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8 Numbers You and Your Wallet May Want to Give Thanks For This Year

The trajectory for both prices and interest rates is favorable, real estate is worth a ton, and the stock market is coming back

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When you're paying more for almost everything, including the finance charges on your credit card, it may be hard to stay positive about your financial picture.

Between the cumulative effect of two years of inflation, the highest borrowing costs in decades, two monumental wars, and a fickle stock market, it's a lot of pressure on your budget and your psyche. Even recent optimism that the U.S. has somehow averted an economic recession may [ring hollow](#) given how quickly things seem to change and the steady drumbeat of [layoff news](#).

But there are things to appreciate too, depending on your situation. The trajectory for both consumer prices and interest rates is favorable, real estate is worth a ton and the stock market is coming back. If you're trying to look on the bright side this holiday season, here are eight numbers you (and your wallet) may want to give thanks for.

\$9

Gas prices have been falling so gently but steadily that drivers may not realize how much more they were spending at the pump just two months ago.

A gallon of unleaded gas now [averages \\$3.28 nationally](#) (as of Wednesday), a full 60 cents less than the 2023 high of \$3.88 reached in September, according to AAA. For some perspective, a tank holding 15 gallons costs \$9 less to fill up.

AAA attributes the declines to a drop in demand and easing concerns about Middle East conflict impacting crude oil supplies. Only 17 months ago, gas averaged over \$5 a gallon.

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Relief This Fall

National average for a gallon of unleaded gas



Data through Nov. 22.

Chart: Anna Deen/The Messenger • Source: AAA • Created with [Datawrapper](#)

\$1,165

If you're one of the many people who got in on the ultra-low mortgage rates of the pandemic, you have even more to be thankful for than you realized at the time. After all, no one expected rates to spike up [at the fastest pace in decades](#), completely [pricing out many middle-income Americans](#).

Consider this. If you bought a house for \$311,900 (the median U.S. sale price in January 2021, according to the National Association of Realtors) and got a 30-year mortgage rate of 2.65% (the record low average at the time), you're paying \$1,005 a month in principal and interest — \$703 less than if you paid exactly the same amount for a house today, but had to finance the purchase at the [prevailing rate of 7.29%](#).

What's more, if you factor in [how much property prices have gone up](#) since then, the savings are far greater: That \$1,005 a month is less than half of what a \$396,100 house (the median sale price in October) costs with a mortgage rate of 7.29%. That translates to \$2,170 a month, so you're saving \$1,165.

\$123,300

Speaking of property prices, anyone who owns a home has a huge advantage these

days. October's median sale price of \$396,100 is 45%, or \$123,300, more than the median just before COVID-19 turned the economy upside down, according to the National Association of Realtors.

Building that much equity in a home not only boosts net worth — between 2019 and 2022, the median net worth of a U.S. family [surged an unprecedented 37%](#) — but can give homeowners more leverage with their next home, especially if they're [otherwise strapped financially](#). [Bigger down payments](#) and smaller loans are particularly helpful when mortgage rates are so high.

2%

It may seem crazy to celebrate any inflation at all after two years of relentless price spikes in groceries, staples and seemingly everything else. But some inflation is actually pretty normal, and a few economists are starting to predict that inflation which reached a four-decade high of 9.1% in June 2022 will return to the more typical 2% range by the middle of next year.

"We're increasingly confident we'll see a 2% headline inflation rate in the States by the summer of next year," James Knightley, chief international economist at ING, the Amsterdam-based bank, [wrote in a commentary](#) earlier this month.

Now, that may be of little comfort given the damage that's already been done. The Consumer Price Index was [19% higher](#) in October than it was before the pandemic.

But 2% (meaning a 2% increase in CPI over a 12-month period) would be significant given how stubborn inflation has been. After steadily slowing for a year straight, the inflation rate has been [languishing in the 3% range](#) since June.

