



Written by [Bob Adelman](#) on August 23, 2020

U.S. Economy Continues Recovery; Retail Sales Back to Normal

When White House National Economic Council Director Larry Kudlow [told reporters on Wednesday](#) that the U.S. economy is rebounding “very, very strongly,” he no doubt was referring to a report from the Commerce Department that showed that not only did retail sales jump again in July, the gains over the last three months have brought the U.S. economy all the way back to pre-pandemic levels.

The 1.2-percent jump in July followed May’s 18.3-percent gain and June’s 8.4-percent jump. Added Kudlow, “I think the economy is on a self-sustaining recovery and it’s a V-shaped recovery. We’re seeing terrific numbers.”

The National Association of Realtors (NAR) followed Kudlow’s happy assessment on Friday when it reported that the sale of previously owned homes rose nearly 25 percent between June and July. Not only was that a record, but sales volume was the highest the group had seen in 15 years.

Part of the growth in home sales is a result of record-low interest rates making payments on larger homes affordable, while part of it is pent-up demand. That demand is driving prices higher by more than 10 percent compared to a year ago, and listings are being closed on average in less than 30 days.

It’s happening at the wholesale level as well. The data firm IHS Markit reported on Friday that its “composite” purchasing managers’ index rose to an 18-month high in July, reflecting significant gains in both the manufacturing and services sectors.

Economists surveyed by the *Wall Street Journal* are expecting the rebound to continue into the third quarter. They are projecting the U.S. economy to grow at nearly a 20 percent annualized rate, with the final reports coming out just days before the election.

And there’s even more. Kudlow said on Wednesday that additional federal aid is coming to unemployed workers “in the next week or two,” in addition to the payroll tax cut implemented by the president.

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