

Macro Roundup Article

Headline: [As Savings Slowly Shrink, Consumer Spending Is on Borrowed Time](#)

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Tweet: Excess savings associated with the pandemic, which are somewhere in the \$1.2-\$1.8T range, should provide support for the economy through the end of next year according to a range of estimates. @WSJ

Summary: Headed into the third quarter of this year, households still had about \$1.2 trillion to \$1.8 trillion in “excess savings”—the amount above what they would have saved had there been no pandemic. Economists’ estimates for how much consumers have left vary. JPMorgan Chase & Co. put the hoard at about \$1.2 to \$1.8 trillion in the third quarter and said it could be entirely spent by the second half of next year. Goldman Sachs economists estimate households have drawn down about 25% of excess savings and will have spent about 60% by the end of 2023. Ian Shepherdson, chief economist of Pantheon Macroeconomics, puts it at \$1.3 trillion and estimates that at the current rate of rundown, that could last another year or so.

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Primary Topic: Business Cycle

Topics: Business Cycle, Factoid, Fiscal Policy, GDP, Government Spending, News article, Sell-by-date

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