SUMMARY & OVERVIEW

This note examines "investment" made by publicly traded companies ("PubCo's"). For more on what we're trying to do with this note, see our first iteration on this topic here. To summarize quickly, we look at PubCo capital expenditures ("capex") as the barometer for "investment" in the US economy, simply because this is the best and clearest indicator of real, fixed investment from a company's financial statements. Aggregating a lot of "micro" helps give us good insights into the "macro".

Notably, however, unlike with our Gross National Income ("GNI") model, we can't carve out the US portion of these companies' capital expenditures the way we can with revenues, simply because the SEC doesn't (generally) require capex to be disclosed on a geographic basis. We consequently use a larger sample to try and compensate for this, and particularly a larger sample size of smaller companies, which tend to be more domestically focused.

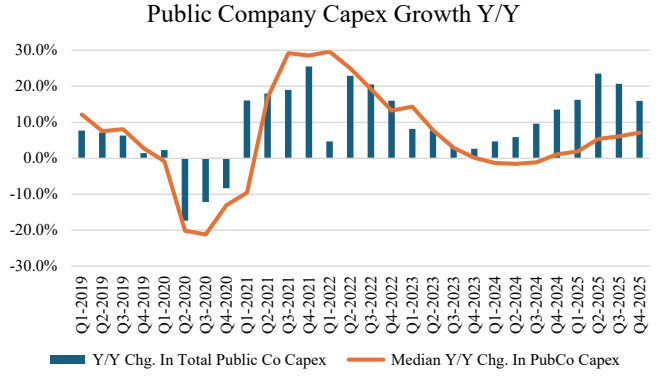
Our capex database at this point stands at over 2,800 companies, with a median market cap of $2.4B and an average of $75B. About 290 companies have market caps of less than $250M and 93 are below $100M, so we've got a good sample size of both large and small firms. As of this writing, we have capex data for 4Q25 from about 2,100 firms.

Bottom line takeaways from 4Q25:

1) Investment in the U.S. economy remains very robust, growing by about 16% year-over-year in the fourth quarter on a cumulative basis.
2) While this is certainly being boosted by substantial growth from the country's largest tech companies through their AI investments, this is in no way the only driver.
    a. The median firm's capex grew by 7.1% year-over-year, which was above last quarter's 6.1%. Here we remain (slightly) below pre-COVID levels, but the trend continues to get better.
    b. The average *sector* saw their capex grow by 15.5% in the fourth quarter (vs. 3Q25's 15.2%), and the median sector grew capex by almost 10.1% (vs. 11.7% in 3Q25) as well. These are well above pre-COVID levels.
3) **Publicly traded company data on this line item contrasts sharply with government data on investment. Hard data from publicly traded firms indicates investment growth in the economy is significantly greater than what the government data indicates.**

KEY CHARTS

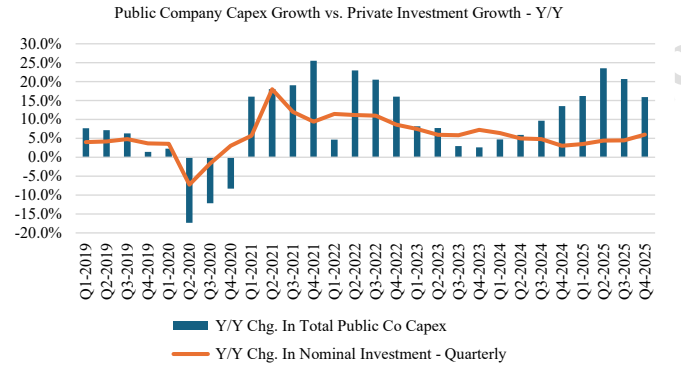
As noted above, investment in the U.S. economy remained extremely robust in the 4th quarter, growing 16% year-over-year growth. As the chart below shows, we have not seen the kind of investment growth we've seen in recent periods since 2021, which were aided by easy comparisons from depressed activity during COVID. As the chart below also shows, this is also well above pre-COVID levels.



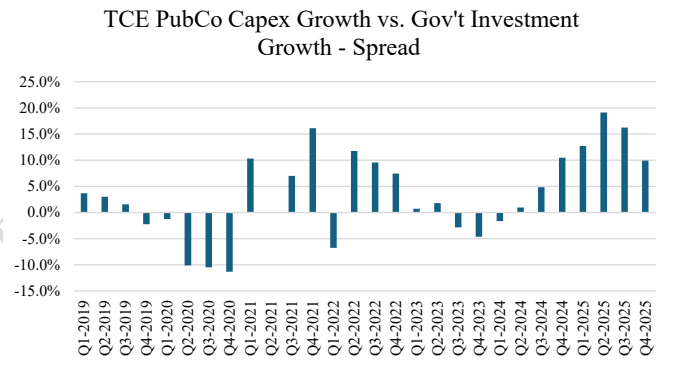
Source: SEC Filings, *The Curb Economist*

Also as noted above, and as shown in the chart, the median firm's capex growth also accelerated in 4Q25 as well, increasing to 7.1% vs. 6.1% in 3Q. While this remains below pre-COVID levels, the trend has been increasing here, and we're very close to being back to pre-pandemic levels of growth.

