

Macro Roundup Article

Headline: [Americans Don't Save Much, But Their Companies Do](#)

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Tweet: [.@tylercowen](#) notes that America's low personal savings rate of 4.7% in January 2023 is offset by higher corporate savings which results in a gross savings rate of 17-18% of GDP.

Summary: At the household level, Americans have long been poor savers. Are such low savings rates unsustainable for an advanced economy? Not in view of America's business saving. Looking at the US Federal Reserve's series on undistributed business profits, it starts to rise significantly in the 1970s, and takes off around 2000 (with a dip for the financial crisis), and currently stands a bit above \$1.2 trillion. There are other ways to measure business savings rates, but generally they show a significant upward move over the last few decades. On net, gross US savings rates are hovering between 17% and 18% of GDP. This asymmetric distribution of the savings burden can lead to wealth distribution problems over time.

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