

Americans Savings Shrink As Crisis Looms

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U.S. consumer spending accelerated in November amid an increase in demand for recreational goods and utilities, but the strong pace of consumption is unlikely to be sustained as savings dropped to their lowest level in more than nine years.

The Commerce Department said on Friday consumer spending, which accounts for more than two-thirds of U.S. economic activity, rose 0.6 percent last month after a downwardly revised 0.2 percent increase in October.

Economists polled by Reuters had forecast consumer spending increasing 0.5 percent in November after a previously reported 0.3 percent rise in October. Spending on nondurable goods surged 1.2 percent and outlays on services rose 0.6 percent. Spending on long-lasting goods was unchanged.

When adjusted for inflation, consumer spending increased 0.4 percent in November after being unchanged the prior month.

The report added to bullish data on the labor market, manufacturing and housing in painting a strong picture of the economy as the year winds down.

With spending outpacing income, savings fell to \$426.2 billion in November, the lowest level since August 2008, from \$466.9 billion in the prior month. The saving rate dropped to 2.9 percent, the lowest since November 2007, from 3.2 percent in October.

Politsturm: As we approach the end of the decennial business cycle, optimistic claims from the bourgeois class are abound. According to this report, U.S consumer spending on commodities increased by 0.6 percent in November. However, the interesting aspect of these statistics is not solely the increase in consumer spending. Along with the increase in spending, there was a 9% decrease in the level of savings. Americans are spending more on commodities, but have less savings ready for an unexpected emergency.

As the bourgeoisie celebrates the prosperity associated with the end of a business cycle, those of us in the working class should not be deceived. The collective working class does not benefit from the property markets like the bourgeoisie does. The booming stock market is a matter of indifference to most Americans who have little or no exposure to stocks. Only the parasitical leisure class, namely the bourgeoisie, benefits from the increased market values, dividends, and interest associated with the stock and money markets. The oligarchs will taken any increase in consumer spending to create the narrative that the working class benefits from the capitalist economic system. In reality, they are intoxicated by the subjective force of optimism as a result of their increased plunder from the working class. The working class cannot afford to live in delusion like the bourgeoisie.

On the eve of the crisis, the bourgeois, with the self-sufficiency that springs from intoxicating prosperity, declares money to be a vain imagination. Commodities alone are money. But now the cry is everywhere: money alone is a commodity! As the hart pants after fresh water, so pants his soul after money, the only wealth.

(Marx, Capital V. I, 89)

Sources: 1, 2

Original article