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MERIDIAN

THE COVER STORY

The \$20 Billion Expansion

CHARLES PANG • PAGE I

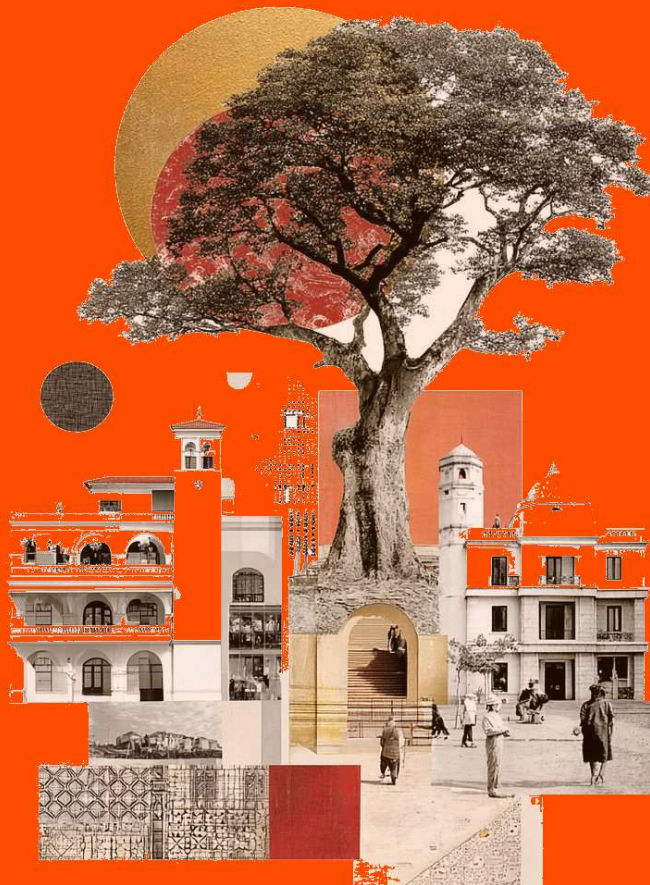


ALSO INSIDE

The Warner and Paramount Merger • Milei's War on Inflation • AI's \$1.4 Trillion Power Bill

In This Edition

Sixteen stories on markets, media, and money, reported by student writers across New York and beyond.



FEATURES & REPORTING

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SPORTS BUSINESS • THE COVER STORY

Economic Effects of the NBA Expansion

For the first time in over two decades the league is adding teams, and the real contest is financial: a roughly \$20 billion windfall for the owners who already hold a seat.

BY CHARLES PANG • REGIS HIGH SCHOOL, CLASS OF 2029

FRANCHISE VALUES • \$ BILLIONS

Charlotte expansion fee, 2004

\$0.3B

League average team, Oct 2025

\$5.51B

1.0× league average

Seattle / Las Vegas, est. each

\$7.5B

1.4× league average

New York Knicks

\$10B

1.8× league average

Golden State Warriors

\$11.33B

2.1× league average



Expansion clubs would enter at valuations that did not exist a generation ago. Source: Sportico NBA valuations.

For the first time in over two decades, the National Basketball Association is expanding. On March 25, 2026, the NBA Board of Governors voted to explore teams in Las Vegas and Seattle, two cities that have spent years campaigning for franchises of their own. However, this announcement was about more than American basketball. Together with the league's push into Europe, the NBA's expansion plan could generate over \$20 billion for current team owners, revealing just how much the sports business has changed and what the economics of professional basketball look like now. When the Charlotte Bobcats joined the league in 2004 as the NBA's 30th franchise, owner Bob Johnson paid a \$300 million expansion fee, a number that felt significant at the time. Today, analysts expect the two

new franchises to carry a combined fee of roughly \$15 billion, meaning each could be valued at \$7.5 billion or more before they even play a single game.

The increase shows how franchise values have climbed. According to Sportico's NBA valuations, the average team was worth \$5.51 billion as of October 2025, with the Golden State Warriors at \$11.33 billion and the New York Knicks at roughly \$10 billion. Last year, the Boston Celtics sold for \$6.1 billion and the Los Angeles Lakers for \$10 billion, so an expansion fee of \$7 billion or more is not a stretch, and it could even look cheap if a bidding war erupts, especially in Las Vegas, where multiple ownership groups are already waiting. For existing owners, this is basically free money.

The expansion fees sit outside basketball-related income, meaning they are not shared with players. With 30 current franchises splitting the rewards, each owner stands to collect at least \$650 million, essentially a dividend paid simply for holding an NBA franchise.

NBA EUROPE

The domestic expansion is only part of the plan. The league is also advancing NBA Europe, a new league set to launch in the fall of 2027 with 10 to 12 teams in cities including London, Manchester, Paris, Lyon, Berlin, Madrid, and Barcelona. Franchise licenses are expected to sell in the \$300 million to \$500 million range each, meaning the European venture could generate an additional \$5 billion in fees for current NBA owners. The structure is already planned: the NBA would own 50% of the European league, with existing team owners collectively holding the other 50%, a model similar to how the WNBA was structured before it raised outside income in 2022. That equity split gives current owners not just a one-time licensing payout, but an ongoing stake in the growth of European basketball. Interest has reportedly come from investors linked to Paris Saint-Germain, Real Madrid, and AC Milan, as well as foreign wealth funds like Saudi Arabia's Public Investment Fund, a sign that global sports capital is ready to bet on the NBA's European ambitions.

WHAT THE CITIES GET

The economic case for Seattle and Las Vegas extends well beyond the league's finances. For host cities, a new NBA franchise means jobs, tourism spending, and arena development. Las Vegas has already demonstrated its appetite for major professional sports, adding the NHL's Golden Knights and the WNBA's Aces in recent years, with MLB's Athletics set to join in 2028. An NBA team would push the city's transformation into a professional sports market. Seattle's case is different. The city watched its team, the SuperSonics, get ripped away and relocated to Oklahoma City in 2008, and fans never really got over it. Seattle Kraken owner Samantha Holloway has already signaled her

interest in bringing the NBA back, and Climate Pledge Arena, the Kraken's home, was reportedly built with basketball in mind, meaning one less massive headache for whoever buys the team.

PROBLEMS WORTH WATCHING

Not all the economic signs point upward. The collapse of the regional sports network market has created a gap in many teams' income statements, and the league recently lowered its projected salary cap for the 2026-27 season in response. Expanding while revenue streams are under pressure is a gamble, and it only pays off if the new teams can make up what regional sports network money used to cover. There's also the dilution problem: more teams means the existing 30 split national revenue, draft picks, and talent with two more franchises, and some owners, such as New York Knicks owner James Dolan, have pushed back on exactly that. But history says the math will still work out, since every time the league has grown, franchise values have gone up, too.

THE BIGGER PICTURE

The NBA's expansion plans are a bet on continued global demand for the sport. The league has already built an international following, and NBA Europe is a direct attempt to convert that cultural reach into a recurring revenue business, while the domestic additions in Seattle and Las Vegas address two markets that have proven they can support major league sports. The \$20 billion headline grabs attention, but the real story is how these teams are being valued. Existing franchises are already selling for anywhere from \$6 to \$10 billion, and now expansion teams are entering that same territory. Investors are betting that sports media rights will keep climbing, fan bases will keep expanding, and sports franchises will remain some of the rarest assets in the world. That bet could pay off, or it could look extreme in hindsight. At the end of the day, the NBA's board of governors looked at the numbers and decided to shoot their shot, and priced at \$20 billion, there is no playing it safe.

THE WINDFALL · WHERE THE \$20B COMES FROM

\$15B

**TWO U.S. EXPANSION
FEES**

Seattle + Las Vegas

\$5B

**NBA EUROPE
LICENSES**

10-12 clubs, 2027

\$650M

PER CURRENT OWNER
minimum share

50/50

**EUROPE OWNERSHIP
SPLIT**
league / owners

Expansion fees fall outside basketball-related income, so none of it is shared with players.

MEDIA & DEALS

The Warner Bros. and Paramount Merger

A breakup meant to unlock value instead set off a bidding war. Netflix moved first; an activist investor and a larger check handed the prize to Paramount.

BY FRANCISCUS DIABA · REGIS HIGH SCHOOL, CLASS OF 2027

THE BIDDING WAR · FINAL OFFERS

NETFLIX

\$82.7B

Withdrew; paid a \$2.8B break fee, covered by Paramount.

PARAMOUNT

VS

\$110B

\$31 per share for all of Warner Bros. Discovery.

Paramount Skydance bid for the entire conglomerate; Netflix wanted only the studio and streaming arm.

The Warner Brothers and Discovery split has brought shockwaves to digital media, and could have a massive effect on how content is consumed. The original plan was to split the conglomerate into two. There would be a streaming company comprising Warner Bros. Television and Warner Bros. Motion Picture Group, including HBO Max and all films and television, while the other company, Global Networks, would include news channels such as CNN, TNT Sports, and Discovery. The goal of the split was to place the company's debt on the less successful TV networks and allow the Streaming and Studios company to earn revenue while also opening the door to more investors and giving each company more freedom in making deals. David Zaslav, the President and CEO of Warner Bros., would head Streaming and Studios, and Gunnar Wiedenfels, CFO of Warner Bros. Discovery, would lead Global Networks. Digital media corporations saw the split as an opportunity to increase their control over content distribution.

Netflix bid specifically for the Streaming and Studios company, offering a final bid of \$82.7 billion. On December 5, 2025, Netflix released a state-

ment announcing a definitive agreement with Warner Bros. to acquire Warner Bros.' film and media holdings. The deal would give Netflix enormous control over digital media, and Netflix claimed it would improve the film industry. Many consumers disagreed, fearing that with Netflix's potential monopoly over digital media, there would be fewer films in theaters and rising prices. The deal ultimately fell through because activist investors at Warner Bros. had other visions for the company's future.

Activist investor Ancora Capital, run by CEO Fred DiSanto, holds around a \$200 million stake in Warner Bros. Discovery, and its investors wanted to back away from the Netflix deal. Paramount Skydance bid to take control of the entire Warner Bros. Discovery, including both companies, for a massive \$110 billion. Ancora Capital believed the Paramount deal offered greater value to investors and urged Warner Bros. Discovery to sign it instead. Paramount agreed to pay \$31 per share for the entire company, and the Warner Bros. board ultimately decided that the Paramount deal was better. Seeing the size of Paramount's bid, Netflix decided

it could not compete and would not raise its offer. Netflix received a \$2.8 billion fee for Warner Bros. last minute exit, which Paramount agreed to cover. The breakup also benefited Netflix: its stock had dropped after the acquisition was announced, but rose once the deal was called off. Everything was set in place for a massive Paramount-Warner Bros. merger that would reshape the entertainment industry.

Paramount and Warner Bros. have agreed to terms, and, like Netflix, Paramount viewed the merger as a positive for the entertainment industry, stating that the deal would expand consumer choice. Many consumers do not agree. Paramount's business model addresses film lovers who enjoy the theater and fear the end of cinema, stating that every film will have a full theatrical release, with at least 45 days of showings before it is available on demand. Those successful movies could be given more time in theaters before going online. The deal is not official yet; even though Paramount and Warner Bros. have agreed, it still has to be ap-

proved by regulators. Senators have raised concerns about the deal, fearing excessive foreign influence. Paramount disclosed that it would be 49.5% owned by foreign investors, with much of that investment coming from Middle Eastern sovereign wealth funds, and senators worry that this could give foreign interests too much control over American media. If the deal becomes official, it will reshape Hollywood and the entertainment industry, and many consumers worry it might raise prices for digital media.

