

ECONOMIC INSIGHTS

JANUARY 16, 2026



Dr. Marci Rossell
Chief Economist

*Leading Real Estate
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MARCI'S TOP FIVE ECONOMIC INSIGHTS FOR THE MONTH

1. **Today's Energy Dynamics Are Different than the Past**

Geopolitical tensions (e.g., Venezuela, Iran) still drive headlines, but the U.S. no longer faces the severe oil shocks of past decades, Dr. Rossell said. Expanded U.S. energy production and lower global oil intensity mean high prices have a smaller and less uniform economic impact.

Since the 1970s, global GDP has roughly quadrupled while oil demand has only doubled, cutting oil use per unit of output by half. The International Energy Agency (IEA) projects global oil demand will peak between 2030 and 2050, pointing toward a plateau and eventual decline. The result is a more complex, modern energy landscape: oil still matters, but its economy wide influence is reduced and effects are more sector specific.

2. **AI Update: Energy Use and the Job Market**

Rapid AI growth is straining parts of the grid, especially in regions with historically low cost power. This new demand is lifting some consumer electricity prices and prompting policy debates over whether tech companies should help fund infrastructure upgrades. Any changes will take time as legal and economic questions remain unresolved.

Dr. Rossell said fears of broad white collar job losses from AI are overblown. AI will automate certain tasks in limited fields, but for most workers it will boost productivity rather than replace jobs. Dr. Rossell said the real divide isn't AI versus people; it's people who use AI versus people who don't.

This webinar was recorded on January 16, 2026. Please note that economic conditions and related information may have changed since the date of recording.

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3. **Global Trade Realignment Is Accelerating**

Canada's move to diverge from U.S. tariff policy—dropping tariffs on Chinese EVs from 100% to 6% and allowing 50,000 vehicles into the country—signals shifting alliances, Dr. Rossell said. China now produces the world's cheapest EVs, some around \$9,000, posing a major competitive challenge to North American automakers. The change reflects the continued breakdown of the post-WWII global order and the rise of new economic blocs.

4. **What the Federal Reserve's Leadership Change Means**

Leadership changes at the Federal Reserve introduce uncertainty, but the structure of U.S. monetary policy remains stable, Dr. Rossell said. The Fed's 12 member committee—not just its chair—drives rate decisions, helping maintain its independence.

While political pressure is increasing, financial markets remain the strongest check on any threat to the Fed's neutrality, Dr. Rossell said. If policymakers push too far, the bond market will respond quickly, underscoring that global markets—not politics—ultimately set limits.

5. **A Stronger Spring Housing Market Is Emerging**

The spring U.S. housing market looks stronger this year as home sales rise, prices remain moderate, and interest rates ease, Dr. Rossell said. Steady job conditions and millennial demand continue to support activity.

Homeowner turnover is also normalizing—even among those holding ultra-low pandemic-era mortgage rates—which should gradually improve inventory. With momentum building, this is a strong moment for real estate professionals to sharpen skills and increase engagement.

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