

## 'Tax Cuts and the Energizer Bunny Economy' an Elliott Pollack Presentation

According to one of the most well-respected economist in the Arizona industry, "Things just look real good". Elliott Pollack presented a detailed and entertaining presentation on the current economic status from a national, state, and local level to Lambda Alpha International (LAI) members at the Arizona Country Club on January 18, 2018. Titled "Tax cuts and the energizer bunny economy", Mr. Pollack was optimistic in stating that overall employment confidence is at an all time high and the economy looks surprisingly good for it being in its 102<sup>nd</sup> month of continuous growth. Wage growth has not budged very much for the economy nor has the labor participation rate. However, the overall economy should feel a tailwind with the recently passed tax reform in cutting corporate tax rates from 35% to 21%. "Business should start substituting capital for labor in the future, with the purchases of equipment and infrastructure", The CEO of Elliott D. Pollack & Company stated.

Interestingly enough, the current economic expansion is the third longest in U.S. history, but it has also been the slowest recovery in U.S. history. Mr. Pollack sees the labor market as the Achilles heel of the economy, in which companies are seen increasing their overtime for employees, high tech and construction workers are nowhere to be found, and there is a lack of consistency at the Federal level in terms of immigration policy in order to promote immigration. The T word was uttered by the wise economist, but only to mention a surprising trend, "Trump has been able to slow the growth of regulation but not actually to stop it." Mr. Pollack's troublesome data hit upon two points for the national economy, the P/E Ratio by Shiller on the valuation of the stock market is the second highest in U.S. history and that student debt has risen 500% in the past 11 years. Even with these two impeding dooms, Mr. Pollack states that "There is no other reserve currency in the world besides the dollar, so America is pretty much the prettiest building on an ugly block".

Mr. Pollack applauded the Greater Phoenix area as being able to sustain 90% of the employment in the entire state of Arizona. Only 4 counties in the entire state have fully recovered their employment since the recession. Although the Greater Phoenix area is the state leader, it has only been growing at a third of pre-recession levels. Mr. Pollack attributes this to less of the population moving directly to the Greater Phoenix market, in particularly Millennials. Student debt is a lingering problem, binding the millennial workforce into being unable to afford housing but pent up demand is there. Due to millennials not purchasing homes, the median age of home buyers has been increasing. Mr. Pollack presented a survey done in determining the number 1 reason for not buying a home, the age group of 36 and younger stated student loan debt.

Upon his completion of his over 100 slide presentation on the economy, LAI members had more questions to ask the oracle. Francis Najafi of the Pivotal Group mentioned the exuberant amount of National Debt that has accumulated in America, \$20,000,000,000,000! Mr. Pollack coolly replied, "that is an economic issue but not one that I see in the near-term future", reiterating that the only trusted currency reserve in the entire world is in the full faith and credit of the United States of America.

*Lambda Alpha International's members represent a diverse group of professional disciplines in fields related to the ownership and use of land and buildings. The Society's original goal of "fostering a closer association with academia and professionals involved with land economics and related fields", while still valid today, has expanded. The Society is now a catalyst for the advancement of land economics by*

*facilitating the interaction of members who have distinguished themselves in their professions, their communities and through academic achievements. For more information visit [www.lai-phx.org](http://www.lai-phx.org).*

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