

Macro Roundup Article

Headline: [The U.S. Consumer Is Starting to Freak Out](#)

Article Link: <https://www.wsj.com/articles/consumer-spending-inflation-economy-11675093472>

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Tweet: In 2022 consumer spending, which makes up about 70% of the American economy, has outpaced price increases by 2pp, but has fallen for three of the last four months. @WSJ

Summary: Retail purchases have fallen in three of the past four months. Spending on services, including rent, haircuts, and the bulk of bills, was flat in December, after adjusting for inflation, the worst monthly reading in nearly a year. The saving rate has fallen to roughly 3% of monthly income, from more than 30% at the start of lockdowns. In 2019, the year before the pandemic, the rate was 8.8%. Credit-card balances were up 15% on the year in the third quarter, according to the Federal Reserve Bank of New York, the largest increase in more than two decades.

Primary Topic: Business Cycle

Topics: Business Cycle, Factoid, GDP, Inflation, News article, Sell-by Date

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