



Economic Policy Division

Curtis Dubay
Chief Economist, US Chamber of Commerce
July 2022
cdubay@uschamber.com



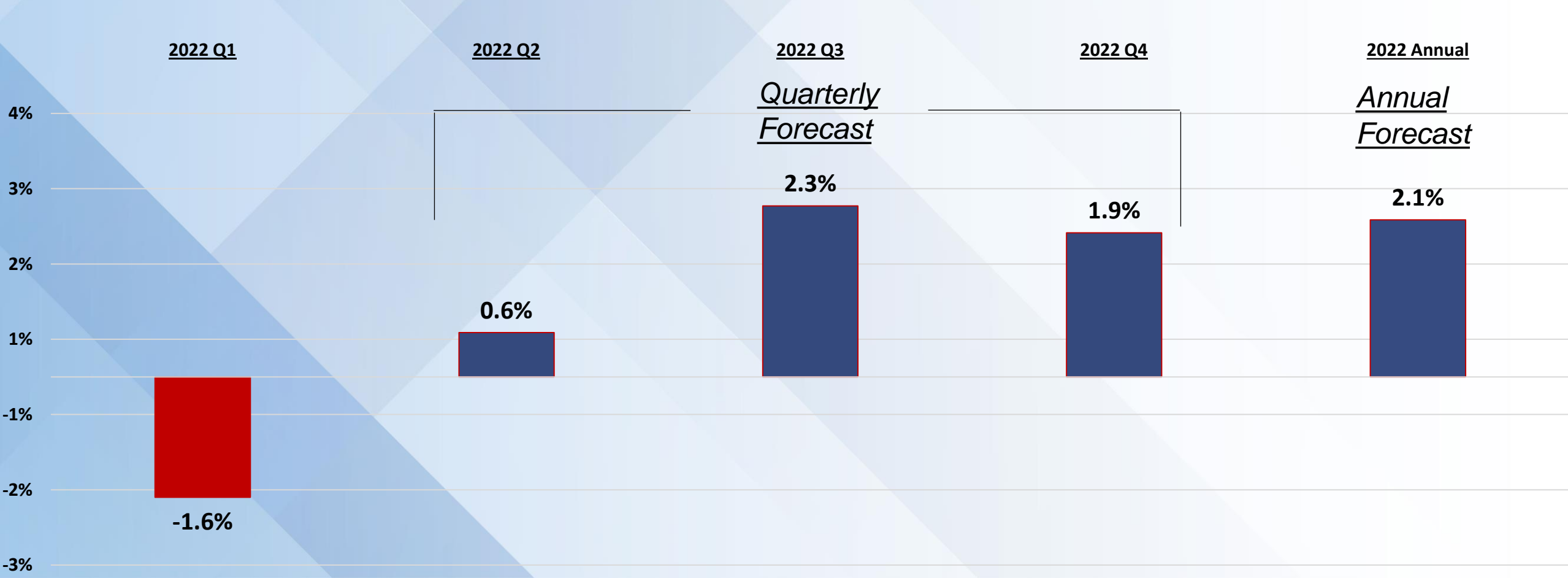
Economic Policy Division

Current Economic Conditions



Economic Policy Division

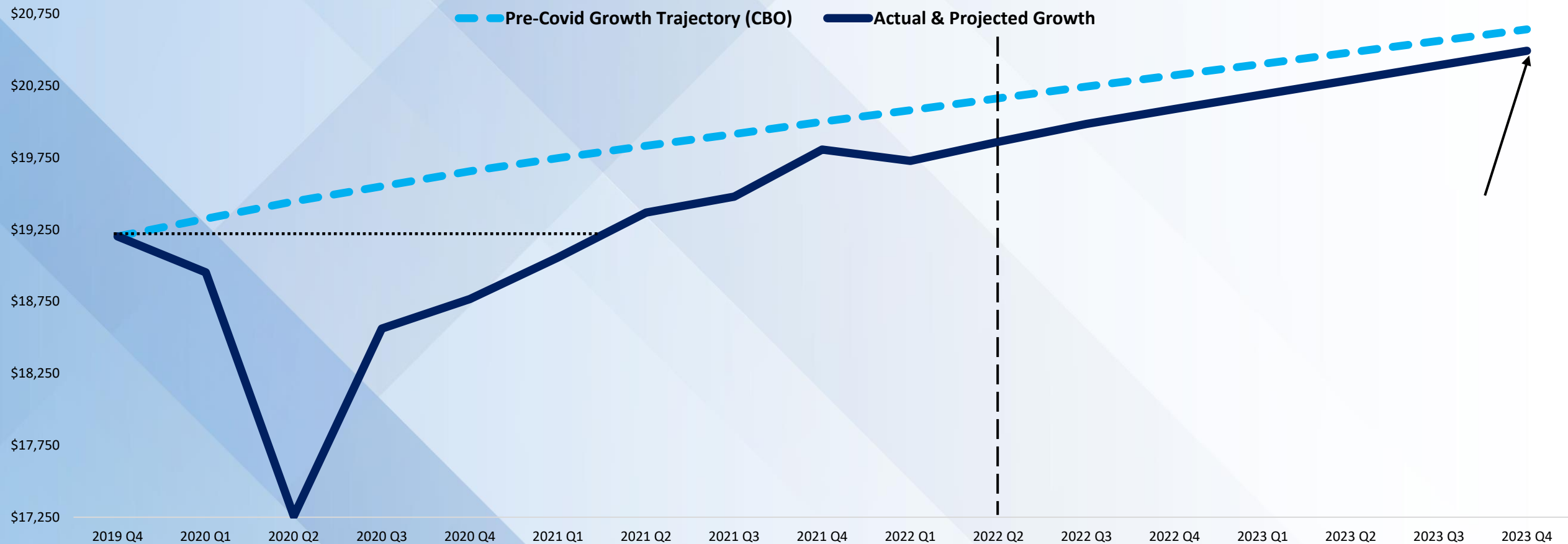
The Economy Contracted in Q1 – Growth Tracking Low in Q2





