

HUDSON VALLEY PATTERN *for* PROGRESS

The PULSE of the ECONOMY

EDITION 68 | SEPTEMBER 30, 2021

Want to know how much influence the Delta Variant and the lack of direction from Washington has had on our economy just look at the two charts below.

First, the test of consumer optimism declined dramatically as we saw that life was not returning to “normal”.

Second, the Food Service industry which requires people to be in close contact saw a drop in employment after five straight months of growth.

The good news is that new cases of the Delta Variant may have crested and we can start, once again, to sift through where we are to define what is “normal”.

Stay tuned.

STOCK MARKET DOW JONES

34,259

SEPTEMBER 22
CLOSING NUMBER

34,391

SEPTEMBER 29
CLOSING NUMBER

↑ 132

COVID THE LATEST COUNT

U.S. Numbers

Total Reported 14-Day Change

Cases **43.2M+** **-26%**

Deaths **692,737** **+7%**

Hudson Valley
Total Reported

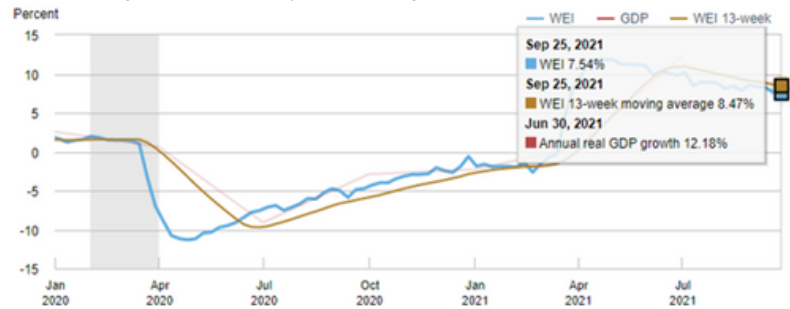
327,414

+3,343

Updated September 29, 2021

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

THE U.S. EXPECTED AN ECONOMIC TAKEOFF. IT GOT A SEPTEMBER SLOWDOWN. DELTA VARIANT UNDOES EXPECTATIONS; HIRING AND CONSUMER SPENDING SLOW IN THE FACE OF FRESH UNCERTAINTY

The U.S. economy is facing a slowdown in September, rather than the takeoff once hoped for.

Earlier this summer, many economists saw the week of Labor Day as the moment when the economic recovery would kick into high gear. Their expectation was that widespread vaccination would ease labor shortages. Schools and offices would reopen, which would mean a comeback for local businesses reliant on office workers. Travel would rebound. Stevie Nicks would be back on tour.

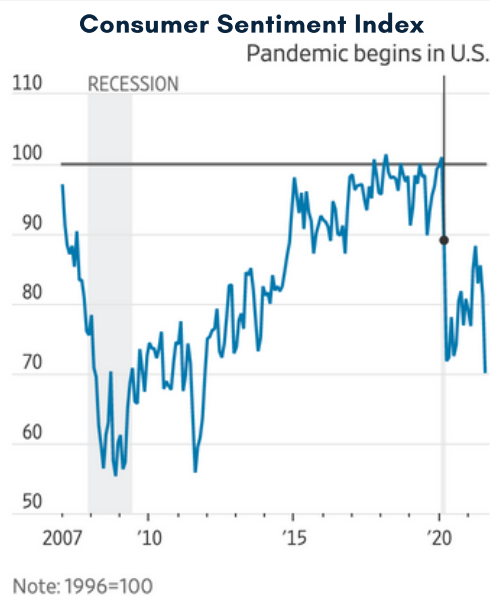
Instead, the rise of Covid's Delta variant has the nation tapping the brakes.

Businesses and consumers are reworking plans to adjust to renewed mask mandates, travel restrictions, event cancellations and delayed office reopenings. Consumers are pulling back on purchases and employers have slowed hiring. Economists are downgrading their forecasts. Stevie Nicks canceled.

Economists don't expect the variant to push the U.S. back into recession. But the loss of steam could prolong the recovery of the millions of jobs lost during the pandemic, leave many on the labor market's sidelines and continue to hobble businesses unable to grow or unwilling to invest amid fresh uncertainty. At the same time, that damping effect could ease inflation pressures if it reduces consumer demand.

Delta Downturn

Consumer Confidence Falls....



Source: https://www.wsj.com/articles/delta-variant-covid-us-economy-jobs-spending-fall-september-slowdown-school-11631027856?mod=article_inline

...and Hiring Drops for Service Workers

Food service jobs, change from prior month



Note: Seasonally adjusted

Sources: University of Michigan (confidence index), Labor Department (jobs)