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NEXT INVESTOR

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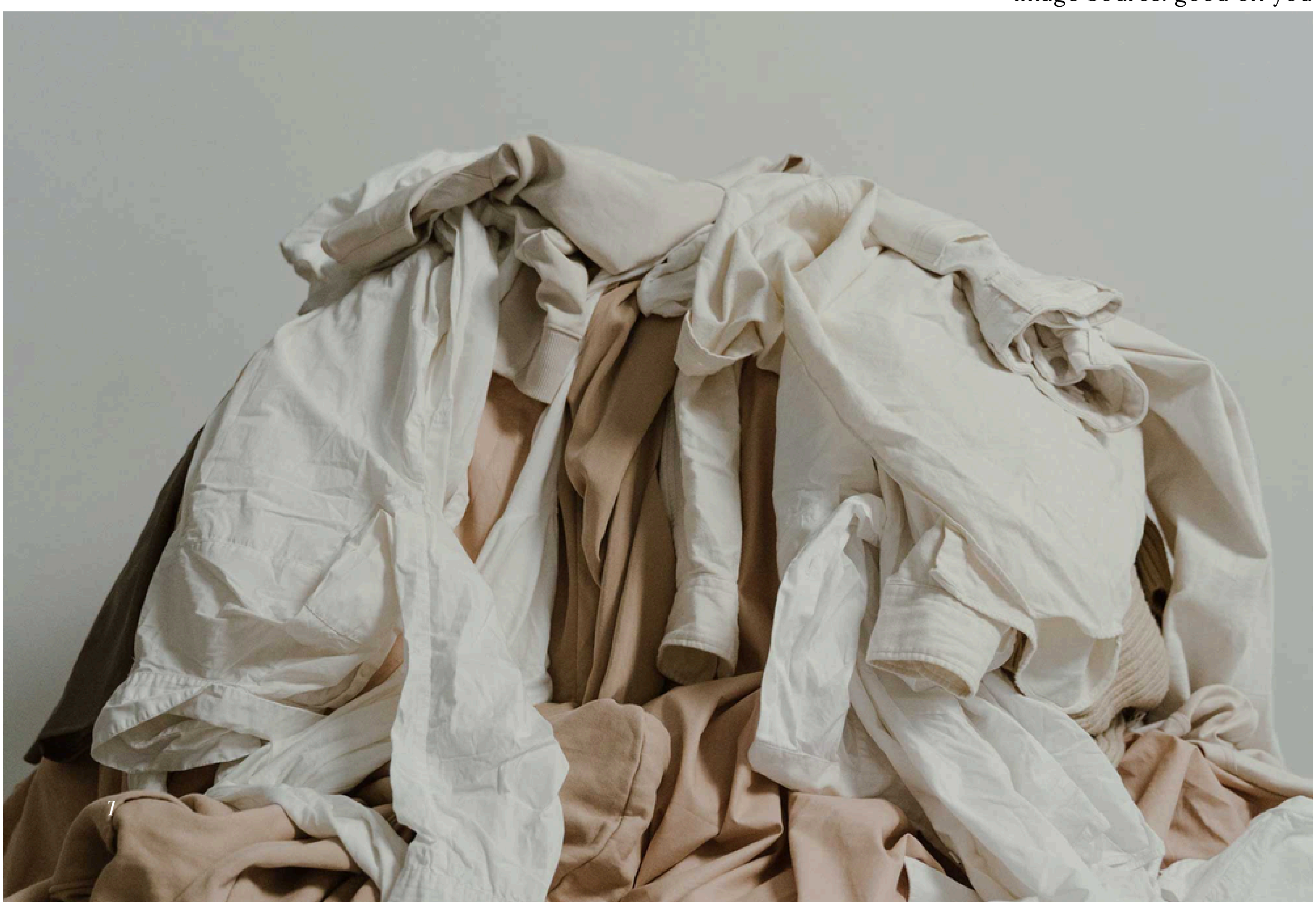
The Cost of Convenience: The True Impact of Ultra-Fast Fashion

By Gaargi Bora

Image Source: good on you



“Fast fashion, while creating affordable clothing options for consumers, has led to 2.31 billion tons of global greenhouse gas emissions in 2018 alone–4% of the global total.”