Economic Policy Division

Economy Still Below Pre-Covid Trajectory





Economic Policy Division

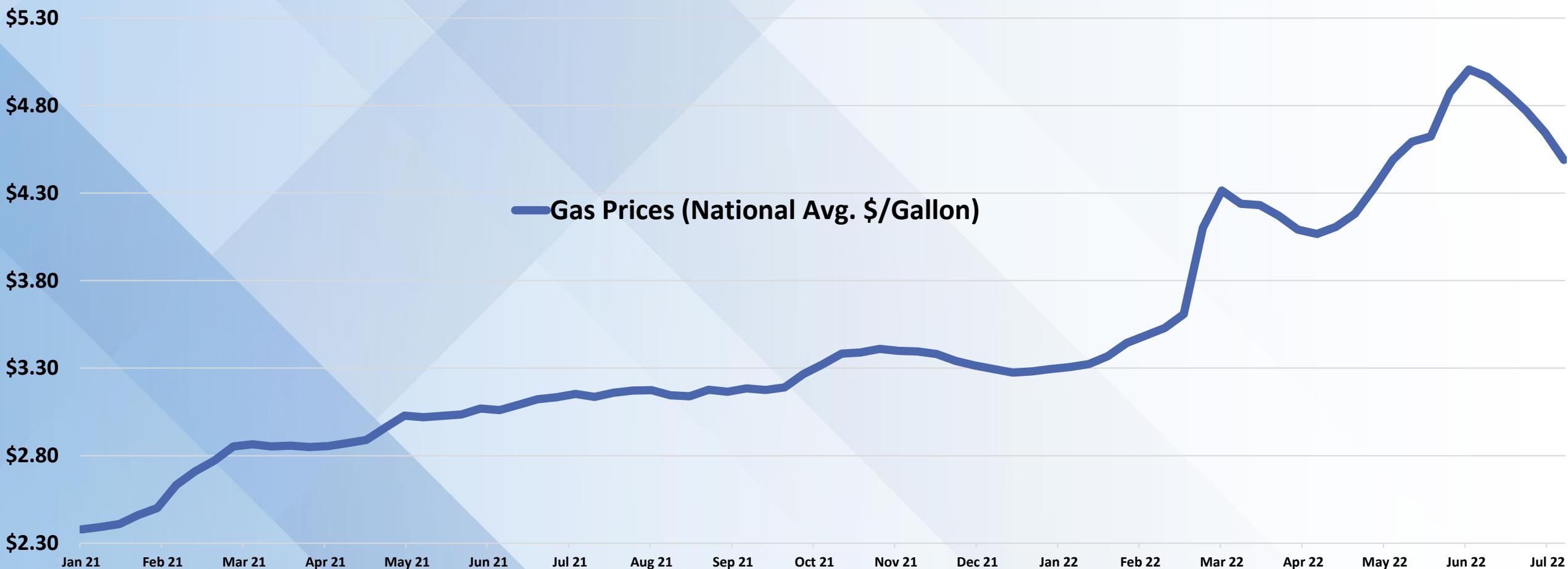
Consumer Sentiment Lowest *EVER* in June – Small Rise in July





Economic Policy Division

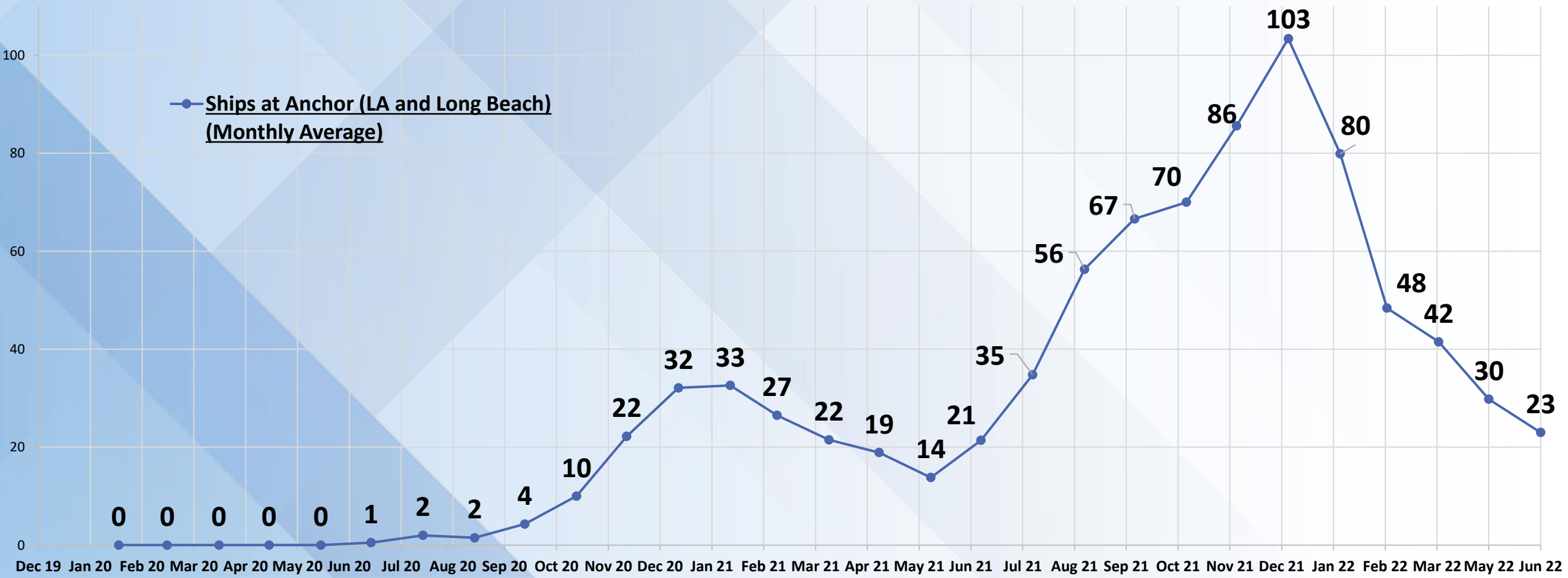
Gas Prices Rising Since President Biden Took Office (\$4.49/Gallon as of July 18)





