

HUDSON VALLEY PATTERN *for* PROGRESS

The PULSE of the ECONOMY

EDITION 66 | SEPTEMBER 16, 2021

This week Pulse takes two snapshots of the economy.

The first is that according to the Census, annual family household income fell in 2020 for the first time since 2014.

Not all that surprising given the Pandemic but it followed steady increases which kept families spending power ahead of low inflation rates. Speaking of inflation, there was a modest reduction to the inflation rate, which now shows three months of steady inflation of around just over 5%.

The 5% is much higher than we have experienced for years. Combined with the decrease in household income, the continued higher inflation does not help.

Stay tuned.

STOCK MARKET DOW JONES

35,017
SEPTEMBER 8
CLOSING NUMBER

34,813
SEPTEMBER 15
CLOSING NUMBER

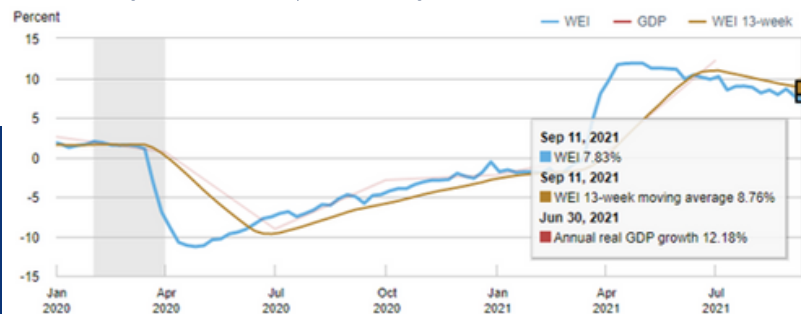
↓ 204

COVID THE LATEST COUNT

	<i>U.S. Numbers</i>		<i>Hudson Valley</i>
	<i>Total Reported</i>	<i>14-Day Change</i>	<i>Total Reported</i>
Cases	41.4M+	-5%	316,183
Deaths	664,231	+40%	+3,699
			<i>Updated September 15, 2021</i>

WEEKLY ECONOMIC INDEX (WEI)

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: Authors calculations based on data from Haver Analytics, Redbook Research, Rasmussen Reports, The American Association Railroads and Booth Financial Consulting

CENSUS FIGURES SHOW AMERICANS' INCOMES FELL IN 2020



Source: U.S. Census Bureau

Americans last year saw their first significant decline in household income in nearly a decade, government data showed, with economic pain from the Covid-19 pandemic prompting government aid that helped keep millions from falling into poverty.

An annual assessment of the nation's financial well-being, released Tuesday by the Census Bureau, offered insight into how households fared during the pandemic's first year. It arrives as Washington debates how much more to spend to bolster the economy during the worst public-health crisis in a century.

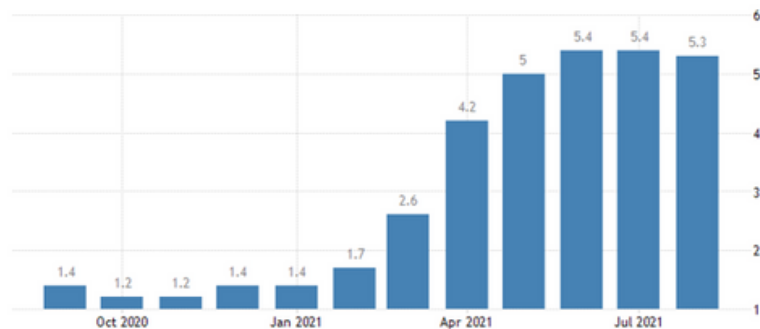
Median household income was about \$67,500 in 2020, down 2.9% from the prior year, when it hit an inflation-adjusted historical high. It came as the U.S. last year saw millions lose their jobs and national unemployment soar from a 50-year low to a high of 14.8%.

The last time median household income fell significantly was 2011, in the aftermath of the 2007-09 recession.

Source: <https://www.wsj.com/articles/americans-incomes-fell-in-2020-census-figures-show-11631629285>

UNITED STATES INFLATION RATE

The annual inflation rate in the US eased to 5.3% in August from a 13-year high of 5.4% reported in June and July, matching market expectations. A slowdown was seen in cost of used cars and trucks (31.9% percent vs 41.7% in July) and transportation services (4.6% vs 6.4%) and inflation was steady for shelter (2.8%) and apparel (4.2%). On the other hand, faster price increases were seen for food (3.7% vs 3.4%), namely food at home (3% vs 2.6%) and food away from home (4.7% vs 4.6%); new vehicles (7.6% vs 6.4%); energy (25% vs 23.8%); and medical care services (1% vs 0.8%). The monthly rate eased to 0.3% from 0.5% in July, better than forecasts of 0.4%. Prices of airline fares, used cars and trucks, and motor vehicle insurance all declined over the month while increases were seen in cost of gasoline, household furnishings and operations, food, and shelter. source: U.S. Bureau of Labor Statistics



Source: Tradingeconomics.com | U.S. Bureau of Labor Statistics
Source: <https://tradingeconomics.com/united-states/inflation-cpi>