Many people in Hollywood are against the merger. Over 1,400 actors, directors, and filmmakers have signed an open letter opposing it, including major stars such as Ben Stiller, Javier Bardem, and Joaquin Phoenix. As more people go to movie theaters, this deal could push more films and shows toward immediate online release rather than theatrical release. The future of the entertainment industry hinges on whether regulators bless the merger of Warner Bros. Discovery and Paramount Skydance.



BY THE NUMBERS

49.5%

FOREIGN OWNERSHIP

Paramount, disclosed

1,400+

INDUSTRY SIGNATORIES

open letter opposing

45 days

MINIMUM THEATER RUN

Paramount's pledge

\$2.8B

BREAKUP FEE

paid to Netflix

Regulators have yet to approve the deal; senators have flagged the share of foreign capital.

AVIATION

Spirit's Second Bankruptcy and a Last-Minute Offer

A fuel shock, a fragile balance sheet, and a rescue that collapsed at the final hour ended the first major U.S. airline failure in a quarter-century.

BY BRANDON GOMEZ-PEREZ · REGIS HIGH SCHOOL, CLASS OF 2027

THE LONG DESCENT · A TIMELINE

First Chapter 11
filing after failed
JetBlue and Frontier
mergers

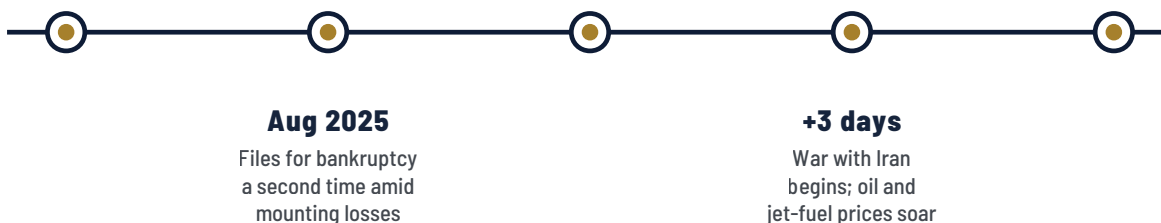
Nov 2024

deal to emerge
smaller and leaner

Feb 2026

Operations cease;
first major U.S.
airline to fail in
25 years

May 3, 2026



From its first filing to its final grounding, Spirit's collapse unfolded over eighteen months and accelerated in its final weeks.

Spirit Airlines filed for bankruptcy in August 2025 amid mounting losses and dwindling cash reserves. The low-cost carrier had first filed for Chapter 11 bankruptcy in November 2024, after unsuccessful merger talks with JetBlue and Frontier. Spirit had 25,000 employees and contractors as of last August and was the eighth-largest U.S. airline in 2025 by number of seats offered. Still, despite its size, it had repeatedly warned in recent years that there was “substantial doubt” about its ability to continue operating as a company, especially since it had already filed for bankruptcy once before.

In late February 2026, Spirit announced it had reached a deal with its creditors that would allow it to stay in business and emerge from its bankruptcy as a smaller airline with less debt. Nevertheless,

just three days after that announcement, the war with Iran started, sending oil and jet fuel prices soaring. A Deutsche Bank forecast predicted that U.S. passenger airlines’ annual fuel bill would increase by \$24 billion, with airlines expected to earn \$8.4 billion less than previously anticipated.

Spirit’s troubles specifically drew the attention of President Donald Trump. “I’d love somebody to buy Spirit,” Trump said on CNBC. “It’s 14,000 jobs, and maybe the federal government should help.” For weeks, Trump administration officials were in talks with the airline on a possible \$500 million bailout package, a proposal that would effectively give the government control of the overwhelming majority of Spirit’s shares. “They have some good aircraft and good assets, and when the prices of oil

Not everyone in the administration shared Trump's optimism. Transportation Secretary Sean Duffy warned that a bailout could be "good money after bad." "There's been a lot of money thrown at Spirit, and they haven't found their way into profitability," Duffy said. Republican skeptics also pushed back. Senator Tom Cotton posted on X: "If Spirit's creditors or other potential investors don't think they can run it profitably coming out of its second bankruptcy in under two years, I doubt the U.S. Government can either."

thanked the administration, saying that “the sudden and sustained rise in fuel prices in recent weeks ultimately has left us with no alternative but to pursue an orderly wind-down.” As one creditor told CBS News, “The Trump administration made an extraordinary effort to try and save Spirit, but you can’t breathe life into a corpse.”

Spirit canceled all flights, shut down its customer service, and instructed customers not to go to the airport, with ticket holders told they would be issued refunds. Removing the 2% of domestic U.S. flights Spirit was scheduled to fly this summer is expected to increase fares across the entire industry. Spirit's collapse marked the end of an airline that had pioneered ultra-low-cost travel in the U.S. for decades, ultimately undone by a combination of structural financial weakness, a global fuel shock, and a last-ditch government rescue that fell apart at the final hour.

EUROPEAN BANKING

Monte dei Paschi's Turnaround and the Consumer's Double Burden

The world's oldest bank went from a near-death bailout case to raider of Italy's crown jewel. The revival doubles as a warning about who pays when state-backed giants stumble.

BY EROS GALIANO · REGIS HIGH SCHOOL, CLASS OF 2029

FIVE CENTURIES · A TIMELINE



From charitable lender to bailout symbol to predator: a 550-year arc compressed into two decades of turmoil.

As we saw in the Cavs' ignominious loss to a generational Knicks team, historic comebacks can never be overlooked. In Europe's economic sphere, that historic comeback was undertaken by Monte dei Paschi di Siena (MPS), a lofty moniker for Europe's oldest operating bank. To get an idea of how old the MPS is, note that it was founded in 1472, two decades before Columbus sailed across the ocean blue in '92. MPS was originally founded as a charitable institution, lending money to impecunious individuals. Over the centuries, it transformed into one of Italy's premier national banks, serving the broader economic region as it aggressively expanded across Italy and Europe through consolidations with other banks. In the acquisition of Antoveneta, a regional bank from Padua, the MPS did not quite look where it leaped.

Antoveneta had been acquired in October of 2007 by the Spanish giant Banco Santander as the spoils of a

three-way consortium. Still, Santander's purchase would prove short-lived. A month later, before Santander had even integrated Antoveneta's corporate operations, the bank's chairman, Emilio Botin, sold it to MPS for nine billion euros. However, Antoveneta was valued at under seven billion. Santander not only made almost three billion euros in profit, but also kept Antoveneta's corporate banking arm. The acquisition immediately bled the MPS's reserves dry, and it got worse. The next year, the 2008 global financial crisis hit, and now not only did the MPS lack substantial liquidity, but its other existing investments and stock portfolios completely capitulated.

Under European accounting laws, the MPS would have faced immediate regulatory closure. Thus, MPS executives turned to foreign investment banks, Nomura and Deutsche Bank, and structured two enormous multi-billion-euro derivative operations, with the banks providing copious sums of cash to allow the MPS to neutralize the

visible losses on its balance sheet. The MPS entered into a series of repurchase agreements with these banks, pledging colossal government bonds it had bought from the Italian government. Still, these contracts were heavily rigged and structured so that the MPS was virtually guaranteed to lose enormous amounts of capital on the interest payments. This would be the start of a death spiral, and by 2013, when the secret contracts were revealed to the public, total losses had snowballed past two billion euros. So the Italian government repeatedly injected millions of euros into the corporation to salvage this banking icon.

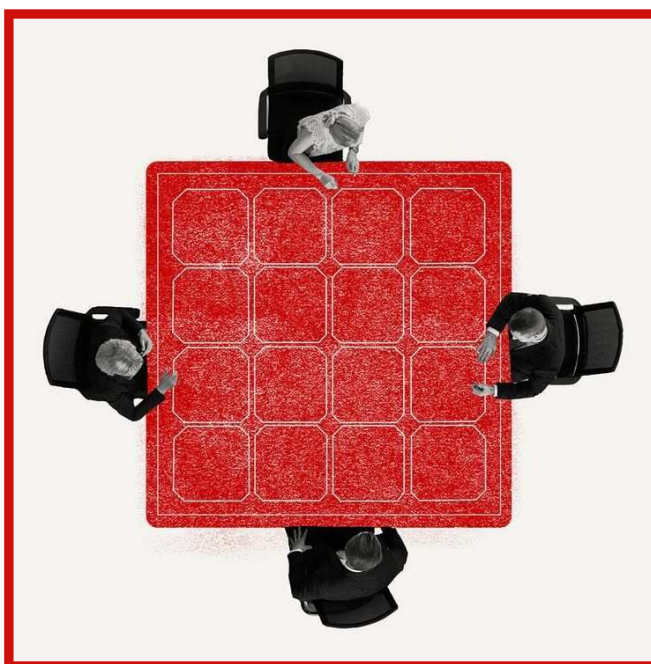
After a \$5 billion bailout in 2017, the Italian government took a majority stake in MPS and forced a restructuring plan. MPS sold toxic assets, reduced operational costs by cutting jobs, and closed corporate and international branches. By 2023, CEO Luigi Lovaglio orchestrated a highly successful turnaround, returning the MPS to profitability by re-privatizing its holdings and re-entering the market as an aggressive buyer. The MPS launched a 16-billion-euro bid to successfully take over Mediobanca. This was completely unexpected, as Mediobanca had been the crown jewel of Italian capitalism, whereas the MPS symbolized the worst of Europe's banking woes. The MPS proved that a bank once on life support, one that absorbed billions in taxpayer bailouts, could still return to high-stakes corporate poaching without penalties.

A bank once on life support, one that absorbed billions in taxpayer bailouts, returned to high-stakes corporate poaching.

EROS GALIANO

However, it also pointed to a widespread trend in Italian, and by extension, European banking. The deal between the MPS and Mediobanca was heavily championed by Italian Prime Minister Giorgia Meloni, in an attempt to construct a domestic financial conglomerate. This reflects a growing European movement of economic nationalism and financial warfare, where governments use state-influenced lenders to protect domestic interests, and the merger has triggered a domino effect across the continent, as domestic consolidations become increasingly common in Spain, Germany, and France. For consumers, the implications are daunting. As European banking systems continue to consolidate into state-championed institutions, the free market will continue to shrink, and monopolistic banking giants no longer need to offer competitive rates.

But worst of all is the cyclical tax burden placed on citizens. As aggressive mergers continue, eventually high-risk consolidations fail. Banks suffer over-expansion, exactly what happened in the purchase of Antoveneta, and then governments use taxpayer dollars to bail out failing national banks. The use of tax bailouts not only robs consumers but also leads to economic austerity by diverting capital from infrastructure, healthcare, education, and public works. While the MPS undertook a historic turnaround, the net benefits for everyday citizens do not look too bright. In an aggressive era of financial warfare, as governments build state-backed giants, it is the everyday citizen who pays the price.



