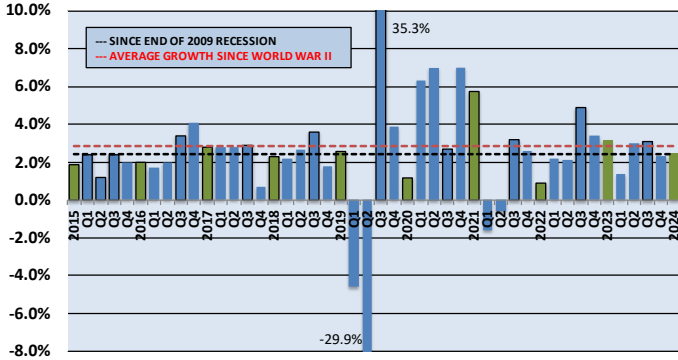




GROSS DOMESTIC PRODUCT

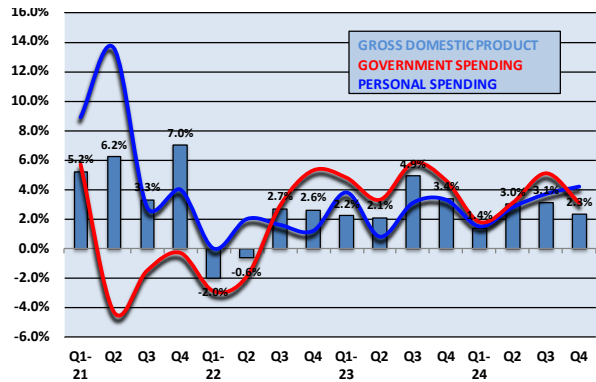
GROSS DOMESTIC PRODUCT

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



	AVG 2019	AVG 2020	AVG 2021	AVG 2022	I	II	III	IV	AVG 2023	I	II	III	IV	AVG 2024
GDP	3.4%	1.5%	5.7%	0.7%	2.2%	2.1%	4.9%	3.4%	3.2%	1.6%	3.0%	3.1%	2.3%	2.5%
Personal Spending	2.7%	2.5%	7.8%	1.2%	3.8%	0.8%	3.1%	3.3%	2.8%	1.5%	2.9%	3.7%	4.2%	3.0%
Domestic Investment	1.3%	13.8%	9.0%	-2.2%	-9.0%	5.2%	10.0%	0.7%	1.7%	4.4%	7.5%	0.8%	-5.6%	1.8%
Net Exports	2.7%	-2.4%	-4.0%	2.3%	5.5%	-1.7%	1.2%	2.9%	2.0%	-4.5%	-5.4%	-1.1%	0.0%	-2.8%
- Exports	1.1%	10.5%	7.5%	4.7%	6.8%	-9.3%	5.4%	5.1%	2.0%	1.6%	1.6%	9.6%	-0.8%	3.0%
- Imports	-1.7%	12.9%	11.5%	2.4%	1.3%	-7.6%	4.2%	2.2%	0.0%	6.1%	7.0%	10.7%	-0.8%	5.8%
Government Spending	4.8%	1.5%	-0.2%	0.8%	4.8%	3.3%	5.8%	4.6%	4.6%	1.8%	3.0%	5.1%	2.5%	3.2%
- Federal	4.0%	6.3%	1.2%	0.0%	5.2%	1.1%	7.1%	2.4%	4.0%	-0.2%	3.3%	8.9%	3.2%	3.8%
: National Defense	4.6%	4.4%	-4.8%	0.4%	1.9%	2.3%	8.4%	0.5%	3.3%	-0.9%	4.9%	13.9%	3.3%	5.3%
: Non- defense	3.6%	14.0%	12.6%	-0.2%	9.5%	-0.4%	5.5%	4.8%	4.9%	0.6%	1.2%	2.6%	3.1%	1.9%
- State	5.3%	-0.9%	-0.9%	1.4%	4.6%	4.7%	5.0%	6.0%	5.1%	3.0%	2.3%	2.9%	2.0%	2.6%

GROSS DOMESTIC PRODUCT & CU STRATEGY

(January 2024)..... In their first estimate, the Commerce Department projected fourth quarter economic growth increased +2.3%, compared with the previous estimate of +3.1%. Consumer spending expanded +4.2%, while domestic investment fell -5.6%. Net exports ere unchanged.

Over nine of the past ten quarters, the economy experienced the pace of government spending exceeded that of consumer spending. This has, in essence, overstated core economic growth at least 1.5 to 1.75 percentage points. Federal spending increased 3.2% and state spending was up +2.0%. Federal defense-related expenditures increased +3.3% while nondefense spending was up +3.1%.

For 2024, growth was up 2.5% with consumer spending up 3.0% but government spending increasing 3.1%. This strongly suggests that the sizeable government injection had a significant contribution to 2023 and 2024 growth metrics.

Strategically ... The level of consumer spending - two-thirds of the nation's gross domestic product - remains very volatile due to higher prices, and with elevated inflation - although the pace of rising prices slowing - 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.