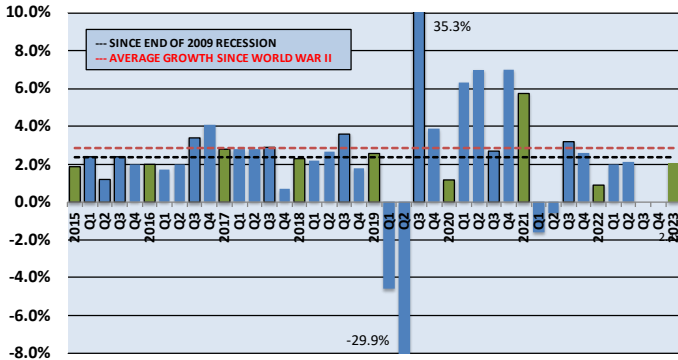




GROSS DOMESTIC PRODUCT

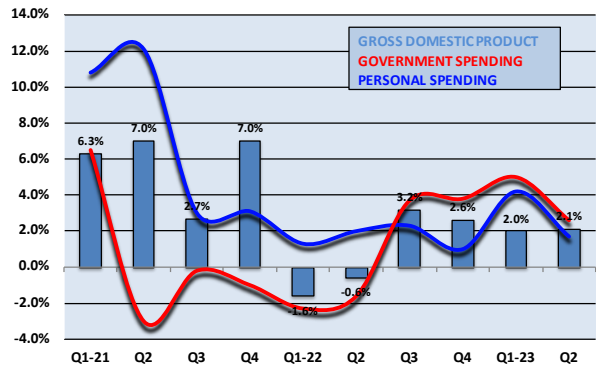
GROSS DOMESTIC PRODUCT

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



	2020	I	II	III	IV	2021	I	II	III	IV	2022	I	II	2023
GDP	1.2%	6.3%	7.0%	2.7%	7.0%	5.8%	-1.6%	-0.6%	3.2%	2.6%	0.9%	2.0%	2.1%	2.1%
Personal Spending	2.2%	10.8%	12.1%	3.0%	3.1%	7.3%	1.3%	2.0%	2.3%	1.0%	1.7%	4.2%	1.7%	3.0%
Domestic Investment	14.0%	-5.4%	0.9%	10.4%	32.0%	9.5%	5.4%	-14.1%	-9.6%	4.5%	-3.5%	-11.9%	3.3%	-4.3%
Net Exports	7.8%	4.0%	6.4%	2.8%	21.1%	8.6%	6.9%	8.0%	3.7%	-4.6%	3.5%	4.9%	-8.8%	-2.0%
- Exports	1.9%	0.4%	4.9%	-1.1%	23.5%	6.9%	-4.6%	13.8%	14.6%	-3.7%	5.0%	7.8%	-10.6%	-1.4%
- Imports	13.8%	7.6%	7.9%	6.6%	18.6%	10.2%	18.4%	2.2%	-7.3%	-5.5%	2.0%	2.0%	-7.0%	-2.5%
Government Spending	1.2%	6.5%	-3.0%	-0.2%	-1.0%	0.6%	-2.3%	-1.6%	3.7%	3.8%	0.9%	5.0%	3.3%	4.2%
- Federal	6.5%	17.3%	-6.9%	-7.2%	0.0%	0.8%	-5.3%	-3.4%	3.7%	5.8%	0.2%	6.0%	1.2%	3.6%
: National Defense	4.3%	-9.0%	-2.6%	-3.2%	-5.3%	-5.0%	-8.5%	1.4%	4.7%	2.3%	0.0%	2.5%	2.8%	2.7%
: Non- defense	14.3%	64.8%	-11.9%	-12.1%	7.4%	12.1%	-1.1%	-9.2%	2.5%	10.6%	0.7%	10.5%	-0.7%	4.9%
- State	-1.6%	0.1%	-0.4%	4.5%	-1.6%	0.7%	-0.4%	-0.6%	3.7%	2.6%	1.3%	4.4%	4.7%	4.6%

GROSS DOMESTIC PRODUCT & CU STRATEGY

(August 2023)..... In their second estimate, the Commerce Department projected second quarter economic growth increased +2.1%, compared with the previous estimate of 2.4% and previous quarter of 2.0% and 0.9% for all of 2022. Consumer spending expanded only +1.7%, while domestic investment increased 2.1%. Net exports fell -8.8%.

Growth was significantly impacted by a +3.3% increase in government spending with federal spending rising 1.2% and state spending was up +4.7%. Federal defense-related expenditures rose +2.8% while nondefense spending was down -0.7%.

For 2023, growth is up 2.1% with consumer spending up 3.0% and government spending up 4.2%. Net exports are down 2.0% and domestic investment is down -4.3%. This strongly suggests that without the sizeable government injection, the economy most likely came close to contracting during the first half of 2023.

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. High inflation is diluting any wage growth, and as a result, consumers' purchasing power is being diluted.