These days, many clothing brands are considered to be “fast fashion,” meaning that they quickly and comprehensively cater to a rapidly changing landscape of trends. An issue gaining global attention has been the rise of ultra-fast fashion brands, namely Shein and Temu. Their high volume in product selection and low prices give them an advantage, shown by their success in sales surpassing H&M. As opposed to more established brands like Zara or H&M, these newer ultra-fast fashion brands provide vastly lower prices–but often at a detrimental cost. Ultra-fast fashion brands have created a causal chain mechanism by which consumerism and market demand have caused environmental degradation and ethical questions in developing companies that house their labor.

The fast fashion industry produces over 92 million tons of waste and consumes 79 trillion liters of water per year. The world consumes around 80 billion new pieces of clothing every year, up by more than 400% in the last 20 years. This excessive waste and water consumption have only added to rising pollution levels and have further depleted natural resources–while inflicting damage to ecosystems. Ultra-fast fashion only exacerbates these issues, where the amount of natural resources consumed and waste produced is snowballing.

As a result, the environmental impact of ultra-fast fashion continues to grow, emphasizing the need for more sustainable alternatives.

The issue is also more nuanced than it may appear, as there are also some positive economic implications to outsourcing manufacturing to third world or developing countries. The increased globalization and opening new international markets may benefit them through the creation of business partnerships and alliances. Ultra-fast fashion has also created more intricate, responsive. As they turn into major industry players in the fashion supply chain, they grow more economically sound.

While the positive economic implications may have overshadowed the negative appearance of the fast fashion industry in corporate reporting thus far, the environmental damage and humanitarian issues must not be neglected.

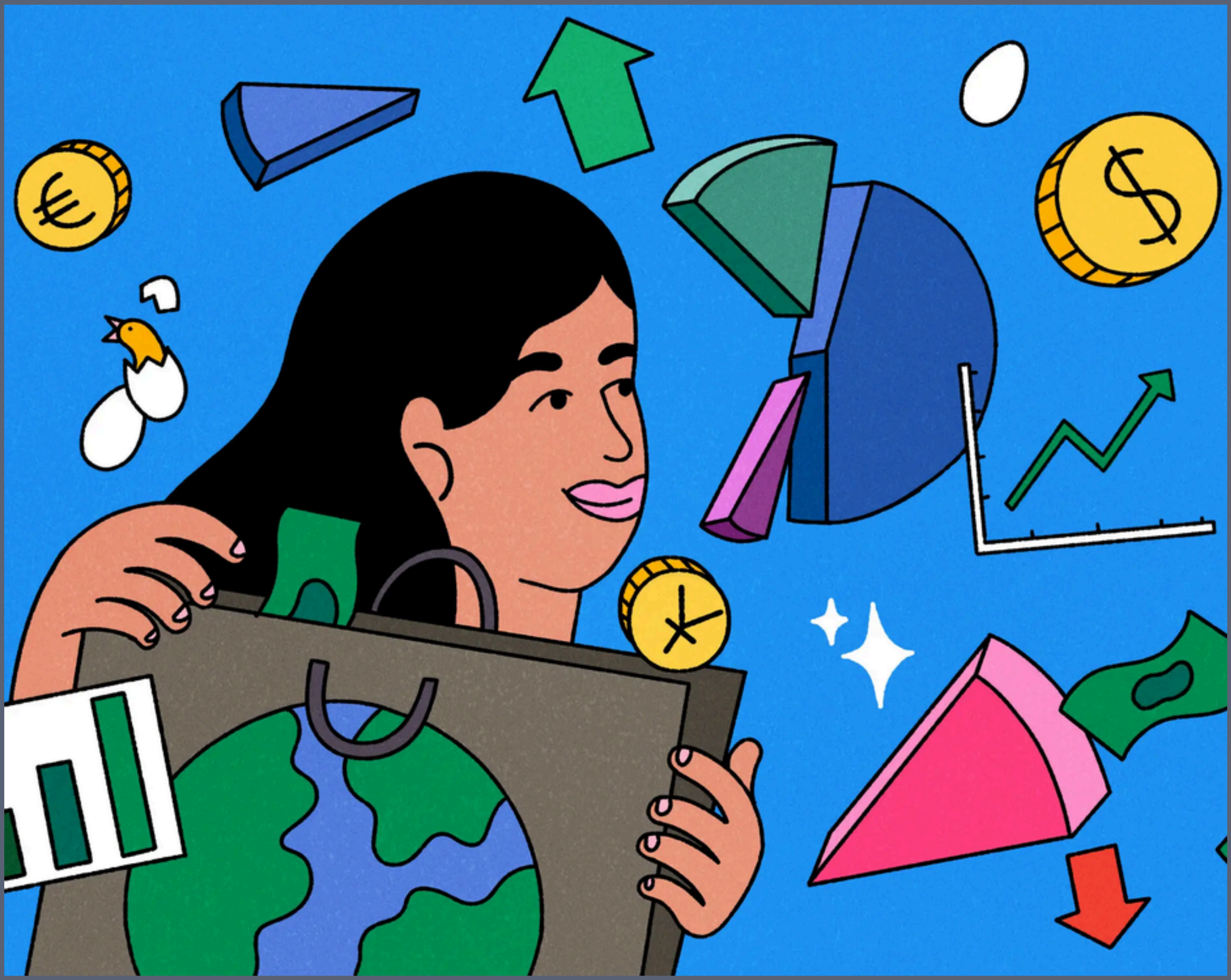
Long-term profitability is inherently intertwined with sustainability. A business model which depletes natural resources and mistreats workers is simply unsustainable in the long run. Regulatory pressure, supply chain disruption, and shifting consumer sentiment can force companies to adapt. By emphasizing ESG performance into investment decisions, investors can coerce companies to consider their long-term impact, making profitability and sustainability complementary rather than conflicting goals.

