

# HUDSON VALLEY PATTERN *for* PROGRESS

## The PULSE of the ECONOMY

EDITION 76 | NOVEMBER 24, 2021

### Inflation.

As much as New Yorkers are concerned with the rising costs of goods and services, the chart below shows that we are clearly in better shape than the rest of the country. Take that piece of relative good news with you when you sit down for your Thanksgiving meal. What to do about it is a much harder question, as market prices are driven by factors outside of the control of local residents. There are however consumer choices that can mitigate some of the impact of inflation.

If you are in the position where you have money to invest, the other chart below suggests that modest risks are necessary to stay ahead of the more cautious investments that pay rates of return lower than the rate of inflation. And that is for the segment of our population that HAS the money to invest.

### Stay tuned.

### STOCK MARKET DOW JONES

**35,931**  
NOVEMBER 17  
CLOSING NUMBER

**35,814**  
NOVEMBER 23  
CLOSING NUMBER

**117**

### COVID THE LATEST COUNT

U.S. Numbers

Total Reported 14-Day Change

Cases **47.8M+** **+27%**

Deaths **773,106** **-9%**

Hudson Valley  
Total Reported

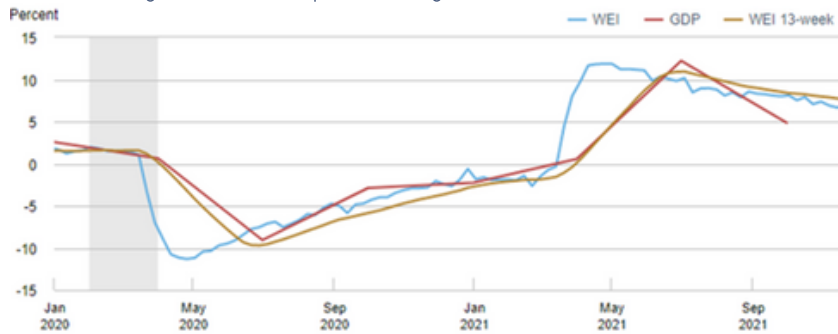
**351,351**

**+3,757**

Updated November 23, 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.



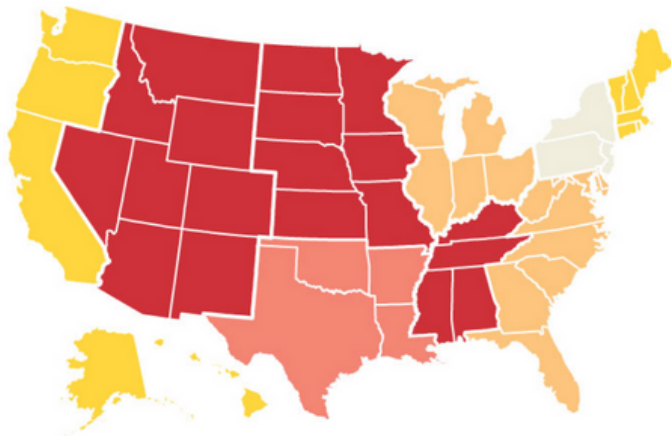
Source: Authors calculations based on data from Haver Analytics, Redbook Research, Rasmussen Reports, The American Association Railroads and Booth Financial Consulting

### WHERE INFLATION IS HIGHEST IN U.S.

Prices have risen the most in Midwest and South as inflation hits 30-year high

### Annual inflation, by region

5.0% 5.5% 6.0% 6.5% 7.0% 7.5%



Note: Consumer price index for all urban consumers

Source: Labor Department

U.S. inflation rose at the fastest pace in three decades in October, with prices increasing more in some parts of the country than in others. Consumer prices were up 7.3% last month in the region that encompasses Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota and South Dakota. Mid-Atlantic states, however, saw prices rise less, by 5.4% from a year ago.

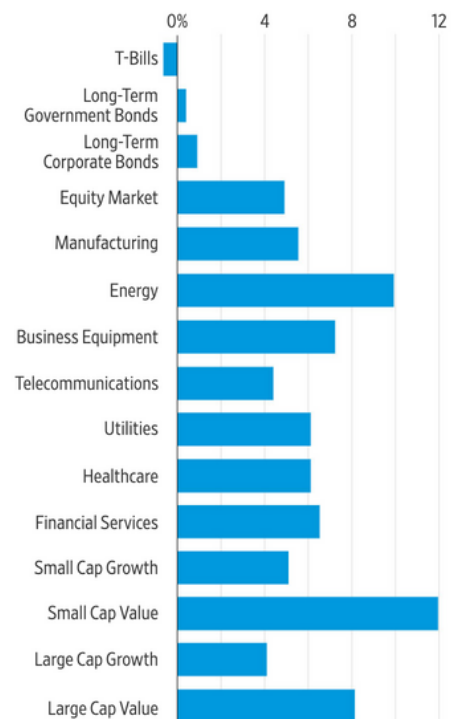
Source: [https://www.wsj.com/articles/where-inflation-is-highest-in-u-s-11636585950?mod=series\\_inflation](https://www.wsj.com/articles/where-inflation-is-highest-in-u-s-11636585950?mod=series_inflation)

### INVESTING FOR INFLATION

#### "Pump and Jump"

Most kinds of stocks do reasonably well under moderate inflation, although some are more volatile than others."

#### Average real returns in years with high inflation



Note: Data for years from 1927-2020 in which inflation was above the median

Source: Dimensional Fund Advisors

Source: [https://www.wsj.com/articles/deflating-your-inflation-investing-fears-11635519805?mod=series\\_inflation](https://www.wsj.com/articles/deflating-your-inflation-investing-fears-11635519805?mod=series_inflation)