

Macro Roundup Article

Headline: [Spending Down Pandemic Savings Is an “Only-in-the-U.S.” Phenomenon](#)

Article Link: <https://libertystreeteconomics.newyorkfed.org/2023/10/spending-down-pandemic-savings-is-an-only-in-the-u-s-phenomenon/>

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Tweet: The US household saving rate is now lower than its pre-pandemic level, unlike other advanced economies where savings rates remain elevated.
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Summary: Household saving, measured as the difference between disposable income and consumer spending, soared in the United States and other high-income economies during the COVID-19 pandemic. In the U.S. and Canada, stepped-up social benefit payments and other income support measures pushed incomes well above pre-pandemic trajectories, while similar measures in the euro area, United Kingdom, and Japan kept incomes near their trend paths. Meanwhile, consumption plummeted in all these economies. We have no clear explanation for the divergence in U.S. and foreign saving behavior.

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Primary Topic: Business Cycle

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

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