Economic Policy Division

Supply Chain Issues are *Finally* Easing





Economic Policy Division

Inflation



Economic Policy Division

Consumer Prices Rose 9.1% Annually in June





Economic Policy Division

Inflation was 6.3% in May





Economic Policy Division

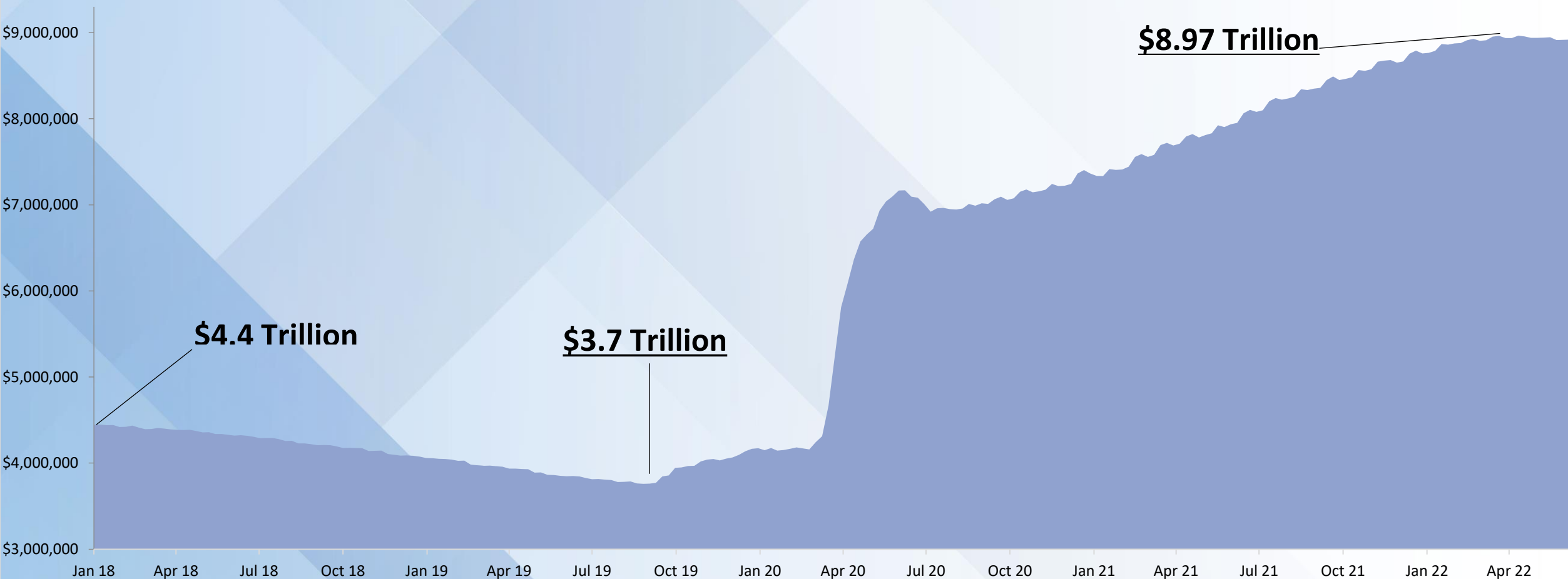
Wages are Growing – But Inflation is Outpacing