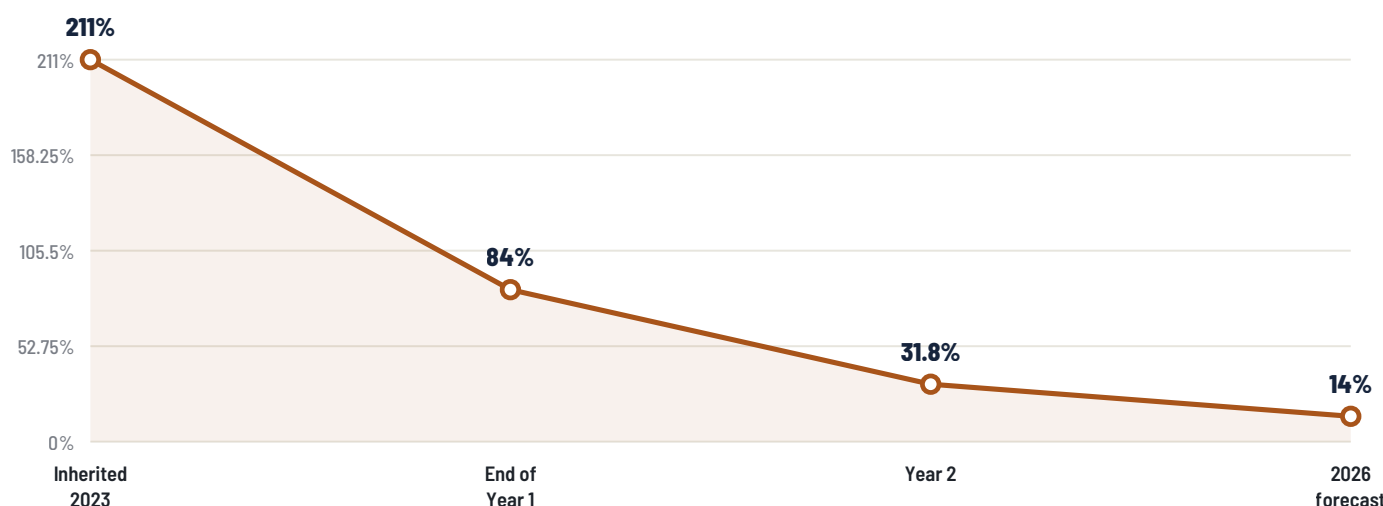
MACROECONOMICS

Milei's Libertarian Experiment and Argentina's War on Hyperinflation

Shock therapy broke a cycle that had defeated every recent government. Inflation fell from 211% toward 14%, the budget swung to surplus, and the bill landed on the most vulnerable.

BY THEODORE YOO · REGIS HIGH SCHOOL, CLASS OF 2029

ANNUAL INFLATION · 211% TO 14%



Inflation fell faster than any recent stabilization attempt, and without a default. 2026 figure is a forecast.

HISTORICAL CONTEXT

In 1914, Argentina was one of the wealthiest countries in the world. The South American nation's GDP per capita surpassed that of Canada, Germany, and France, and it was considered one of the fastest-growing economies. That future never materialized. President Juan Peron took power in 1946, bringing sweeping reforms, including the nationalization of the central bank, railways, and other formerly private enterprises. His large, fiscally irresponsible social programs were funded mainly by the printing press, catapulting the annual inflation rate to 26%. These reforms initiated a devastating cycle of sky-high inflation and rising debt. To this day, Argentina continues to suffer from hyperinflation. It has defaulted on its national debt nine times, more than any other country, a fall from grace now studied as an economic phenomenon known as the "Argentine Paradox."

RISE OF MILEI

Javier Milei won the November 2023 Argentine presidential election with 55.7% of the vote, one of the largest margins in recent history. He inherited an inflation rate of 211% and a central bank that held net foreign reserves of negative \$11.5 billion. His campaign centered on three pillars: dramatically reducing the size of government, restoring total respect for private property, and promoting free trade. His signature proposal was a complete dollarization of the economy, including abolishing the central bank and adopting the US dollar as legal tender. He also pledged spending cuts totaling 15% of GDP and the privatization of education, healthcare, roads, and YPF, a large national oil company.

REFORMS AND OUTCOMES

The first move was the most brutal. On day two, Milei slashed the peso's valuation by over 50%. Markets lurched, and import prices shot through the roof, but the inflation

rate slowly began to fall. He simultaneously cut government spending by 4.5% of GDP. The result was his headline achievement: annual inflation fell from 211% to just 31.8% within his first two years in office, and by the end of 2026, experts suggest it could fall even further to 14%. On federal spending, Milei cut the budget by 30% and balanced it in only his second month in office. He abolished 10 of the previous 18 national ministries, eliminated hundreds of smaller agencies, and fired over 53,000 government employees. By the end of his first year, the federal government produced a primary surplus, the first since 2012; public debt fell 12%; and the IMF described the speed of adjustment as “unprecedented in Argentina’s modern history.”

One of the most consequential policy levers was the RIGI investment incentive regime and the deregulation of the hydrocarbon sector. The target was Vaca Muerta, a massive shale formation in southern Argentina, and the result was the revival of Argentina’s energy industry. Two years earlier, Argentina was importing more energy than it was exporting, an annual loss of \$4.4 billion. By 2025, that had flipped entirely. The country posted its largest energy surplus in over three decades, ending the year at \$7.8 billion. The energy surplus is expected to exceed \$14 billion in 2026. As a result, GDP grew 4.4% in 2025, compared to a 1.7% contraction in 2024.

THE COSTS

A neutral evaluation cannot present macro improvements without accounting for the negative effects. The Argentine

poverty rate peaked at 52.9% in early 2024 as an immediate result of shock measures. However, the number fell shortly after; poverty still rests at a high 28%. Around 276,000 jobs were lost in Milei’s first 21 months, and 30 companies closed their doors each day. The most heavily criticized reform was the massive cut to the health services agency, which lost 70% of its funding. Structural risks also remain: in August 2025, Argentina requested IMF support for falling short of reserve targets, and in October the US Treasury provided \$872 million in dollar liquidity, a dependency that could become a vulnerability.

WHAT’S NEXT

In his March 1, 2026, congressional address, Milei announced 90 legislative initiatives and declared he would “redesign Argentina for the next 50 years.” Measured against Milei’s own benchmarks of inflation, fiscal balance, investor confidence, and GDP growth, the first phase of reforms delivered strong, measurable results. What remains contested is the durability of the new model. Whatever its costs, the first phase accomplished something no Argentine government had managed in decades: breaking the inflation cycle without total collapse. So far, the Milei government has provided stability to a country that had not known it in generations, but whether it will hold is another question entirely.

THE ENERGY FLIP • TRADE BALANCE



Deregulating the Vaca Muerta shale formation turned a chronic energy importer into a surplus exporter.

THE COSTS



The burden of adjustment fell on pensioners, public-sector workers, and the informal poor.

TECHNOLOGY & POWER

The \$1.4 Trillion Power Bill: Who Pays for AI's Energy Demand?

Data centers are straining an aging grid, and the cost of feeding them is quietly being shifted onto ordinary ratepayers through confidential utility contracts.

BY KYLE COUGHLIN · REGIS HIGH SCHOOL, CLASS OF 2028

BY THE NUMBERS

\$1.4T

UTILITY CAPEX
through 2030

20%

OF THE 126 GW
added load by 2028

2x

A META SITE VS.
all of New Orleans

90%

LESS ENERGY
small vs. large models

Sources cited in the reporting; figures describe planned U.S. utility investment and projected demand.

As its tools and chatbots become more common in everyday life, AI companies face the growing challenge of meeting their huge demand for power. Energy consumption is rising sharply, with data centers accounting for nearly 20% of the 126-gigawatt increase expected by 2028. Accordingly, American utility companies are raising spending to record levels, with capital spending plans exceeding 1.4 trillion dollars through 2030. AI data centers require massive power, high-speed networking, and advanced cooling systems compared to their more general-purpose counterparts. However, aging infrastructure, extreme weather events, and years of insufficient investment have left the electrical grid unable, without significant upgrades, to handle AI.

HOW AI CONSUMES ENERGY

When most people think of AI, they picture a chatbot interface that outputs images, code, or essay-length responses. Under the surface, when you prompt an AI, your text is broken down, converted into numbers, and sent to a massive data center where billions of energy-consuming calculations

are performed. There are two main reasons AI computing is so energy-intensive. The first is the training of an AI model, in which GPUs run 24/7 to analyze the data and create effective outputs. The second is “AI inference,” which is what happens when you actually use AI: each query requires GPU processing power and, thus, energy. If you’re still underwhelmed, realize this: every time you prompt ChatGPT, so do 30,000 other people, and each prompt uses as much energy as an oven in about one second.

HOW CONSUMERS END UP FOOTING THE BILL

Due to the high cost of constructing infrastructure, utility companies establish “natural monopolies” in which a single company controls a local market. These are subject to state regulation by public utility commissions (PUCs), which control the rates companies can charge. When companies like Google, Meta, and Amazon require large amounts of energy for their data centers, utility companies jump at the opportunity to reap massive profits. Under the traditional utility business model, the cost of building new infrastructure is spread across

consumers through higher electricity bills. But because of unprecedented demand, utility companies are offering special-rate contracts and using their monopolies to shift costs onto the public. These contracts are often confidential, with undisclosed terms, meaning the extent to which residents are forced to subsidize is largely buried beneath claims of proprietary information.

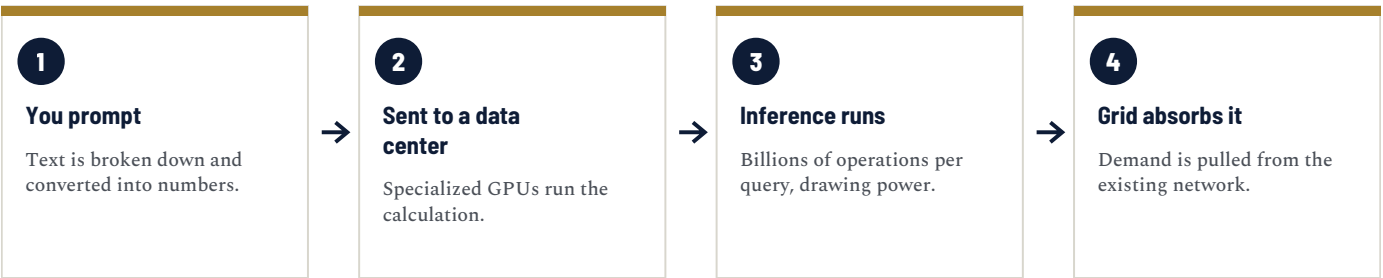
On top of this, rather than building new energy infrastructure, AI companies often connect their data centers to the existing power grid, thereby driving up energy prices as resources are removed from the market. For example, a Meta facility being built in Louisiana is expected to use twice as much energy as the entire city of New Orleans. Faced with costs in the billions to build power plants and transmission lines, the utility aims to include them in residents’ payments. Although it has a contract with Meta that will ostensibly cover some of the

fees, the utility has refused to share its terms, meaning the extent to which everyday people are forced to foot the bill remains hidden behind a wall of red tape.

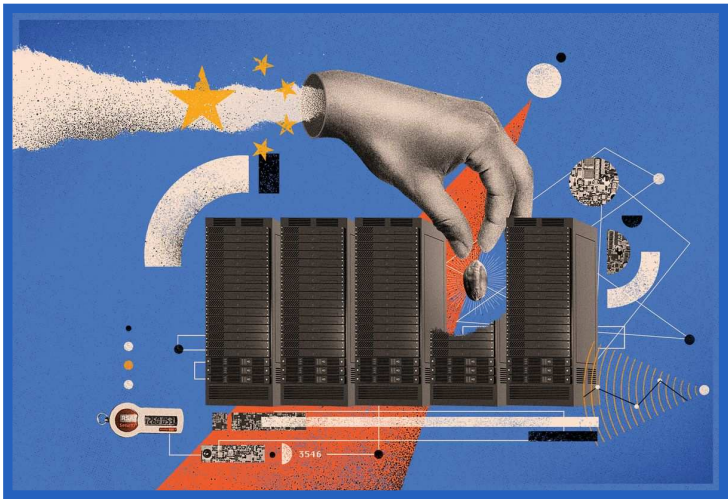
CONCLUSION

Amid concerns about the economic and environmental costs of AI, tech leaders have proposed several ways to address the challenges created by energy-consuming data centers. “Bring your own power,” for instance, is a strategy that uses on-site, off-grid energy sources, avoiding the problems that come with connecting to the rest of the network, and recent research has shown that small, specialized AI models can use up to 90% less energy than general-purpose ones. The rise of AI has raised questions far beyond how it is powered, and managing its energy use is only one of the many problems its leaders will have to solve.

