

## Macro Roundup Article

**Headline:** [Global Savings Glut's Demise Threatens Higher Borrowing Costs](#)

**Article Link:** <https://www.bloomberg.com/news/articles/2024-02-29/global-savings-glut-s-demise-threatens-higher-borrowing-costs?sref=U3dOGIDF>

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**Tweet:** Data compiled by Robert Dugger and @ChicagoFed researchers Robert Barsky and Matthew Easton suggest that the global savings glut plateaued just after the 2007-09 financial crisis.

**Summary:** Ben Bernanke's global savings glut is drying up. Long-term interest rates worldwide may be heading higher as a result. Aging populations, an embattled Chinese economy, and an increasingly fragmented global one are among the factors threatening to turn the surplus of savings into a shortfall. Data compiled by Hanover Provident founder Robert Dugger and Chicago Fed economists Robert Barsky and Matthew Easton suggest the glut crested some years ago. Its impact though was masked by the especially easy policies the Fed and other central banks hewed to coming out of the 2007-09 financial crisis. The pandemic subsequently triggered an even greater gusher of cash from the monetary and fiscal authorities as they fought to keep their economies afloat. China's role as a big supplier of savings to the rest of the world may also diminish as it's pressured by the US on a variety of trade and technological fronts. The International Monetary Fund projects China's savings will fall to 42.4% of its gross domestic product in 2028 from over 44% last year and 45.7% in 2022 as its current account surplus shrinks. Related: Japan, Germany and the Challenge of Excess Savings and What Is the Ten-Year Real Rate Going to Be? I: How We Got Here and Why Fitch's Downgrade Matters

**Primary Topic:** Growth

**Topics:** Database, GDP, Growth, Important!, News article, Savings Glut/Trade Deficit, Weekly

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