Economic Policy Division

Federal Reserve's Balance Sheet Needs to Shrink to Bring Down Inflation





Economic Policy Division

Inflation Expectations Remain Moderate





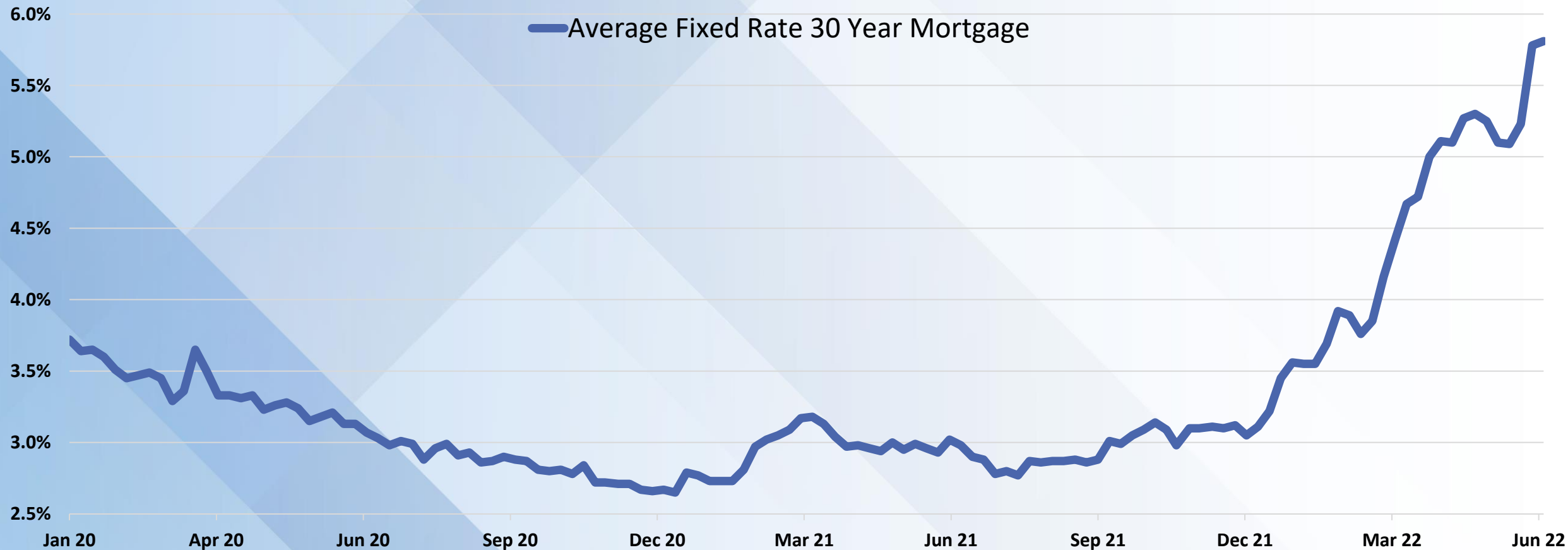
Economic Policy Division

Interest Rates



Economic Policy Division

Average 30 Year Fixed Mortgage Rate Rising Rapidly





Economic Policy Division

Borrowing Costs for Businesses Climbing Quickly





Economic Policy Division

Rising Treasury Rates Bad for Government Spending, Good for Savings Accounts





Economic Policy Division

Job Market



Economic Policy Division

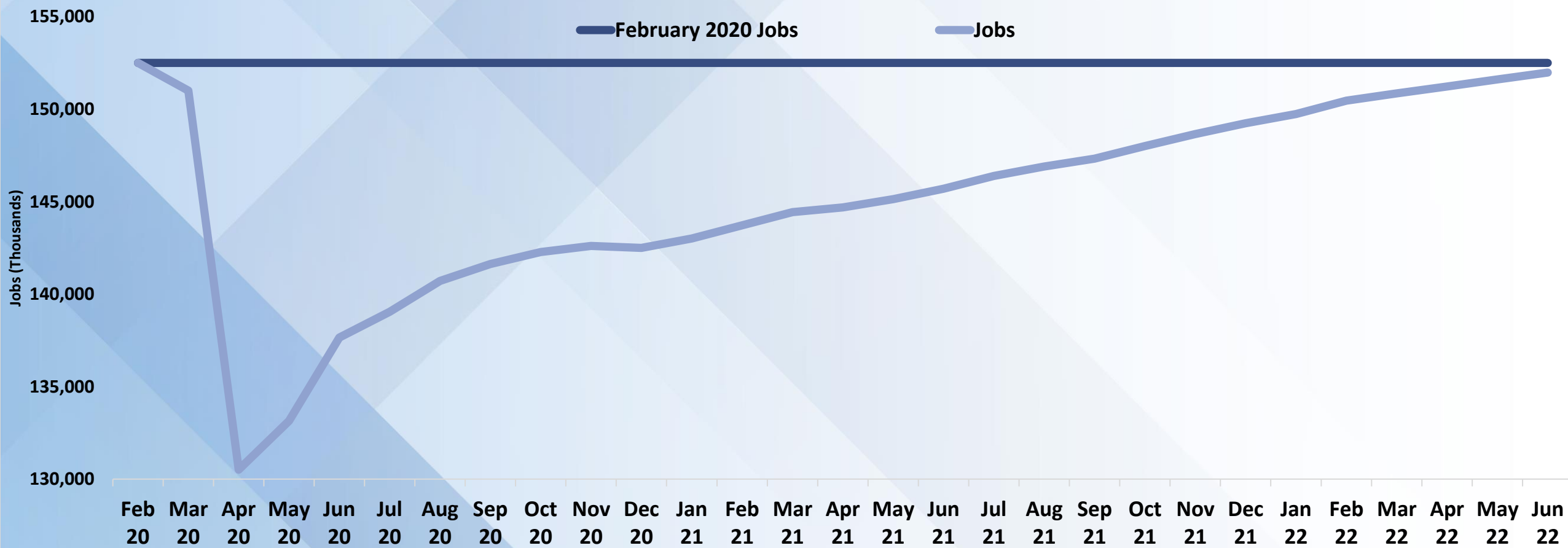
Job Openings 5.3 Million More than Unemployed Workers