HOW A PROMPT BECOMES POWER · THE PATH



Each ChatGPT prompt uses roughly the energy of an oven running for a second, multiplied across tens of thousands of simultaneous users.



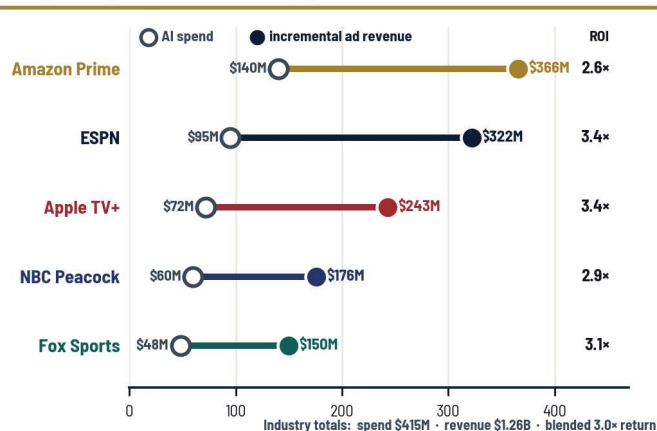
MEDIA & TECHNOLOGY

The New Playbook for Sports Media

Predictive analytics and AI are rewriting the broadcast, turning play-by-play into a stream of live probabilities and personalized highlights.

BROADCAST AI ECONOMICS

AI/analytics outlay vs. incremental ad revenue (\$M) · FY2026 est.



Illustrative: ESPN (navy) vs Prime (gold)

Today, sports media organizations are changing how fans engage with professional sports. Alongside traditional broadcasting, they are incorporating predictive analytics and artificial intelligence to improve fan engagement and interactivity. Last December, ESPN launched MNF Playbook, featuring Next Gen Stats, an alternative broadcast for Monday Night Football that highlights data-driven insights rather than conventional play-by-play narration. Rather than reporting on events as they unfold, MNF Playbook's format includes live probabilities and data visualizations that update in real time throughout the game. This initiative is powered by Adrenaline's TruPlay AI, which integrates Next Gen Stats with AI models to produce predictive analysis for each play. TruPlay's machine-learning models analyze over 370,000 NFL plays to calculate factors such as the likelihood of a pass versus a run, the likelihood of a blitz, and the expected target distribution.

ESPN's production crews combine these statistics with a full-field camera view, similar to the "All

TruPlay's models analyze over 370,000 NFL plays to predict a pass, a run, or a blitz before the snap.

AUSTIN FAHY

22" angles used to study film, to help viewers better understand each play. However, production teams must carefully choose which metrics to show so as not to overwhelm the audience. ESPN also assembles analyst teams, composed of both analytics experts and former NFL players, to break down how these predictions relate to broader football strategies. ESPN is also using AI to create personalized content. Through its partnership with WSC Sports, it generates clips and highlights from over 16,000 annual game feeds, sideline interviews, and press conferences; WSC Sports' AI categorizes these clips by topic, format, and other data and adds names and graphics before sending them to SportsCenter for You.

AI is also reshaping sports beyond specialized broadcasts. Next Gen Stats, the data system used across the NFL, uses machine learning to convert raw RFID tracking data for players and the ball into useful metrics by analyzing millions of data points in under a second. Other broadcasters, including Amazon Prime Video, are doing the same

to generate real-time defensive alerts and coverage evaluations, visually emphasizing tactical elements such as weaknesses in defensive setups.

ESPN isn't alone in its efforts to personalize the fan experience, however. SB Nation, a prominent sports media entity owned by Vox Media, began a large-scale website redesign early last summer to boost viewer engagement. The redesign includes a new community-oriented component, "The Feed," which integrates user-generated content, trending discussions among fans, surveys, and brief commentary, alongside articles authored by profession-

al journalists. This redesign was largely motivated by the growing influence of AI on search and content discovery, as AI-driven platforms increasingly provide users with direct answers, sometimes by-passing traditional search engine traffic. Although their approaches differ, ESPN and SB Nation both show how modern sports media are adopting AI to stay relevant, proving that the new playbook is no longer centered only on reporting and broadcasting, but also on creating smarter, interactive, and more personalized experiences.

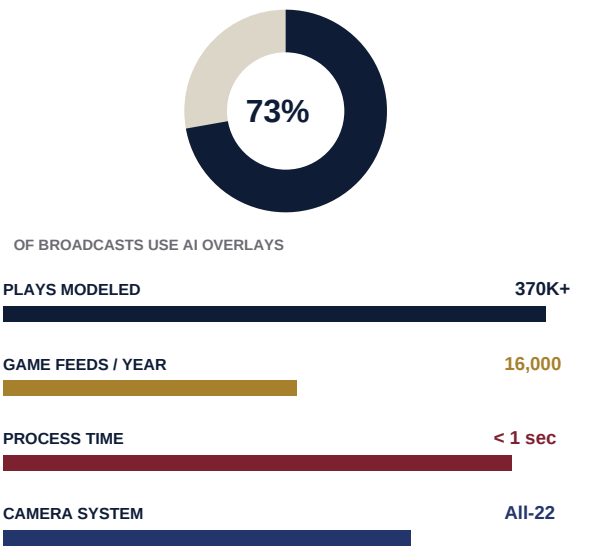
BY THE NUMBERS



The broadcast increasingly resembles a live model output as much as a narrated game.



THE ANALYTICS STACK



Sources: TruPlay AI, WSC feeds, ESPN

INDUSTRY

How Video Games Outgrew Hollywood

At \$299 billion, gaming is now the largest entertainment sector on earth, and it is projected to double again before the decade is out.

BY PASCAL SPAMPINATO · REGIS HIGH SCHOOL, CLASS OF 2029

ENTERTAINMENT, BY SIZE · \$ BILLIONS

Film, video & music

\$113B

Video games today

\$299B

Video games, 2030 forecast

\$601B

'n the past few decades, the video game industry has taken the entertainment world by storm.

PASCAL SPAMPINATO

Gaming already dwarfs film and music combined, and is projected to double by 2030.

In the last few decades, the video game industry has taken the entertainment world by storm. Dwarfing both the music and film industries with a \$299B market size, it is by far the largest entertainment sector. This comes as a surprise to most people, as the film and music industries have historically been leaders in revenue and cultural influence. That narrative has changed in a relatively short period, and video games are projected to double in size by 2030.

1970S–1990S: ARCADE AND CONSOLE

After their inception in the late 20th century, video games were not seen as a huge competitor to film. In the 1970s and early 1980s, the market was made exclusively of arcade and console income streams. Arcade games peaked in 1982, when video games briefly dwarfed the box office, but that title was not long-lasting. The very next year, video games hit a low point in the Video Game Crash of 1983, when a heavily oversaturated market with too many low-quality releases contributed to a recession. The

industry would recover with the release of the NES, but it would not reach the heights of 1982 for decades.

2000S–2010S: THE RISE OF MOBILE

The late 2000s and 2010s revived the industry to its former glory, with it finally becoming the leader of entertainment again. Making up about 45% of the industry, mobile gaming became the major money-maker, exploding in popularity after the release of the iPhone and the App Store. Mobile games reach an enormous audience: anyone with a smartphone or tablet can access them. They also popularized microtransactions. Most mobile games are free to play but include in-app purchases, and many players, especially given the addictive nature of such games, will spend a couple of dollars at a time. Scaled across the sheer number of players, that adds up to serious money.

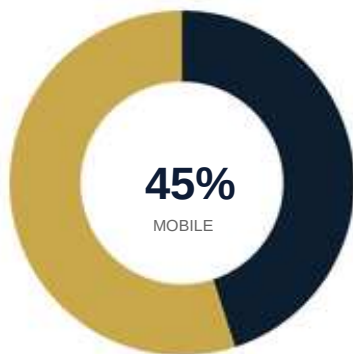
2020S-PRESENT: LOCKDOWN AND BEYOND

In March of 2020, COVID-19 was declared a pandemic, and lockdown began. Almost immediately, people stuck at home turned to video games. Games like Animal Crossing: New Horizons and Fortnite exploded in popularity as they offered an escape from the often lonely life of the pandemic. April video game sales in 2020 were the highest of all time for that month, with a 73% increase from the prior year. Today, mobile gaming still dominates, but the magnitude of the other portions cannot be understated. The movie and entertainment industry is valued at \$113B, meaning that even

without mobile gaming, the video game industry is still tens of billions of dollars larger.

Even so, the future of the video game industry seems bright. Experts project it to grow to \$601B by 2030, more than doubling the current market size. Grand Theft Auto VI will also drop later this year, and it is expected to be the biggest entertainment launch of all time. Artificial intelligence may change gaming too, with powerful coding tools now available to ordinary people, and virtual and augmented reality could open up entirely new kinds of gaming. Regardless of how gaming evolves, video games will remain a major player in the entertainment industry for years.

