

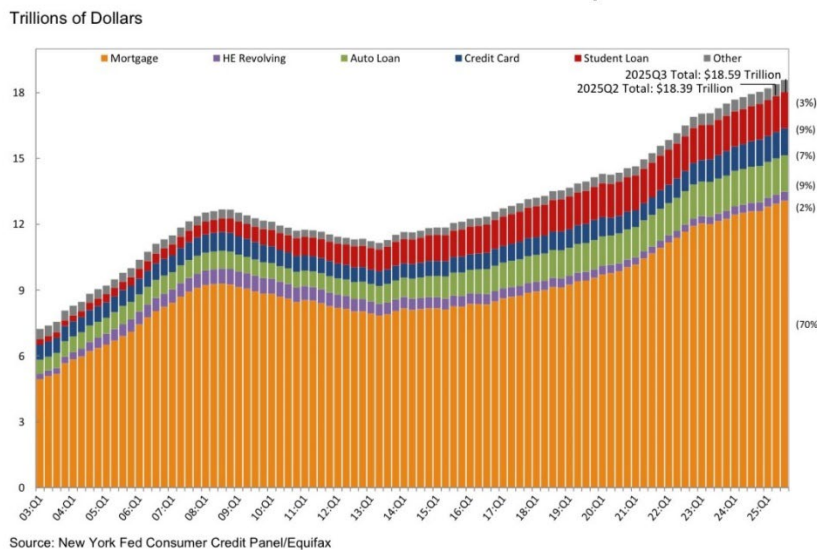
J. Michael Locke

Musings

#275: Musing January 19, 2026

Trump is desperately trying to get the Fed to reduce rates. As a real estate developer, he knows the importance of the cost of debt. This is why he also has proposed a cap on the interest rate credit card companies can charge. He understands that the world lives on leverage. Look at this chart showing the growth in consumer debt and the various types.

Total Debt Balance and its Composition



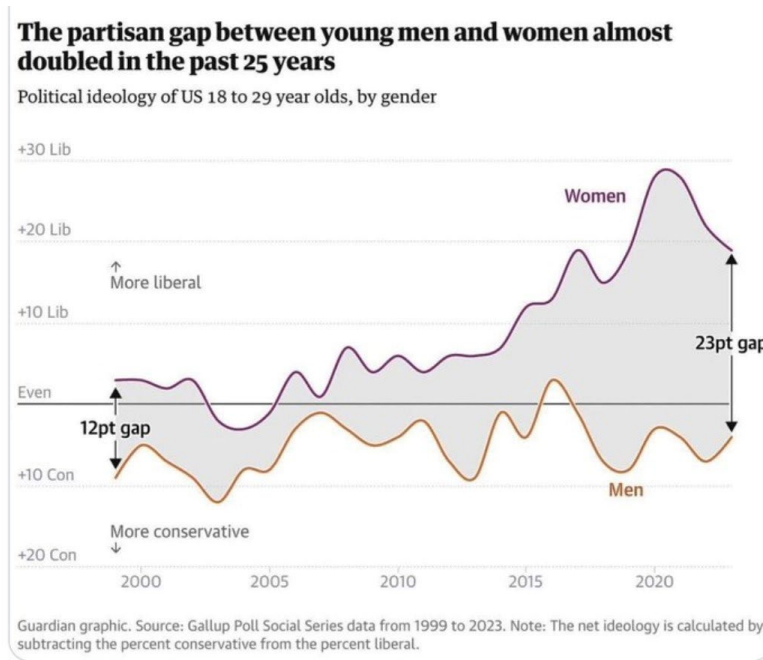
It is amazing how much of personal finances revolve around housing. As I wrote last week, it is the largest individual component of the CPI. It is the largest component of debt per the above chart and it is the largest part of consumer wealth. Trump has also proposed letting individuals tap into their 401(k)s for money for a down payment and is exploring “portable mortgages” so those with a low 3% mortgage could have it move with you rather than having to pay it off and getting a new one at 7%.

While inflation rates continue to be moderate at under 3%, consumers still aren’t happy because of the cumulative effect of inflation over the last five years. According to the WSJ, prices are 25% higher than they were five years ago.

The Department of Transportation has a PR campaign asking travelers to dress nicer. The logic is that it will reduce poor behavior. While mocked by many, I actually agree with the premise. I think the “decline” of workplace attire has contributed to the loss of professionalism. You behave differently if dressed up vs being in a sweatshirt and flip flops. I am not advocating bringing back the tie but our whole society should dress it up a little.

Technology and social media are creating skewed perceptions of public attitudes. News organizations now track what is trending online and judge public sentiment often by what is said online. The problem is the whole world is not actively engaging online with Reddit, X and public comments. That is a particular group of people whose views do not reflect the broader population. Reporters need to “get on the road” and shake hands and ask people in person what they think.

While I stay away from political comments, I found the following graph which was tweeted by Bill Ackman stunning. In my own world, I anecdotally see the large chasm shown in the chart.



However, too many young men are “blaming” women for the lack of normal youthful relationships. Interesting note from Scott Galloway:

“Struggling to find a romantic partner is normal. Today, however, a dangerous ideology is infecting many young men, who see their incel status as inevitable, and even embrace it, blaming women instead of trying to better themselves. Many aren’t incels, but vcels — voluntary celibates who choose resentment over self-improvement.”

The challenges young men face are real. In school, boys fall behind their female peers and are much less likely to become valedictorians and go to college, with the education system biased [against them](#) and girls mature faster. American tax policy increasingly transfers money from the young to the old. We’ve adopted a scarcity mindset that only benefits incumbents — and the rising costs for housing and education that result take an especially heavy toll on young men, who are disproportionately evaluated on their economic prospects. Big Tech profits through sequestration and enragement, while digitizing dating has resulted in a winner-take-most environment.”

Is ChatGPT going to become your primary care physician? Most people don't have a real primary care doctor who manages their healthcare. Most medical students are going into specialties and reducing the supply of generalists. Enter technology. Growing trend for consumers to manage their own care and using resources like Chatbots. BTW - I recommend Gemini - really good.

The Golden Globes were awarded last weekend. Who cares.

Where is Greenland?

RIP Bob Weir. Grateful Dead concerts were quite an experience (I only did two). Kind of a predecessor to the cultural phenomenon of Taylor Swift's tour. Surprised to read that Bad Bunny had more streams than Taylor (Rockey) last year. I can't name/know a single Bad Bunny song.

jml