

## Macro Roundup Article

**Headline:** [Pandemic Savings Are Gone: What's Next for U.S. Consumers?](#)

**Article Link:** <https://www.frbsf.org/research-and-insights/blog/sf-fed-blog/2024/05/03/pandemic-savings-are-gone-whats-next-for-us-consumers/>

|                  |  |
|------------------|--|
| Author(s)        | Hamza Abdelrahman and Luiz Edgard Oliveira |
| Publication      | Federal Reserve Bank of San Francisco      |
| Publication Date | May 06, 2024                               |

**Tweet:** According to a @sffed estimate, US pandemic-era "excess savings" were fully exhausted as of March 2024. They argue the rundown of excess savings need not cause sharp cuts in consumer spending, due to higher labor income and non-pandemic-related savings.

**Summary:** We estimate that excess savings at the aggregate level peaked at \$2.1 trillion in August 2021 and were steadily depleted over the subsequent 2½ years. Households drew down their excess savings at an average pace of \$70 billion per month since September 2021, although this drawdown accelerated to about \$85 billion per month since last fall relative to the average pace for the entire period. Figure 2 shows this monthly accumulation, in blue, and subsequent drawdown, in red, of pandemic-era excess savings. The depletion of these excess savings is unlikely to result in American households sharply cutting their spending levels as long as they are able to support their consumption habits through continuous employment or wage gains, other forms of wealth—including non-pandemic-related savings—and higher debt.

**Related Articles:** The Rise and Fall of Pandemic Excess Wealth and The Rich Have all the "Excess" Cash Now and Spending Down Pandemic Savings Is an "Only-in-the-U.S." Phenomenon

**Primary Topic:** Business Cycle

**Topics:** Business Cycle, GDP, Op-Ed/Blog Post

**Permalink:** <https://www.edwardconard.com/macro-roundup/according-to-a-sffed-estimate-us-pandemic-era-excess-savings-were-fully-exhausted-as-of-march-2024-they-argue-the-rundown-of-excess-savings-need-not-cause-sharp-cuts-in-consumer-spending-due-t?view=detail>

**Featured Image Link:** <https://www.edwardconard.com/wp-content/uploads/2024/05/20801-pandemic-savings-are-gone-whats-next-for-u-s-consumers-featured-image.png>