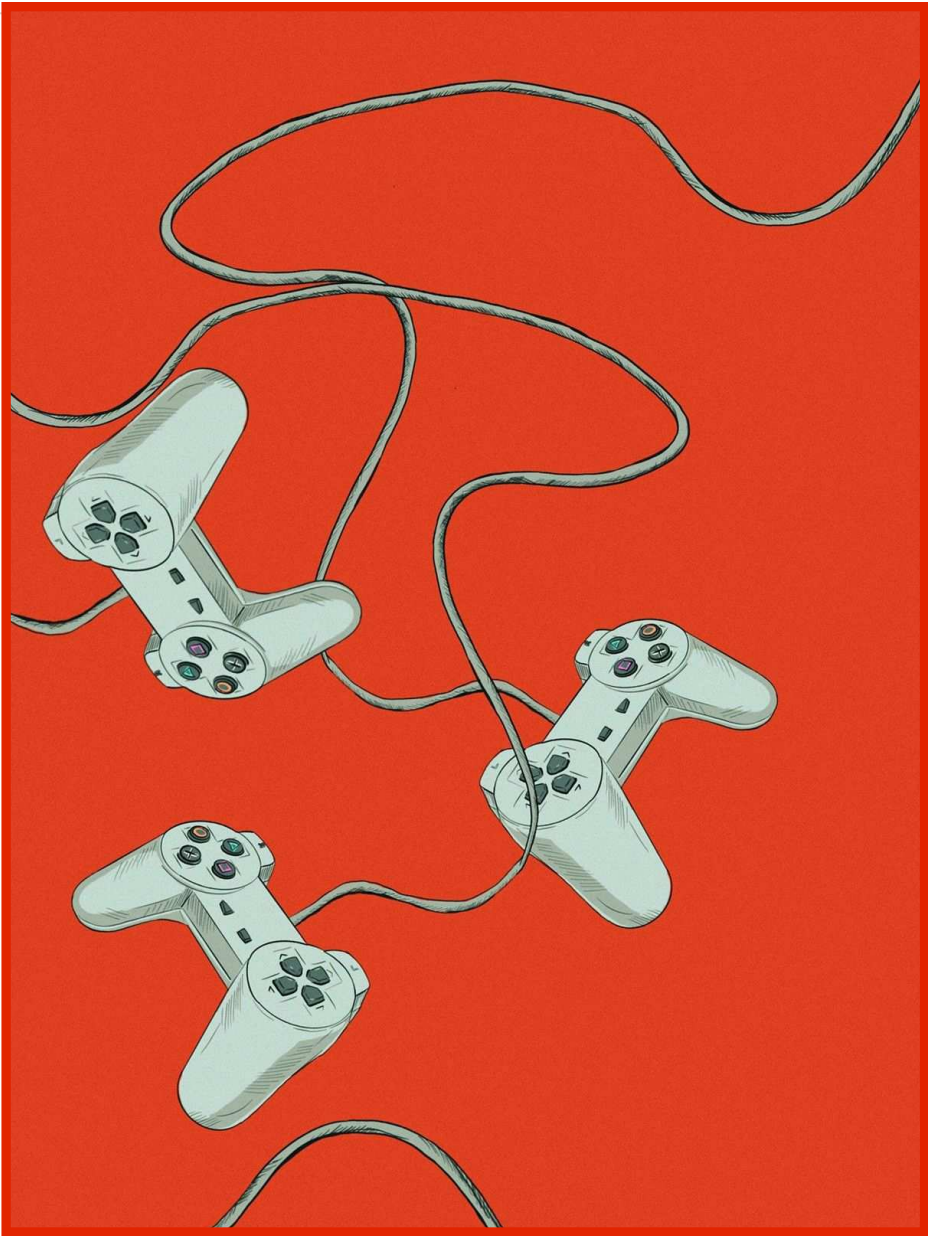
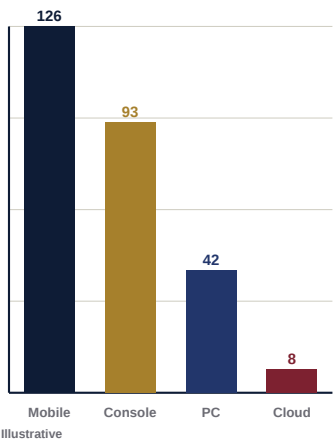
THE MIX



- Mobile 45%
- Console & PC 55%

Mobile is the single largest slice of the gaming market.

GAME REVENUE BY PLATFORM (\$B)



LABOR & EDUCATION

Does the Name on the Diploma Still Decide the Career?

The research is split. In skills-heavy fields, ability wins. In elite finance, law, and consulting, prestige still works as the gate.

BY AIDEN PARK · REGIS HIGH SCHOOL, CLASS OF 2029

CALLBACK RATES · FIT VS. PRESTIGE

Low-fit resume



High-fit resume



Prestige edge (high-fit)



Mihut's audit study of IT and accounting firms: skill fit moved callbacks far more than school name.

We Regents love to talk, maybe even dream, about our aspiring careers in finance, law, and all the other high-paying career paths. Many adults have peddled the narrative, “You can go to any college!” and while that is very true for some industries, in others, employers still value college prestige. Lauren Rivera examined this in her piece “Hiring as Cultural Matching: The Case of Elite Professional Service Firms.” One industry she researched was the “Elite Professional Service Firms,” defined as law, investment, and consulting firms that sell customized advice to clients. They are some of the highest-paying employers, as scoring an entry-level job puts you in the top 10% of earners in the US. Here’s the kicker: you cannot even turn in a resume unless you attend a “target” school. Firms mainly hire from annual recruitment events at prestigious universities, effectively shutting out anyone who does not attend them.

Rivera’s article does have some flaws; for one, she never defined what a “prestigious” university actually is, but overall, it laid a basis that can be expanded on. We now know that certain universities give unprecedented access to high-paying entry-level jobs, but what gives? There is even an argument that university prestige does not matter, a valid one at that. Georgiana Mihut conducted a study in which fake resumes were submitted to a variety of IT and accounting companies across the US, UK, and Australia. Some resumes were made to be “low fit” for the requirements, and others “high fit”; the universities listed were either high- or low-prestige. The results showed a negligible 0.2% difference in favor of high-fit, high-prestige individuals receiving a callback. The main difference was between low- and high-fit individuals: low-fit resumes received callbacks only 3.9% of the time, compared to 19.1% for high-fit resumes.

Mihut's article seems to put to rest the notion that a prestigious university equals a job, but some specifics must be mentioned. She focused on IT and accounting, where technical skills are supreme. In those industries, school prestige matters less as long as an applicant can complete the same task well. Professional service firms, on the other hand, take a different approach, including highly personal interviews designed to feel like informal conversations. Chetty et al. studied the effects of an Ivy Plus degree on employment and other wealth outcomes, finding that Ivy Plus graduates had a 12.57% higher likelihood of being hired by a prestigious employer. The study also shows that attending an Ivy League college instead of a state flagship increases a student's chance of reaching the top 1% of earners by nearly 60% and doubles their prospects of attending an elite graduate school.

In the end, what university you attend is not the be-all and end-all, but it matters unevenly. For skill-heavy fields like IT and accounting, employers may care far more about what an applicant can actually do than where they earned their degree. But in elite professional service fields like finance, law, and consulting, prestige still functions as a gatekeeper, giving certain students access to interviews, networks, and employers that others may never reach. For us Regions dreaming about high-paying, ambitious careers, this does not mean success is impossible without an Ivy Plus or "target" school, and it certainly does not mean prestige alone guarantees anything. It simply means we should be honest: a college's name on a resume can help move someone closer to the mountain's summit before the climb even begins.

THE IVY PLUS PREMIUM • CHETTY ET AL.

+12.6%

LIKELIHOOD OF HIRE

by a prestigious employer

~60%

HIGHER CHANCE

of reaching the top 1%

2x

ODDS OF

an elite graduate school

Top 10%

OF U.S. EARNERS

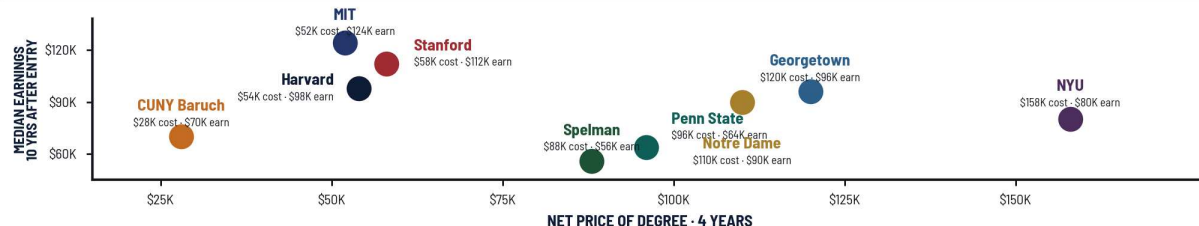
one elite-firm offer

Prestige still pays where hiring is relational rather than purely technical.



NET COST VS. EARNINGS

Each dot is a college: four-year price vs. pay a decade later



LABOR & HIRING

JPMorgan’s Skills-Based Pivot and the End of the Degree Filter

One of the world’s largest banks says skills matter more than diplomas. Whether the hiring actually changes is another question.

BY WILLIAM HAWKEY · RYE COUNTRY DAY, CLASS OF 2027

TWO WAYS TO READ A CANDIDATE · THE SHIFT

	THE DEGREE FILTER	THE SKILLS TEST
Signal	A diploma from a strong school	Can the applicant do the job
Taught by	Four-year universities	Bootcamps, high schools, on the job
Access	Limited by who can afford college	Open to more applicants
Risk	Misses talent without a degree	Hard to change manager habits

Dimon argues the diploma is a weak proxy for performance; the bank says it is weighting skills instead.

Here is something that surprised me when I first heard it. JPMorgan Chase, one of the world’s largest and most powerful banks, has said that college degrees are not as important as many people believe. Jamie Dimon, the CEO, told LinkedIn that skills are more important than degrees for many jobs at the bank. For a long time, a college degree was considered essential, the requirement that separated serious applicants from everyone else, and employers often wanted degrees from strong schools, good grades, and the correct major. Companies like JPMorgan were known for recruiting heavily from Ivy League schools, so the decision to remove degree requirements for many positions is surprising and challenges decades of traditional hiring practices.

The reason for this change is fairly straightforward. Dimon explained that a diploma does not ne-

cessarily show whether someone will perform well at work. Many people have known excellent students who struggled in workplaces, while others without college degrees have shown strong talent and work ethic. Instead, JPMorgan is focusing more on skills. Areas such as data analytics, cybersecurity, financial modeling, and project management can all be learned outside a traditional university setting, and Dimon even suggested that high schools could begin teaching these subjects, so that students who develop skills in finance or cybersecurity could qualify for jobs paying around \$65,000 per year without attending college.

However, the situation is more complicated than it first appears. A report from Harvard Business School found that among companies that removed degree requirements, only about 20 percent significantly changed their hiring practices; many either

saw little difference or eventually hired fewer people without degrees again. The report suggested that businesses announced these policy changes publicly but did not fully adjust recruiting systems or train managers differently, since updating a job posting is easier than changing long-established hiring habits. This raises an important question: Is JPMorgan truly changing its approach, or is this mainly public relations? JPMorgan is a very large organization with thousands of hiring managers, and changing culture across an institution that size is difficult.

At its core, this discussion is really about opportunity and access. Degree requirements often served as a financial filter as much as an education-

al one: students who could afford college gained access to many industries, while others were often excluded, regardless of their ability or potential. If skills-based hiring works as intended, it could provide opportunities to more people, and while it does not solve economic inequality, it recognizes that talent exists beyond those who completed four-year degrees. JPMorgan’s decision matters because of its influence. This is not a startup trying to stand out; it is one of the world’s most established financial institutions, changing a long-standing rule. Whether the company fully follows through remains uncertain, but the overall direction appears meaningful.

Only about 20 percent of firms that dropped degree requirements actually changed who they hired.

WILLIAM HAWKEY



RETURNING CASH TO SHAREHOLDERS		TAXED
Share buyback		ON SALE
Cash dividend		WHEN PAID
Effect on EPS		RISES
Shares outstanding		FALLS

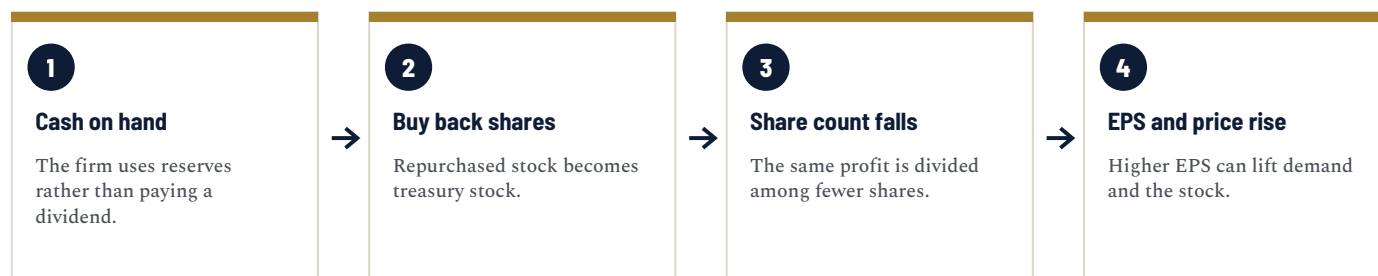
CORPORATE FINANCE

Why Companies Buy Back Their Own Stock

The buyback has overtaken the dividend as the favored way to return cash. It lifts earnings per share and the stock, which is exactly why critics worry.