Economic Policy Division

The Economy Added 372,000 Jobs in June - the Gap Is *Almost* Gone





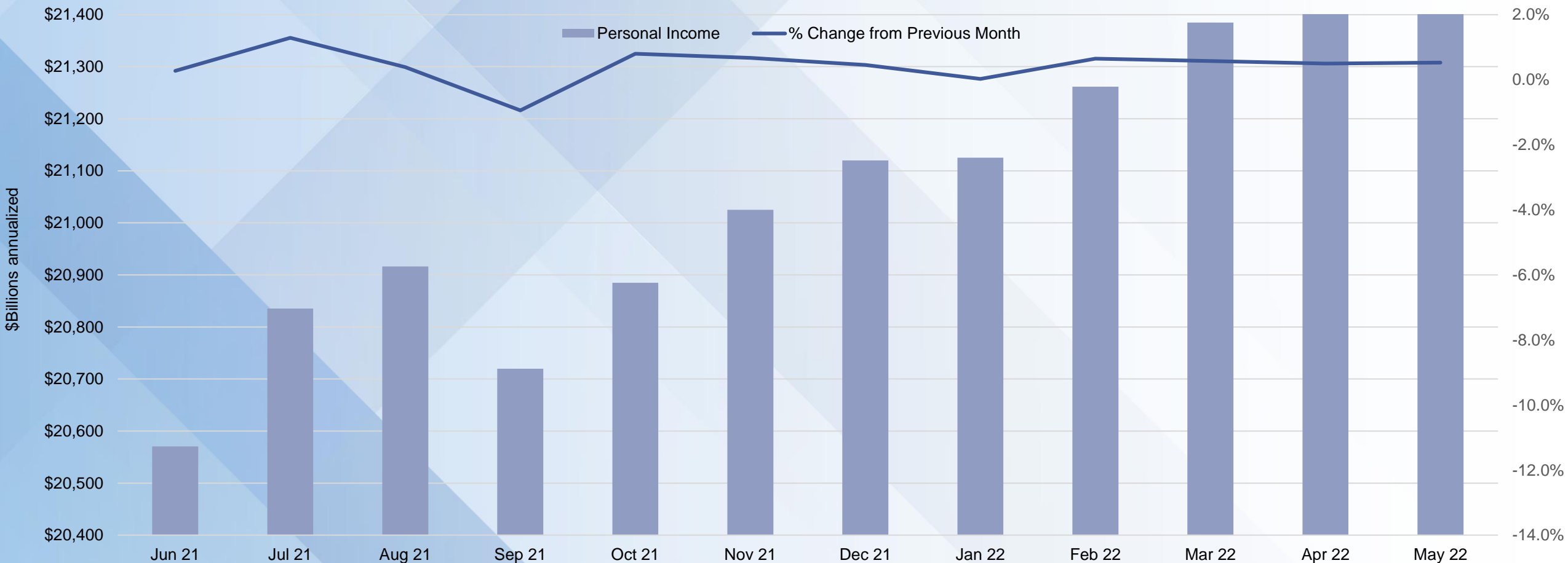
Economic Policy Division

Income, Savings, and Consumption



Economic Policy Division

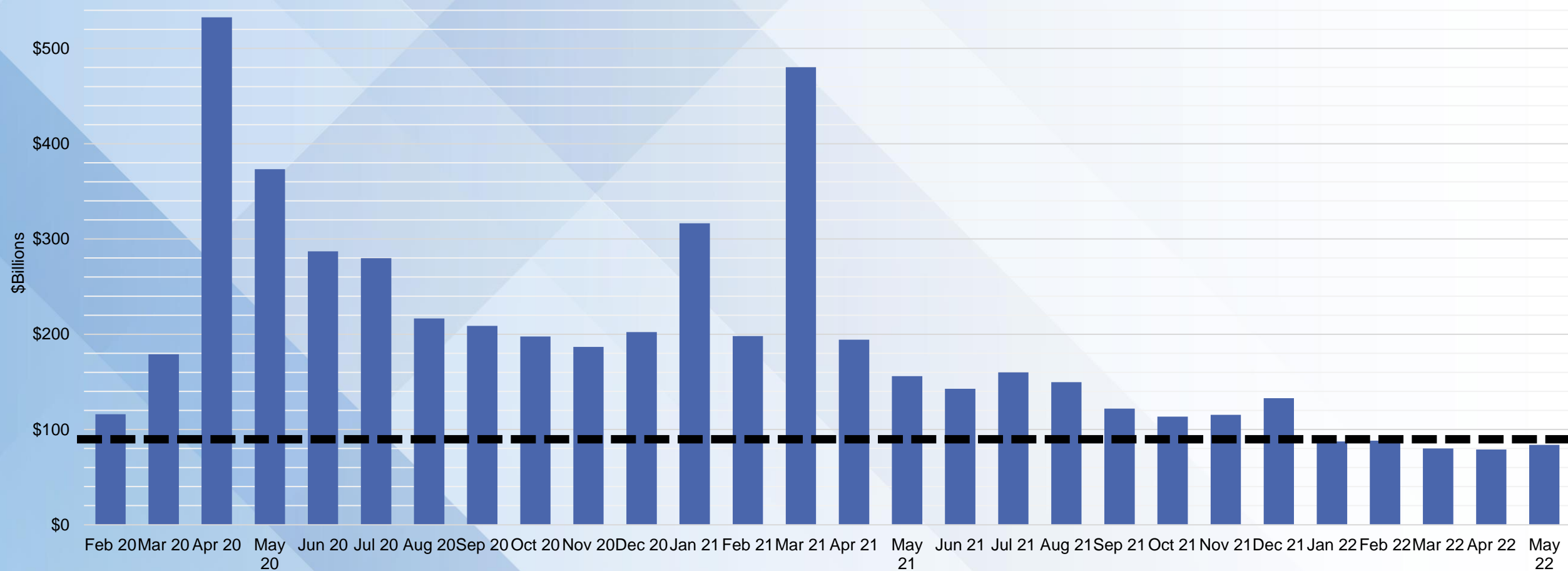
Real Income Fell in May – Salaries and Wages Down too





