

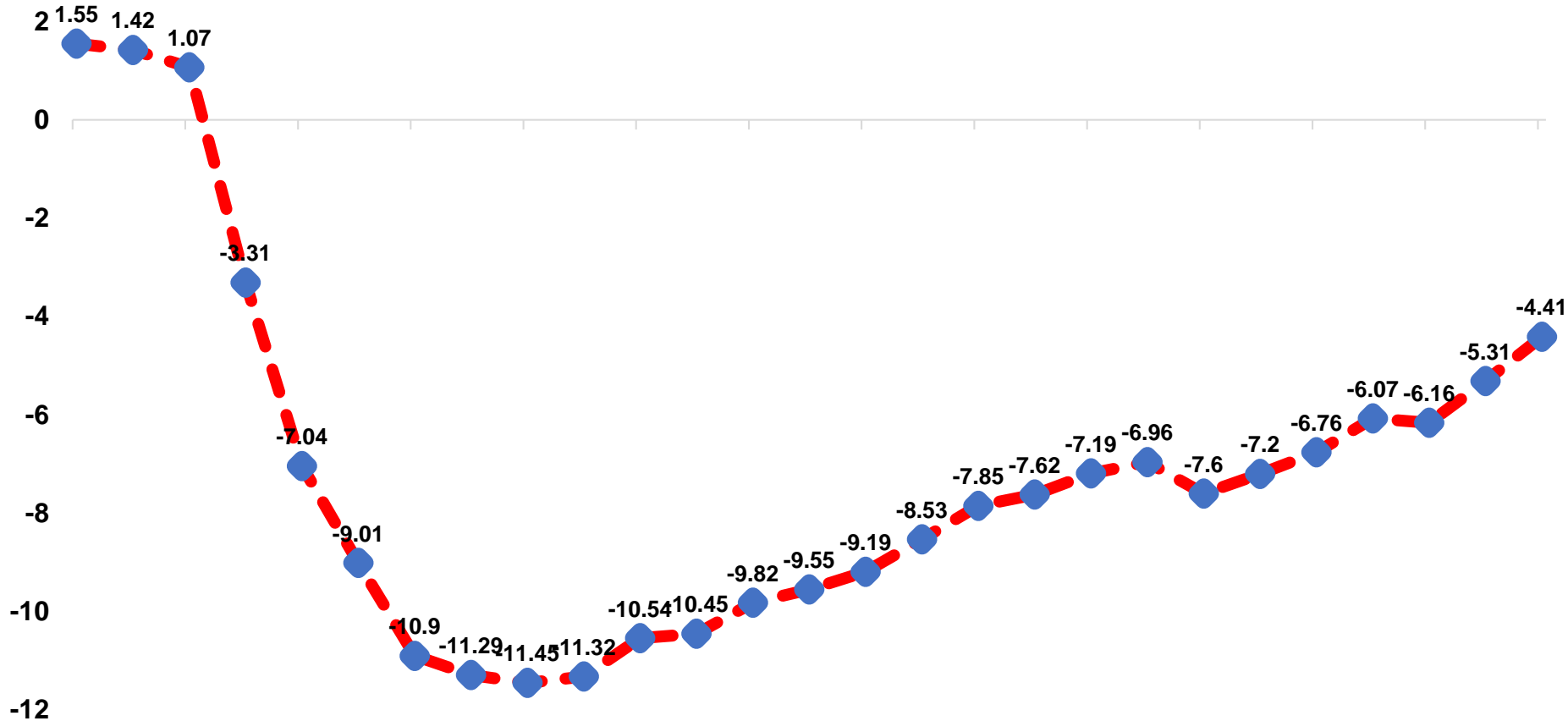
U.S. CHAMBER OF COMMERCE

Curtis Dubay
Senior Economist, U.S. Chamber of Commerce
September 2020

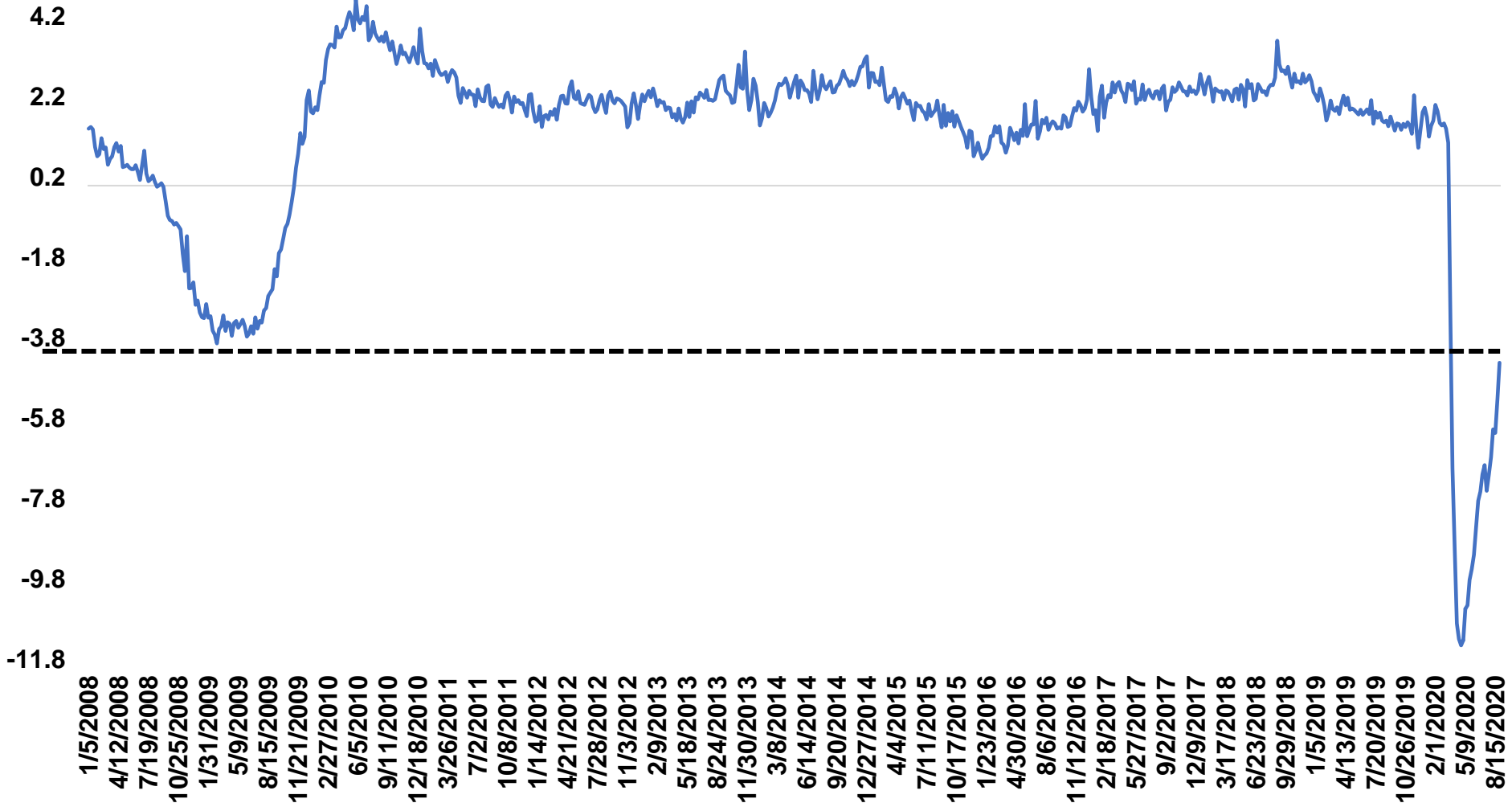


Weekly Economic Index Rising Slowly

Feb 29 Mar 14 Mar 28 Apr 11 Apr 25 May 09 May 23 Jun 06 Jun 20 Jul 04 Jul 18 Aug 01 Aug 15 Aug 29

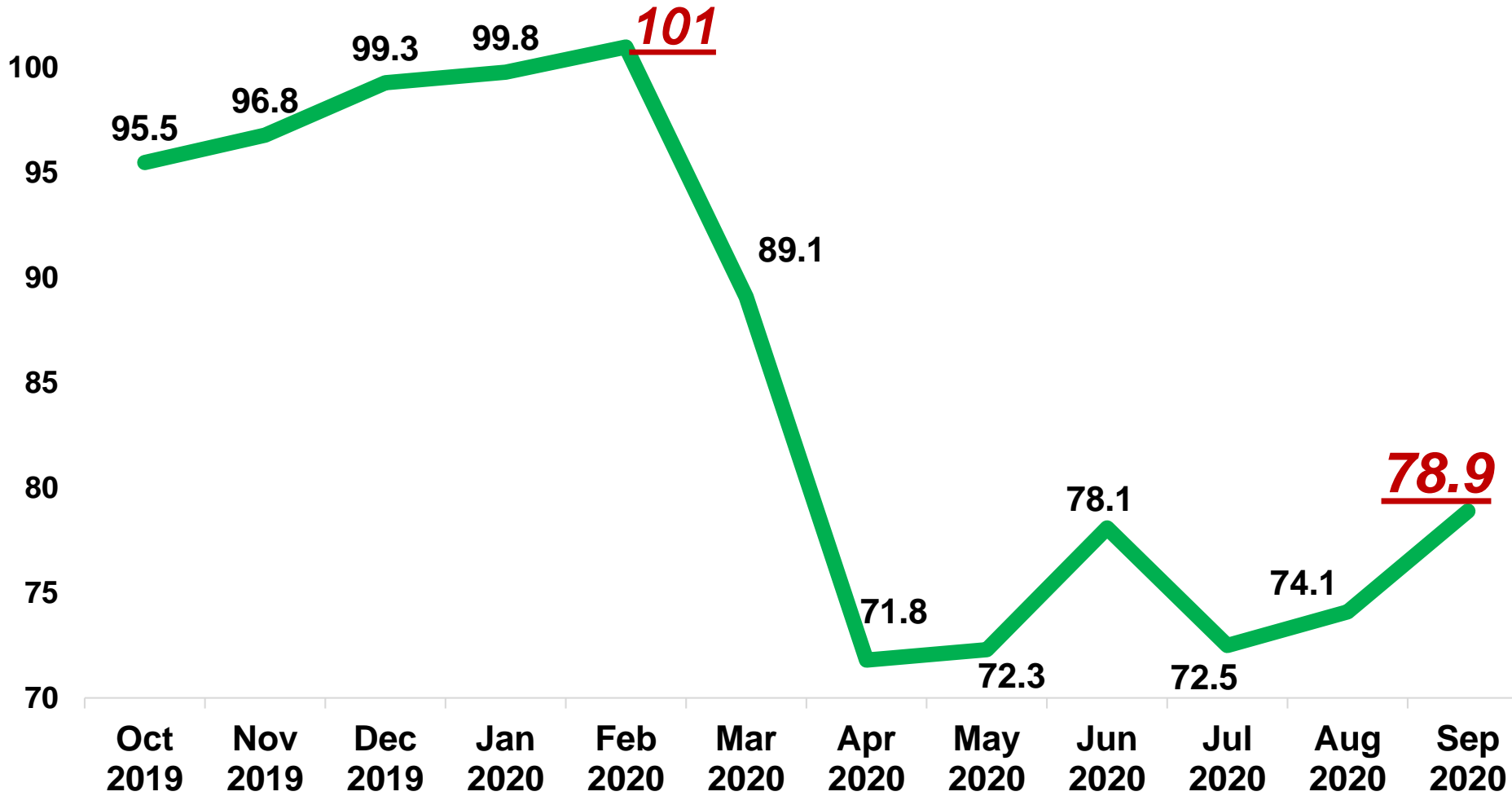


Weekly Economic Index Still Lower than in Financial Crisis

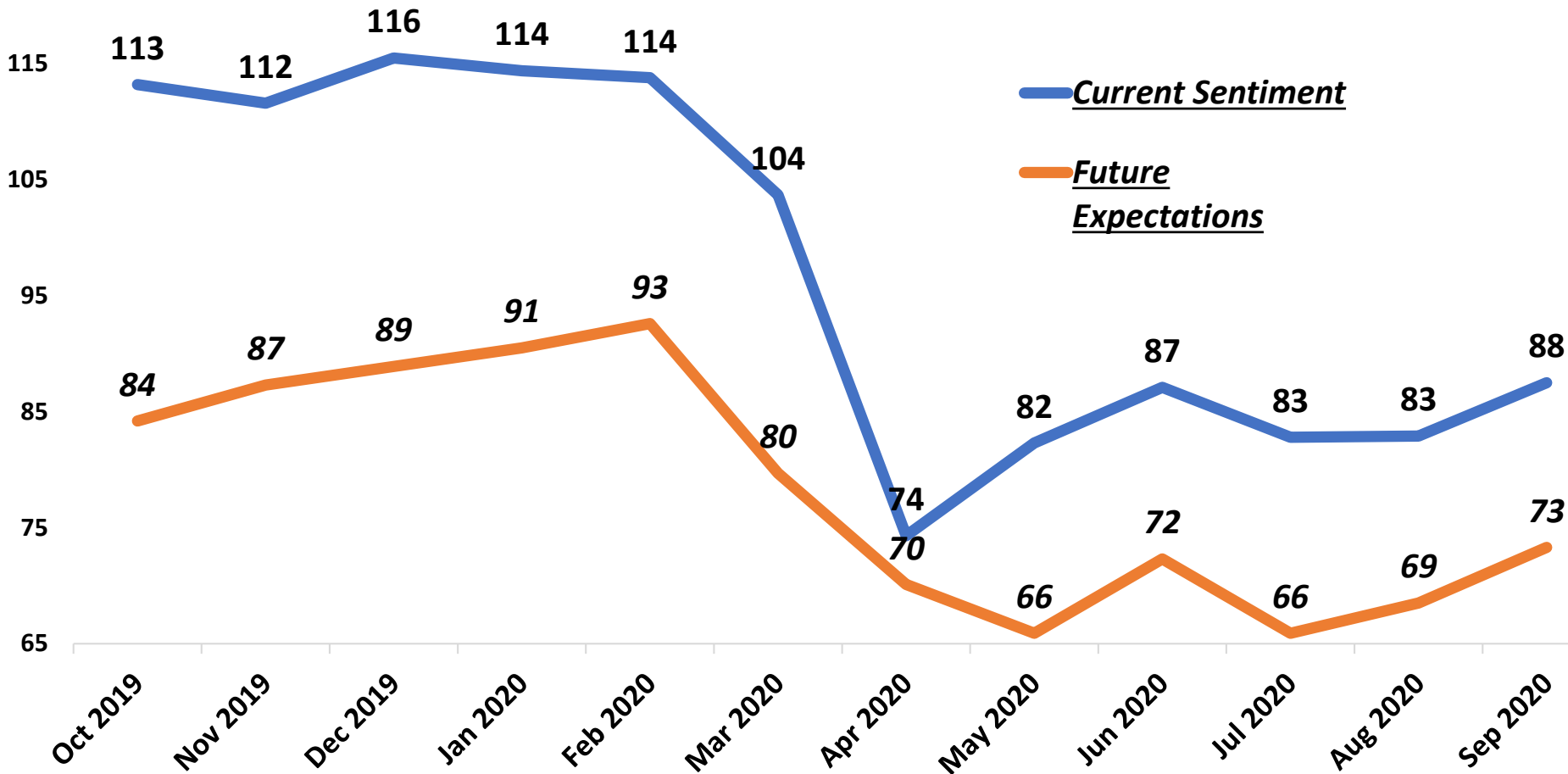


Consumer Sentiment Rose in September

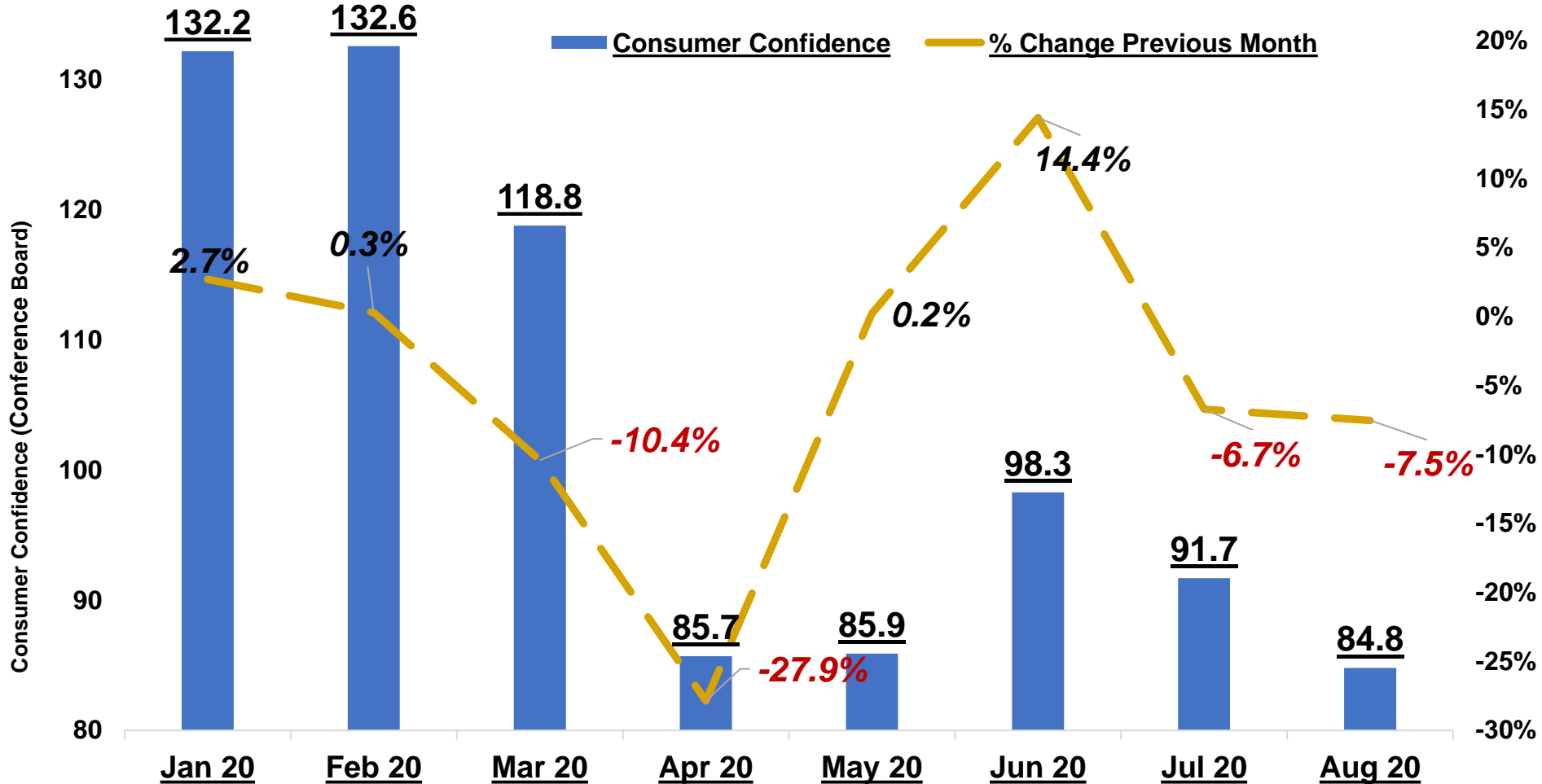
Index Values - University of Michigan Survey of Consumer Sentiment