BY CAROLINE WORAM · KELLENBERG MEMORIAL, CLASS OF 2027

THE MECHANIC · FEWER SHARES, HIGHER EPS



Earnings per share equals net income divided by shares outstanding; cutting the denominator lifts the figure.

Dividends have long been the conventional way firms distribute profits to shareholders, but firms today have many other methods for returning capital to investors. The most prevalent alternative is the share repurchase, commonly referred to as a stock buyback, which occurs when a firm buys some of its outstanding shares in the market using its cash reserves. In recent decades, buybacks have become an increasingly common practice among large corporations. Once repurchased, the shares are classified as treasury stock, and the shareholders who sold them receive cash in exchange. This reduction in outstanding shares often places upward pressure on the stock price.

A common reason companies undertake a buyback is to increase earnings per share (EPS), which measures a company's profit on a per-share basis and is calculated by dividing net income by the number of outstanding shares. A buyback decreases the number of outstanding shares, thereby increasing earnings per share, as there are fewer shares to divide the earnings among, and an in-

crease in EPS can raise demand for the stock and its price. Most companies prefer buybacks to dividends because of the advantages they offer. Buybacks provide indirect benefits by increasing share value; these gains are only realized when the shares are sold and are typically taxed at the lower capital gains rate. Buybacks do not carry the same signaling effect as a dividend cut because they are not permanent, and a company can buy back equity shares at the right time, often when it has excess cash or when management believes the stock is undervalued.

Although they began relatively recently, buybacks have become a widespread practice in corporate finance. In the latter half of the twentieth century, they were not widely practiced because some regulators viewed them as market manipulation and restricted them. In the early 1980s, the U.S. Securities and Exchange Commission issued rulings clarifying the legality of companies purchasing and holding their own shares. By the late 1980s, they were growing at a tremendous pace, be-

coming the most popular way to return excess capital to shareholders. One notable trend has been companies like Apple running one of the largest buyback programs in history, spending hundreds of billions of dollars to repurchase their shares using the enormous cash generated by their products and services.

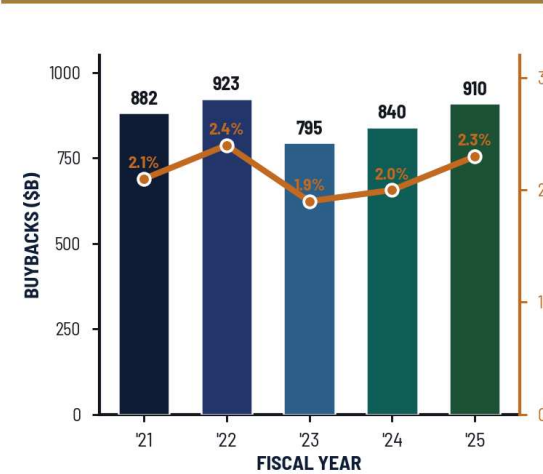
For years, buybacks have been hailed as a positive force by executives, analysts, and many shareholders. Now, however, an increasing number of critics argue that the practice has grown excessive and is distracting from more productive uses of corporate capital. These critics contend that rather

than investing in higher wages, research, and other activities that increase future growth, corporations are returning more capital to shareholders through buybacks that artificially boost earnings per share. They see this as short-term thinking, in which executives, partly compensated based on shareholder return targets, may pursue buybacks to boost the price of shares they receive as equity compensation. Understanding the mechanisms of buybacks reveals a great deal about the values and objectives of the firms that implement them, and they have become a defining feature of the US financial system.



S&P 500 BUYBACKS & YIELD

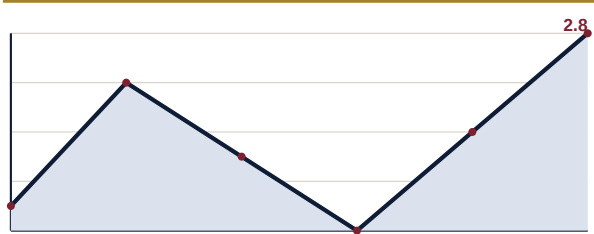
Dollars repurchased (bars) vs. buyback yield (line)



Gains from a buyback are realized only when shares are sold, and taxed at the lower capital-gains rate.

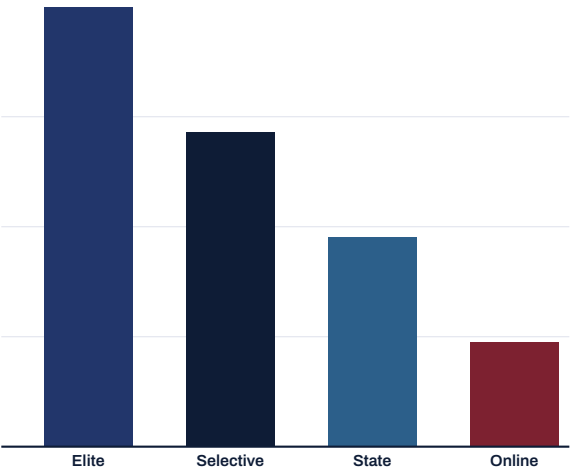
CAROLINE WORAM

BUYBACK YIELD (%)



lustrative

CALLBACK RATE BY PRESTIGE



PRIVATE CREDIT

Leveraged Loans and PIK Toggles: A Catastrophe Waiting to Happen

A feature that lets struggling borrowers defer interest can quietly compound a loan into a default. Fitch ties more than half of recent defaults to it.

BY SOFIA VARANO · MARYMOUNT SCHOOL OF NEW YORK, CLASS OF 2029

GOOD PIK VS. BAD PIK · TWO TOGGLES

	GOOD PIK	BAD PIK
When set	Agreed before the loan is issued	Proposed after issuance
Typical user	Small, growing companies	A struggling borrower
Purpose	Free up cash for development	Postpone a likely default
Signal	Planned, priced-in risk	Debt quietly compounding

The same mechanism can be prudent or perilous depending on who asks for it, and when.

Although a common practice in the private credit world, allowing payment-in-kind (PIK) toggles on leveraged loans can be an extremely risky investment for lenders and can lead to catastrophic outcomes if the loan defaults. PIK toggles, put simply, are an option most lenders offer borrowers that add interest to the final repayment of the loan instead of receiving monthly interest payments. They are generally divided into two categories: good PIK and bad PIK. Good PIK is usually where the lender and borrower determine whether a PIK toggle will be included before the loan is issued, and it is typically used by small, rising companies that want to devote all of their money to development. Bad PIK, on the other hand, usually occurs when the borrower proposes a toggle after the loan has already been issued and can indicate a struggling company trying to postpone default.

PIK toggles are useful in many circumstances, especially for growing companies that would rather put more of their money toward development than toward repaying a loan. Still, despite their benefits, they carry disadvantages: according to Fitch Ratings, 55% of loans that defaulted did so due to PIK toggles. So why would a lender allow a borrower to exercise one? To start, because of its risk, lenders will increase the interest rate when a borrower opts for a PIK toggle. In addition, many toggles have terms limited to specific timeframes to allow for short-term saving rather than serving as a permanent way to avoid debt. However, interest compounds on the loan amount, eventually leading to greater debt for the borrower.

A leveraged loan is a loan issued to companies that carry significant debt or have a low credit score. Due to their risky nature, many lenders will

increase interest rates and ensure that the loan is senior secured, meaning that if the company struggles, the lender will be the first to get its money back and may be able to sell the company's assets if it defaults. Given the riskiness of both PIK toggles and leveraged loans, why would a lender allow a toggle? At its core, the lender wants to earn interest, especially given competition from many other lenders, and will accept a leveraged loan with a PIK toggle for the higher interest rate.

However, what would happen if the loan defaulted? Consider the catastrophic example of TXU

Corp, later named Energy Future Holdings, a large company granted a \$37 billion leveraged loan, with PIK interest adding an additional \$1.5 billion. When the company filed for bankruptcy, it marked one of the largest corporate bankruptcies in American history. It raised concerns that bad PIK only delayed the inevitable defaults of large companies, allowing their debt to balloon out of control. In the end, despite their many benefits, leveraged loans with PIK toggles, especially with bad PIK, remain an extremely risky investment that could lead to a disastrous outcome for both lenders and borrowers.

THE CAUTIONARY TALE

55%

OF DEFAULTS
tied to PIK, per Fitch

\$37B

TXU LOAN
one of the largest

+\$1.5B

PIK INTEREST
added on top

TXU / Energy Future Holdings became one of the biggest corporate bankruptcies in U.S. history.

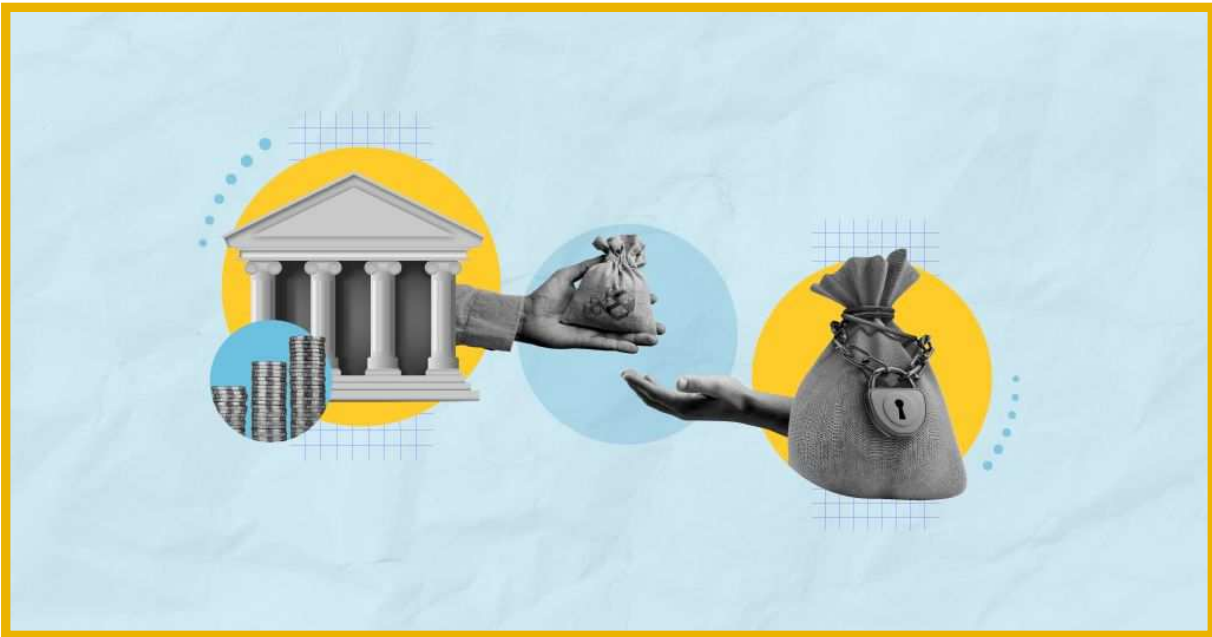
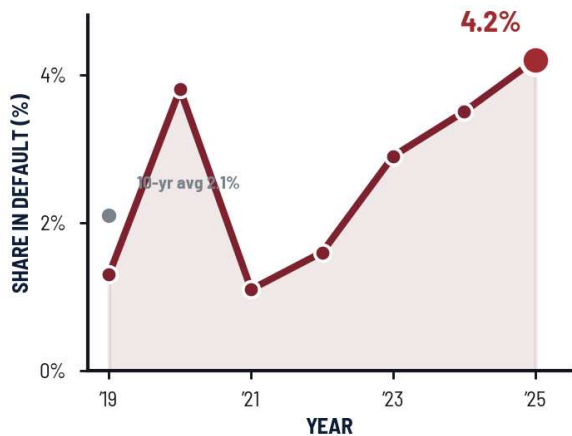
TERM OF THE ISSUE

SKILLS-BASED HIRING

Evaluating candidates on demonstrated ability rather than a formal degree requirement.