Economic Policy Division

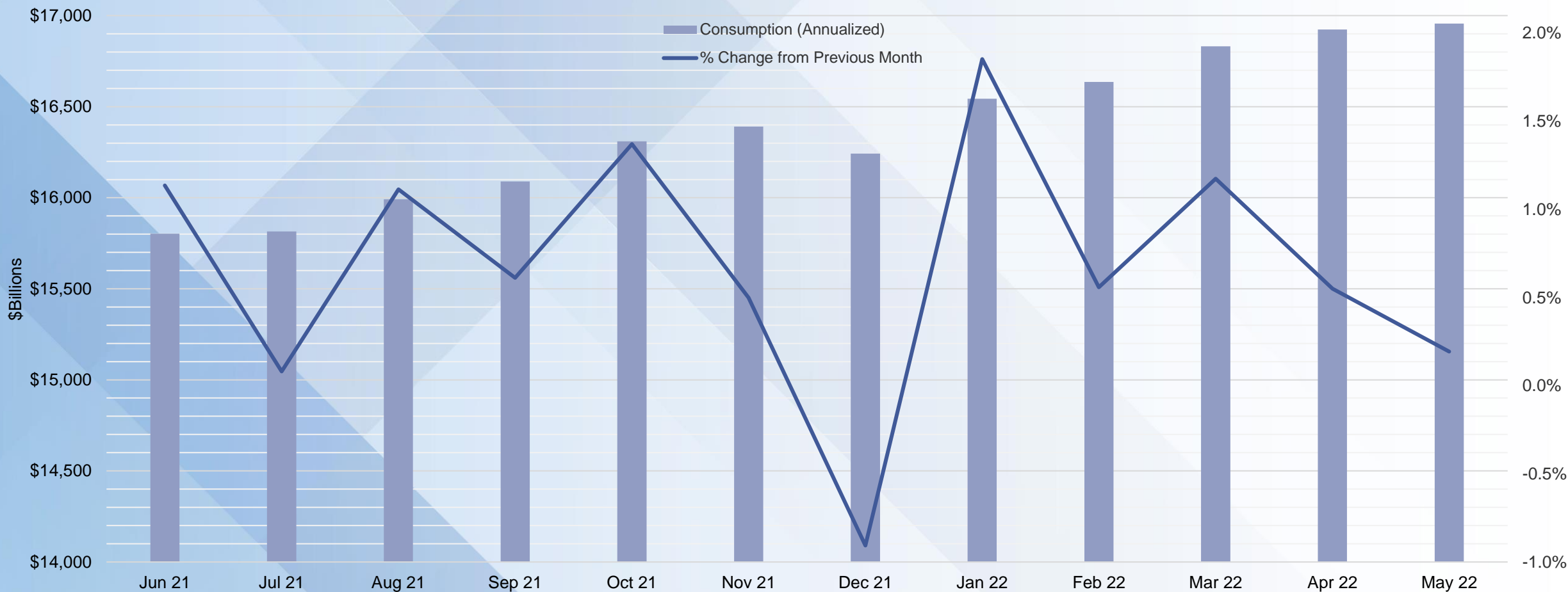
Savings Coming Down After Pandemic Explosion





Economic Policy Division

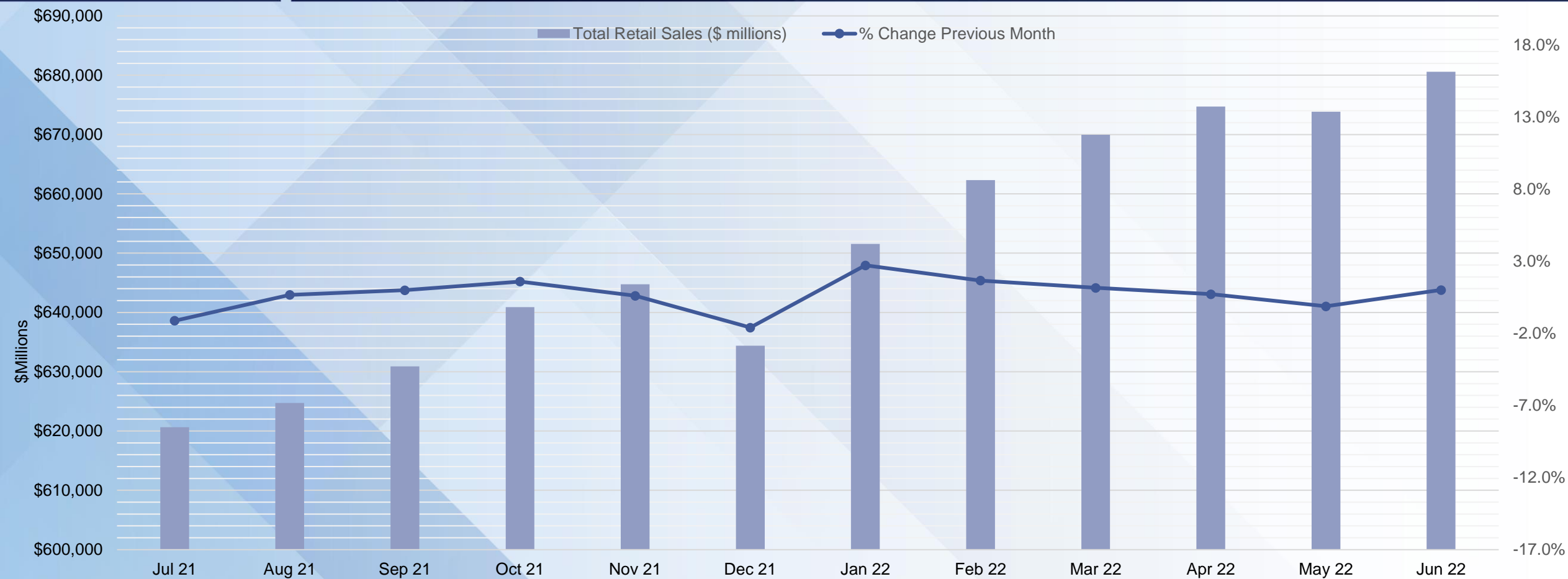
Consumption Rose 0.2% in May – Below 0.6% Inflation