Consumer Sentiment vs. Future Expectations

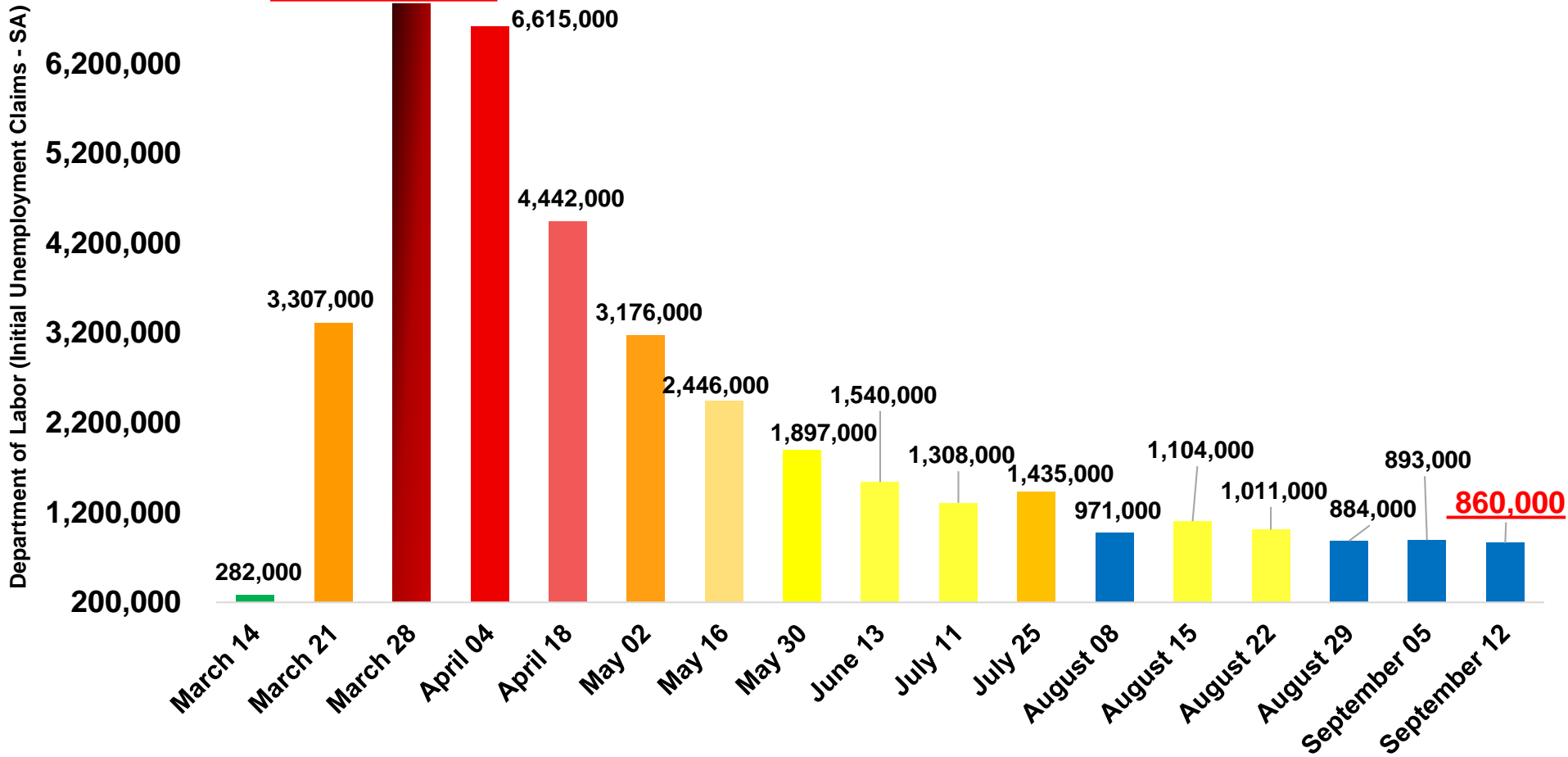


Consumer Confidence Fell Again in August

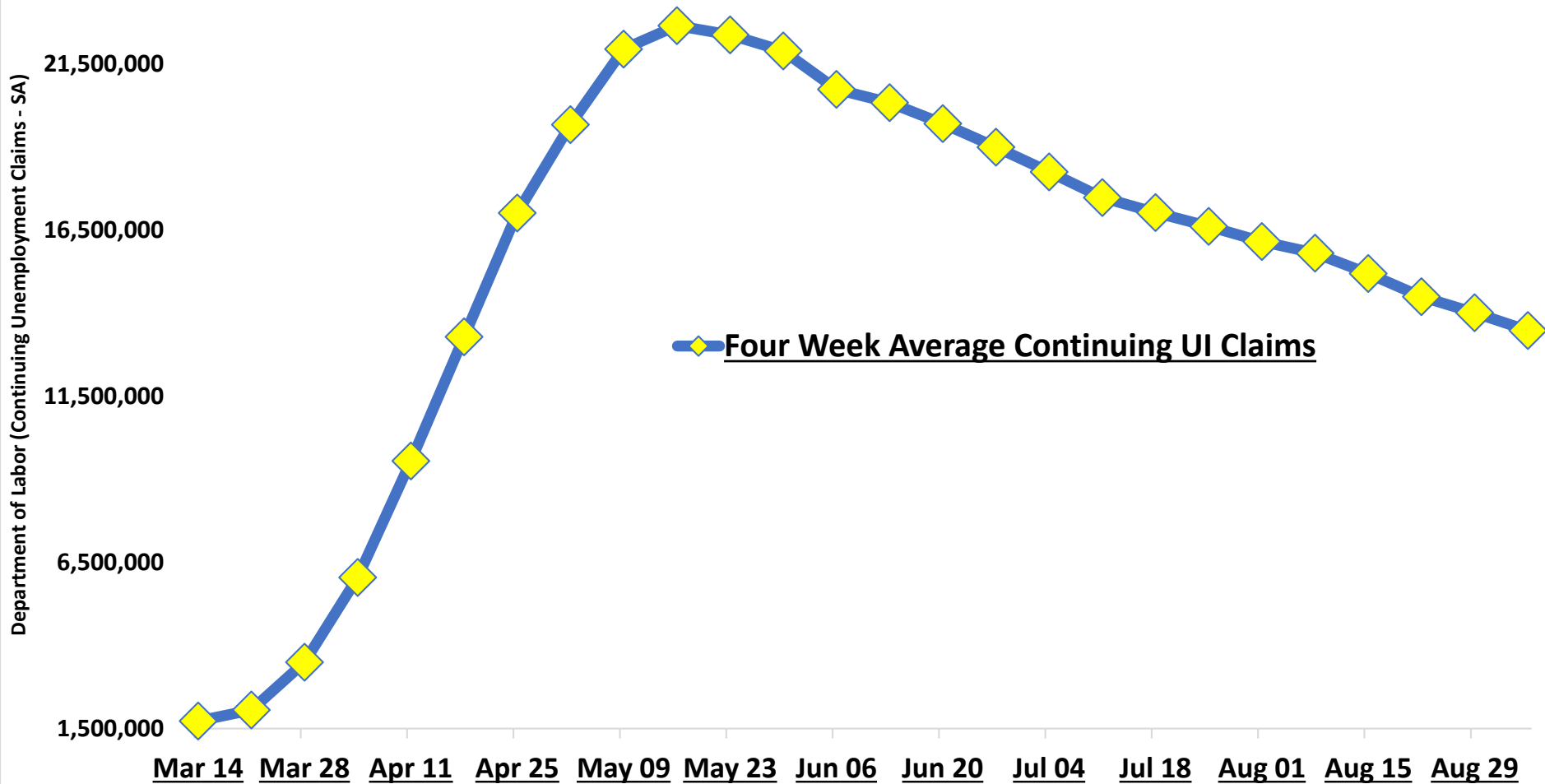


Historically High Unemployment Insurance Claims Continue

6,867,000



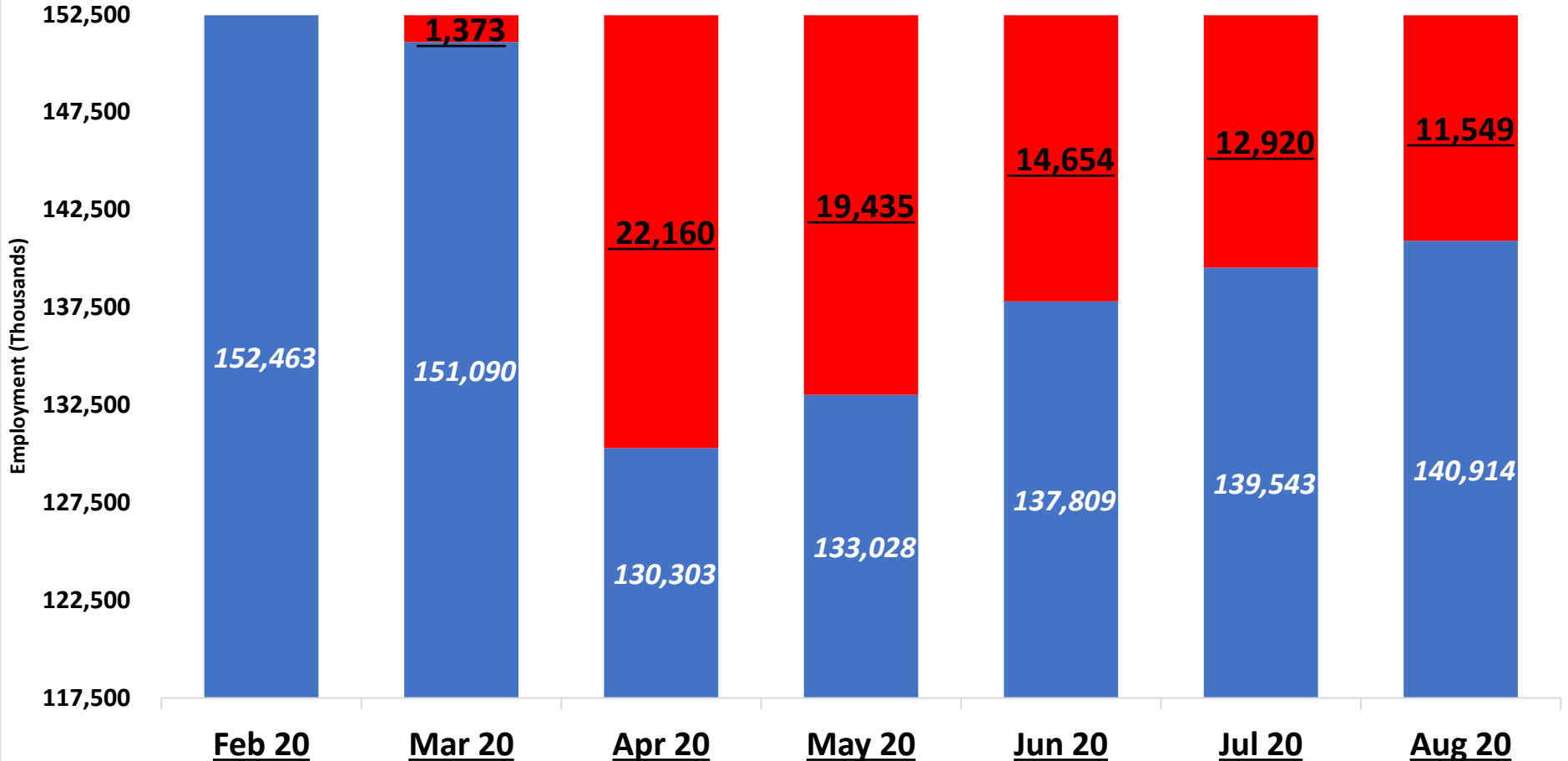
Continuing Unemployment Claims Are Falling Slowly



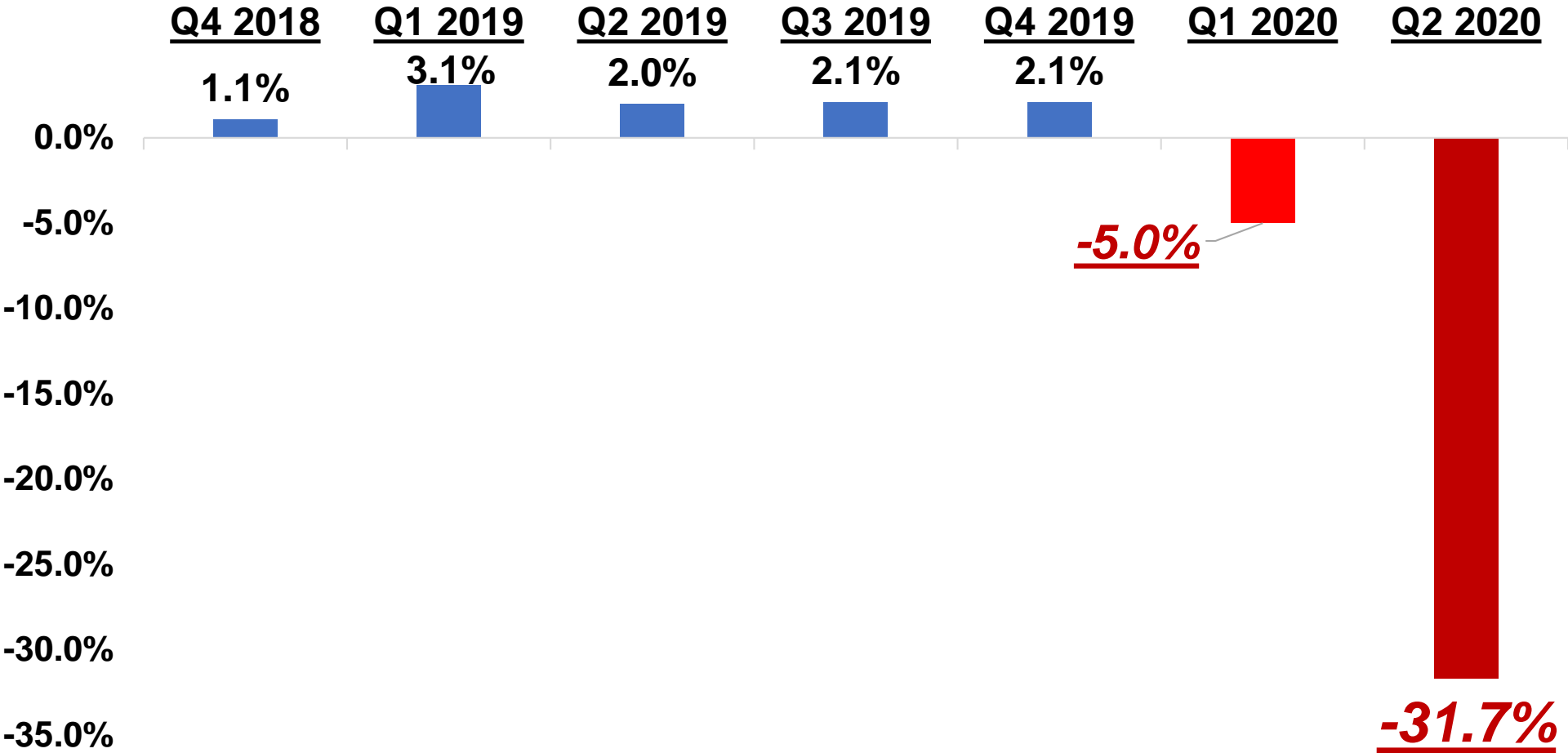
The Economy Added 1.4 Million Jobs in August - A Large Gap Remains

■ Jobs (Thousands)

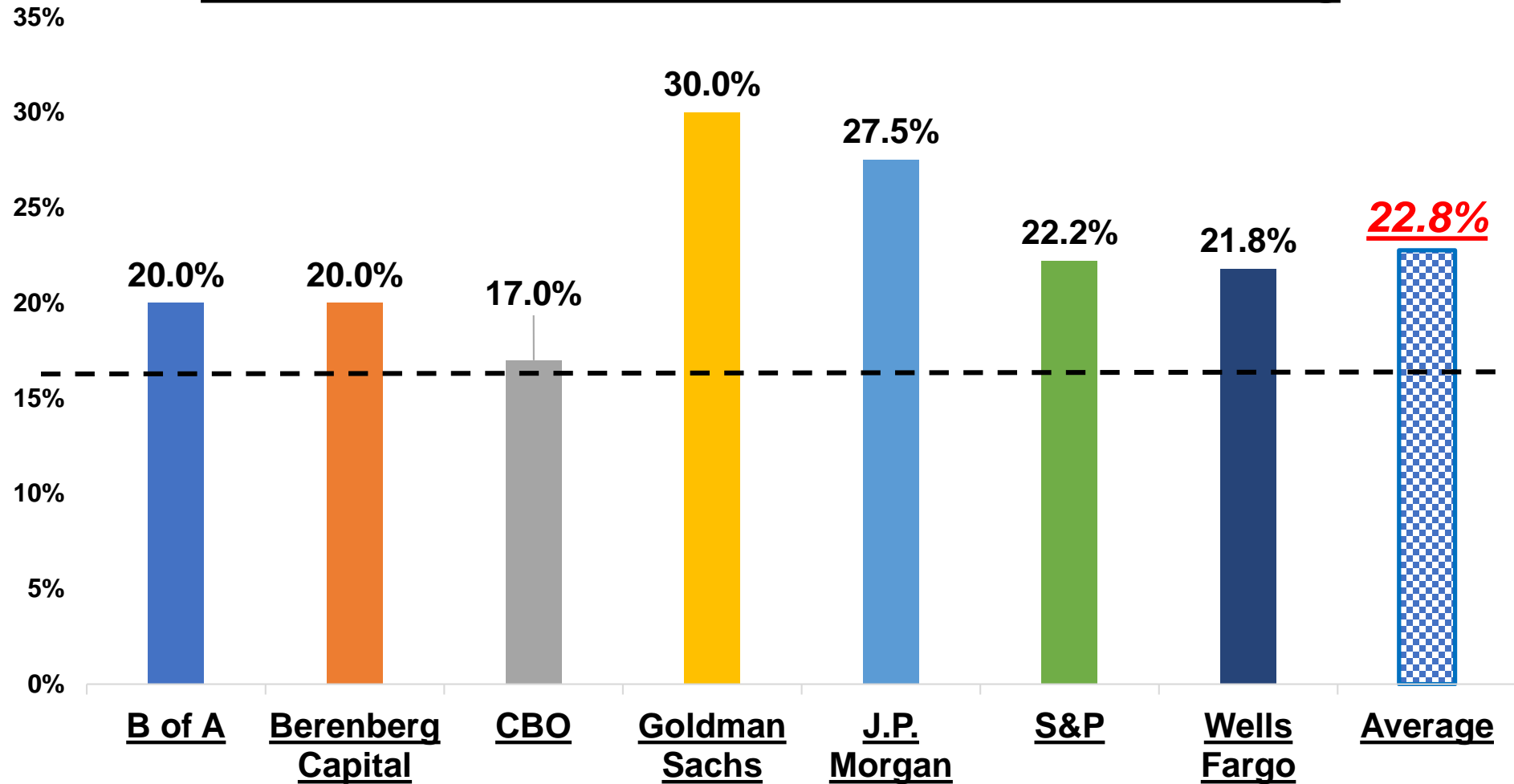
■ Jobs Deficit from February 2020



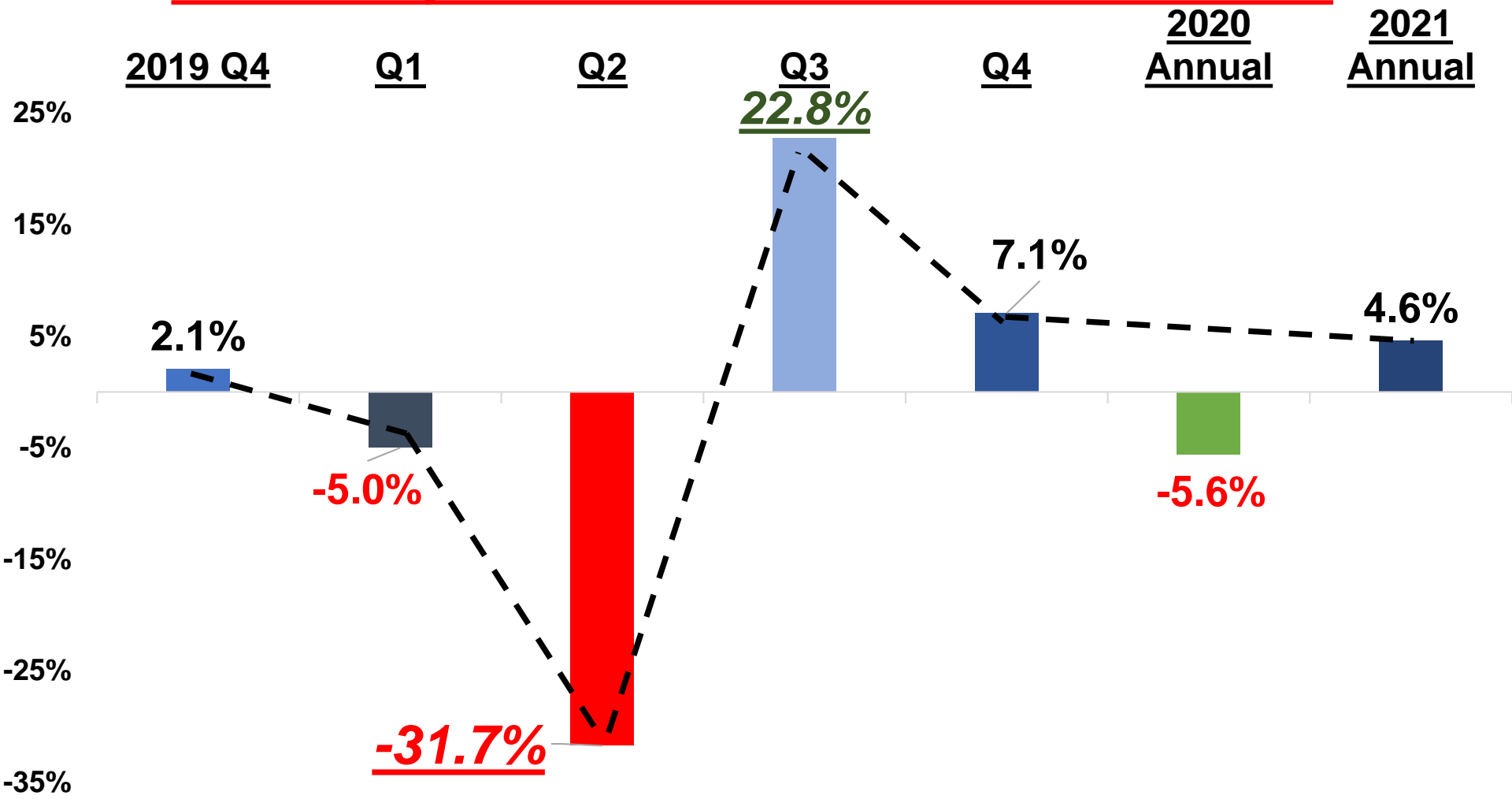
Economic Growth Fell A Record Amount in 2nd Quarter



