

# USA OUTLOOK

Weekly newsletter

July 25 to July 29





Photo: Alpes-holidays

## More American workers are taking on second jobs as inflation rages

With U.S. inflation racing ahead worker wages, a growing number of Americans are taking on second jobs to make ends meet.

Many people have already reined in spending where they can, while others have tapped their pandemic savings to cover the rising cost of food, gas, rent and other necessities. Yet the highest inflation in 40 years is weighing heavily on millions of households. Three-quarters of middle-income Americans say they don't earn enough to pay for the cost of living, according to a recent survey.

As the pandemic erupted in the U.S. in 2020, roughly 4% of employed people held multiple jobs in the U.S., according to data from the St. Louis Federal Reserve. By June of this year, that figure had jumped nearly a full percentage point. Although fewer people today are working multiple jobs, more Americans than ever hold two full-time jobs, amounting to more than 70 hours of work a week. In June, 426,000 people were working two full-time positions, compared to 308,000 in February 2020, according to federal labor data.

Source:

<https://www.cbsnews.com/news/inflation-american-workers-are-taking-on-second-jobs/>

## Home Prices Still Rising at Nearly 20% Annual Clip in May

The housing market may be slowing down but home prices remained near record levels in May, as prices rose nationally by 19.7% annually, according to the S&P CoreLogic Case-Shiller index released on Tuesday. As has been the case in recent months, Tampa, Miami, and Dallas led the way with year-over-year gains of 36.1%, 34% and 30.8%, respectively. Four of the 20 cities in the national survey saw higher price increases in the year ending May 2022 compared to April.

"Real estate markets are clearly shifting toward a new equilibrium, as higher interest rates cool buyer demand and high prices incentivize homeowners to list their properties for sale," George Ratiu, Realtor.com manager of economic research, said in advance of the release.

Sales of existing homes fell 5.4% in June for the fifth straight monthly decline. They are now 14.2% below a year ago. New home construction slumped in June as both housing permits and new home starts fell from May levels.



Photo: John Bazamore/AP-File

Source:

<https://www.usnews.com/news/economy/articles/2022-07-26/home-prices-still-rising-at-nearly-20-annual-clip-in-may>





Photo: AP Photo/Seth Wenig

## Alphabet, Microsoft Boost US Stocks as Market Waits on Fed

Stocks are solidly higher in midday trading Wednesday after strong earnings from Google's owner Alphabet and Microsoft lifted investors' mood. Wall Street is also waiting to hear from the Federal Reserve, which will likely raise interest rates at the end of its two-day meeting.

The S&P 500 index was up 1.5% as of 12:11 p.m. Eastern. The gains more than made up for the benchmark index's losses from a day earlier. The Dow Jones Industrial Average was up 0.4% and the technology-heavy Nasdaq Composite was up 2.6%.

The Fed on Wednesday is expected to announce an increase of up to three-quarters of a percentage point in its benchmark interest rate, triple the usual size. Investors worry such aggressive action by the Fed and other central banks in Europe and Asia to control soaring inflation might derail global economic growth. Inflation remains at the forefront of investors' minds, however. Markets were spooked Monday after retail giant Walmart warned that its profits are being hurt by rising prices for food and gas, which are forcing shoppers to cut back on more profitable discretionary items such as clothing.

Source: <https://www.usnews.com/news/business/articles/2022-07-27/boeing-tech-cos-boost-us-stocks-as-market-waits-on-fed>

## U.S. Economy Fell 0.9% in the Second Quarter, Heightening Recession Fears

The U.S. economy slumped 0.9% in the second quarter, the Bureau of Economic Analysis reported on Thursday, in one of the most widely anticipated economic releases of the year.

"The decrease in real GDP (gross domestic product) reflected decreases in private inventory investment, residential fixed investment, federal government spending, state and local government spending, and nonresidential fixed investment that were partly offset by increases in exports and personal consumption expenditures (PCE). Imports, which are a subtraction in the calculation of GDP, increased," the report said.

White House officials spent a good part of the week downplaying the GDP report, with Biden dismissing the idea that the economy was already in recession. On Thursday, Federal Reserve Chairman Jerome Powell said, "I do not think the U.S. is currently in a recession."

Separately, the number of Americans filing first-time claims for unemployment benefits fell slightly last week to 256,000 from the revised 261,000 previously.



Photo: SETH WENIG/APImages

Source: <https://www.usnews.com/news/economy/articles/2022-07-28/u-s-economy-fell-0-9-in-the-second-quarter-heightening-recession-fears>



Photo: AP Photo/Kin Cheung

## US Markets Head Higher in Face of More Grim Inflation News

Stocks are opening slightly higher on Wall Street Friday despite news that closely watched consumer spending data jumped by the most in four decades last month. The S&P 500 and the technology-weighted Nasdaq are each on track to end July with the biggest gains since November 2020. Amazon is soaring after the online retailer beat analysts' sales forecasts last quarter. Apple is also rising after its quarterly earnings were better than Wall Street expected. Investors are watching for new data out today on employment costs, another key signal for inflation. Oil prices rose and shares of Exxon and Chevron jumped after they reported record quarterly profits.

Wall Street pointed higher ahead of the opening bell Friday and major indexes are on track for their first back-to-back weekly gains in four months despite a seemingly endless string of data that points to rising inflation.

Wall Street appears believe that the Federal Reserve may temper its aggressive interest rate hikes aimed at taming inflation after the Commerce Department reported the U.S. economy contracted at a 0.9% annual pace in the last quarter. That followed a 1.6% year-on-year drop in the first quarter.

Source:

<https://www.usnews.com/news/business/articles/2022-07-29/asian-shares-mixed-on-us-rally-china-economic-growth-woes>