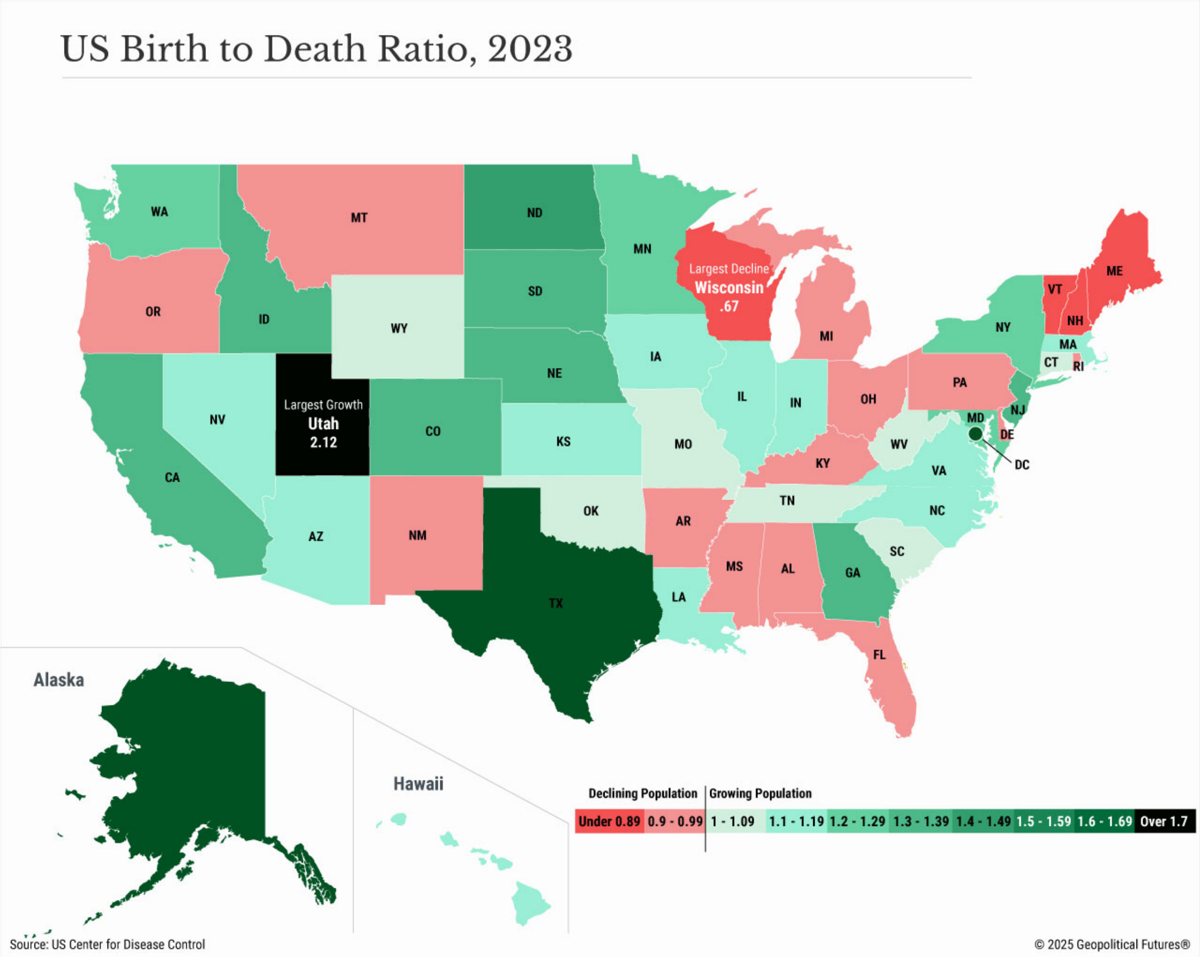
The Nature of the Next American Cycle

by George Friedman - December 1, 2025

The United States is in the middle of a storm, the tempest from which it will not emerge until the end of the decade. It’s part of a cycle that has defined the U.S. body politic since the American Revolution. The remaining question, from my point of view, is the nature of the next cycle, in terms of both institutional change and socio-economic change, that will usher in the next 50 or so years.