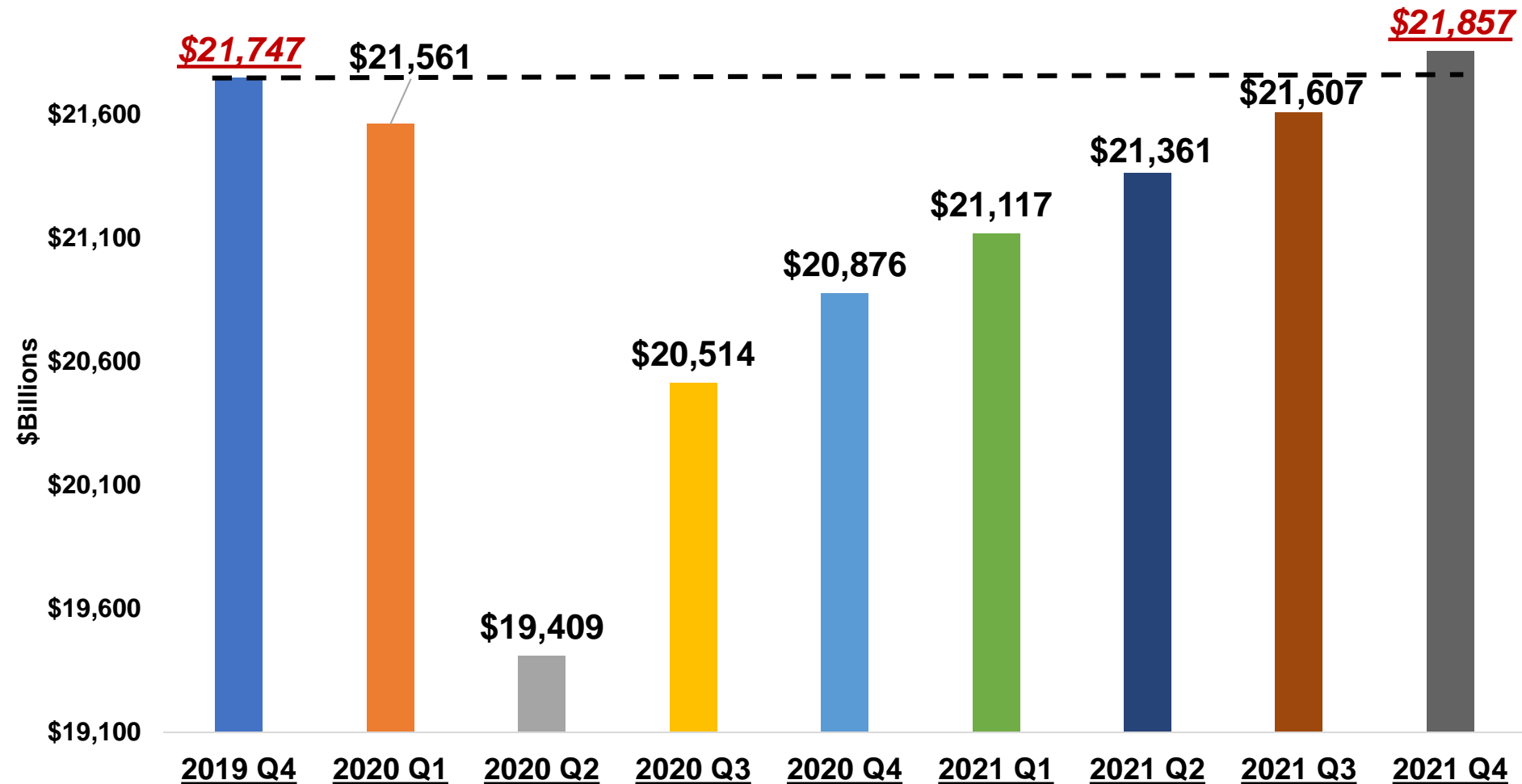
Third Quarter GDP Increase Will Be Record-Setting



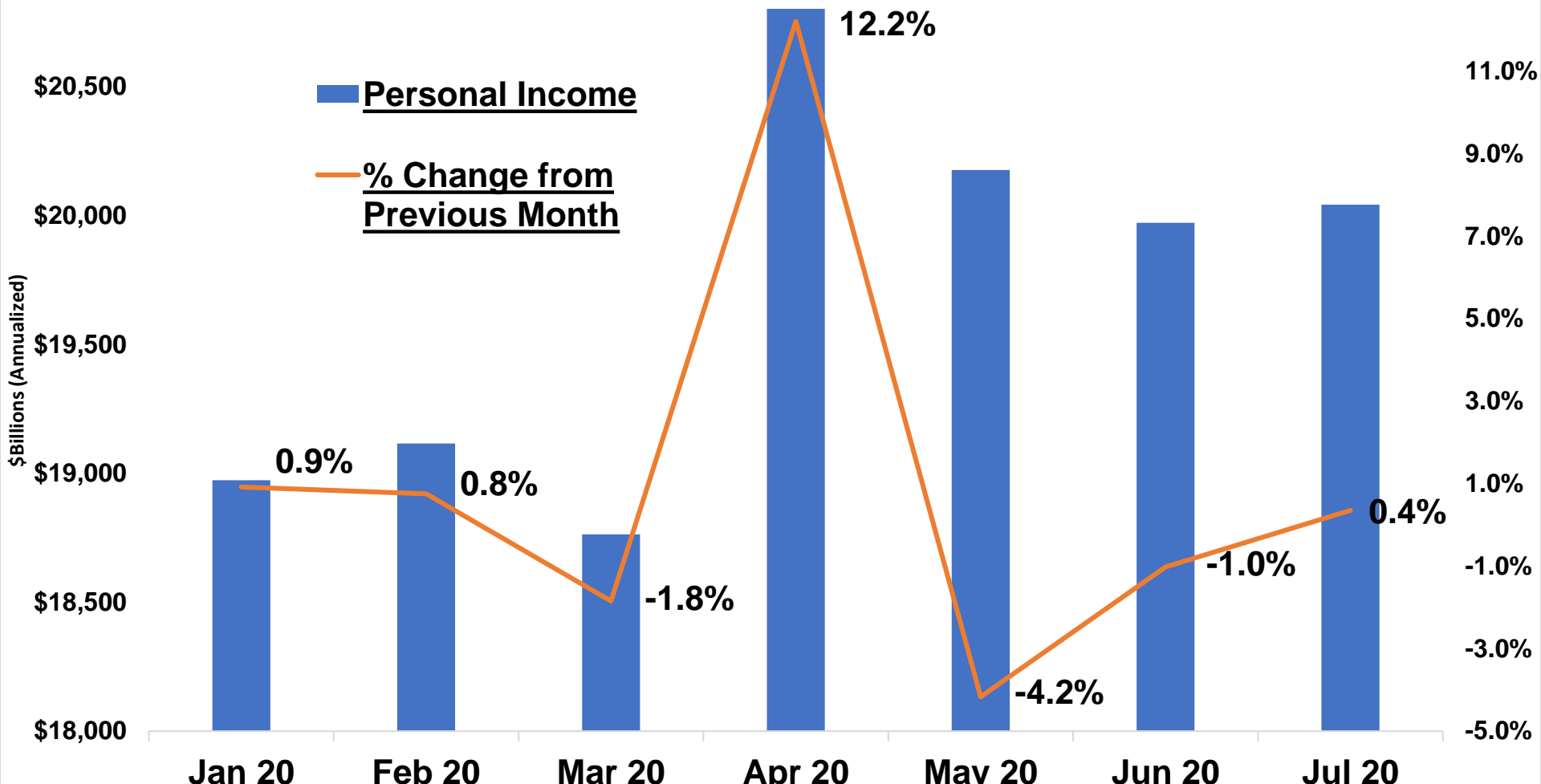
The Economy Could Grow at Record Rate in Third Quarter



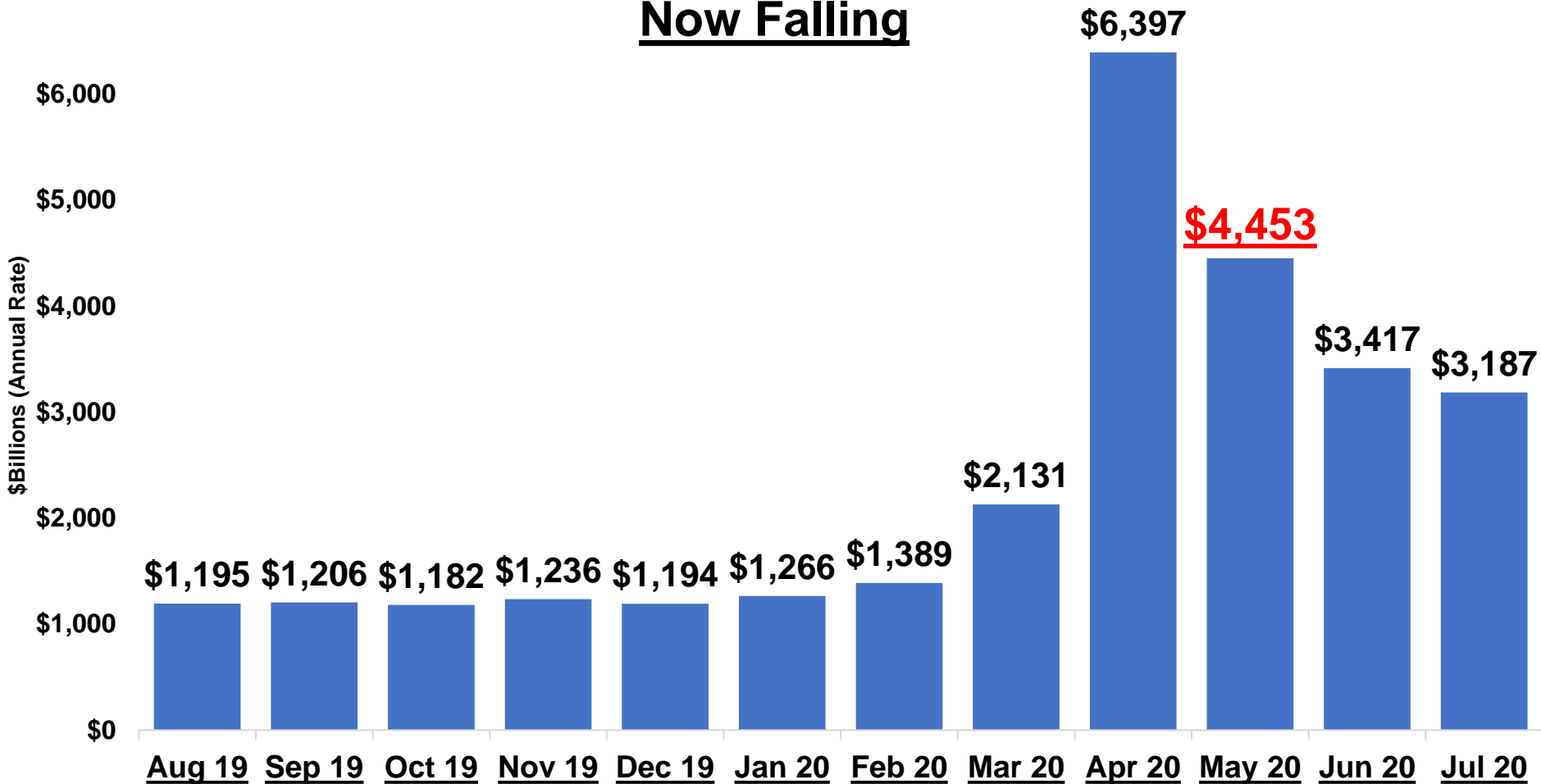
GDP Returns to Pre-Shock Level in Late 2021



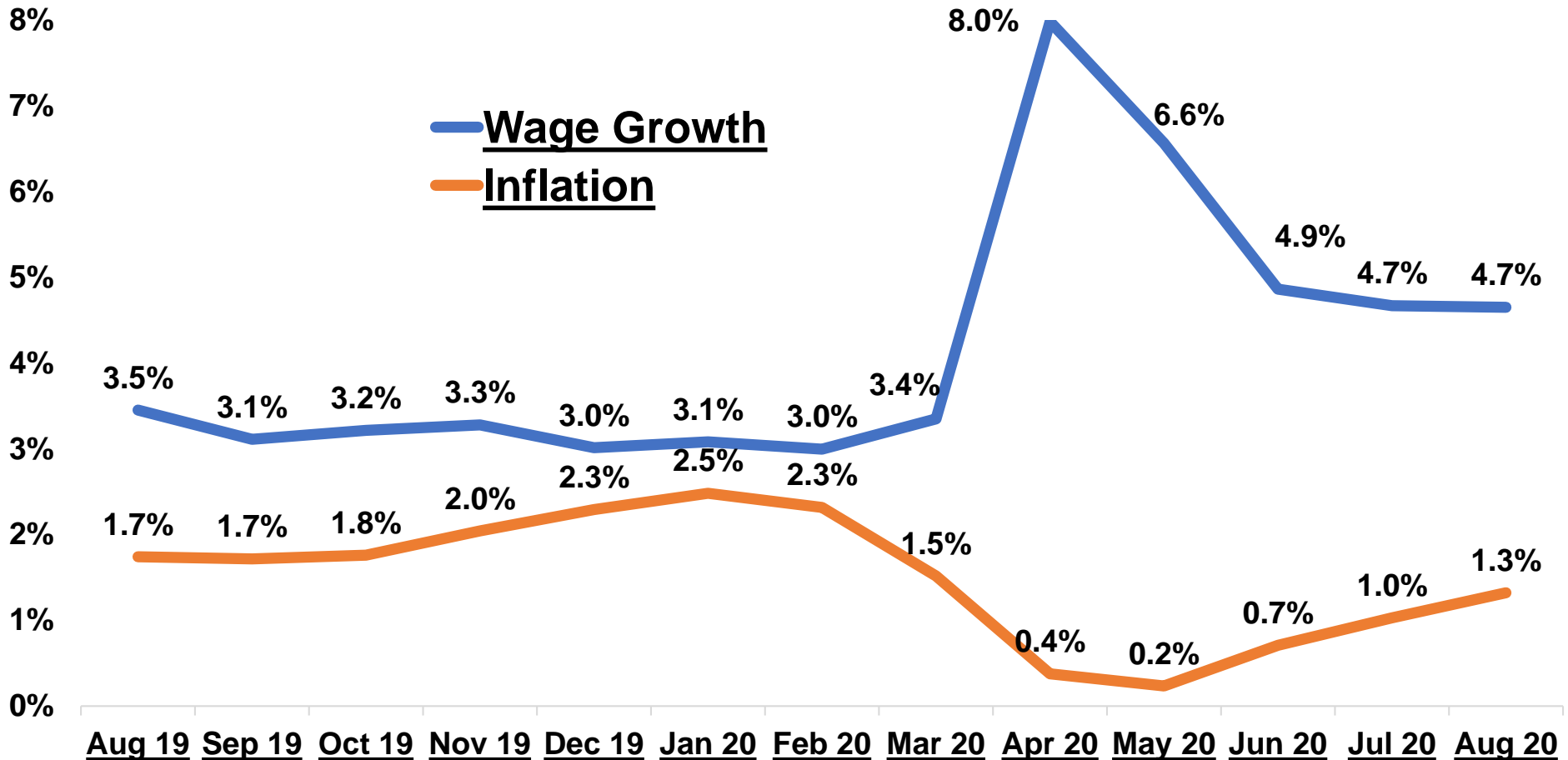
Government Payments Boosted Incomes During Pandemic