Economic Policy Division

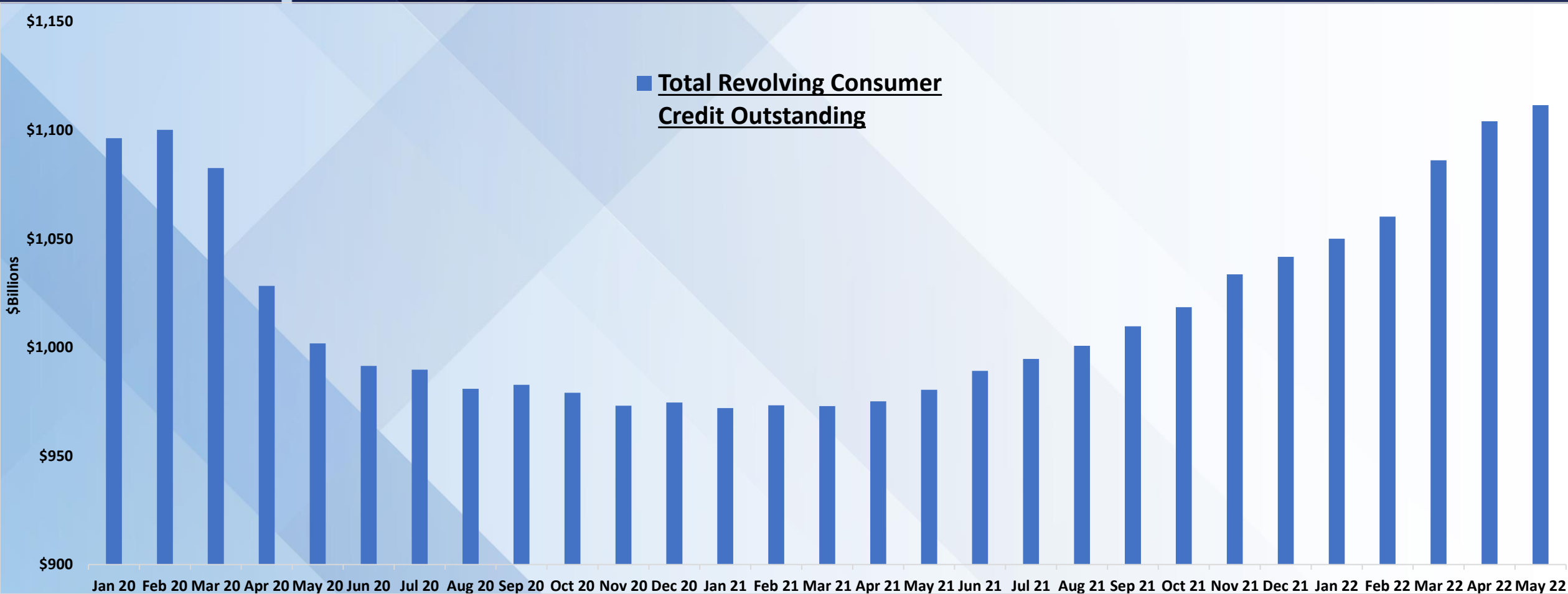
Retail Sales Rose in June – But not Above Inflation





