

# U.S. Economy Has Landed – Part II

By Harlan Green, Special to VOICE

**THERE'S NO LONGER ANY DOUBT** the U.S. economy has made a soft landing because the economy grew 3.3 percent in Q4 2023 and 3.1 percent for the year.

The first look at employment in January gave even better news. Year 2024 is off to a roaring start with 353,000 jobs created and the unemployment rate still at 3.7 percent. It has now remained below four percent for two years. And December's job total increased to 333,000 nonfarm payroll jobs.

This means last year's growth surge

was no fluke, and maybe 2024 will be the beginning of the 'Roaring 2020's' decade I believe has already begun. Why not? President Biden is thinking big with his Bidenomics policies that

are expanding both the industrial and service sectors of the economy with policies that will take years to build out. It's also growing health care services, cutting drug prices, and creating more jobs than ever before.

"Total nonfarm payroll employment rose by 353,000 in January, and the unemployment rate remained at 3.7 percent, the U.S. Bureau of Labor Statistics reported today [1.29.24]. Job gains occurred in professional

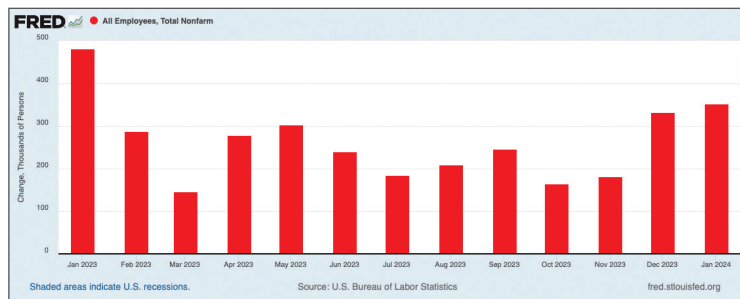
and business services, health care, retail trade, and social assistance. Employment declined in the mining, quarrying, and oil and gas extraction industry."

Professional and business services added 74,000 jobs in January, employment in health care rose by 70,000, retail trade employment increased by 45,000. General merchandise retailers added 24,000 jobs, while electronics and appliance retailers lost 3,000 jobs.

Manufacturing is also recovering as manufacturing employment edged up in January (+23,000), government employment continued to trend up in January (+36,000), below the average monthly gain of 57,000 in 2023. Jobs gained in federal government (+11,000), and continued to trend up in local government, excluding education (+19,000).

The original Roaring 20's occurred 100 years ago in the 1920s and was the beginning of our industrial revolution. This decade could be the beginning of a new revolution. It's already being called the Information, or Internet Revolution.

This is while inflation, as measured by the most comprehensive inflation indicator for Personal Consumption Expenditures (PCE), has been rising at just two percent for the past two



months!

Consumer spending has been the main engine of growth, which "reflected increases in services (led by health care) and goods (led by recreational goods and vehicles)," said the BEA.

And there's another reason for the Fed to move quickly on cutting their interest rates. A New York community bank is raising concerns of further bank failures as happened last year.

MarketWatch reports New York Community Bancorp Inc's stock on Thursday triggered the steepest drop in regional-bank stocks since the collapse of Silicon Valley Bank in March 2023.

"The bank stunned markets with its fourth-quarter earnings that showed

an unexpected loss, a buildup of its reserves and challenges in the office-space sector with one of two troubled loans. The bank also said it would cut its dividend by more than two-thirds to build up capital to meet regulatory requirements as a larger Category IV bank with assets of \$100 billion to \$250 billion."

It's signaling that interest rates are now harming further recovery, especially in the office sector of the commercial real estate market that regional banks cater to.

This should require the Fed, which supervises commercial banks, to expedite their rate cuts to avoid further bank failures, rather than worry about future inflation shocks.



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	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
'12	114	113	183	170	225	215	217	213	173	218	190	275
'13	141	146	189	197	265	209	217	216	181	178	138	167
'14	142	132	141	186	207	174	196	179	171	160	137	170
'15	142	113	235	202	226	210	207	217	155	149	124	150
'16	126	118	153	166	220	195	174	214	187	161	158	159
'17	142	132	164	149	189	257	193	224	178	173	172	170
'18	101	121	172	179	234	211	165	225	184	171	145	163
'19	128	168	190	179	210	208	259	209	173	157	152	212
'20	144	125	141	101	84	168	219	244	295	283	225	255
'21	154	151	264	250	225	223	228	247	202	216	175	187
'22	124	160	204	160	168	179	125	160	138	112	113	101
'23	81	94	110	115	126	131	122	120	112	109	91	96

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