Personal Savings Skyrocketed During the Pandemic – Now Falling

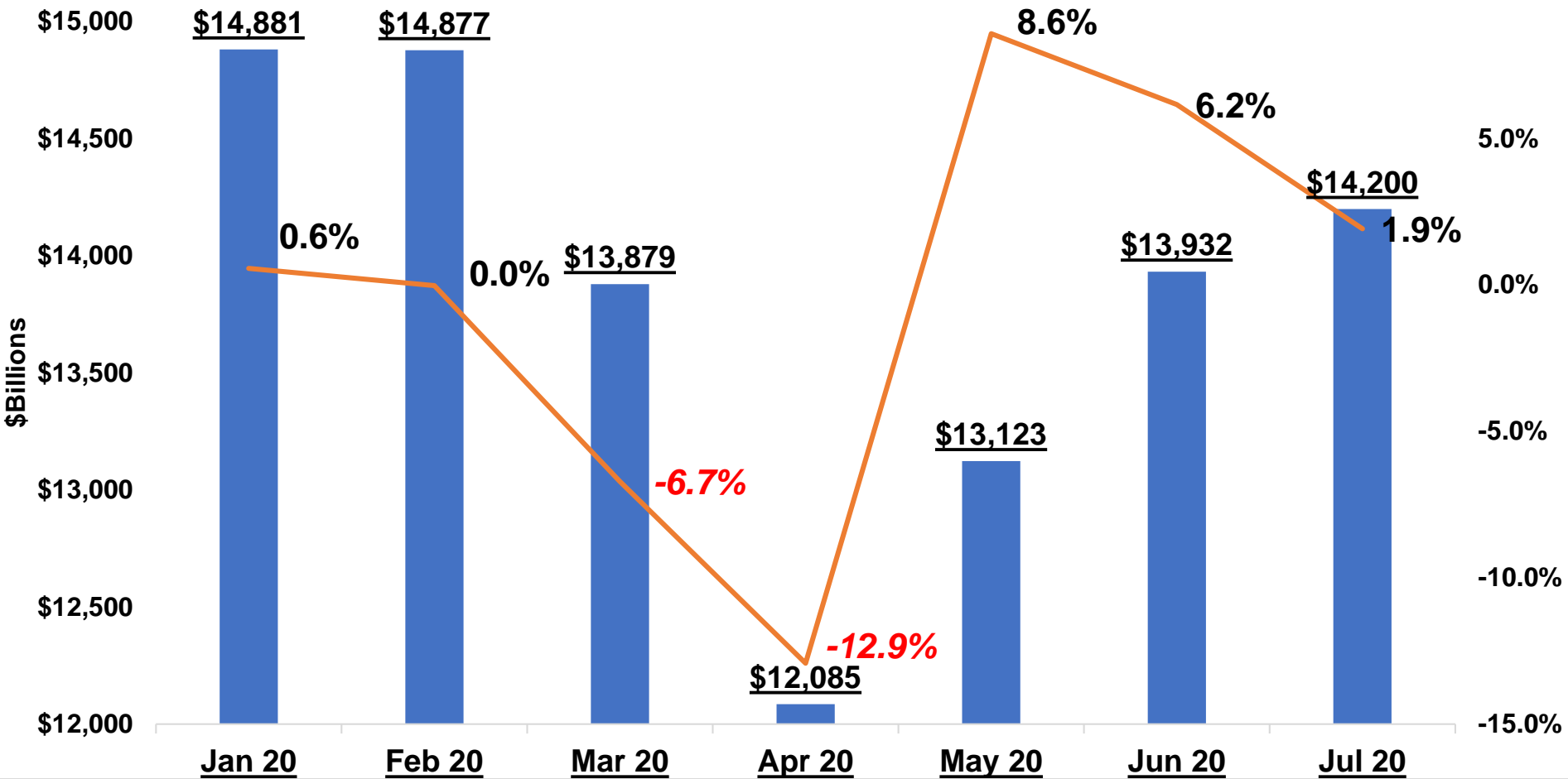


Wages Are Outpacing Inflation

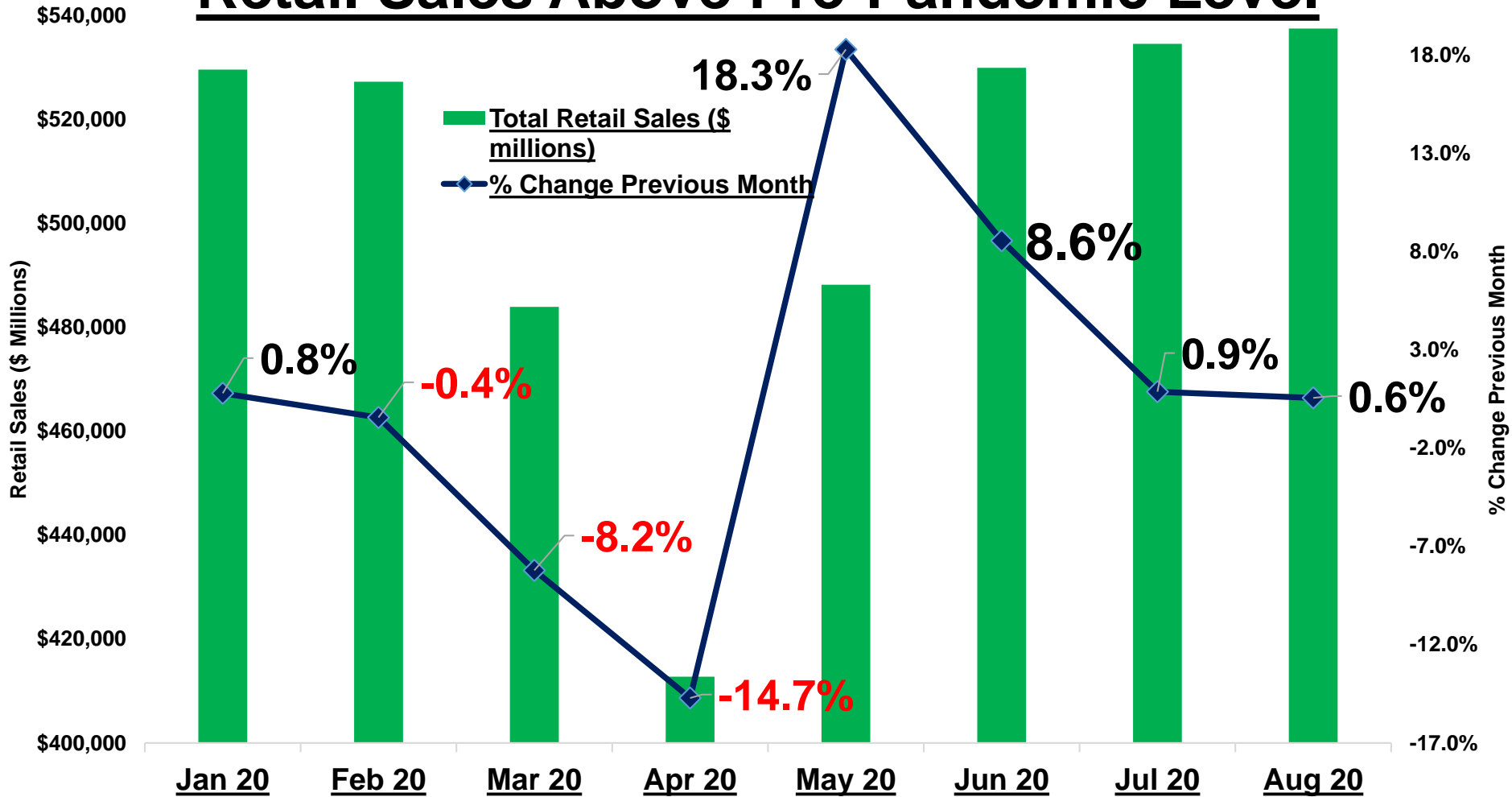


Consumption Increased in July, But is Still Below Pre-Pandemic Level

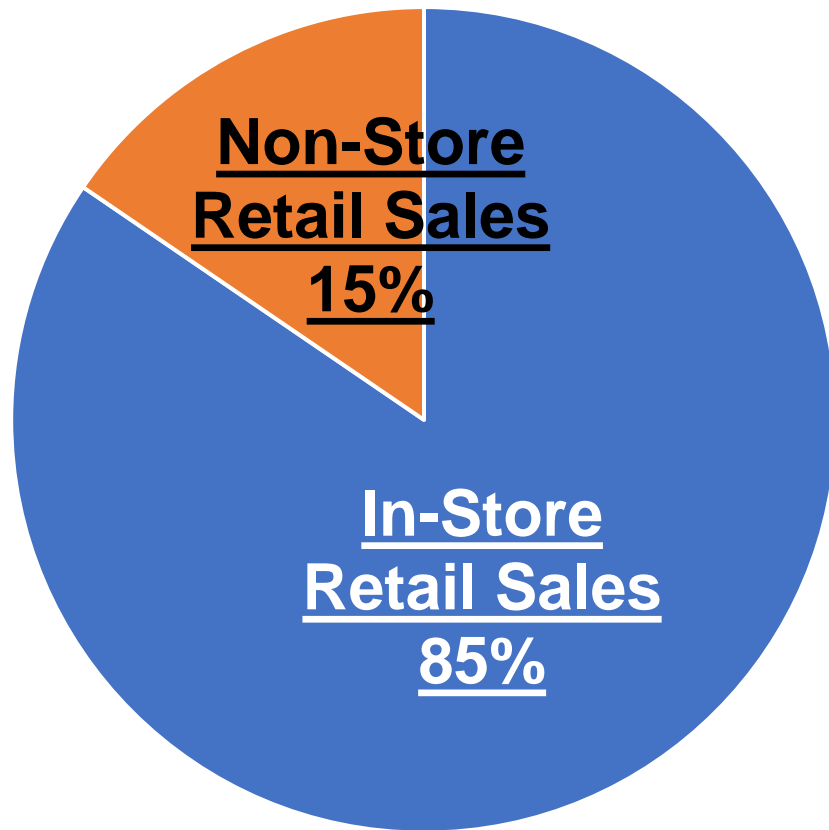
Consumption (Annualized) % Change from Previous Month



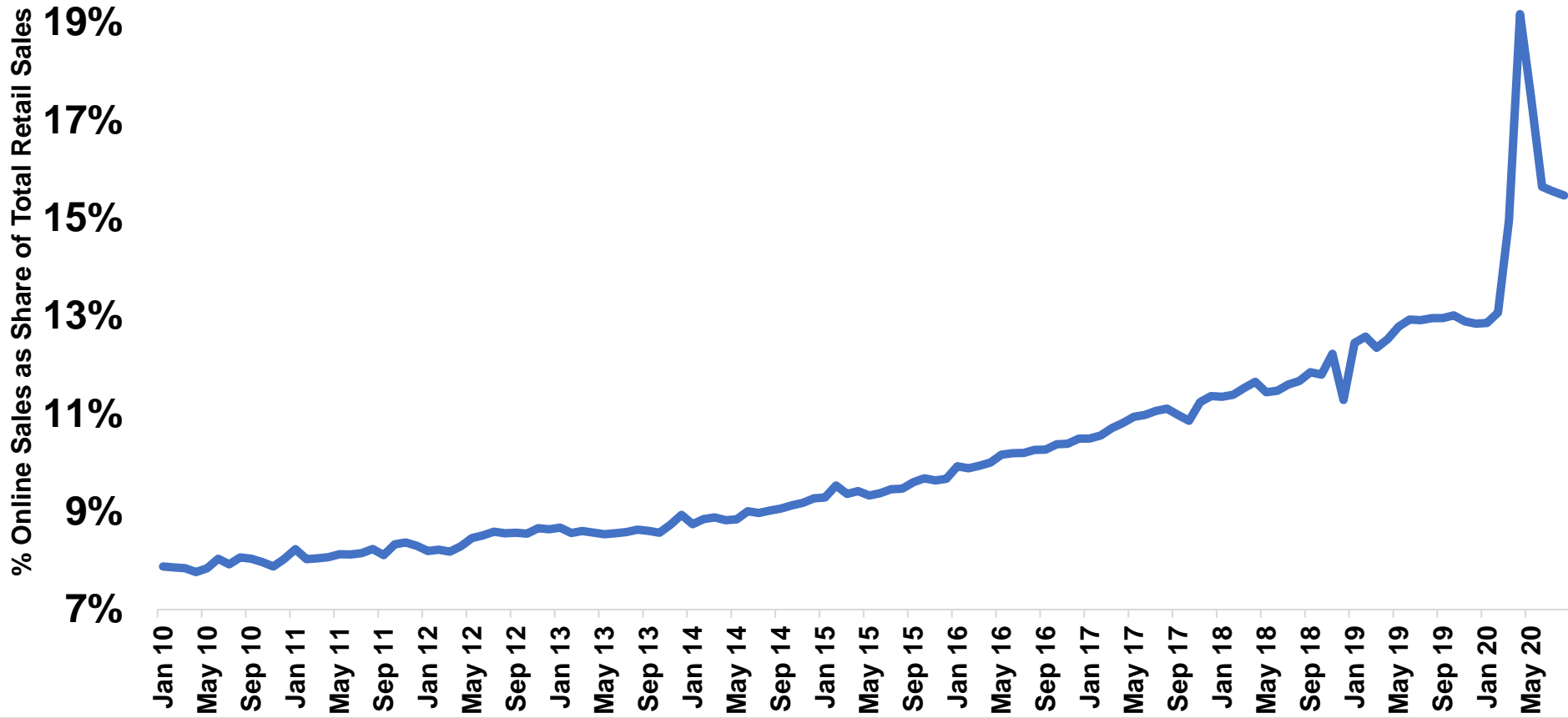
Retail Sales Above Pre-Pandemic Level



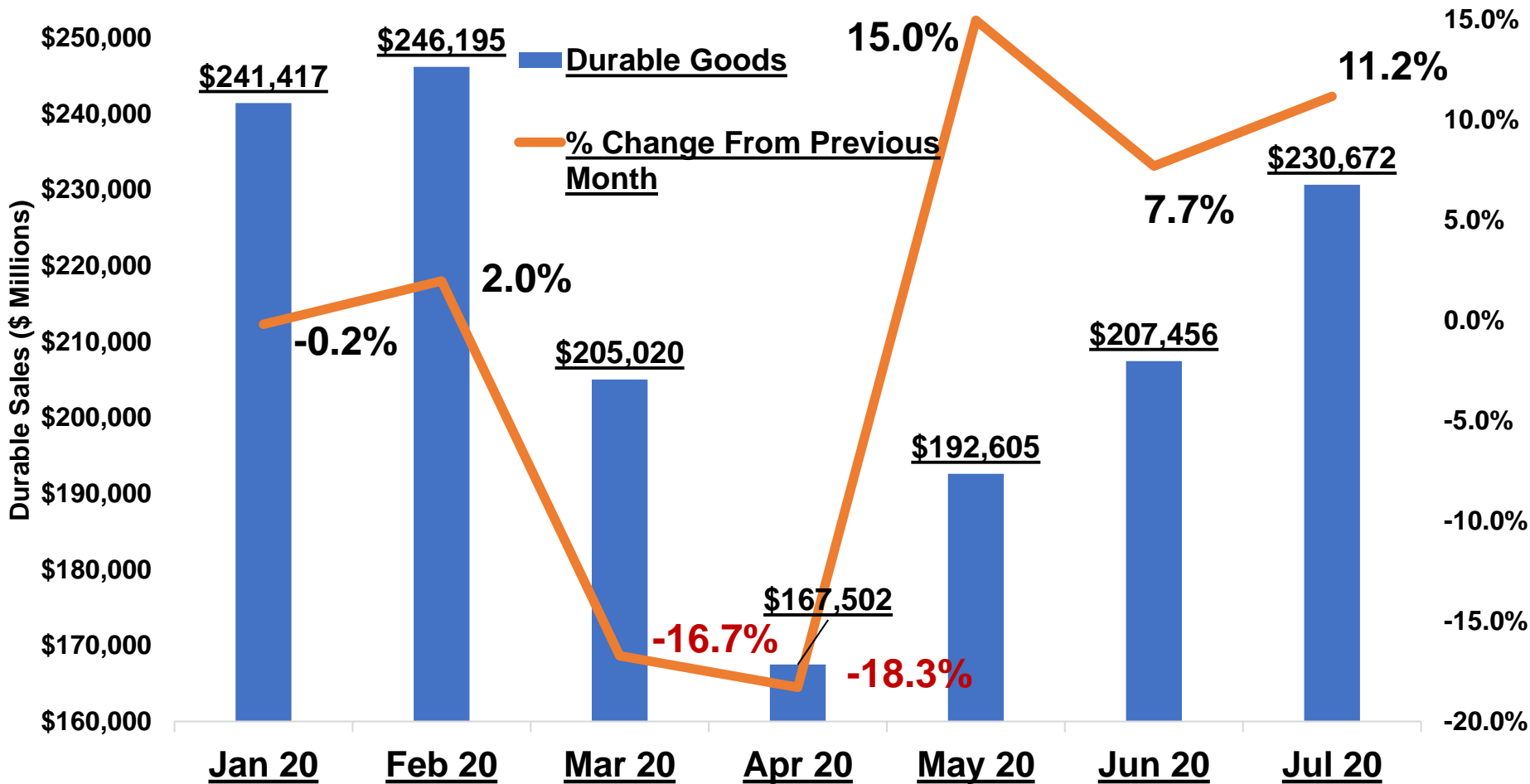
In-Store Retail Stores Still Make Up Vast Majority of Retail Sales - August 2020



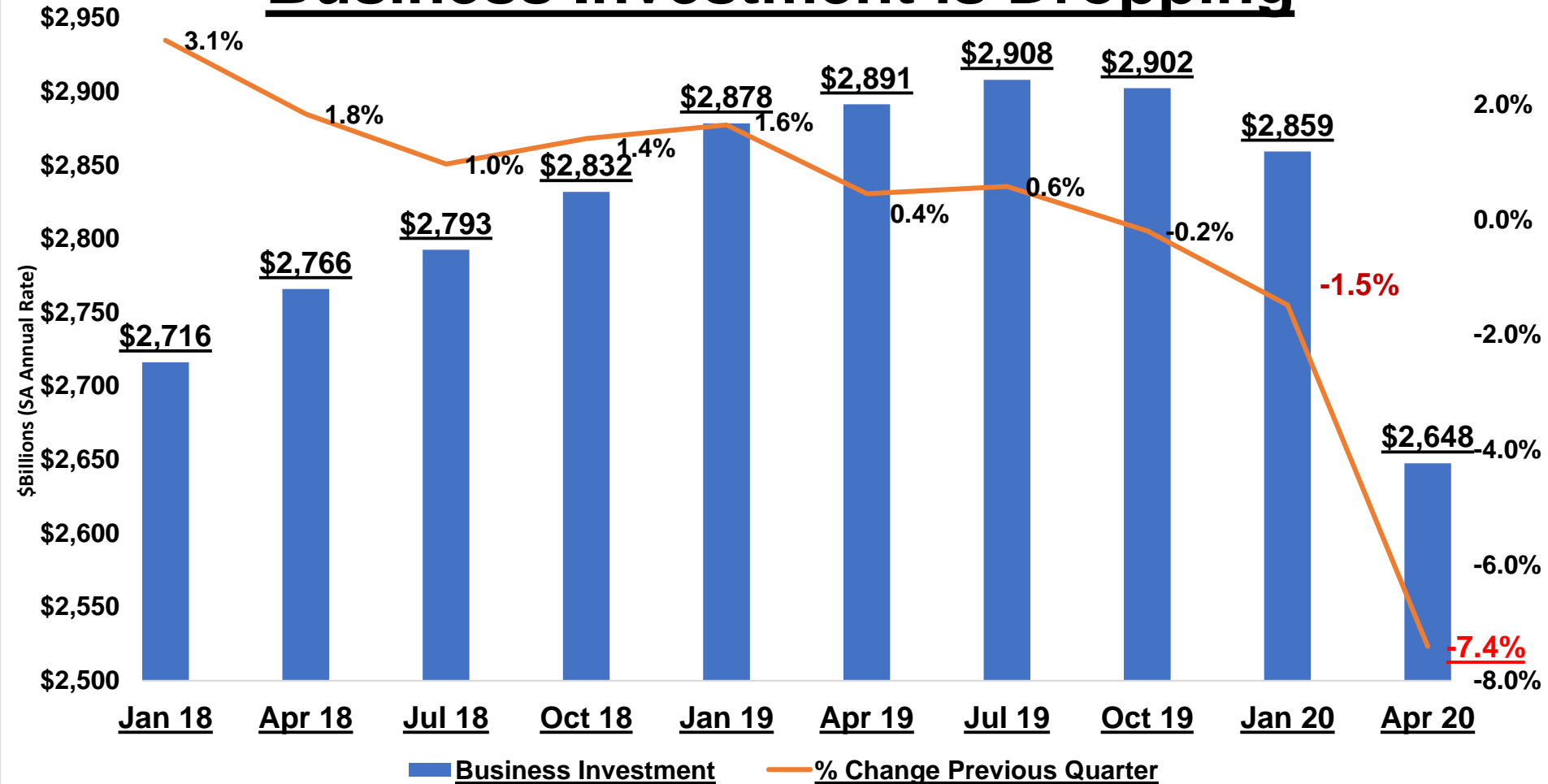
Online Sales' Share of Total Retail Spiked During the Pandemic



