

Macro Roundup Article

Headline: [Cash-Rich Consumers Could Mean Higher Interest Rates for Longer](#)

Article Link: <https://www.wsj.com/articles/cash-rich-consumers-could-mean-higher-interest-rates-for-longer-11667075614>

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Publication	Wall Street Journal
Publication Date	October 31, 2022

Tweet: American households still have \$1.7 trillion in excess savings, \$350 billion of which are in the hands of the lower half of the income distribution. @NickTimiraos @WSJ^[OBJ]

Summary: Household, nonfinancial corporate and small-business sectors ran a surplus of total income over total spending equal to 1.1% of gross domestic product in the quarter of April to June, according to economists at Goldman Sachs Group Inc. Using a three-year average, the measure is healthier than on the eve of any U.S. recession since the 1950s. U.S. households still have around \$1.7 trillion in savings they accumulated through mid-2021 above and beyond what they would have saved if income and spending had grown in line with the prepandemic economy, according to estimates by Fed economists. Around \$350 billion in excess savings as of June were held by the lower half of the income distribution, or around \$5,500 per household on average.

Primary Topic: Business Cycle

Topics: Business Cycle

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