

## Rising Income and Elevated Savings Bode Well for Future Spending

Most analysts expect continued deceleration in the pace of GDP growth in the first quarter of 2021, but recent data and encouraging vaccine progress suggest Q1 weakening could be limited. This morning, a report from the Commerce Department showed a +0.6% increase in personal income for December, well above the +0.1% forecast. December income was boosted by an increase in pandemic unemployment compensation at the federal level. However, at the same time income rose, personal spending fell for the second straight month.

*Scott McIntyre*

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