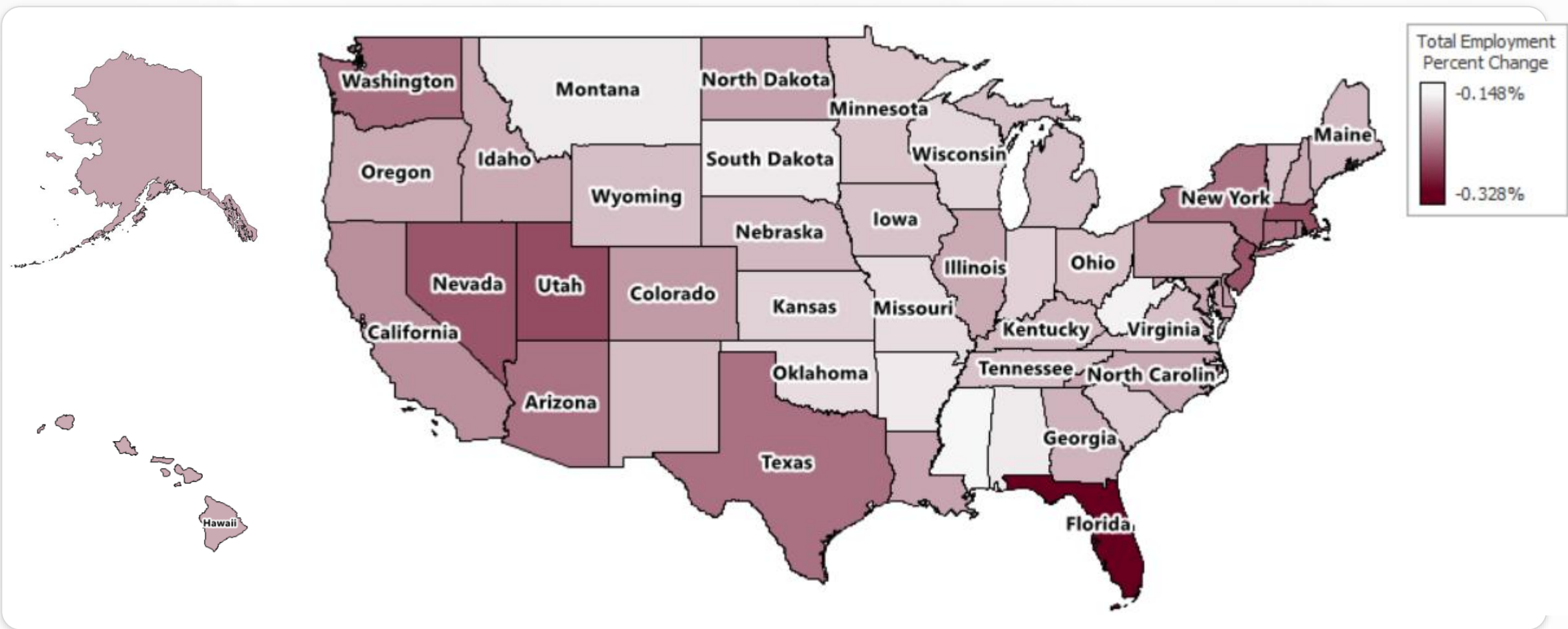
International migration spread across the United States

## ECONOMIC SUMMARY

| Category                   | Units   | 2025 Impact |
|----------------------------|---------|-------------|
| Total Employment           | Percent | -0.22%      |
| Gross Domestic Product     | Percent | -0.21%      |
| Disposable Personal Income | Percent | -0.21%      |

Note: Units in percentage change. Results reported on the national level.

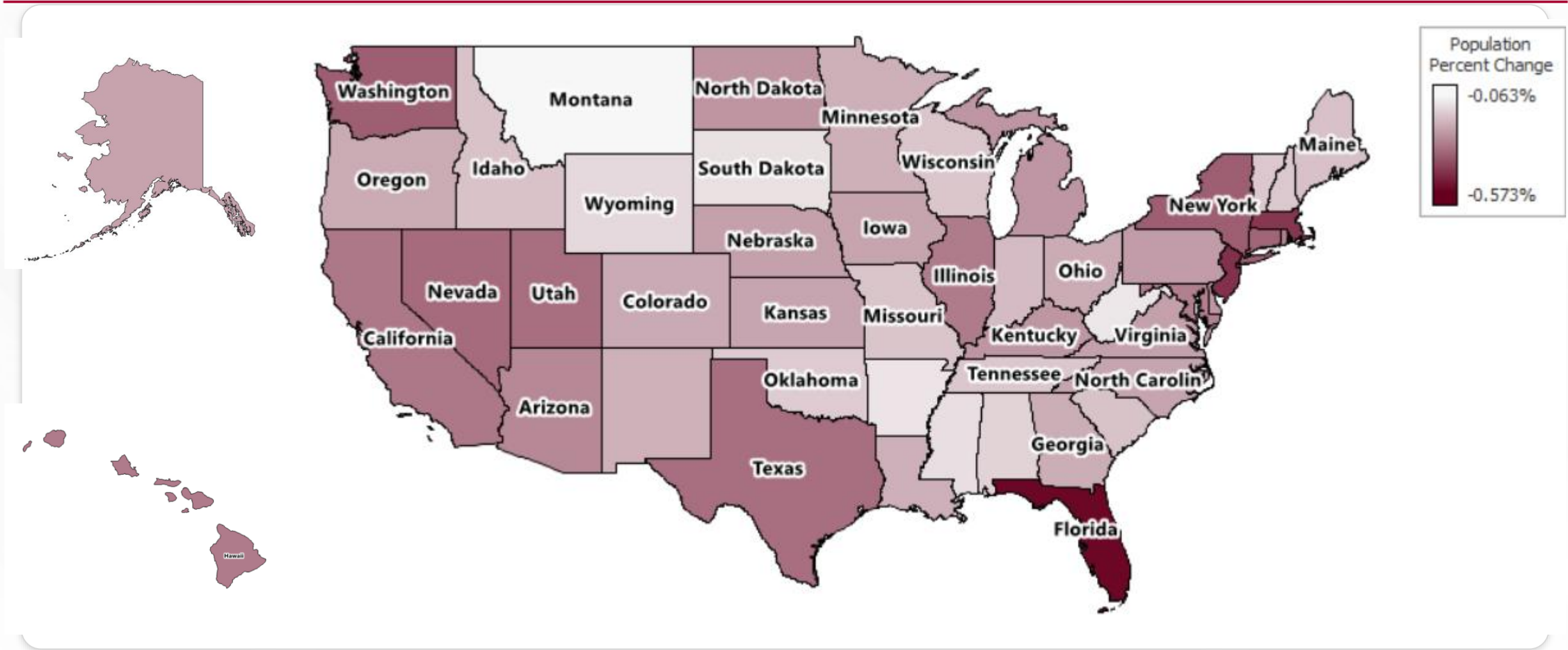
# Model Results (Map): Immigration



Employment change in 2025 (%)

what does **REMI** say?<sup>sm</sup>

# Model Results (Map): Immigration



Population change in 2025 (%)

what does **REMI** say?<sup>sm</sup>

# Conclusion



Rapid AI development, oil price volatility, demographic shifts, and persistent housing affordability challenges



Shifting business costs, acceleration and pressure on household budgets



Disruption to state and local economics, workforce needs, and residential location decisions



Evaluate energy, technology, and housing scenarios with REMI modeling

*what does **REMI** say?*<sup>sm</sup>

# Thank you for attending!

For more information, please contact [fred@remi.com](mailto:fred@remi.com)