Without collective action, ultra-fast fashion will continue to fuel labor exploitation, environmental destruction, and economic instability in developing countries, worsening the long-term consequences of an already unsustainable industry.

WALL STREET'S WEALTH GAP

By Alexander Carter

Image Source: The New York Times



Stock market participation has grown, with a record 58% of U.S. households owning stocks in 2023. However, this broader engagement has done little to shift ownership away from the wealthiest Americans. While the pandemic sparked a surge in retail trading—fueled by stimulus checks and remote work—many retail investors sold off during the 2022 bear market, further entrenching wealth at the top.

Historically, stock market booms have disproportionately benefited the wealthy because high-income households allocate more of their assets to equities. In contrast, middle-class Americans tend to invest in real estate.

Federal Reserve data underscores this disparity: the bottom 50% of households held $4.8 trillion in real estate assets but just $0.3 trillion in stocks. Meanwhile, the top 1% controlled over $16 trillion in equities and $6 trillion in real estate.

The past decade has seen remarkable stock market growth, driven by ultra-low interest rates. The S&P 500 surged 155% over ten years, with a 24% gain in 2023 alone. Yet, this wealth accumulation remains concentrated among the top earners, reinforcing economic inequality.

While rising stock ownership is a positive trend, meaningful change would require policies that promote broader financial inclusion, higher wages, and investment opportunities for lower-income Americans. Until then, the wealthiest will continue to reap the largest rewards from stock market gains.

"The richest Americans now control an unprecedented share of the U.S. stock market, with the top 10% holding a record 93% of all equities, according to recent Federal Reserve data. Meanwhile, the bottom 50% of Americans owned just 1% of stocks in the third quarter of 2023, highlighting a stark wealth divide."