LEVERAGED-LOAN DEFAULT RATE

Share of leveraged loans in default, by year



CONSUMER CREDIT

Why 'Pay Later' Pays Off for Stores

Buy Now, Pay Later boosts sales and feels free at checkout. Its design, and its lack of regulation, can quietly stack debt on the consumer.

BY MEGAN WILDE · KELLENBERG MEMORIAL, CLASS OF 2027

BY THE NUMBERS · GALLUP, APRIL 2026

51%

OF AMERICANS
have used BNPL

10%

RELY ON IT
frequently

\$0

INTEREST
at point of sale

\$0

CREDIT BUILT
while paying

Adoption is mainstream; the trade-offs are mostly invisible at checkout.

What seemed like a budgeting saver at checkout is quickly turning into a debt nightmare for many. Buy Now, Pay Later, also known as BNPL, is a fast-growing payment trend in which consumers make payments in small installments, usually over several weeks. These companies, including Klarna and Afterpay, allow customers to pay in short-term installments that do not require great credit and do not charge interest. The method has grown over the last few years, letting consumers pay for things such as appliances and vacations without the fear of interest that comes with credit cards. While BNPL offers continuity and growth, its lack of regulation and psychological design create a significant risk to consumer financial health.

According to CNBC Select, more than half of Americans have used short-term installment plans for online purchases, according to a Gallup poll from April 2026, including 10% who report relying on BNPL frequently. Retail businesses tend to love BNPL because it boosts sales by increasing conversion rates, and they are often able to hook customers in with its attractive rates and value. Customers are also more likely to buy more when they feel they are not facing the consequences at that very

moment. BNPL also gives companies a competitive advantage over others by offering flexible payment options.

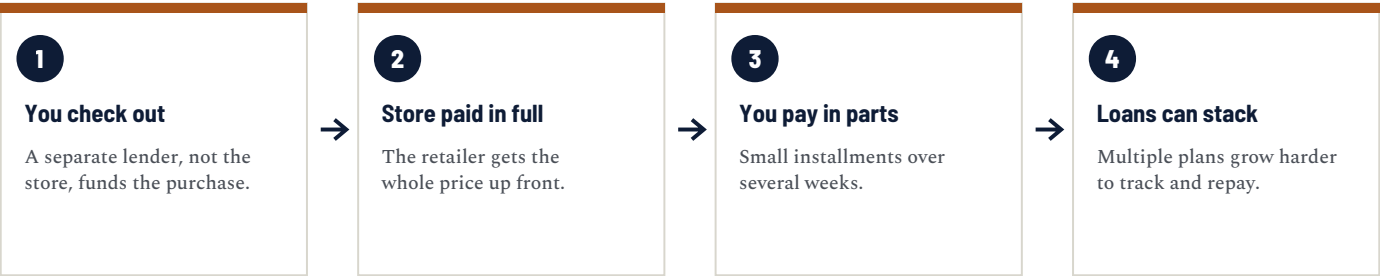
Although BNPL offers many advantages for consumers and companies, there are many unknown downsides that harm consumers. One is that the process is very confusing. These loans are usually handled by companies separate from where the consumer is buying, which can cause problems when a person needs to return items or get a refund, as it is often unclear whom to contact or where their money actually went. Another issue is overspending and the stacking of loans, since consumers are more likely to overspend when it seems like they are spending less; with small installments and usually no interest, the loans can stack up and grow until they become too difficult to handle. Even though BNPL does not require a good credit score, that also means no credit is built when using it.

The rise of BNPL, while a useful tool for some, has created issues that seem almost invisible. Consumers need to understand what situations they are getting into and know which payment methods they are using. Through BNPL, many consumers

and businesses are able to thrive, but it is important for them to know the facts that come with it. The rise of Buy Now, Pay Later is an important is-

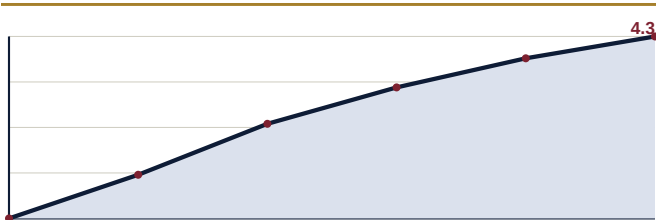
sue that needs to be monitored for the sake of consumers.

WHERE THE MONEY GOES · THE SPLIT



Because the lender sits apart from the retailer, returns and refunds often get tangled.

BNPL DELINQUENCY RATE (%)

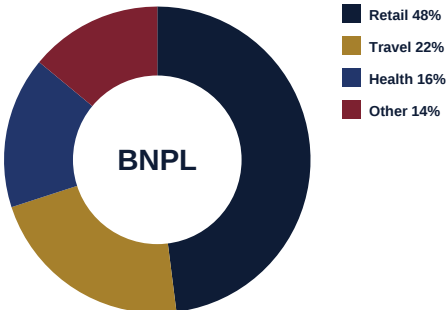


Illustrative

MARKET SNAPSHOT · AS OF PRINT



BNPL SPEND BY SECTOR



Illustrative

ECONOMICS EXPLAINED

How Airlines Overbook Flights and Still Make a Profit

An empty seat is money gone the moment the door closes. Overbooking is not greed; it is probability, and most of the time the math quietly works in your favor.

BY JOHN DEFLORIO · RYE COUNTRY DAY, CLASS OF 2027

THE LOGIC · WHY SELL 192 SEATS ON A 180-SEAT PLANE



Overbooking is a calculation built on years of route-by-route no-show data, not a gamble.

Have you ever been bumped from a flight? Initially, most people feel annoyed until they find out the airline will pay them for an overly long wait; instead of feeling like a punishment, it feels like a deal. After hearing stories about people experiencing this every day, I did some research and realized that overbooking isn't some greedy mistake; it's actually a pretty smart piece of economics. For starters, you have to understand that an empty seat on a plane is worthless the second the door closes. You can't sell it later, you can't save it for tomorrow; it's just gone, kind of like a concert ticket nobody bought before the show started. So if a plane takes off with even a few empty seats, that's money the airline will never get back.

So why do people not show up? All sorts of reasons. They miss a connection, get stuck in traffic, their plans change, or, like with a flexible business ticket, they bought it as a backup and never needed it. On a typical flight, the no-show rate can range from a few percent to over 10 percent, highest on business routes. Here's where the airline's thinking

gets interesting. Almost everything it costs to fly a plane is already paid for before anyone boards. The plane, the fuel, the pilots and flight attendants, the gate fees, all of it is basically locked in, so the cost of adding one more passenger is tiny: a little extra fuel and a free soda. If the airline can fill a seat that would have been empty anyway, that ticket is almost pure profit.

Put those two facts together, and the logic is hard to argue with. Say a plane has 180 seats and the airline sells exactly 180 tickets, but twelve people don't show up; that plane leaves with twelve empty seats and twelve tickets' worth of money gone forever. So the airline sells more than 180 tickets, betting that some people won't show. That's overbooking, and it's not a guess; it's a calculation. Airlines have systems that analyze years of data for every route, every day of the week, every season, and determine how many people are likely to be no-shows. They're basically weighing two risks: on one side, the risk of leaving seats empty, and on the other, the risk of too many people show-

ing up and having to bump someone. The sweet spot is right in the middle, where the cost of an empty seat equals the cost of a bumped passenger.

But what happens when the airline guesses wrong and too many people show up? Instead of just kicking someone off, the airline asks for volunteers and offers them perks: travel vouchers, cash, upgrades, or a free hotel, and it keeps raising the offer until enough people say yes. This lets the airline find the lowest price someone is willing to accept in exchange for giving up their seat. The airline only forces someone off, called involuntary bumping, when not enough people volunteer, and they really try to avoid this, because the government requires them to pay bumped passengers real cash. The most famous example was in 2017, when a United passenger was dragged off an overbooked

flight; the video went viral, and the company lost hundreds of millions of dollars in value almost overnight.

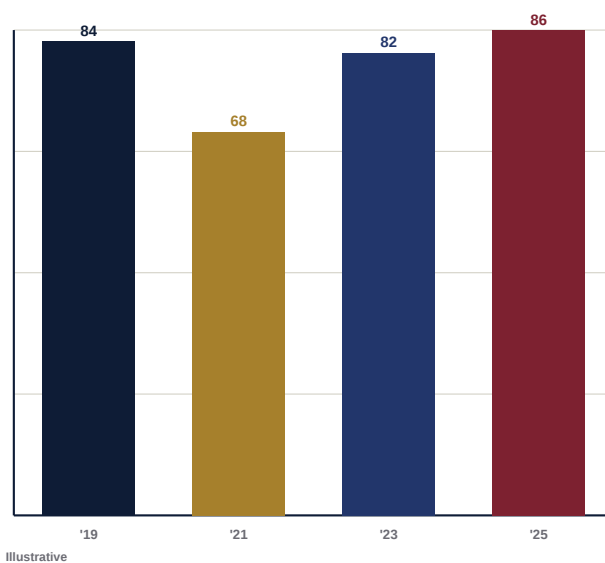
Here's the takeaway I keep coming back to: overbooking is one of those rare situations where almost everyone actually wins. The airline makes money it would have lost, the volunteer who gives up their seat walks away with more than the inconvenience was worth, and the part most people never realize is that the average passenger pays a lower fare because all that recovered money helps keep ticket prices down for everyone. So the next time you hear that airlines sell more tickets than they have seats, don't think of it as a scam. An empty seat is wasted money, no-shows are inevitable, and betting on probability is just smarter than hoping for the best.

The average passenger pays a lower fare, because the recovered money helps keep ticket prices down for everyone.

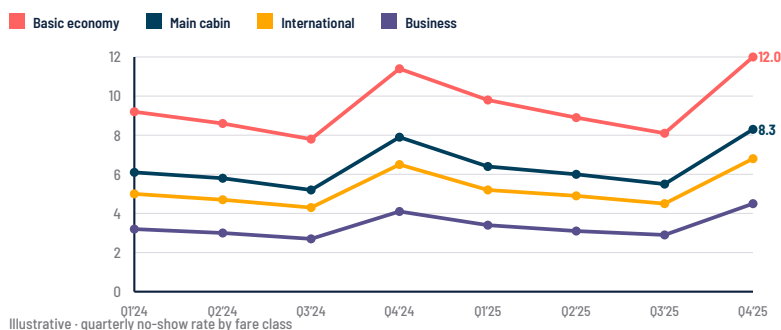
JOHN DEFLORIO



AIRLINE LOAD FACTOR (%)



FLIGHT NO-SHOW RATE (%)



Disclaimer: This article reflects the author's analysis and is for educational purposes only. It is not investment advice. The Meridian Financial Review is a student publication.