90%+

That same optimism about inflation — fueled by a step in the right direction in October (inflation slowed to 3.2% from 3.7% in September) — has given Wall Street more confidence that the Federal Reserve is done raising its benchmark interest rate, which is already the highest it's been in 22 years.

Interest rate traders are betting against another hike with odds of [over 90%](#), according to 30-day fed funds futures tracked by the CME FedWatch tool.

That would mean many borrowing costs — things like the interest rate people pay for carrying a balance on a credit card or home equity line of credit — won't go up any more either. In fact, they [will probably go down next year](#), though it's debatable when.

"The Fed's rate hikes appear to be over," Mark Zandi, chief economist at Moody's Analytics, wrote in an outlook last week.

What's the connection? Fed officials started raising the benchmark last year in order to control inflation. In essence, it's harder for people to spend money when it's more expensive to borrow it, so the Fed tightens the screw until it has sufficiently stifled inflation.

5%

Perhaps the only good thing about lenders charging more to loan money is that it also means they will *pay* more to hang on to it.

Before the Fed started raising its benchmark rate last year, the highest-paying national savings accounts offered less than 1% a year, according to data from Investopedia. Now the best [pay well over 5%](#), meaning someone with a \$20,000 balance could easily earn an extra \$800 or more a year.

And even if the Fed is done with hikes, we're unlikely to return to the ultra-low rates of the pandemic era, so if you have savings, there's still plenty of time [to take advantage](#).

"Higher interest rates are here to stay," the mutual fund manager [Vanguard wrote](#) earlier this week in an economic outlook, calling it a "structural shift" that will last for years.

High-yield savings accounts aren't all that different from regular savings accounts, though they may be less convenient (since they're often offered by online banks without checking accounts,) or have withdrawal limits or monthly service fees. They don't pay a fixed rate like a certificate of deposit (CD) but you don't need to part with your money for any specific length of time either.

So far it's a silver lining many Americans don't seem to be leveraging, so you might want to spread the word even if you don't have extra cash. Only 34% of U.S. financial services customers surveyed by Morning Consult in September said they had [moved money into higher-yielding accounts](#) since the Fed first started raising its rate.

16

Last year was a tough year to make money in the stock market, and many of you watched your retirement account balances tumble amid rising interest rates, soaring inflation and the war in Ukraine.

Then a major comeback this year was interrupted by a surge in inflation fears that sent 10-year Treasury yields soaring last month. That pushed the S&P 500 Index into "correction" territory — a decline of at least 10% from a recent peak.

But after just 16 days, the stock market benchmark was back out of its correction, moving past [4529.11 earlier this week](#). Once again, signs of slowing inflation are having a healing effect, propelling a rally in Treasuries that's giving stocks new life.

\$56

Whether you're among the many millions of Americans who have federal student loans or not, the end of the pandemic payment pause has [broader implications for the U.S. economy](#).

Fortunately, after lots of predictions about how borrowers would cope with their first monthly bills in over three years — [some more dire](#) than [others](#) — nothing terrible has happened so far.

In fact, despite fears that GDP would take a hit if lots of people suddenly had to cut back on other things to cover bills for hundreds of dollars a month, customer deposits and credit card transactions at Bank of America don't show that. They suggest that people who started making payments in October haven't cut back their spending any more than those who didn't, [according to Bank of America Institute](#).

And student loan borrowers [surveyed](#) by economists at the Federal Reserve Bank of New York in August said they were expecting to reduce their monthly spending by an average of just \$56, suggesting a [“relatively small overall effect on consumption,”](#) according to the economists.



The trajectory for both consumer prices and interest rates is favorable, real estate is worth a ton and the stock market is coming back. Getty Images

To be sure, the Bank of America Institute, which relies on its own customer data to assess various areas of the broader economy, said it's possible the borrowers who are most likely to struggle just haven't started making payments yet because there is a 12-month transition period.

The “on ramp,” as the U.S. Education Department is calling it, gives borrowers who miss their payments until September 2024 before they're considered delinquent.

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