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.

**COVID THE LATEST COUNT**

U.S. Numbers

<table>
<thead>
<tr>
<th>Cases</th>
<th>Total Reported</th>
<th>14-Day Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>35.3M+</td>
<td>+139%</td>
<td></td>
</tr>
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</table>

Deaths 614,104 +49%

Hudson Valley

<table>
<thead>
<tr>
<th>Total Reported</th>
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<tbody>
<tr>
<td>298,032</td>
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</tbody>
</table>

+1,936

Updated August 4, 2021

**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_pos3&page=1