SPORTS ECONOMICS

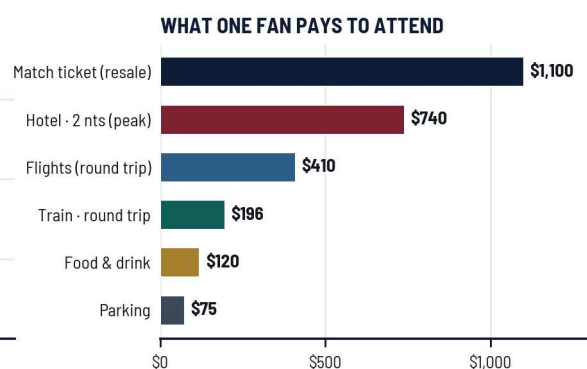
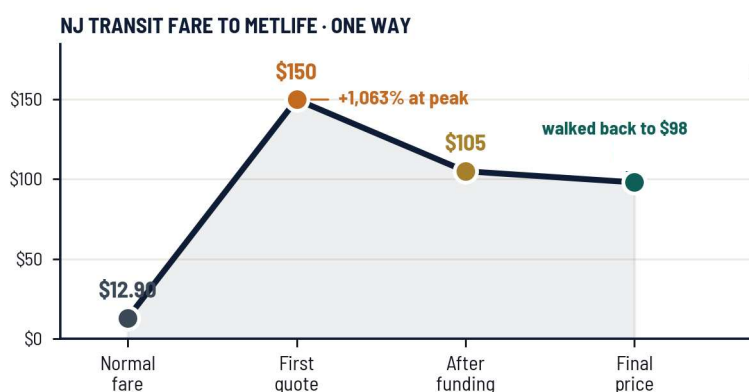
The Hidden Bill of the 2026 World Cup

Tickets were only the start. Hotels, trains, and parking around the tournament are turning the world's biggest celebration of soccer into a luxury few can reach.

BY SEBASTIAN FERNENGEL · REGIS HIGH SCHOOL, CLASS OF 2028

THE HIDDEN BILL · GETTING TO THE 2026 FINAL

Per-fan total ≈ \$2,641



NJ Transit's proposed World Cup fare was more than a 1,000% increase before it was walked back to \$98.

Imagine this: you've been a fan of soccer your entire life, and the World Cup is coming to your country. You've dreamed of watching the world's best players surrounded by thousands of passionate fans, but reality quickly sets in. All the attention to the 2026 World Cup has been on overpriced tickets. Still, the ecosystem around the event, hotels, transportation, and parking, may make attending unaffordable for fans. This is the situation countless fans face as the 2026 FIFA World Cup approaches, with the opening game taking place on June 11th.

Mega-events such as the FIFA World Cup are large-scale events that require extensive planning and are often significant enough to lead to lasting changes in the host cities and nations. Cities and nations compete to host them because they believe they will spur infrastructure development, enhance prestige, and attract tourist revenue. Despite this, mega-events often result in a financial loss for the

host. In the 2022 World Cup hosted by Qatar, for example, the host nation spent an estimated \$220 billion, making it the most expensive World Cup in history, yet tourism and event-related spending brought in only about \$2.4 to \$4.1 billion. During mega-events, host cities and nations drastically raise prices to capitalize on the imbalance between skyrocketing demand and limited supply.

After the group-stage draw in December 2025, hotel prices jumped by up to 300% in some host cities. In Houston, average nightly hotel rates are 56% higher than the same period last year, and some sources report that hotel prices in host cities can reach up to five times higher than normal. While hotel prices are rising, the costs of getting to and from the venues might be even higher. A typical round-trip ticket from Manhattan to MetLife Stadium, where the 2026 World Cup final is being held, costs \$12.90. With the World Cup approaching, NJ

Transit announced that tickets would cost \$150, a more than 1,000% increase. After securing private funding, NJ Transit reduced the price to \$105, still an 800% increase, and then later to \$98. “This isn’t price gouging,” NJ Transit President and CEO Kris Kolluri told reporters. “We’re literally trying to recoup our costs.” New Jersey Governor Mikie Sherrill criticized the pricing, saying that “New Jerseyans shouldn’t be stuck with that bill while FIFA makes \$11 billion in profit.”

For fans hoping to avoid expensive train fares by driving, parking may offer little relief. MetLife Stadium has stated that it will not offer parking to fans because of security requirements. Instead, American Dream Mall, half a mile away, is offering limited parking for \$225. In some cities, parking is even worse: at SoFi Stadium in Inglewood, it can cost up to \$300, and all other major cities’ parking

costs three figures, except Atlanta. As a result, fans may find themselves paying substantial fees simply to leave their cars near the venue.

For many soccer fans, attending a World Cup match is a once-in-a-lifetime opportunity. Yet as the 2026 tournament approaches, the biggest obstacle may not be ticket prices alone but the growing costs associated with the event. While host cities and transit organizations argue that these increases are necessary to cover unprecedented demand and operating expenses, critics question whether the tournament is becoming inaccessible to the average fan. If attending increasingly depends on one’s ability to afford expensive hotels, transportation, and parking, the world’s biggest celebration of soccer risks becoming less of a global event and more of a luxury experience.

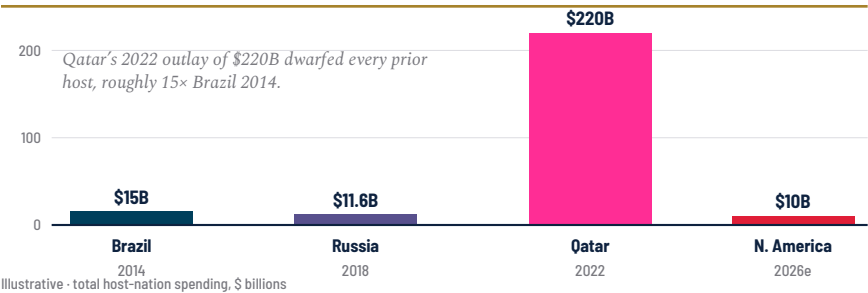
PARKING, BY STADIUM • PER CAR



MetLife will not offer fan parking; nearby lots fill the gap at a premium.



WORLD CUP HOST SPENDING (\$B)



PERSONAL FINANCE

Should Teenagers Pay Taxes on Part-Time Jobs?

That first paycheck comes with a deduction nobody asked for. Whether it is a burden or a lesson depends on how you look at it.

BY ANNA DRY · EXCELSIOR PREP, CLASS OF 2027

THE TWO SIDES · A TEEN PAYCHECK

	THE CASE AGAINST	THE CASE FOR
Income	Small, often for gas or clothes	Earned in the same economy as adults
Dependence	Many teens still rely on parents	A first lesson in responsibility
The economy	Less to save or spend	Teen spending circulates locally
The law	Feels like a penalty on effort	Protections mean many pay little

Federal income tax plus payroll taxes apply once earnings cross a threshold; many teens are refunded.

For many teenagers, getting a part-time job is a big step toward independence. Whether it's working at a local cafe, babysitting, or stocking shelves, earning your own money feels like leveling up in real life. But along with that paycheck comes something less exciting: taxes. The question is, should teenagers really have to pay them? First, taxes aren't just random money disappearing from your check. They help fund things everyone uses, like roads, schools, and public services, and in the United States, the Internal Revenue Service is responsible for collecting them. Even teenagers are required to pay certain taxes if they earn enough income, especially federal income tax and payroll taxes like Social Security and Medicare.

Some people argue that teenagers shouldn't have to pay taxes because they usually earn less money and are often still financially dependent on their

parents. A part-time job might only cover small expenses like gas, clothes, or college savings, so taking a portion of that income can feel unfair, like being charged admission to your own effort. However, there's another side to the story. Paying taxes can teach teens important life skills, introducing them to financial responsibility early on and helping them understand how income, budgeting, and government systems work. Part-time jobs also play a surprisingly important role in the economy. When teenagers earn money, they tend to spend it quickly on things like food, entertainment, and clothes, which helps local businesses grow and keeps money circulating.

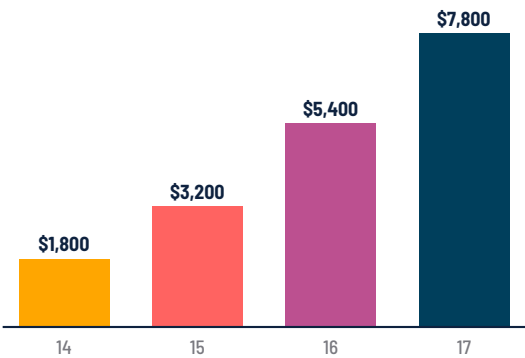
There's also the idea of fairness. Adults pay taxes on their income, so some believe teens should too, especially if they are earning money in the same economy; on the other hand, tax laws already in-

clude protections for low-income earners, meaning many teens either pay very little or get refunds when they file. This is where legal clarity becomes important, as governments and tax agencies provide guidelines so people understand what they owe and avoid penalties.

In the end, whether teenagers should pay taxes depends on how you look at it. On one hand, it can seem like an extra burden on young workers: on the

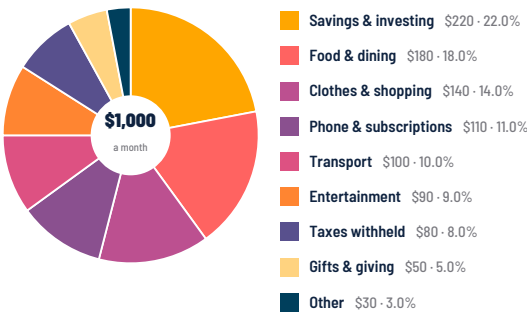
other, it helps prepare them for adulthood and contributes to the economy. Like many things in life, it’s a mix of responsibility and reality, not exactly fun, but part of how the system works. So the next time you see taxes taken out of a paycheck, it might still sting a little, but it also means you’re participating in something bigger than just your own wallet.

TEEN MEDIAN EARNINGS BY AGE



Illustrative - \$ per year - +333% from age 14 to 17

WHERE A TEEN PAYCHECK GOES



Illustrative - how a teen splits \$1,000 a month

Standard deduction shielding most teen earnings from federal tax



EDITOR'S NOTE

We have aimed to make the Meridian the central hub for financial news and original stories in schools across New York and across the country. To that extent, and thanks to all of you readers, we have been largely successful. Thank you for reading our second edition, and for being part of a publication that puts hard work and dedication to our craft at the forefront of every issue.

This edition was focused on the financial and business conglomerates shaping markets around the world. From the economics of NBA expansion and stock buybacks to the future of AI infrastructure and Argentina's battle against hyperinflation, we covered the everyday forces shaping the global economy. Thank you to all of our writers for the amazing stories you all put to writing in this edition.

And if your work was not included in this issue, do not be discouraged: we have far more coming over the summer, and we could not be more excited about how quickly this publication is growing. There is room for every voice as the Meridian expands.

Next, look out for our summer edition and publications at themeridianfinancialreview.org. As always, we are still looking for new writers. If you are interested in writing, or have general questions, please reach out below.

Sincerely,

*Alexander Golden, Caroline Woram,
& Benjamin Louis*

EDITORS, THE MERIDIAN FINANCIAL REVIEW

THIS ISSUE, BY THE NUMBERS

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*“The four most dangerous words in investing are:
‘this time it’s different.’”*

JOHN TEMPLETON · PIONEER OF GLOBAL INVESTING

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