

HUDSON VALLEY PATTERN *for* PROGRESS

The PULSE of the ECONOMY

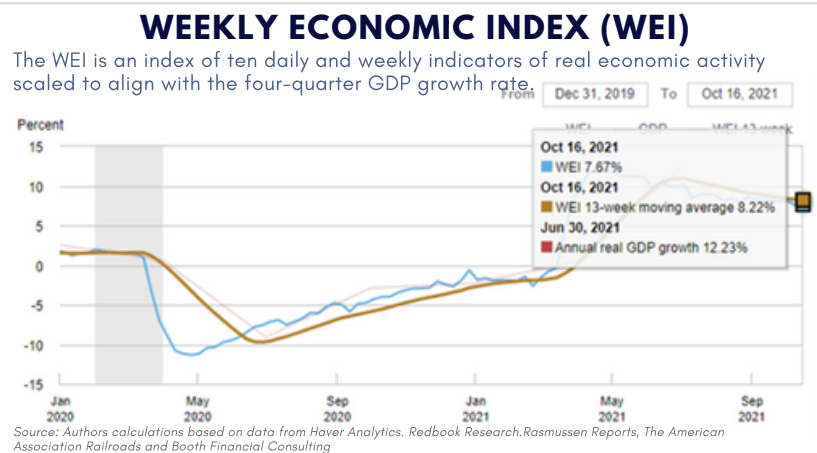
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Pulse this week picks up on two trends to provide further explanation as to how they impact us.

First is inflation. The chart below breaks it down by category of goods (used car prices and gasoline lead the way in growing costs) and then it looks at each element by where we live.

The other chart is a very simple way of looking at the history of globalization and supply chain. The chart shows how since the 70s we have vastly increased our reliance on the importation of goods until the Great Recession (2007) when the reliance began to trend the other way. The inability to source goods locally during the Pandemic will only continue to drive the trend line down. However it will not be as swift as some would want due to our embedded reliance for goods to be produced outside of the United States.

Stay Tuned.



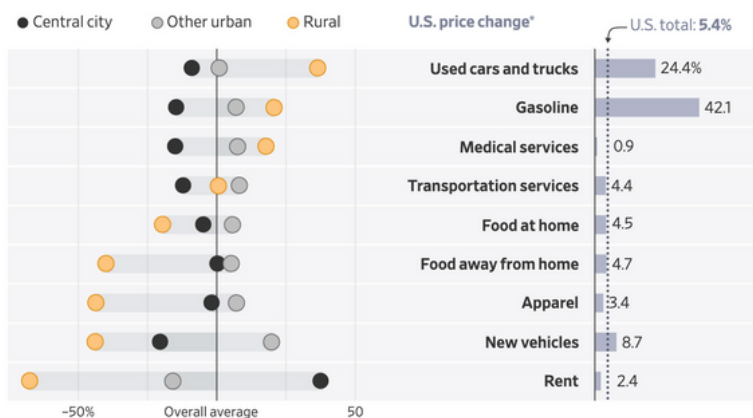
LARGEST CITIES HAD SOME OF THE LOWEST U.S. INFLATION RATES IN SEPTEMBER

NEW YORK CITY, LOS ANGELES AND CHICAGO WERE BELOW THE NATIONAL LEVEL WHILE RURAL AREAS GRAPPLED WITH INCREASES IN GASOLINE AND VEHICLE PRICES

"To measure prices, the CPI focuses on what urban consumers pay for a hypothetical basket of goods and services. Those items are weighted to reflect the relative importance of components for a consumer living in a U.S. city. The design of the baskets for how people in cities spend their money, and how much income they spend on eating out or renting a car, is based on information from the Consumer Expenditure Surveys of urban consumers.

We used the surveys to compare how residents in rural areas, central cities and other urban areas budgeted their money, and we found that some of the spending categories with big differences between urban and rural areas also had big price increases, according to the CPI."

Difference from overall average consumer spending in 2020, by geographic type



*September price change from a year earlier for all urban consumers.

Note: The Consumer Expenditure Surveys define urban areas as the central city and attached locations inside a metropolitan statistical area, as well as other places with 2,500 or more people. All non-urban areas are considered "rural".

Source: U.S. Labor Department

Source: https://www.wsj.com/articles/largest-cities-had-some-of-the-lowest-u-s-inflation-rates-in-september-11634299201?mod=Searchresults_pos5&page=1

SUPPLY-CHAIN CRISIS FUELS LATEST RETREAT FROM GLOBALIZATION

"Nothing embodied the promise of globalization more than the humble supply chain. Thanks to the integration of production across and within borders, consumers have come to expect infinite variety, instantly available.

That is now under siege. The supply-chain crisis of 2021 is fueling the retreat from globalization, much as the global financial crisis of 2008 did.

Three big forces are driving this latest crisis: Covid-19, climate and geopolitics."

Global value chains' share of world trade



Note: Share of world exports that flow through at least two borders. Source: World Bank

Source: https://www.wsj.com/articles/supply-chain-crisis-fuels-latest-retreat-from-globalization-11654741616?mod=Searchresults_pos2&page=1