The next charts compare US public company capex to Private Fixed Investment from the Bureau of Economic Analysis (a government agency). As you can see from the first chart, our data shows significantly greater investment growth than the U.S. government data does. While this could partially be because of larger firms investing more globally, at the present moment, this is probably not the case since AI investment seems to be happening in the US to a much larger extent than overseas. The second chart below shows the spread between our hard data and the government's fixed investment data over time as well.

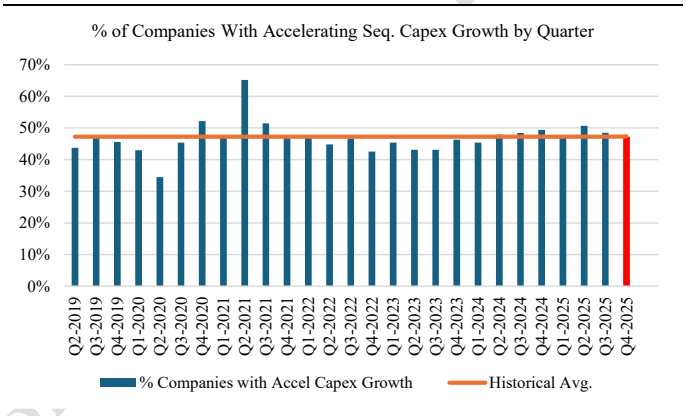


Source: SEC Filings, *The Curb Economist*

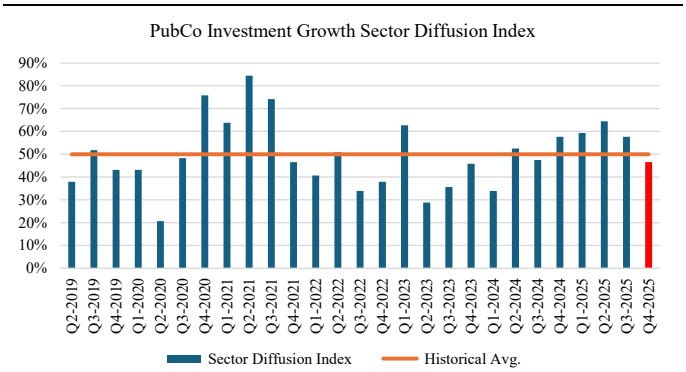


Source: SEC Filings, BEA, *The Curb Economist*

Let's now look at two diffusion indexes: one showing the percentage of *firms* showing accelerating capex growth quarter-over-quarter, and the second showing the percentage of *sectors* showing accelerating capex growth quarter-over-quarter. The first (company) diffusion index came in at 47% this quarter (in-line with the historical average), and the second came in at 47% as well (below the historical average of 50%).



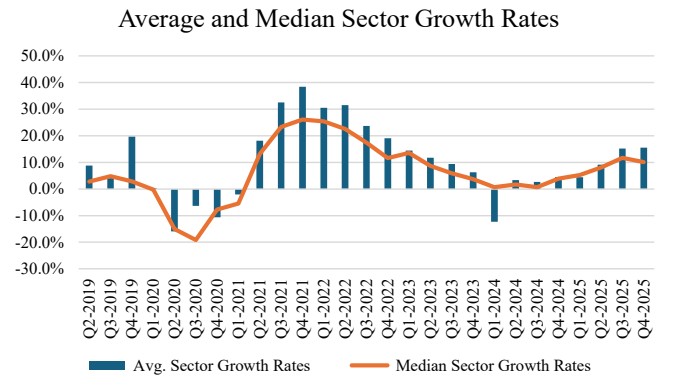
Source: SEC Filings, *The Curb Economist*



Source: SEC Filings, *The Curb Economist*

The next chart shows the average and median sector growth rates over time as well. This chart is particularly important because it dignifies the "slowdown" in the sector diffusion index above. Given the strength in recent quarters, it would be difficult for capex growth rates to continue to sequentially accelerate. Thus, having the absolute sector growth rates by both average and median provides important context here. Yes, fewer companies are showing *accelerating* capex growth

rates on a year-over-year basis, but their actual growth rates remain very high. The average sector's growth rate actually ticked *up* this quarter, even though the median ticked down. Absolute levels of capex growth remains robust across sectors, not just in the tech / AI space. This belabors the point we've already made then: investment in the US economy remains very strong, and its being driven across sectors and industries, not just in the tech space from AI.



Source: SEC Filings, *The Curb Economist*

CONCLUSION

In conclusion, we can say the following about investment in the U.S. economy in 4Q25:

- First, aggregate investment remains extremely robust in the U.S. economy, and at levels we haven't seen in a long time. A key driver for this is large companies investing in AI.
- Importantly, however, it is not *only* that. Median investment (capex) growth rates, as well as average and median sector capex growth rates, are all generally accelerating as well. This suggests expanding breadth in investment in the economy beyond just AI.
- Using hard data from publicly traded companies produces investment growth significantly in excess of what the private fixed investment growth from the government data is indicating. This is yet another reason why government data is likely understating economic activity in the United States at the moment.