

# HUDSON VALLEY PATTERN *for* PROGRESS

## The PULSE of the ECONOMY

EDITION 60 | AUGUST 5, 2021

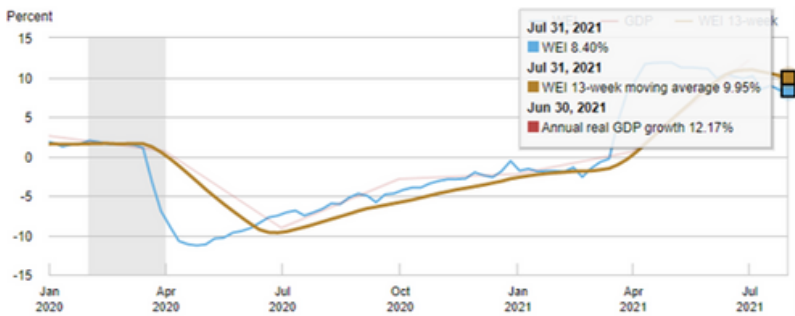
The Delta Variant and the Economy. There is a lot to say, in so little space. New COVID cases are the highest since early February and expected to continue to climb. The WEI is off a little and the increase in private payroll jobs for July was half of what was predicted. 330,000 actual v. 653,000 projected (not pictured here).

The charts below are striking as they explain the huge summer surge in spending and the statewide increase in sales tax revenues we discussed last week. During 2020 Americans saved at an astonishing 35 plus percent of their income. So when the economy reopened, they spent far more than they did pre-pandemic. With the rate of savings having fallen almost back to where it was pre-pandemic expect expenditures to also fall as people have already spent their extra savings.

Stay tuned.

### WEEKLY ECONOMIC INDEX (WEI)

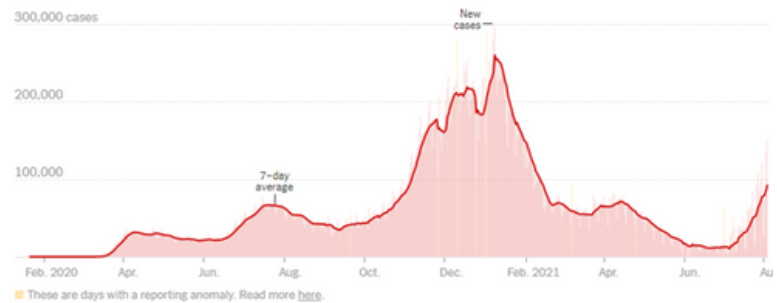
Over Recent Months | Percent (GDP Growth Units)



The WEI is an index of ten daily and weekly indicators of real economic activity scaled to align with the four-quarter GDP growth rate.

Source: <https://www.federalreserve.gov/econres/bankers/> Haver Analytics, Redbook Research, Rasmussen Reports, The American Association Railroads and Booth Financial Consulting

### COVID THE LATEST COUNT



	U.S. Numbers		Hudson Valley
	Total Reported	14-Day Change	Total Reported
Cases	35.3M+	+139%	298,032
Deaths	614,104	+49%	+1,936

Updated August 4, 2021

### STOCK MARKET DOW JONES

34,930  
JULY 28  
CLOSING NUMBER

34,792  
AUGUST 4  
CLOSING NUMBER

↓ 138

### HOUSEHOLD SPENDING ROSE IN JUNE, BEFORE DELTA VARIANT UPSWING

While some local governments and businesses reinstate Covid-19 rules, economists expect consumers to continue opening their wallets

U.S. household spending bounced back in June as consumers shelled out more on services at the start of the summer, but a current upswing in Covid-19 cases related to the Delta variant is injecting uncertainty into the economic outlook.

Personal-consumption expenditures—a measure of household spending on goods and services—increased a seasonally adjusted 1% last month, the Commerce Department reported Friday. That followed a downwardly revised 0.1% drop in May, when consumers pulled back on purchases of goods but boosted spending on services.

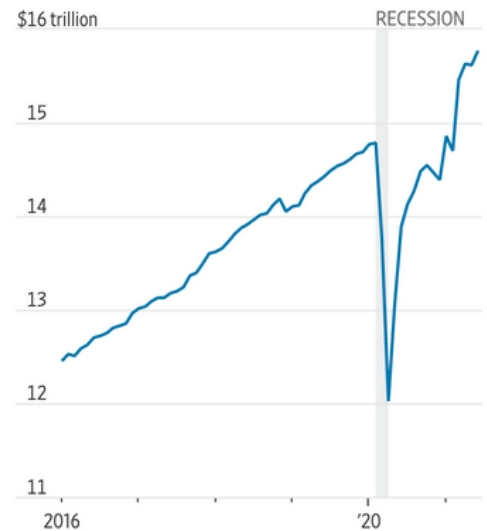
Source: [https://www.wsj.com/articles/consumer-spending-personal-income-inflation-june-2021-11627609818?mod=searchresults\\_pos5&page=1](https://www.wsj.com/articles/consumer-spending-personal-income-inflation-june-2021-11627609818?mod=searchresults_pos5&page=1)

### Personal Saving Rate



Source: <https://www.statista.com/statistics/246268/personal-savings-rate-in-the-united-states-by-month/>

### Personal Consumption Expenditures



Source: Commerce Department via St. Louis Fed