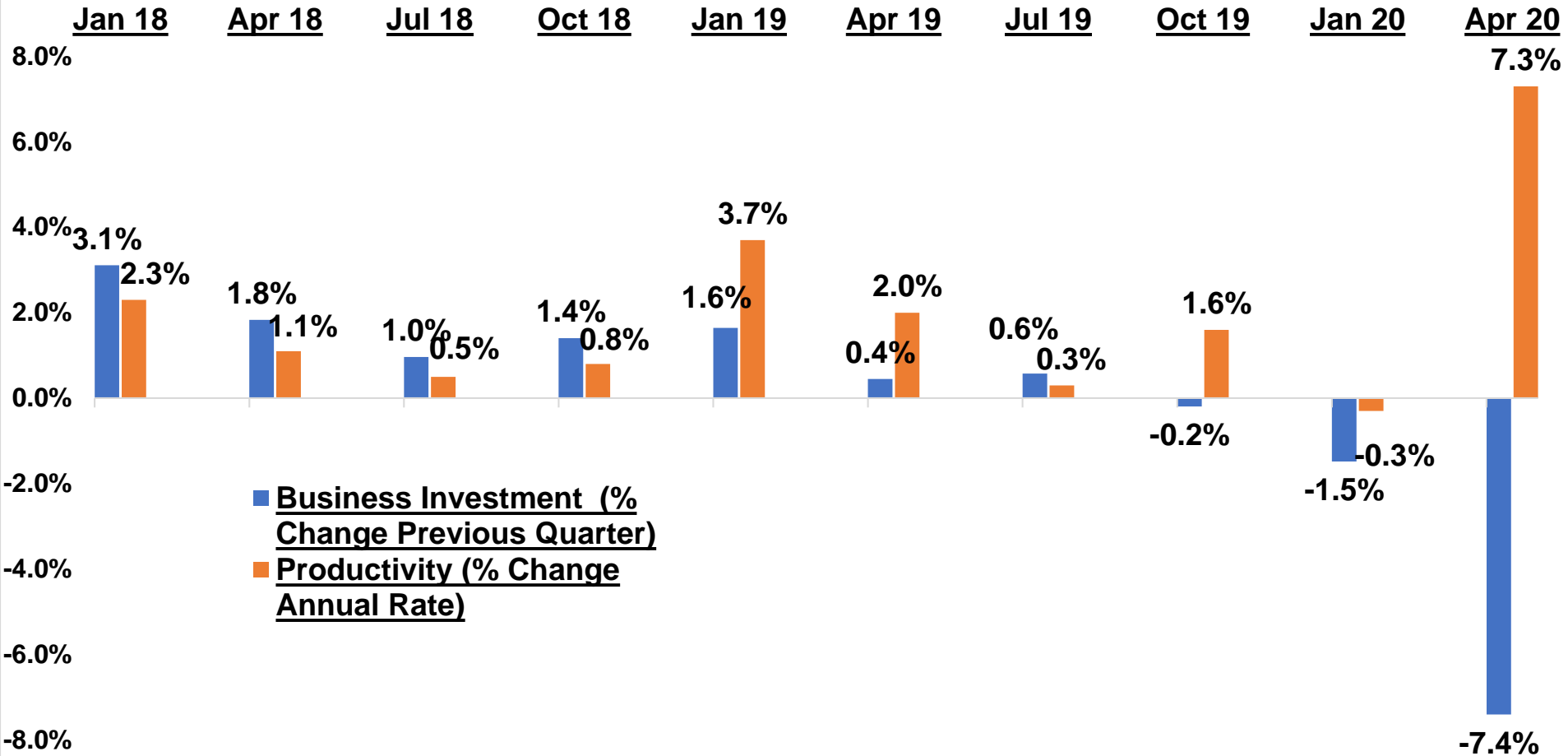
Durable Goods Rebounded Further in July



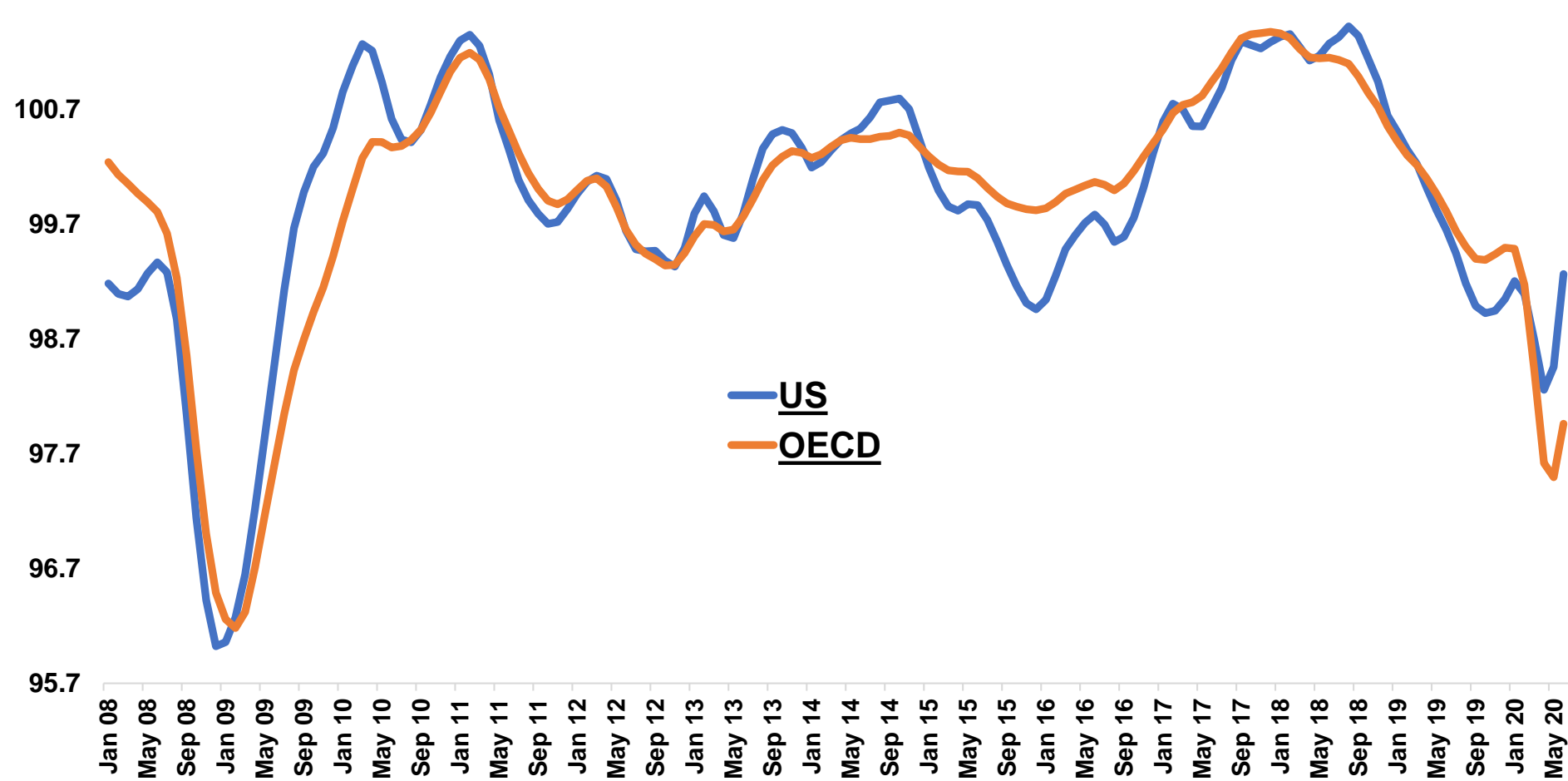
Business Investment is Dropping



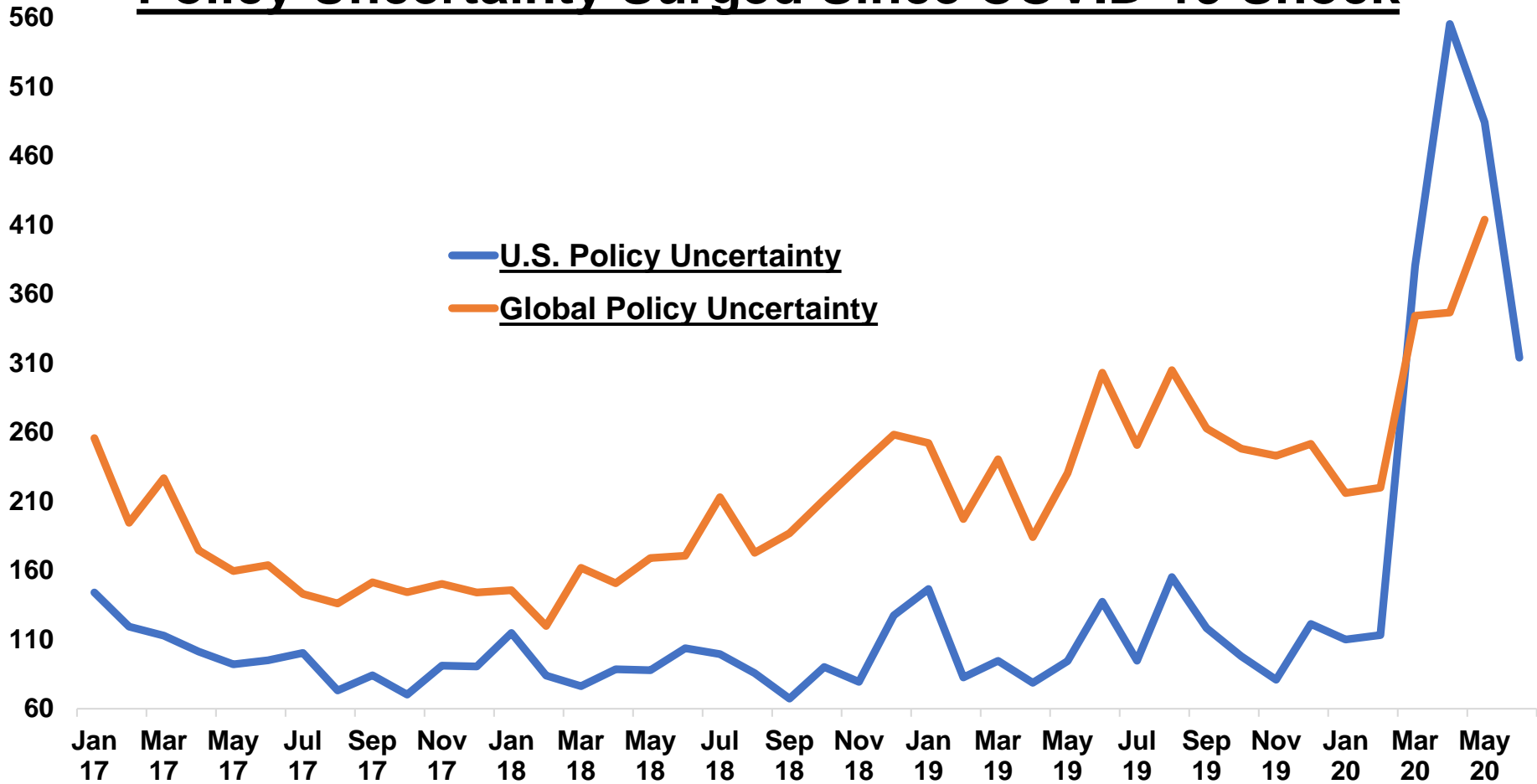
Business Investment Drives Productivity



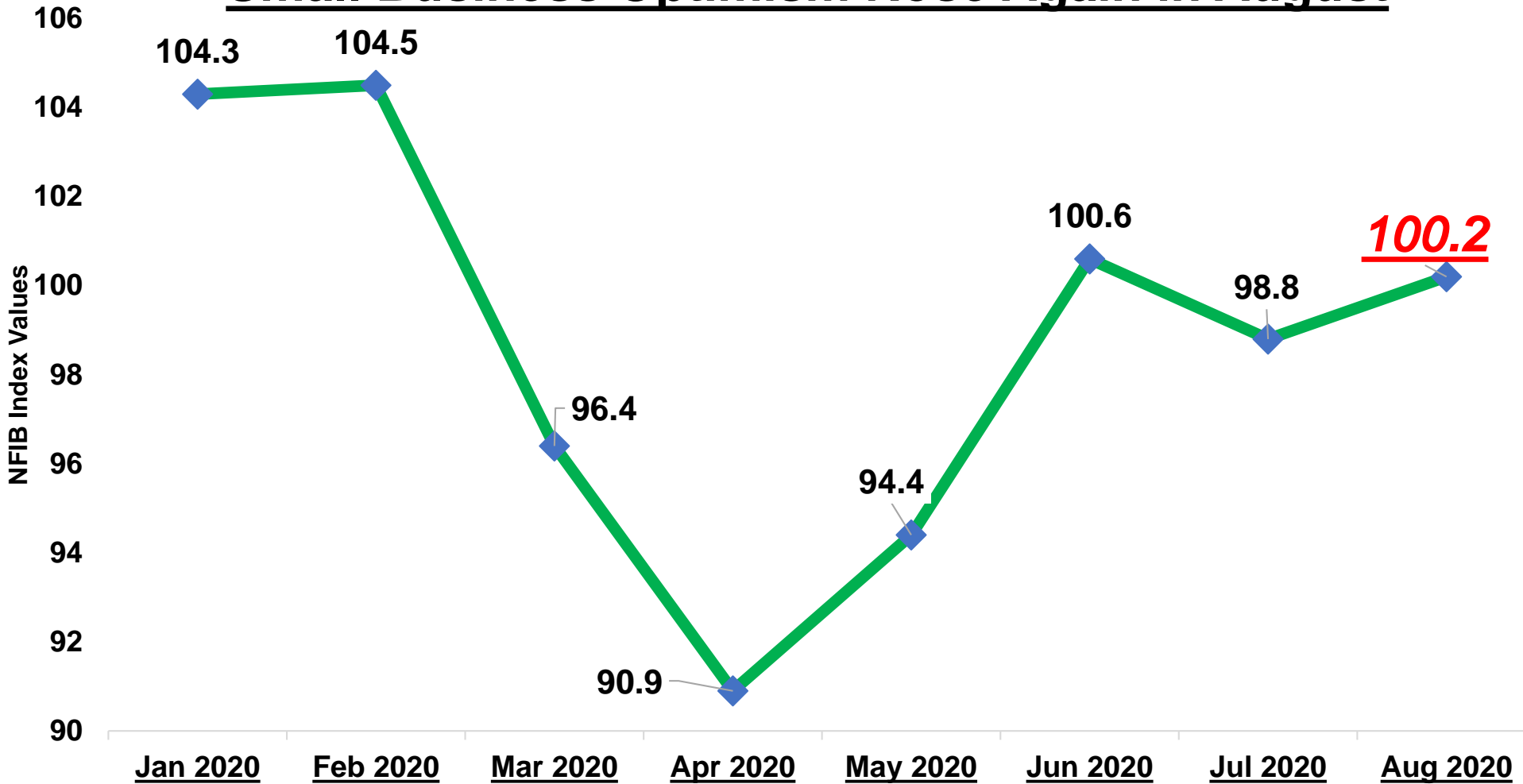
Business Confidence Rebounding More in U.S.



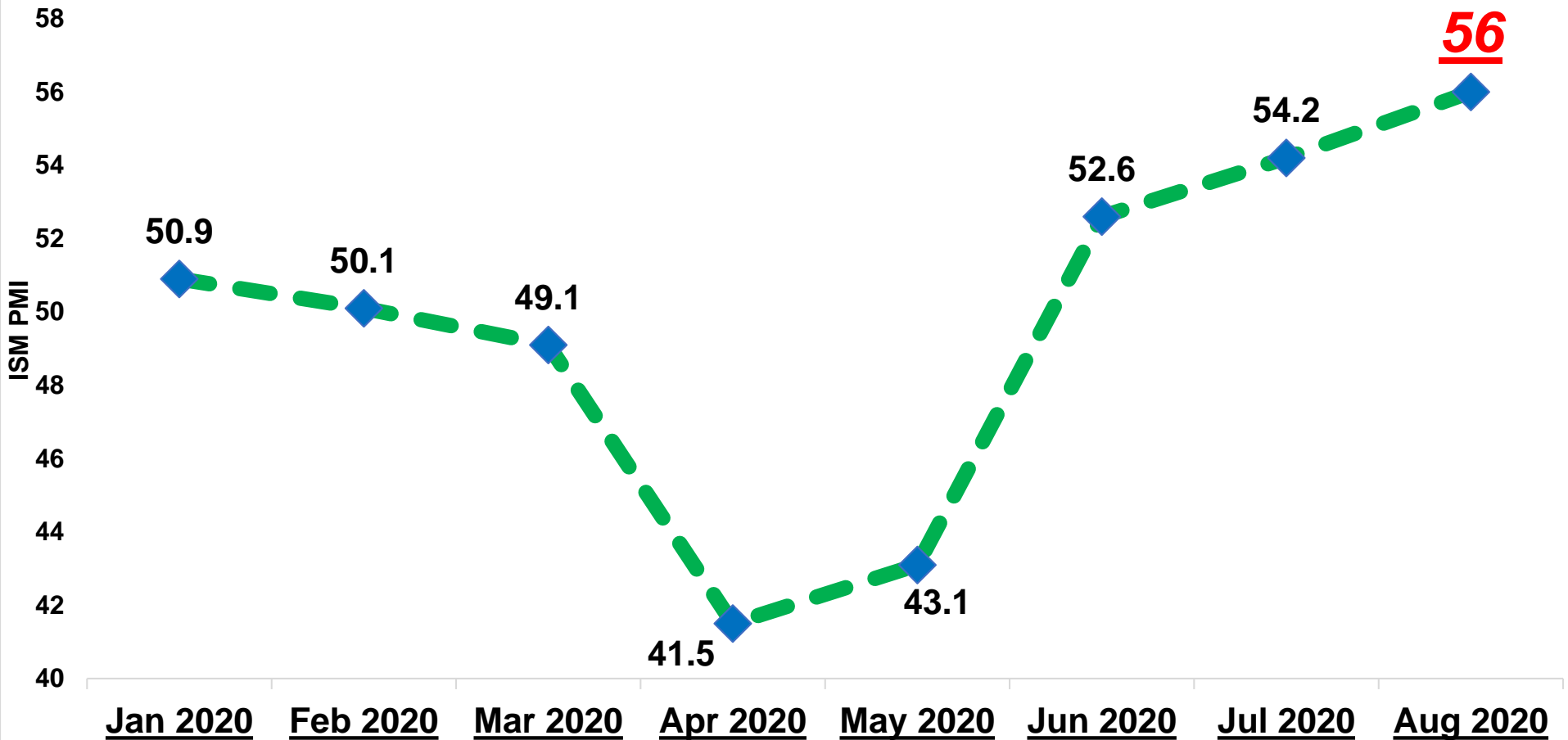
Policy Uncertainty Surged Since COVID-19 Shock



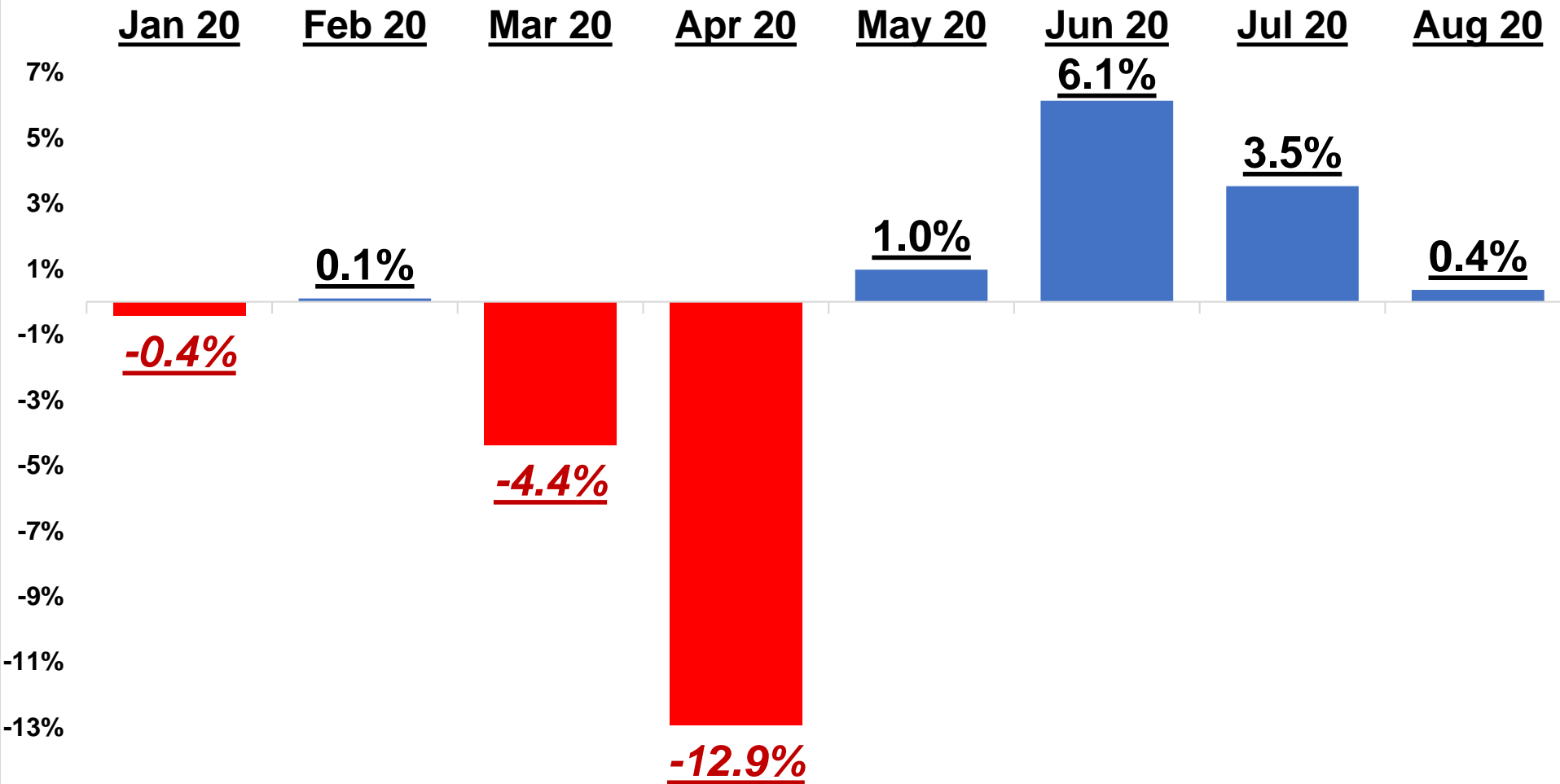
Small Business Optimism Rose Again in August



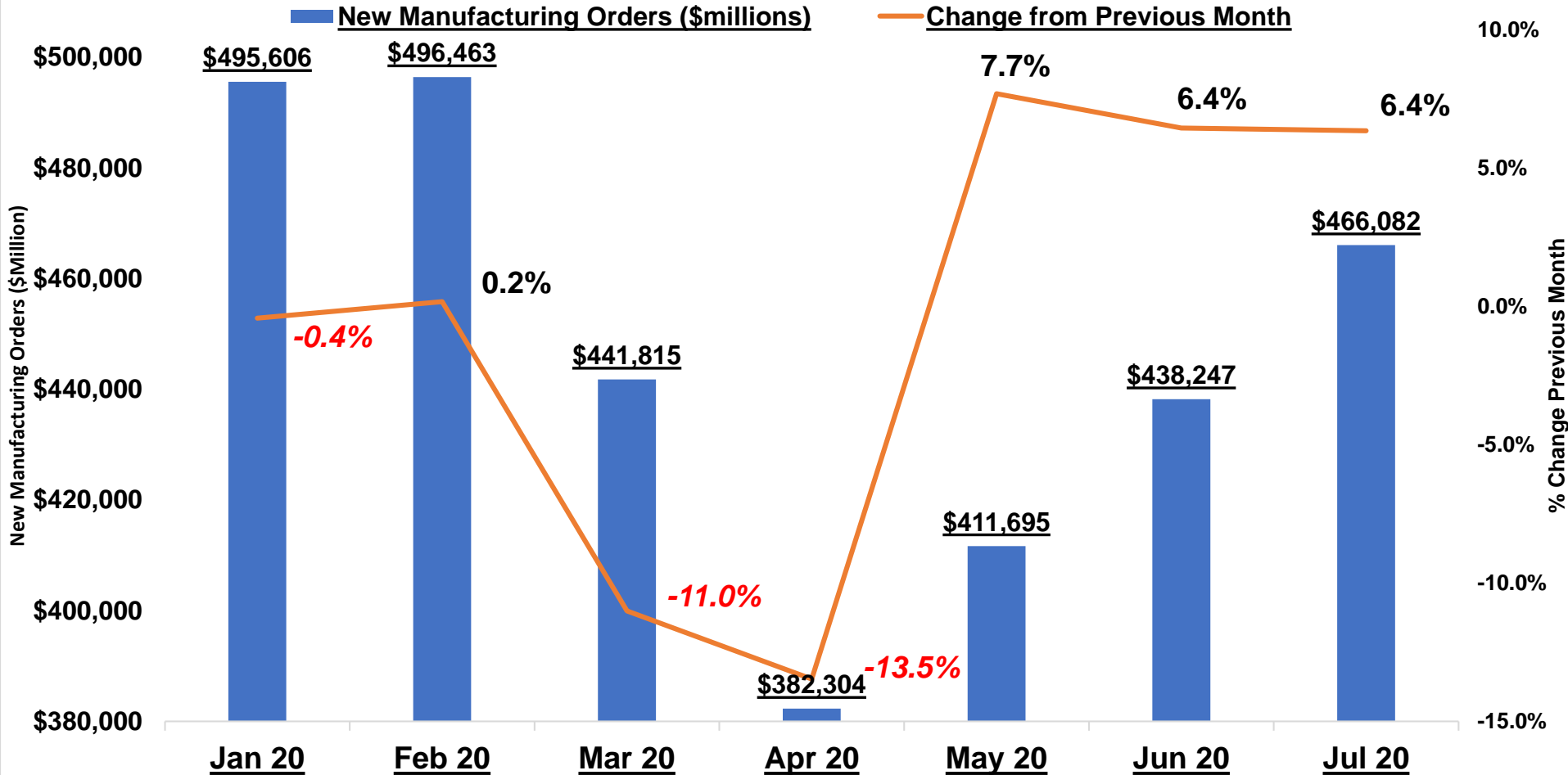
Manufacturing Sentiment Well Above Pre-Pandemic Level