Economic Policy Division

Consumers Are Using Their Credit Cards More to Keep Up





Economic Policy Division

Business Surveys Data



Economic Policy Division

Small Business Optimism Down in June





Economic Policy Division

Manufacturing Sentiment Well Above Pre-Pandemic Level





Economic Policy Division

Services Optimism Fell in June- Again





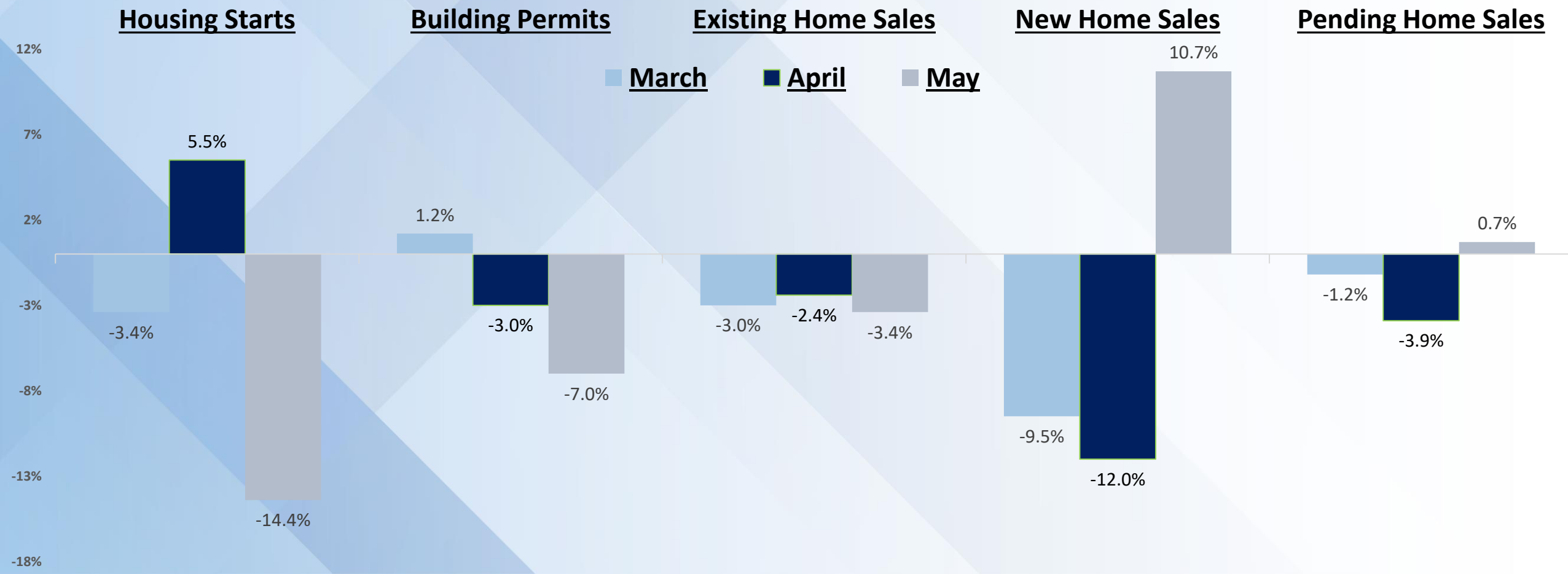
Economic Policy Division

Housing and Government Finance



Economic Policy Division

Housing Market is Slowing





Economic Policy Division

Home Prices Were Still Soaring as of April

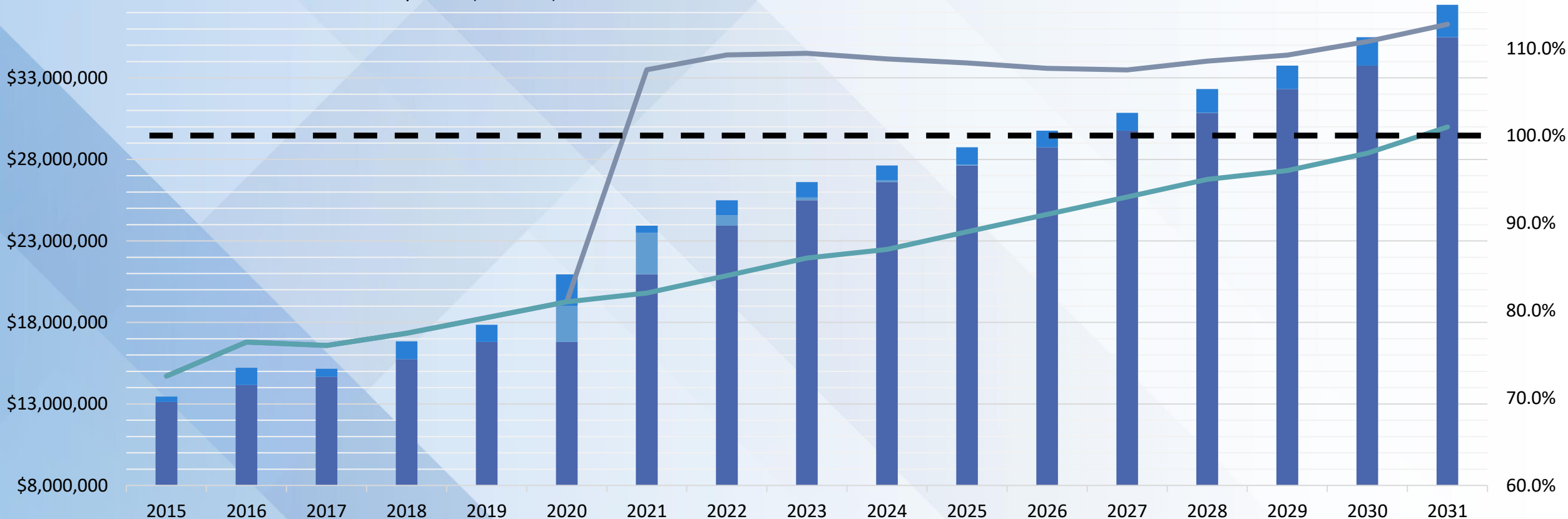




Economic Policy Division

COVID-19 Relief Has Accelerated Our Debt Problem

Debt Held by Public (\$Millions) COVID-19 Relief Deficit % GDP Post-Covid % GDP Pre-Covid





Economic Policy Division

Online Sales Share of Total Retail Has Been Rising For Years - Spiked During the Pandemic