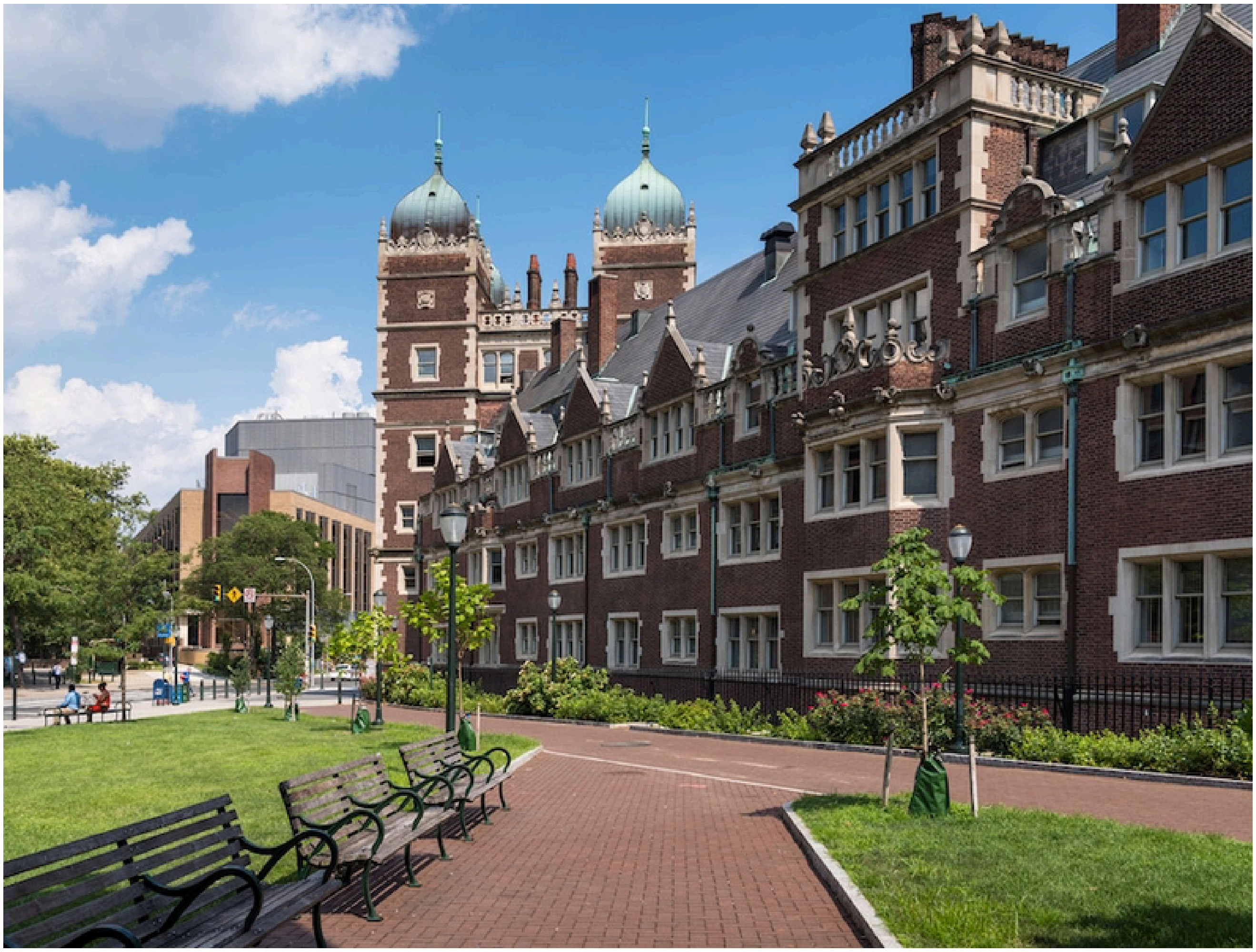


Image Source: Interfolio

Universities Face Challenges

FUNDING CUTS IMPACT GRADUATE PROGRAMS AND RESEARCH

By Livia Bennet

As universities across the country navigate significant funding cuts, graduate programs and research initiatives are facing tough challenges.

Recent funding cuts to colleges and universities have begun to affect graduate students and research programs across the country. As universities face reduced financial support from federal grants and contracts, institutions are being forced to make difficult decisions that impact students' educational opportunities and the broader academic community.

At the University of Pennsylvania, administrators in the School of Arts & Sciences, the university's largest school, have been asked to limit the number of incoming Ph.D. students. For some departments, this has meant reducing the number of offers made to students.

These reductions are part of a broader trend seen at universities nationwide. The National Institutes of Health (N.I.H.), a major source of funding for academic research, has faced cuts in overhead reimbursements, which support facilities and staff costs. As a result, institutions like Penn could lose millions of dollars in funding.

Some universities have preemptively addressed financial concerns by implementing hiring freezes. North Carolina State University, Stanford University, and the University of Louisville are among the schools that have announced such measures, citing the potential for significant financial challenges.

At Penn, reductions in graduate student admissions have been made across multiple departments, including history and English. These cuts have led to concerns about the potential impact on the university's academic reputation. A letter from faculty members across 22 departments warned that the reduction in Ph.D. slots could harm the institution's standing in the academic community.

As universities work to adjust to the changing financial landscape, the long-term effects of these cuts remain uncertain. Some institutions, like Yale, have announced plans to use their endowments to temporarily fund research and student programs.

This offers temporary relief in the face of reduced federal support. However, for many schools, the financial challenges are expected to persist, with ongoing uncertainty over funding from federal sources.

The impact of these funding cuts extends beyond the universities themselves, affecting not only graduate students but also the broader academic and research landscape in the United States.