

Macro Roundup Article

Headline: [Money Can't Buy You Delay From a Recession Forever](#)

Article Link: <https://www.bloomberg.com/opinion/articles/2022-12-06/money-can-t-buy-us-consumers-delay-from-a-recession-forever?sref=U3dOGIDF>

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Tweet: M2 has declined 1.5% since peaking at a record \$21.7T in March, but Yardeni Research estimates that November M2 remains at least \$2T above its pre-pandemic trendline. @johnauthers @bloomberg

Summary: How much money is still sitting ready to spend in consumers' bank accounts? As Yardeni Research points out, some economists are worried about M2's decline. It has fallen 1.5% since peaking at a record high of \$21.7 trillion in March. Although that followed a record peak, such a drop is unprecedented. Still, the firm's founder, Ed Yardeni, thinks that supply remains at least \$2 trillion above its pre-pandemic trendline. The year-over-year change in M2, in fact, has been moving in near lockstep with the 12-month sum of the personal saving rate; money supply has stopped rising as Americans have stopped accumulating new savings. Thus, for Yardeni, the recent weakness reflects the excess liquidity accumulated by US consumers since the start of the pandemic.

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Primary Topic: Business Cycle

Topics: Business Cycle, Factoid, GDP, Graph, Op-Ed/Blog Post, Sell-by Date

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