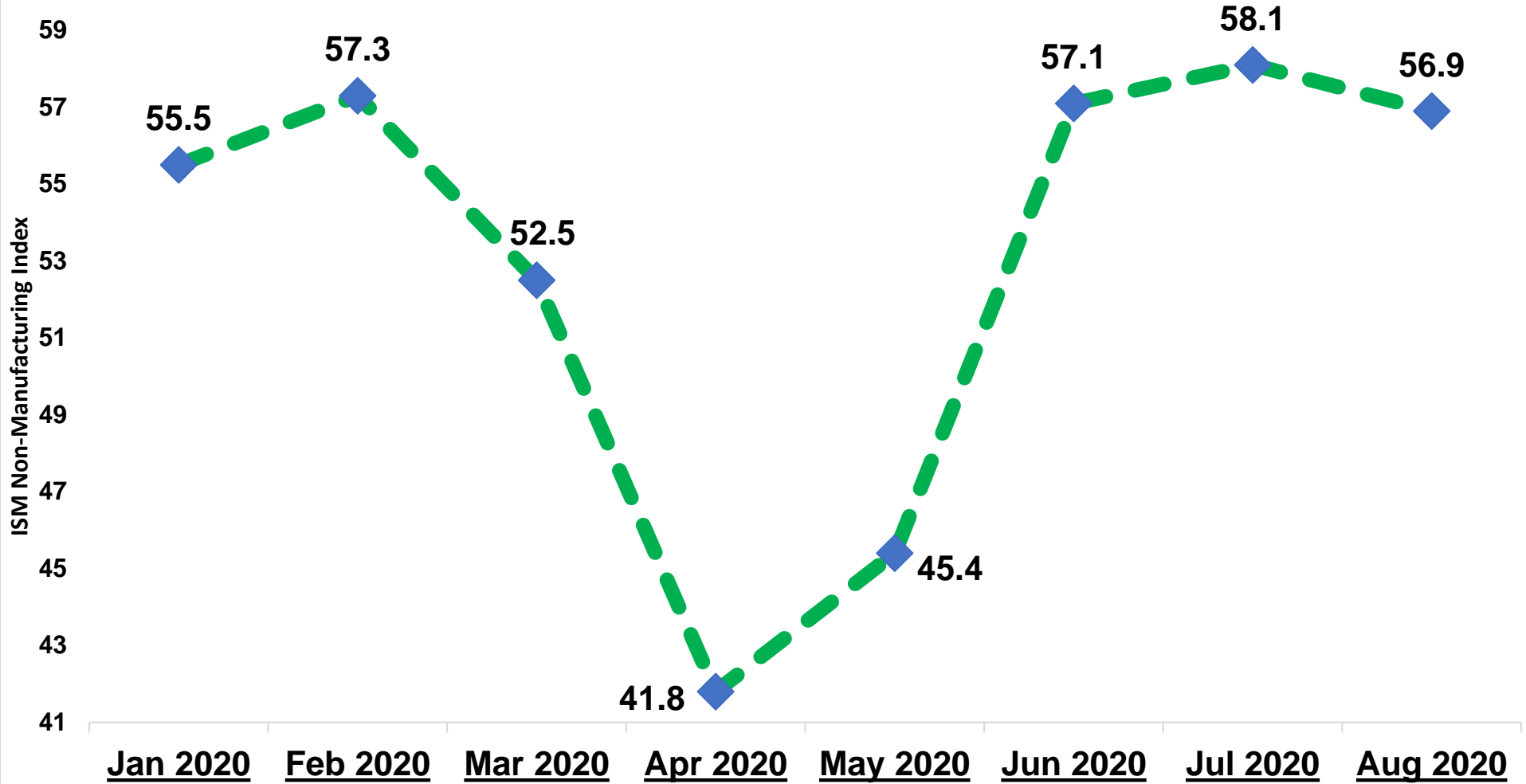
Industrial Production Rose Again in August - At Slower Pace



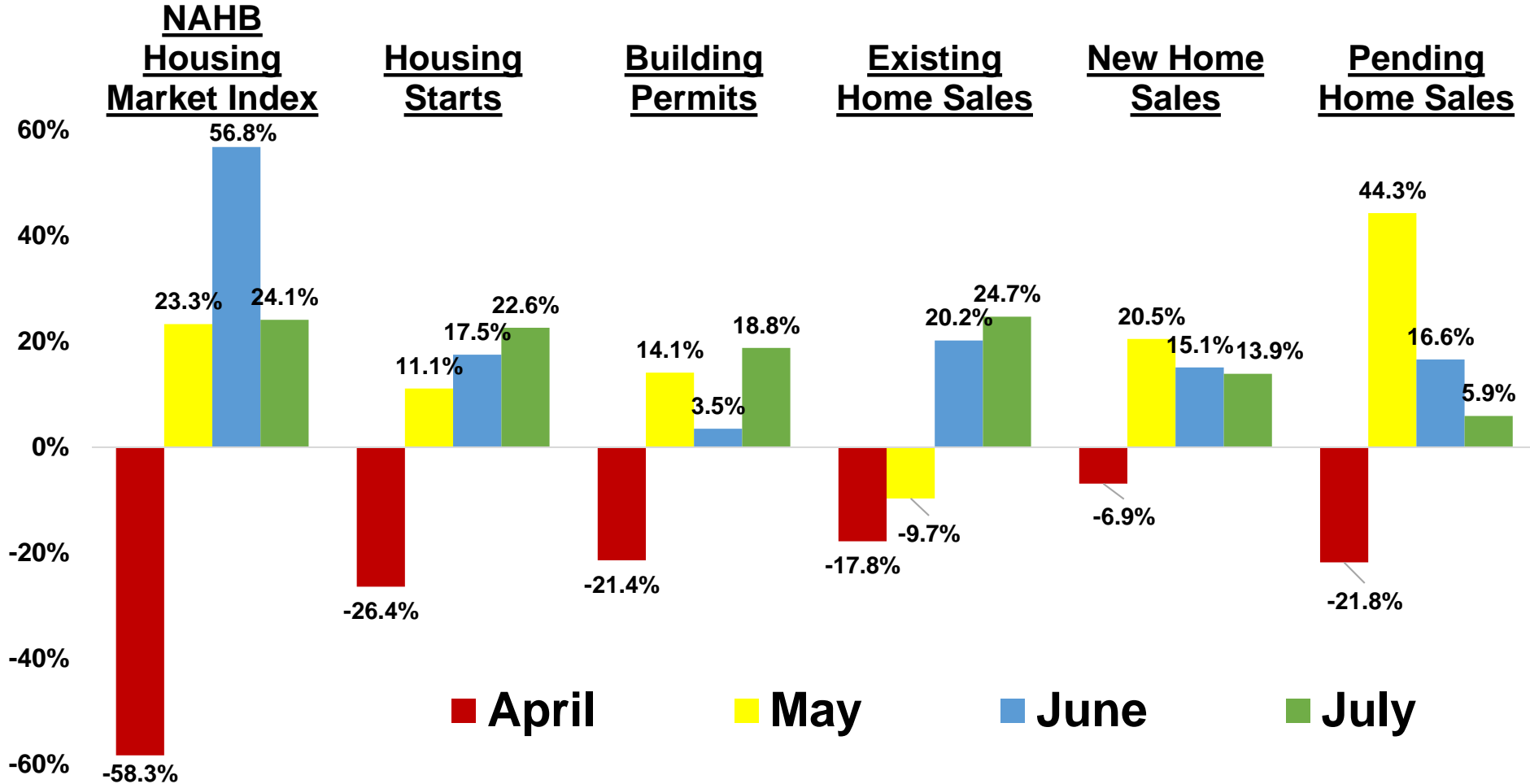
Manufacturing Orders Still Lower After Rebound



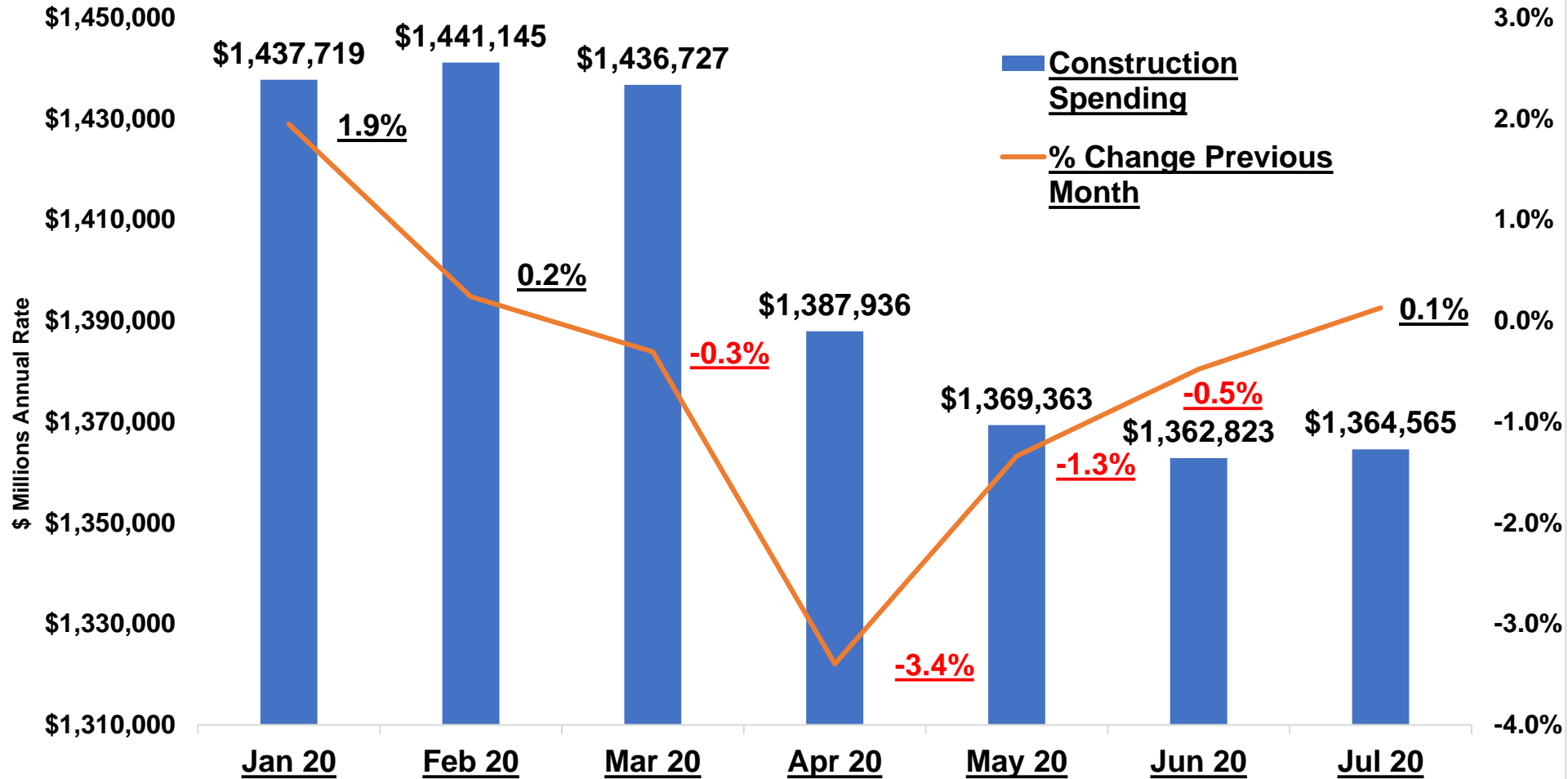
Services Near Pre-Pandemic Level in August



