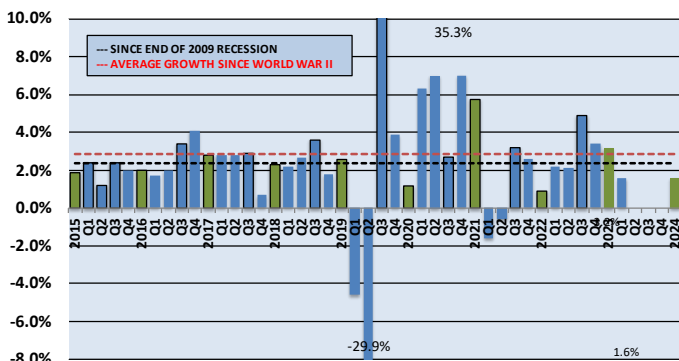




GROSS DOMESTIC PRODUCT

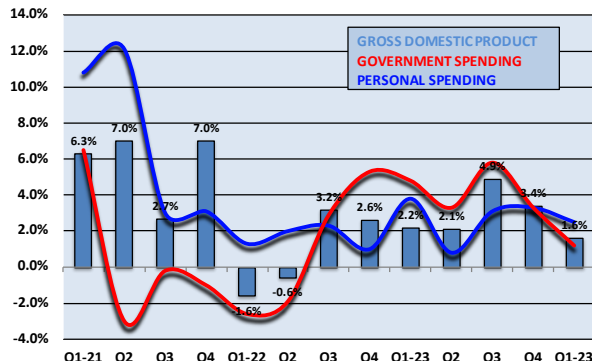
GROSS DOMESTIC PRODUCT

QUARTERLY CHANGE IN THE VALUE OF THE GOODS AND SERVICES PRODUCED BY THE ECONOMY



GROSS DOMESTIC PRODUCT

QUARTERLY CHANGE GDP COMPARED TO PERSONAL & GOVERNMENT SPENDING



	III	IV	AVG 2021	I	II	III	IV	AVG 2022	I	II	III	IV	AVG 2023	2024 I
GDP	2.7%	7.0%	5.8%	-1.6%	-0.6%	3.2%	2.6%	0.9%	2.2%	2.1%	4.9%	3.4%	3.2%	1.6%
Personal Spending	3.0%	3.1%	7.3%	1.3%	2.0%	2.3%	1.0%	1.7%	3.8%	0.8%	3.1%	3.3%	2.8%	2.5%
Domestic Investment	10.4%	32.0%	9.5%	5.4%	-14.1%	-9.6%	4.5%	-3.5%	-9.0%	5.2%	10.0%	0.7%	1.7%	3.2%
Net Exports	2.8%	21.1%	8.6%	6.9%	8.0%	3.7%	-4.6%	3.5%	4.9%	-8.8%	5.6%	2.9%	1.2%	4.9%
- Exports	-1.1%	23.5%	6.9%	-4.6%	13.8%	14.6%	-3.7%	5.0%	6.8%	-9.3%	5.4%	5.1%	2.0%	0.9%
- Imports	6.6%	18.6%	10.2%	18.4%	2.2%	-7.3%	-5.5%	2.0%	1.3%	-7.6%	4.2%	2.2%	0.0%	7.2%
Government Spending	-0.2%	-1.0%	0.6%	-2.3%	-1.6%	3.7%	3.8%	0.9%	4.8%	3.3%	5.8%	4.6%	4.6%	1.2%
- Federal	-7.2%	0.0%	0.8%	-5.3%	-3.4%	3.7%	5.8%	0.2%	5.2%	1.1%	7.1%	2.4%	4.0%	-0.2%
: National Defense	-3.2%	-5.3%	-5.0%	-8.5%	1.4%	4.7%	2.3%	0.0%	1.9%	2.3%	8.4%	0.5%	3.3%	-0.6%
: Non- defense	-12.1%	7.4%	12.1%	-1.1%	-9.2%	2.5%	10.6%	0.7%	9.5%	-0.4%	5.5%	4.8%	4.9%	0.3%
- State	4.5%	-1.6%	0.7%	-0.4%	-0.6%	3.7%	2.6%	1.3%	4.6%	4.7%	5.0%	6.0%	5.1%	2.0%

(April 2024)..... In their first estimate, the Commerce Department projected first quarter economic growth increased +1.6%, compared with the previous previous quarter of 3.4% - and 3.2% for all of 2023. Consumer spending expanded +2.5%, while domestic investment increased 3.2%. Net exports rose +4.9%, an increase from last quarter's +2.9% but despite 7.2% increase in imports.

After six consecutive quarters showing its pace exceeding consumer spending, government spending increased 1.2% - compared with a 2.5% increase in consumer spending. Federal spending declined -0.2% (vs 2.4%) and state spending was up +2.0% (vs +6.0%). Federal defense-related expenditures declined -0.6% (vs 0.5%) while nondefense spending was up +0.3% (vs +4.8%).

For 2023, growth was up 3.2% with consumer spending up 2.8% and government spending up 4.6%. Net exports were up 1.2% and domestic investment was up 1.7%. This strongly suggests that the sizeable government injection had a significant contribution to 2023 growth metrics. It included 6th consecutive quarters that reflected growth in government spending exceeded consumer spending.

Strategically ... The level of consumer spending - two-thirds of the nation's gross domestic product - remains very volatile, and with elevated inflation - although lower - continues to be trending below levels needed to sustain the type of recovery needed without elevating inflation. The current environment continues to reflect a dilution in consumers' purchasing power. Lastly, the injection of government spending is altering the true growth metrics of the economy and cannot be sustainable with out elevating long-term consumer inflation.