

Macro Roundup Article

Headline: [Excess No More? Dwindling Pandemic Savings](#)

Article Link: https://www.frbsf.org/our-district/about/sf-fed-blog/excess-no-more-dwindling-pandemic-savings/?mod=djemRTE_h

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Tweet: [Analysts at @sffed argue that as of June households have spent 90% of \\$2.1T in excess savings accumulated during the pandemic. They estimate that excess savings will be fully depleted by the end of Q3 2023.](#)

Summary: Overall, despite differing methodologies and assumptions, the existing body of work on household savings following the pandemic recession firmly points to the rapid accumulation and drawdown of excess savings in the United States. The red area in Figure 1 shows our updated estimate for cumulative drawdowns, which reached more than \$1.9 trillion as of June 2023. This implies that there is less than \$190 billion of excess savings remaining in the aggregate economy. Should the recent pace of drawdowns persist—for example, at average rates from the past 3, 6, or 12 months—aggregate excess savings would likely be depleted in the third quarter of 2023. Related: [The Rise and Fall of Pandemic Excess Savings and Accumulated Savings During the Pandemic: An International Comparison with Historical Perspective](#) and [The Trickle Up of Excess Savings](#)

Primary Topic: Business Cycle

Topics: Business Cycle, GDP, Government/NGO, Growth, Weekly

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Featured Image

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