Housing Market Rebounding Strongly



Construction Spending Still Down Since Pandemic



Consumer and Producer Prices Rose in August

Jan 20

Feb 20

Mar 20

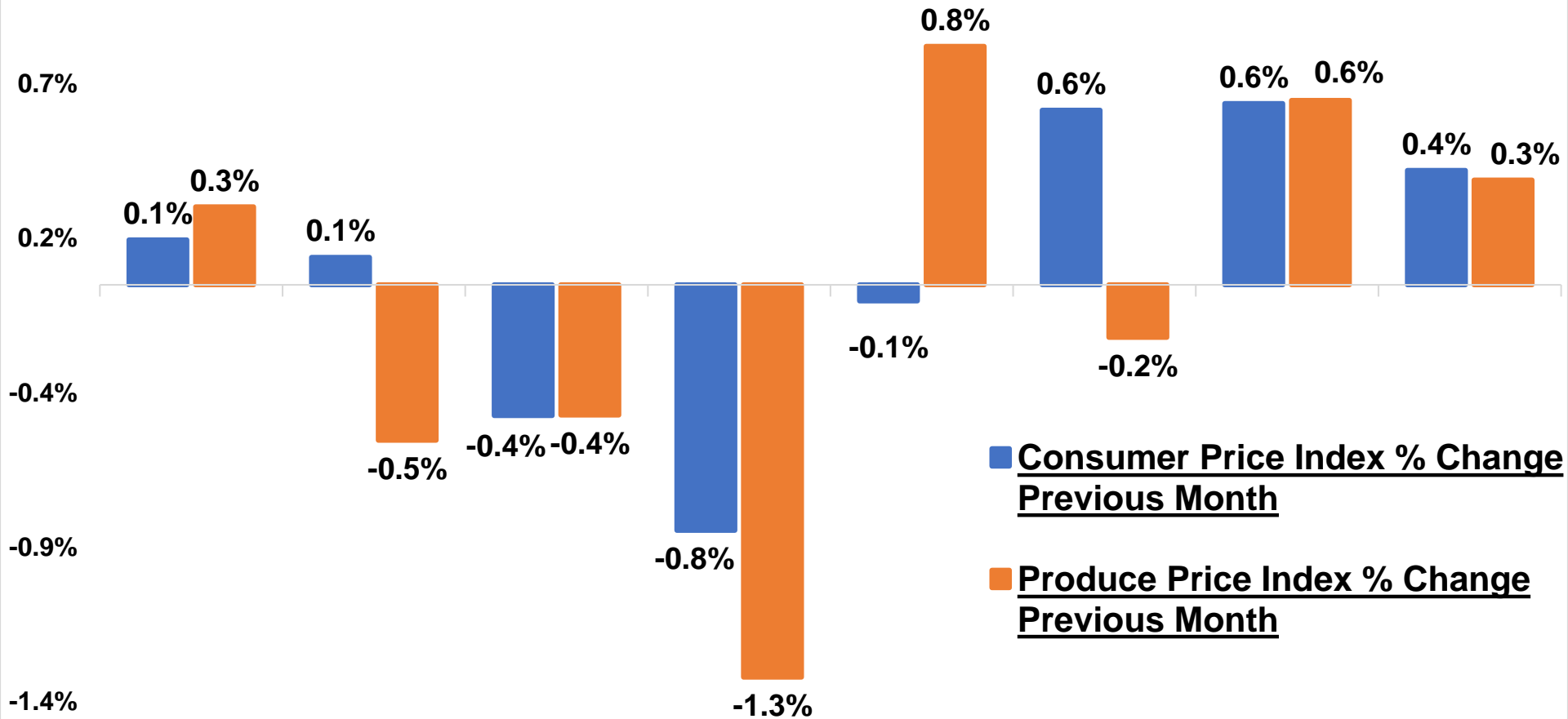
Apr 20

May 20

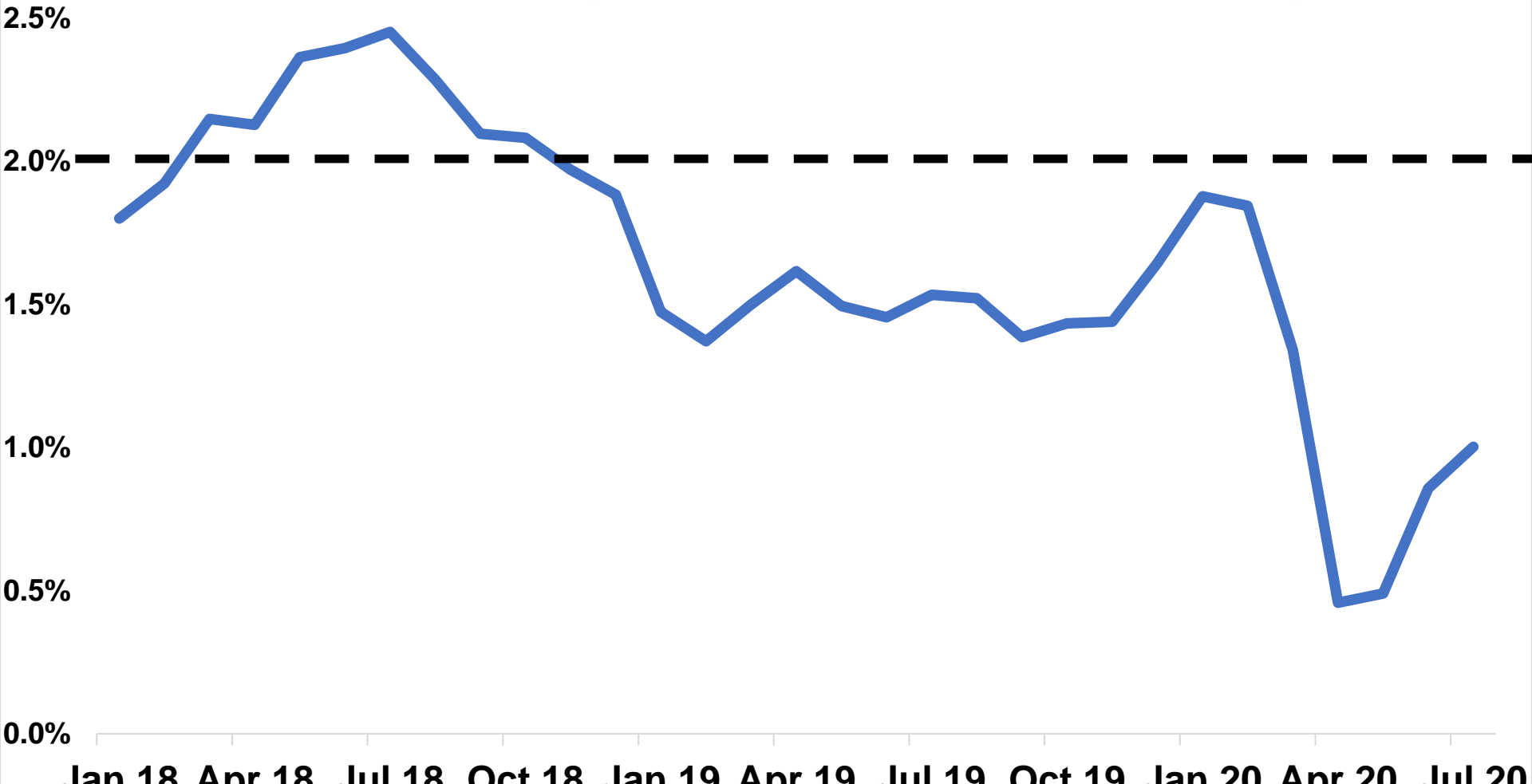
Jun 20

Jul 20

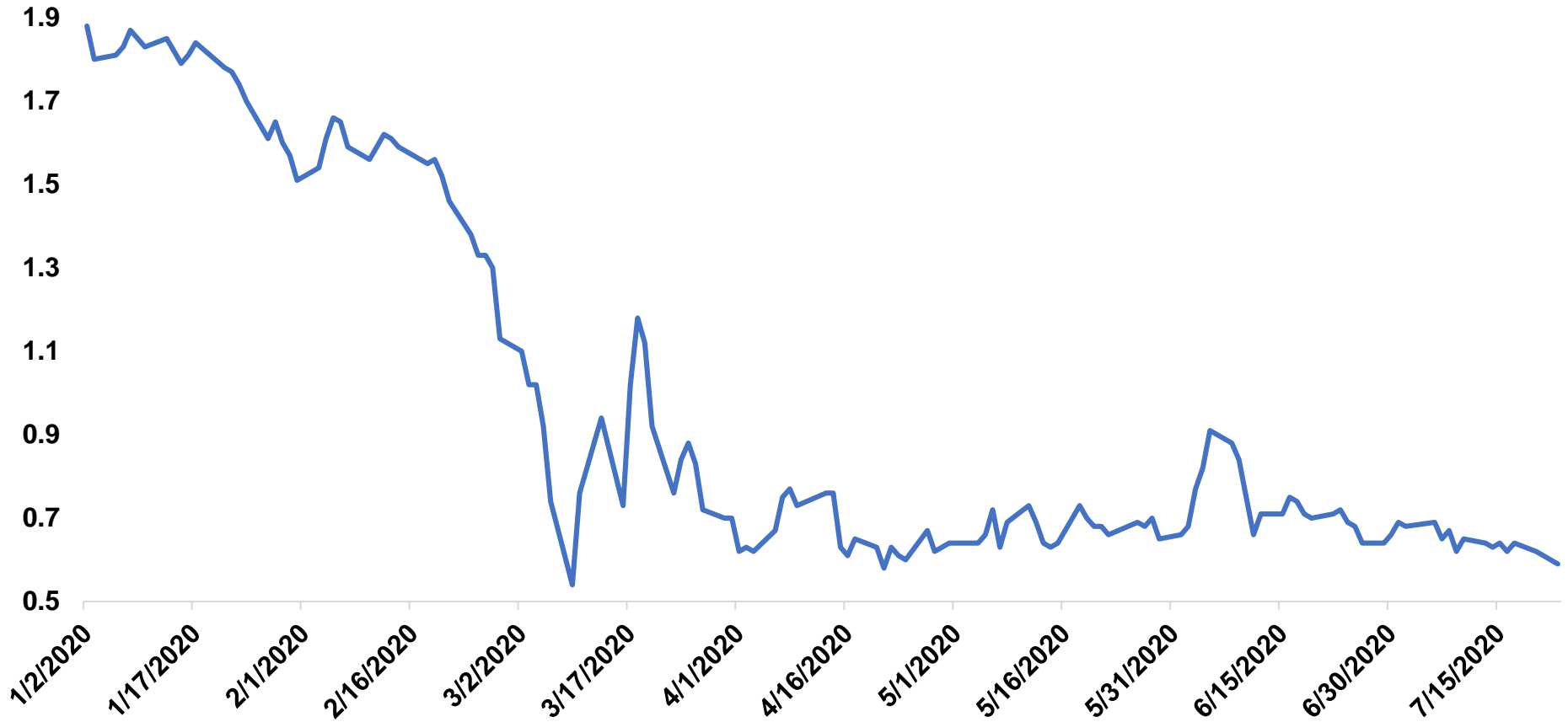
Aug 20



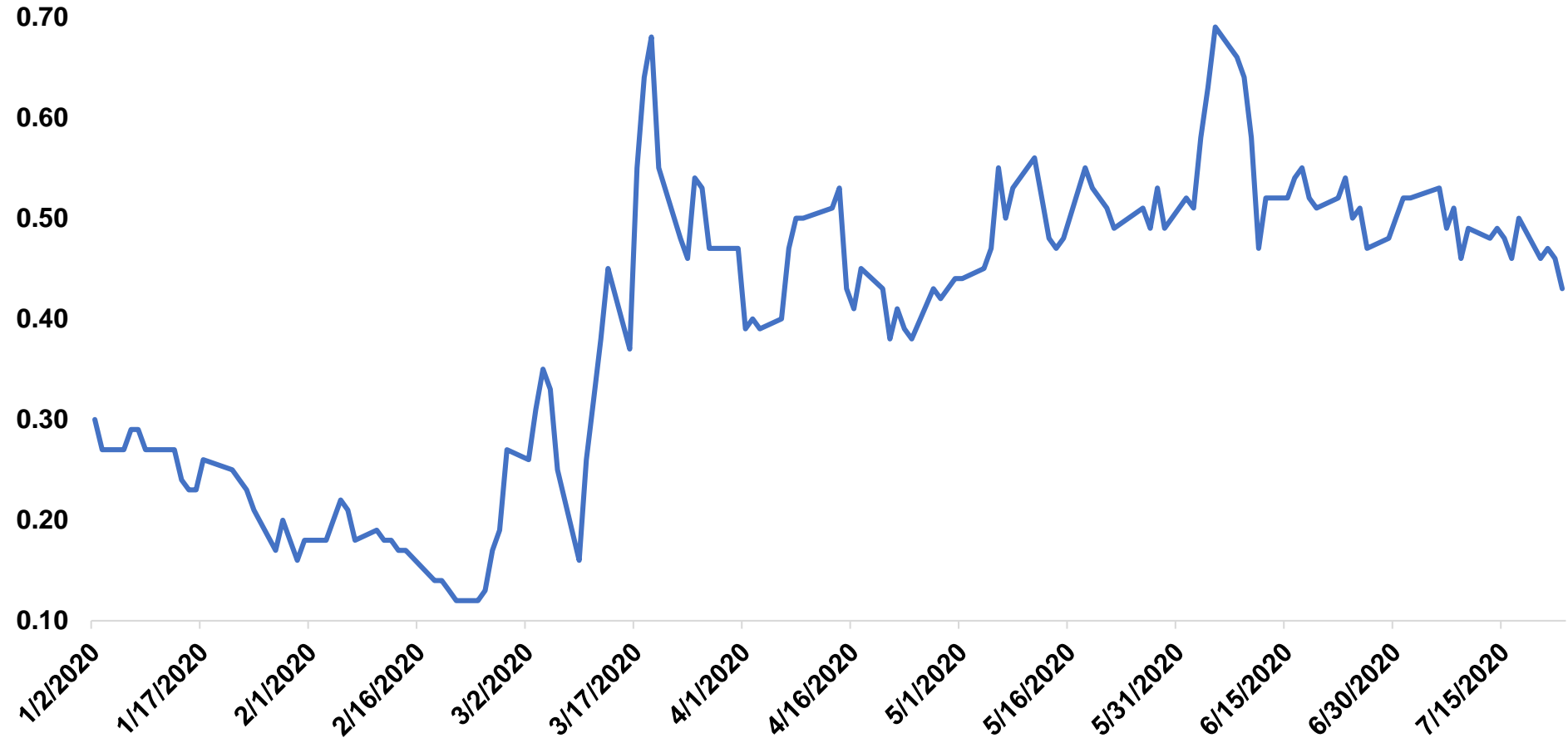
Inflation Running Below Fed's 2 Percent Target



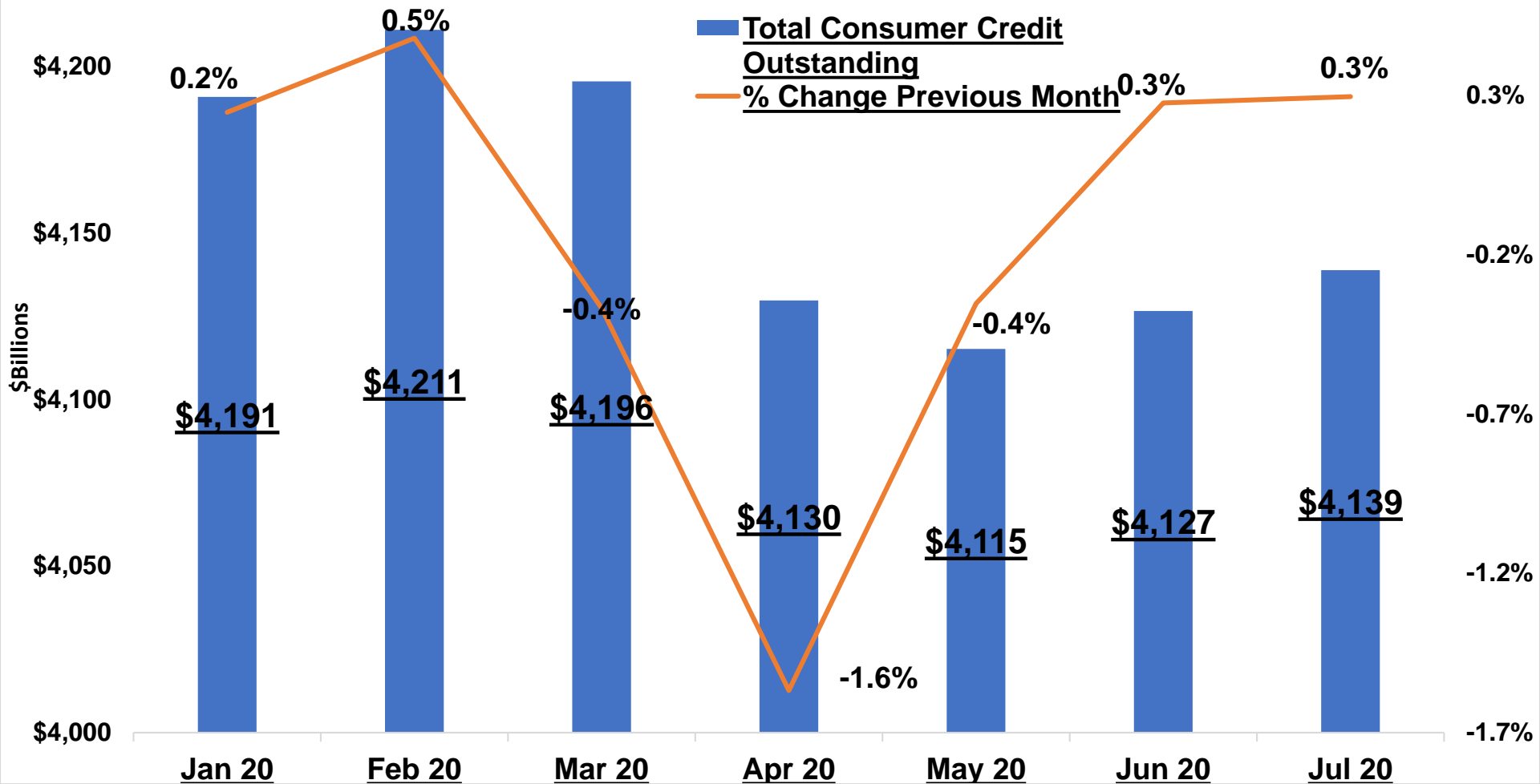
10 Year Treasury Rate Near Record Lows



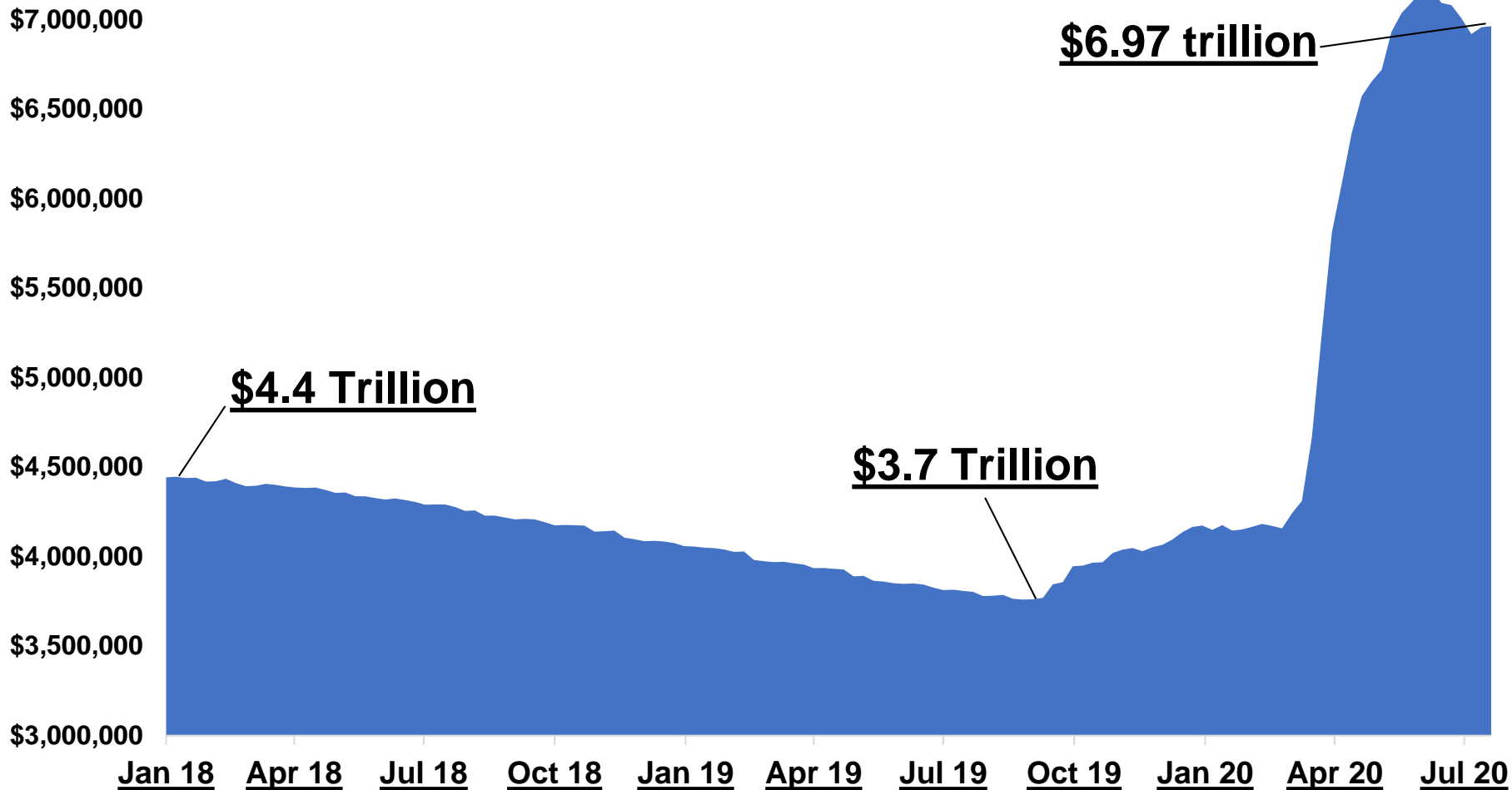
Spread Between 2 and 10 Year Treasury Rates



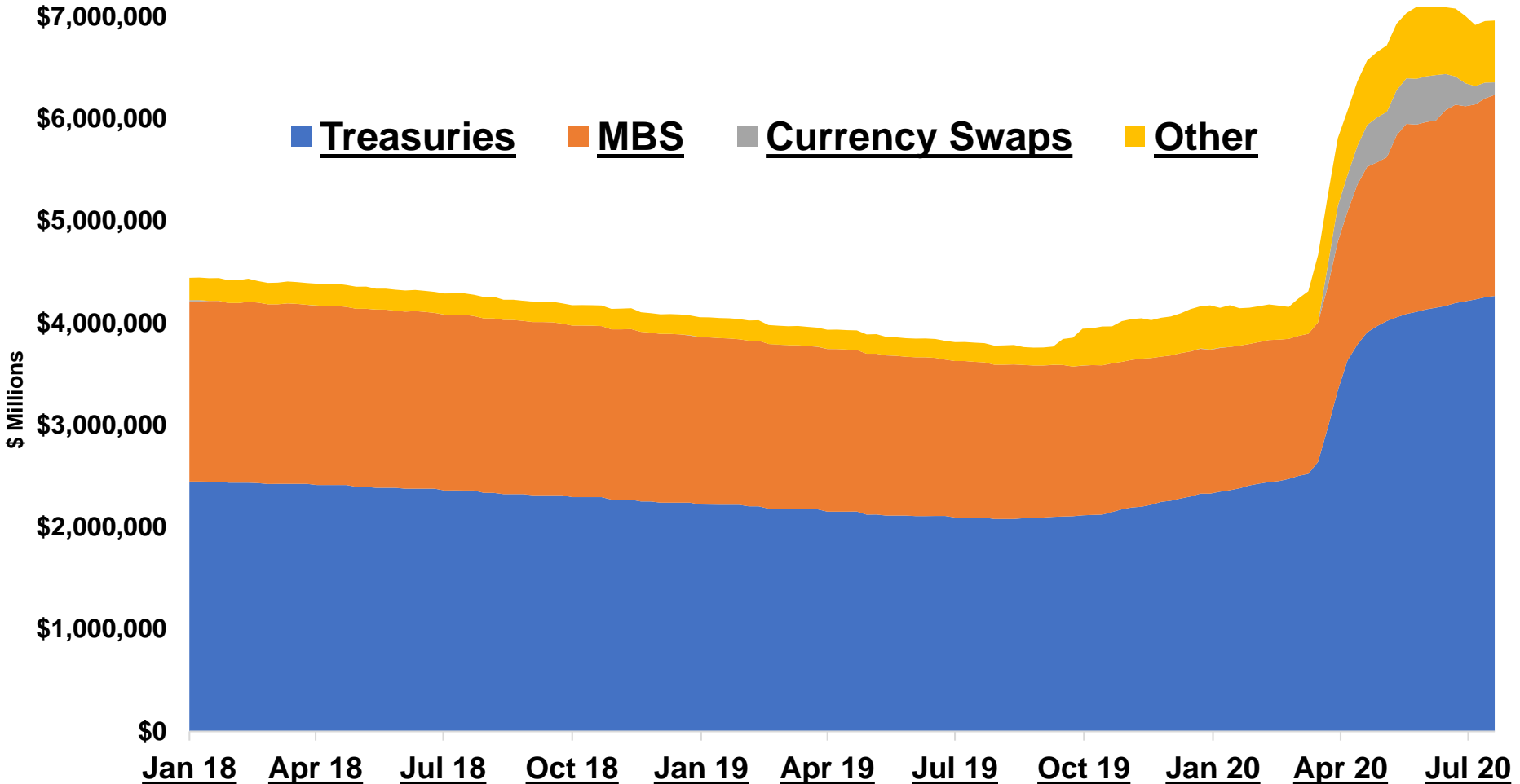
Consumer Credit Rose in July



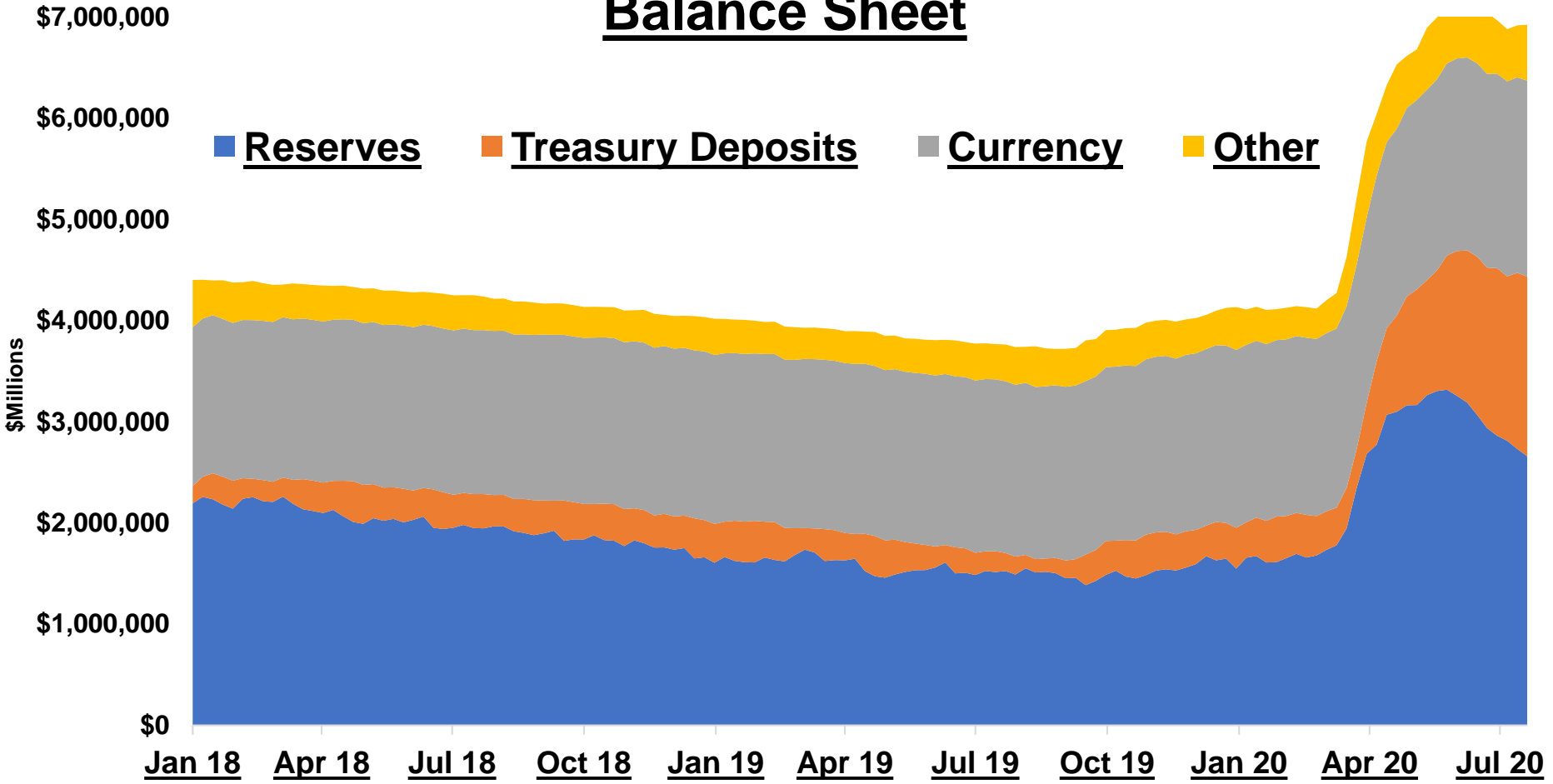
Federal Reserve Assets Grew Rapidly in COVID-19 Response



