

## Macro Roundup Article

**Headline:** [Households Burn Through What's Left of Their Pandemic Savings](#)

**Article Link:** <https://www.wsj.com/articles/once-flush-savings-accounts-are-starting-to-run-dry-11675691637>

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**Tweet:** Goldman Sachs estimates that American's monthly savings rate will rise to 4.5% by end of year from 2022's 3.3%. Wage gains and declining inflation will reduce pressure to tap savings to maintain real consumption levels @wsj

**Summary:** Early in the pandemic, Americans were socking away money at unprecedented rates. In 2020, they collectively saved 16.8% of their disposable income, well above the 8.8% they saved in 2019. But in 2022, the saving rate fell to 3.3%. Americans have spent down about 35% of the extra savings they accumulated during the pandemic as of mid-January, according to an estimate from Goldman Sachs. By the end of the year, the company forecasts that they will have exhausted roughly 65% of that money. "At the exact same moment you lost the government transfer payments, you got hit with very high inflation, which made your real spending power lower," said David Mericle, Goldman Sachs's chief U.S. economist. "You shouldn't need to tap your wealth as much, hopefully, in 2023 as you needed to in 2022 in order to avoid a big decline in your real consumption level," he said. His team at Goldman Sachs estimates that the monthly saving rate will rise modestly by the end of the year, to about 4.5%.

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