

Inflation Expectations and Drivers of an Economy that Seems to Remain Strong

Inflation.

University of Michigan survey points to a 12-year high of inflation expectations (3.2% over the next 5-10 years). Clearly not what the Fed wants to hear. Could this be supporting the economy? Perhaps consumers are booking expensive vacations NOW when they expect them to be way more expensive later (travel costs have soared, particularly the high end). In the words of the "eminent economist" J. Wellington Wimpy: "I'd gladly pay you Tuesday for a hamburger today".

