

Macro Roundup Article

Headline: [Sticking the Soft Landing](#)

Article Link: <https://www.apricitas.io/p/sticking-the-soft-landing>

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Publication	Apricitas Economics
Publication Date	July 31, 2023

Tweet: .@JosephPolitano notes that real per-capita consumption briefly caught up with the pre-crisis trend, and argues the post-crisis period of persistent underinvestment, low employment, and sluggish growth is over.

Summary: Not only has real per-capita consumption recovered to pre-COVID levels, but it has actually broadly returned to its pre-COVID trend at the fastest pace of any modern recession—in stark contrast to the permanent scars on consumption left by the 2008 recession. In fact, growth in real consumption of durable goods has not only vastly exceeded the pre-pandemic trend but briefly caught up with the pre-Great Recession trend, and remains high even as it hasn't grown in several years. The 2010s saw durable goods' share of spending sink by roughly 3% in 3 years and barely recover afterward. Not until the pandemic did durable goods consumption spending climb back to its pre-recession share of household budgets. That meant more than a decade of, effectively, household underinvestment in some of the most-important big-ticket items that provide long-term welfare and enhance people's economic productivity—and that is being partially undone today.

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Primary Topic: Business Cycle

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

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