

9 Red Flags You Can't Ignore in America Right Now

For years, our economy and our financial markets have been artificially propped up.

Since 2008, politicians in Washington have added about \$26 trillion to the national debt, and bureaucrats at the Fed have pumped trillions of freshly created dollars into the financial system. If we could go back and undo just those two things, we would be living an economic horror show right now.

Piling up the largest mountain of debt in the history of the world has enabled us to live way, way, way beyond our means.

On a personal level, if you borrowed and spent millions of dollars that you did not have, you would also be able to live a lifestyle that you do not deserve. Debt is extremely seductive, because it is a way to make the present a lot more pleasant. But there is always a price to be paid in the end.

Here in 2025, government spending is being slashed in many areas, the Federal Reserve is choosing not to step in even though turmoil has erupted on Wall Street, consumer confidence is falling dramatically, home sales are collapsing, mass layoffs are happening all over the nation, and now a global trade war has begun.

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At this stage, it should be apparent to everyone that we are headed for big trouble. The following are nine signs that conditions are ripe for a major economic crisis in the United States.

1. During the first three months of this year, which was

before the trade war erupted, U.S. GDP was contracting at a 0.3 percent annual rate.

U.S. economic growth slowed sharply in the first quarter of 2025 as businesses rushed to stockpile goods ahead of President Trump's sweeping tariff policies.

The nation's gross domestic product – the total value of products and services – shrank at a 0.3% annual rate, down from growth of 2.4% in the final three months of 2024, the Commerce Department reported Wednesday in its initial GDP estimate. It's the worst quarterly performance for the U.S. economy since early 2022, when the economy was in recovery after cratering during the COVID pandemic.

The U.S. economy was forecast to show 0.8% growth in the first three months of 2025, according to the average estimate of economists polled by FactSet.

2. Consumer confidence is absolutely plummeting.

The Conference Board's Consumer Confidence Index fell to 86 on the month, down 7.9 points from its prior reading and below the Dow Jones estimate for 87.7. It was the lowest reading in nearly five years.

However, the view of conditions further out deteriorated even more.

The board's expectations index, which measures how respondents look at the next six months, tumbled to 54.4, a decline of 12.5 points and the lowest reading since October 2011. Board officials said the reading is consistent with a recession.

3. Major layoffs are being announced on an almost daily basis. For example, UPS just announced that it will be laying off approximately 20,000 workers.

The United Parcel Service (UPS) is expected to reduce its workforce by roughly 20,000 during 2025, citing “new or increased tariffs” and “changes in general economic conditions in the U.S. or internationally” for the cuts.

UPS announced the layoffs April 29 in its first quarter earnings report, in which the parcel delivery service said it made consolidated revenues of \$21.5 billion, compared to \$21.7 billion around the same time a year ago. The shipping company also said it would be closing roughly 164 facilities by the end of the year.

4. According to the executive director of the Port of Los Angeles, incoming cargo volume will be down more than 35% next week compared to a year ago.

Gene Seroka, executive director of the Port of Los Angeles, said Tuesday on CNBC’s “Squawk Box” that he expects incoming cargo volume to slide by more than a third next week compared with the same period in 2024.

“According to our own port optimizer, which measures the loadings in Asia, we’ll be down just a little bit over 35% next week compared to last year. And it’s a precipitous drop in volume with a number of major American retailers stopping all shipments from China based on the tariffs,” Seroka said.

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5. It is being reported that container bookings from China to the United States have fallen “by as much as 60%.”

By another estimate, container bookings from China to the U.S. are down by as much as 60%, according to Flexport, a supply chain management company. Bookings from other Asia ports, such as Vietnam and Thailand, are up 5% to 10% as some

exporters look to expand production outside of China to avoid steep tariffs.

The decline in bookings from China comes during what is usually a busy period for imports to the U.S.

“We would normally see an increase in bookings across the board, because this is the beginning of the shipping year,” said Nathan Strang, director of ocean freight at Flexport. “It’s when back-to-school items and Halloween items start to come in.”

6. Apollo Global Management is warning that mass layoffs in the trucking industry are imminent.

The trucking industry, critical to U.S. logistics, faces significant challenges as tariffs disrupt trade, particularly with China. A sharp decline in container ship voyages from China is expected to reduce freight volumes, thereby lowering demand for trucking services. Imports account for an estimated 20% of U.S. trucking volumes, so a decline in imports will have a significant impact on the industry. With fewer goods to transport, carriers will face reduced workloads and underutilized fleets, forcing them to cut labor costs.

Apollo predicts that domestic freight activity will sharply slow by mid-May, with mass layoffs likely to follow as firms strive to maintain financial stability. The slowdown in trucking will put a lot of pressure on trucking companies that have been dealing with the Great Freight Recession, one of the longest and deepest downturns in history.

7. One recent study found that a whopping 74% of all U.S. workers are currently living paycheck to paycheck.

Financial insecurity compounds these workplace stresses, with nearly three-quarters (74%) of workers living paycheck to

paycheck.

8. Student loan delinquencies in the U.S. have soared into unprecedented territory.

But even with this factored in, Nelnet's data shows a spike in delinquencies compared with before the pandemic. A staggering 15% of borrowers are more than 90 days delinquent, which is reported to credit bureaus.

If this wave of delinquencies continues, the Education Department has warned that 10 million borrowers – nearly a quarter of the total – could be in default within a few months.

9. Almost a quarter of all U.S. adults are currently facing “unmanageable” debt levels.

In honor of Financial Literacy Month, Experian offers a closer look at the financial hurdles many are facing – and how some are overcoming them.

Nearly 1 in 4 U.S. adults currently have “unmanageable” debt, as of April 1, according to a survey of 1,000 respondents. Unmanageable debt is defined as when an individual is forced to choose between debt payments and basic necessities.

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We have been living in an economic fantasy world.

But now the bubble is starting to burst and people are freaking out.

The only way to return the economy to the level that we have become accustomed to would be to do the same foolish things

that our leaders have been doing for decades.

If our politicians in Washington borrow and spend trillions of additional dollars that we do not have, and if the Federal Reserve feverishly pumps even more fresh money into the financial system, that would buy us a little more time.

But it would also make our long-term problems even worse.

No matter how hard we try, economic reality is going to catch up with us eventually.

And when that finally happens, we are going to witness a societal meltdown that is unlike anything we have ever seen before.

Michael Snyder's *new book entitled "10 Prophetic Events That Are Coming Next" is available in paperback and for the Kindle on , and you can subscribe to his Substack newsletter at .*

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