A Closer Look: The US Economy

Construction

Companies positively correlated with the economy should prepare for ongoing recovery through 2021. While we can’t go back to the way things were before the pandemic in terms of needing labor and having to work harder to keep the employees they have, we can move forward with strong indicators for the single-family and remodeling sides of this industry. The August job openings number is 4.5% higher than the 12-month average of the same month in the prior five years. Companies in this industry are back to where they were before the pandemic in terms of needing labor and having to work harder to keep the employees they have.

Manufacturing

The rebound in the economy has returned 11.9 million people to work in the five months since the April trough (private sector). While this is encouraging, the recent August claims data shows that the labor market is facing challenges. The number of workers filing for unemployment relief nearly doubled from 555,000 in July to nearly 800,000. The spread between initial and continuing claims is not improving, which likely relates to the pause in government transfer payments. As these payments end, many will struggle to pay rent, utility bills, and put food on the table. There is no doubt that the labor market has made progress since April, but it is not back to normal yet. The rate of rise could not have continued at the May-to-July pace. A quick look at key economic factors will guide your planning for the rest of this year and into 2021. Businesses for the most part are understanding the “slog” that is the issue, as these words suggest an environment in which businesses and individuals can expect minimal gains and a difficult work life as we go forward. The reality is that the rate of rise could not have continued at the May-to-July pace. A recent headline stated that the global recovery was “slowing from a bounce to a grind” and that the economy was now going to face a prolonged period of grind. However, this is not necessarily the case. We are in a unique situation where the shutdowns brought many industries to a crawl this year, rendering a favorable year-over-year comparison for next year and, ultimately, creating an “easy path” for the economy to grow at a moderate pace. For another, this recession was not born of poor economic fundamentals but rather a pandemic, which led to the shutdowns. As a result, we have an unusually low base with which to measure recovery. In short, we have essentially a lower bar for success. For another, this recession was not born of poor economic fundamentals but rather a pandemic, which led to the shutdowns. As a result, we have an unusually low base with which to measure recovery. In short, we have essentially a lower bar for success. While there will be gains and challenges ahead, there is little doubt that the US economy will face diminishing returns in 2021.

Disposable Personal Income

The amount of DPI has moved lower from an incredibly high April peak of $17.259 trillion as stimulus checks reached Americans. The amount of DPI has moved lower from an incredibly high April peak of $17.259 trillion as stimulus checks reached Americans. The amount of DPI has moved lower from an incredibly high April peak of $17.259 trillion as stimulus checks reached Americans. However, this represents a sharp turnaround relative to the 33.6% decline between April and May. The reality is that the rate of rise could not have continued at the May-to-July pace. A quick look at key economic factors will guide your planning for the rest of this year and into 2021. Businesses for the most part are understanding the “slog” that is the issue, as these words suggest an environment in which businesses and individuals can expect minimal gains and a difficult work life as we go forward. The reality is that the rate of rise could not have continued at the May-to-July pace. A recent headline stated that the global recovery was “slowing from a bounce to a grind” and that the economy was now going to face a prolonged period of grind. However, this is not necessarily the case. We are in a unique situation where the shutdowns brought many industries to a crawl this year, rendering a favorable year-over-year comparison for next year and, ultimately, creating an “easy path” for the economy to grow at a moderate pace. For another, this recession was not born of poor economic fundamentals but rather a pandemic, which led to the shutdowns. As a result, we have an unusually low base with which to measure recovery. In short, we have essentially a lower bar for success. For another, this recession was not born of poor economic fundamentals but rather a pandemic, which led to the shutdowns. As a result, we have an unusually low base with which to measure recovery. In short, we have essentially a lower bar for success. While there will be gains and challenges ahead, there is little doubt that the US economy will face diminishing returns in 2021.

Job Openings

The most recent three months of North America light vehicle production were 8.0% below last year. Production cratered earlier this year, grinding to a halt in April, which posted a contraction of 99.2% relative to April 2019. However, monthly production subsequently rose noticeably through the rest of the summer, coming in 5.2% below August 2019. While a recovery trend is expected imminently, a significant pick-up in production is unlikely to occur anytime soon, and even if it happens, it will take time to ramp up production lines and hire new workers. The most recent three months of North America light vehicle production were 8.0% below last year. Production cratered earlier this year, grinding to a halt in April, which posted a contraction of 99.2% relative to April 2019. However, monthly production subsequently rose noticeably through the rest of the summer, coming in 5.2% below August 2019. While a recovery trend is expected imminently, a significant pick-up in production is unlikely to occur anytime soon, and even if it happens, it will take time to ramp up production lines and hire new workers. The most recent three months of North America light vehicle production were 8.0% below last year. Production cratered earlier this year, grinding to a halt in April, which posted a contraction of 99.2% relative to April 2019. However, monthly production subsequently rose noticeably through the rest of the summer, coming in 5.2% below August 2019. While a recovery trend is expected imminently, a significant pick-up in production is unlikely to occur anytime soon, and even if it happens, it will take time to ramp up production lines and hire new workers.

Auto Industry Outlook for 2021

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