I wrote about these cyclical processes at length in my previous books and readers may recall I forecast that the next cycle will be determined largely by demography. The average life expectancy in the 18th century was 35 years. In the 19th century, it was 40 years. By the 21st, it has reached 78 years. Birth rates, meanwhile, have trended in the opposite direction. In the 19th century, the average fertility rate was 7.0 children per woman. In the early 20th century, it was 4.0. And today, it is roughly 1.7. Last week, The Washington Post published an article showing that, in some states, the number of total deaths outnumbered the number of total births.



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The obvious problem is that even though life expectancy is increasing, economic productivity tends to decline after the age of 70. This means that greater life expectancy increases consumption while the workforce shrinks. The elderly consume more, particularly in terms of medical care, as the productive population declines in size. This has the makings of an economic crisis. The Washington Post article cited recent reports from the Centers for Disease Control and the House Budget Committee on the trend of U.S. death rates exceeding birth rates. By the time Washington notices something, the trend is well underway.

The foundation of this demographic revolution is economic, but it has already brought about a cultural shift. For example, birth rates were high in the 19th century for two important reasons: high infant mortality and the need for labor. In agrarian societies, children become productive at a much earlier age than in industrial societies. Before the Industrial Revolution, children were essential instruments of the production needed to maintain the family. Women had to give birth to as many children as possible to maintain present and future generations.

With the technological advances brought about by the Industrial Revolution and the more recent technological evolution, children did not need to become economically productive for perhaps two decades. In the meantime, they attended school and acquired higher education. Between that and the falling infant mortality rate, the number of children per woman declined dramatically – a trend aided by medical technology such as birth control and abortions that were designed partly to limit the economic burden on a family.

This has led to another radical shift: If the foundation of economic production is based on birth rates, then productive workers need to take the place of children. In this case, women entered the workforce, thereby further limiting the number of children they bore. This new economic reality is in place throughout the industrialized world.

None of this would be an economic problem if life expectancy had not increased as well. But given that it has, consumption is now rising even as production plateaus or declines. The birth-to-death ratio declined 28 percent between 2010 and 2023 and continues to fall by about 1.6 percent per year. It’s reasonable to assume that medicine will continue to increase life expectancy and that birth rates will continue to decrease.

This fundamental issue will define the calm after the current storm. Production must be maintained (or non-productive life limited) either through medicine or by limiting life expectancy (a strategy I personally would not welcome). One possible solution is artificial intelligence. This will undoubtedly be a significant tool, but it is not in itself intelligence. Intelligence is far more than reasoning; a vast array of emotions, personalities and experiences shape human intelligence. On this, I stand with John McCarthy, a technology pioneer who coined the term artificial intelligence. Toward the end of his life, he said he deeply regretted the name, given the unreasonable hype and misunderstanding it had caused. He wished he had named it machine intelligence or computer intelligence.

My view is that the solution to the coming economic crisis is both an extension of life and, above all, an extension that maintains a person’s productivity. This is a matter of medical innovation. And the foundation of that evolution will be material science, which has become the foundation of the crafting of new medications and the understanding of the human body. AI will be an essential tool in this technological evolution.

The bottom line is that we are no longer agrarian, and productivity does not emerge in early childhood. The economic and cultural evolution we have experienced might be reversed by some natural or military catastrophe and return us to the past. But barring that, the crisis of the next cycle in the U.S. will be demographic, at least in the industrialized and technologically advanced world. And the greatest proof that the crisis is here and has been emerging over decades is that Washington finally noticed it. The solution will not come from there, but noticing the obvious is what Washington does for all of us.

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