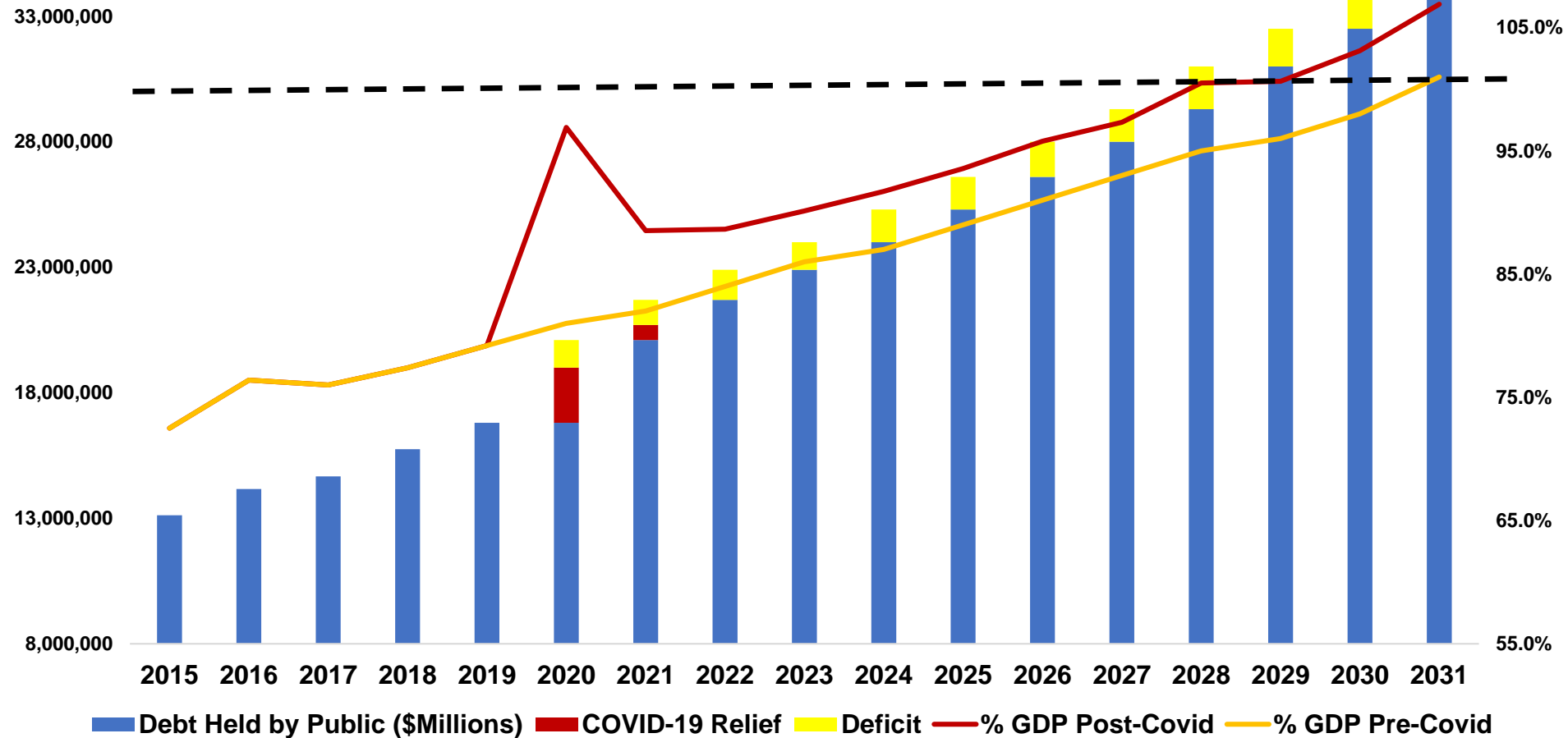
Composition of Federal Reserve's Assets



Bank Reserves Rising Rapidly Because of Larger Balance Sheet

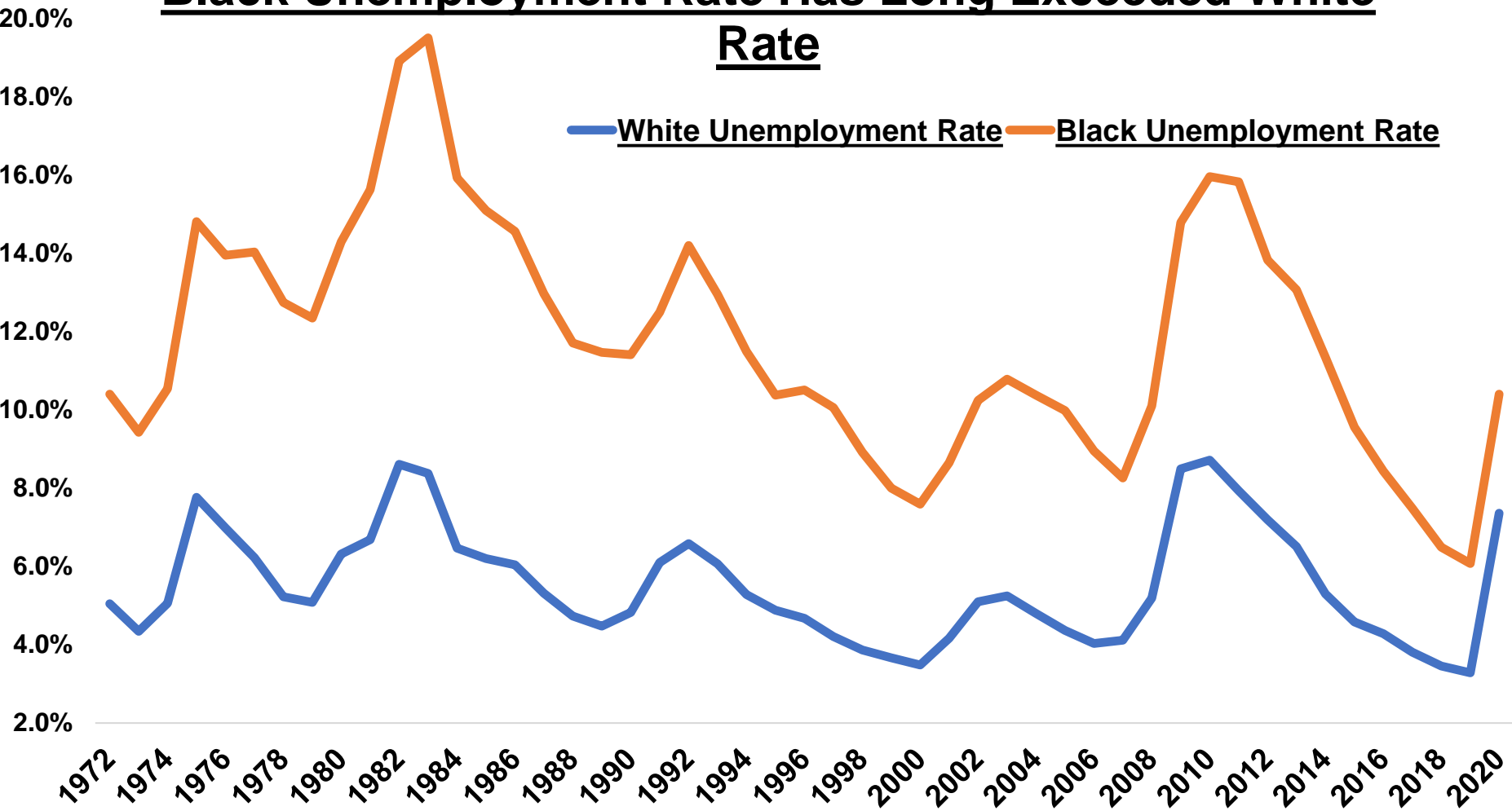


Debt was on an Unsustainable Path before COVID-19 Relief

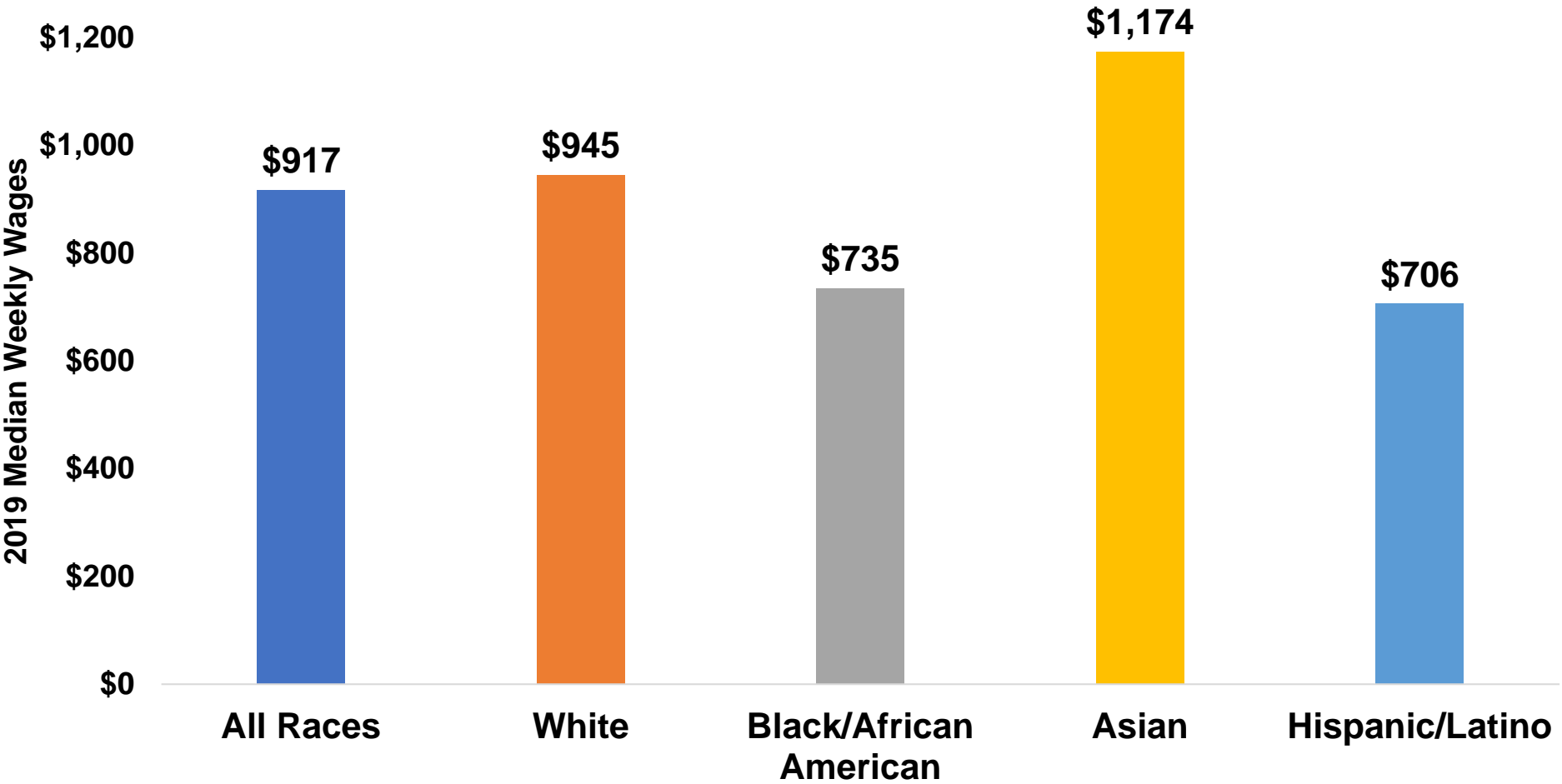


Black Unemployment Rate Has Long Exceeded White Rate

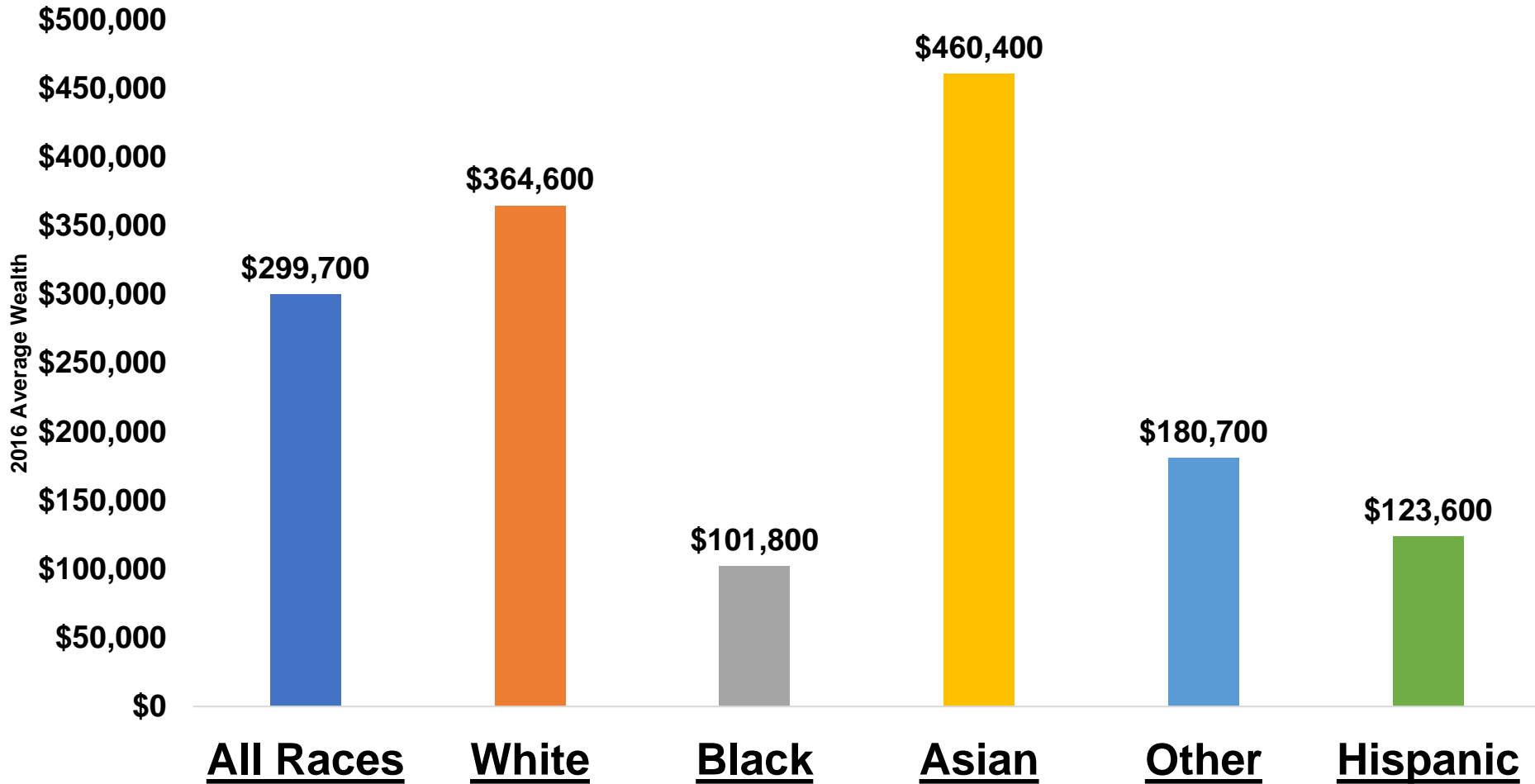
White Unemployment Rate Black Unemployment Rate



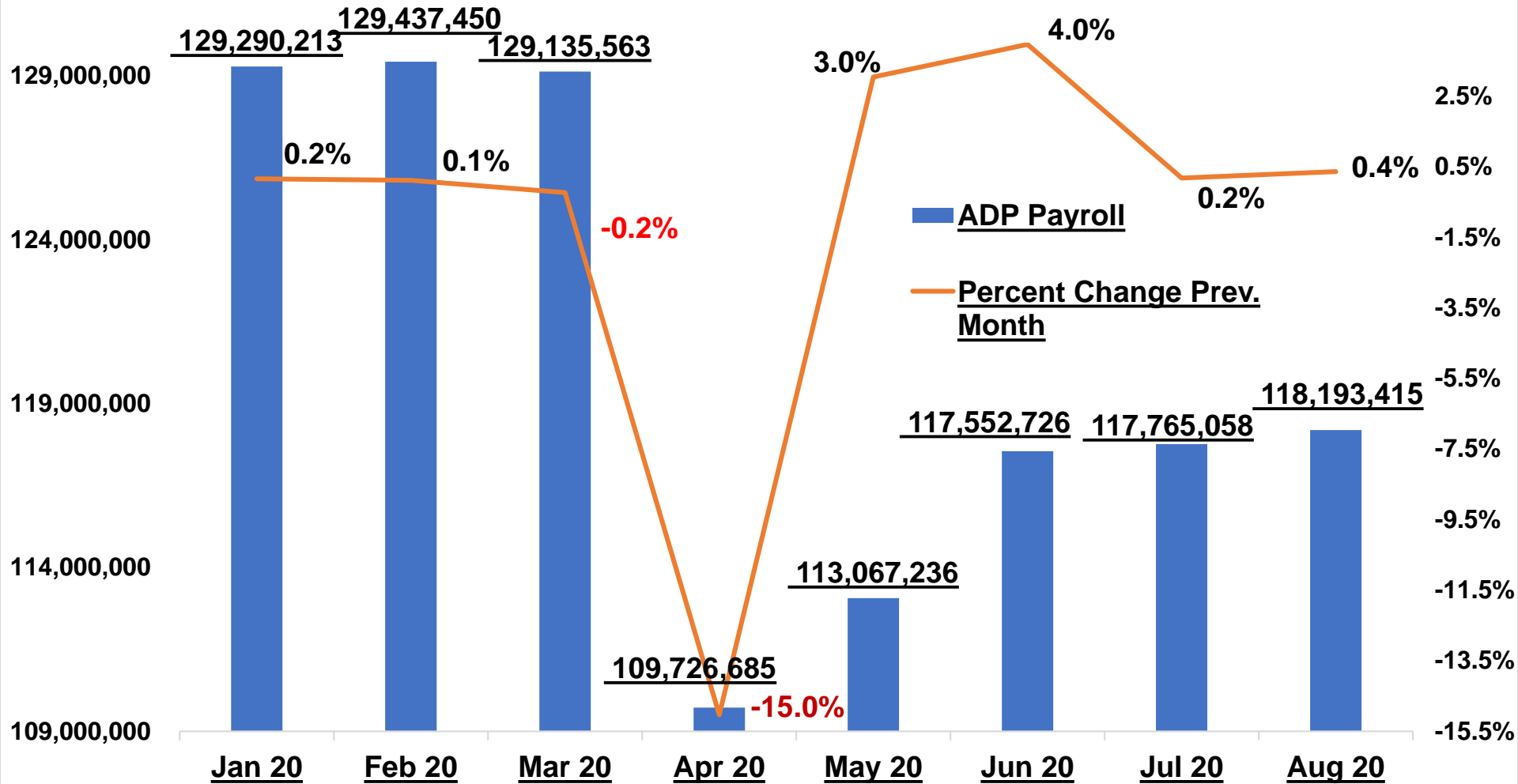
Black and Hispanic Wages Lag Other Races



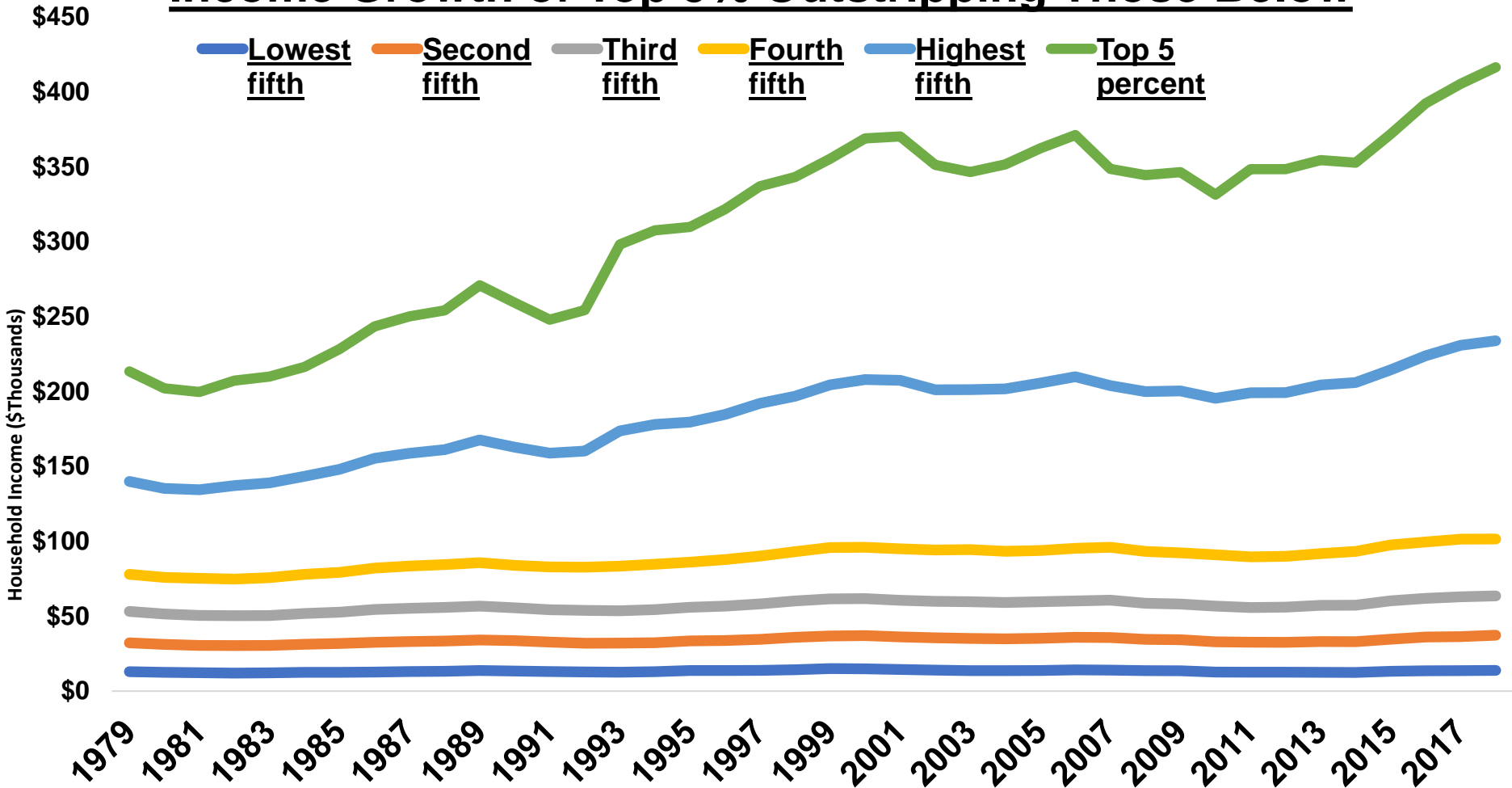
Black Wealth Trails Other Races



Payrolls Increased in August - a Large Gap Remains



Income Growth of Top 5% Outstripping Those Below



Productivity Drives Wages

