

Macro Roundup Article

Headline: [Jason Furman On US GDP Report](#)

Article Link: <https://twitter.com/jasonfurman/status/1618607567667884035>

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Tweet: .@Jasonfurman notes GDP is "basically at CBO's pre-pandemic forecast." Consumer spending, which has enjoyed "huge fiscal support in 2020 and 2021," is running well ahead of the CBO's pre-pandemic forecast, while residential investment declined by 26.7%/yr.

Summary: Overall GDP is basically at CBO's pre-pandemic forecast. The big story for economic growth was the consistent strength of consumer spending, which is more than two-thirds of the economy. It has been consistently running well ahead of CBO's pre-pandemic forecast. Likely continued impact of huge fiscal support in 2020 and 2021. The countervailing story is the collapse of residential investment. It has fallen for 7 straight quarters, fell 19.3% over the last four quarters, with a decline of 26.7% (annual rate) in Q4. Biggest since the financial crisis. And the third story is that over the pandemic recovery the huge increase in US demand was partly accommodated by rising imports and production shifted from exports to domestic consumption. But the large increase in the trade deficit has been narrowing.

Primary Topic: Business Cycle

Topics: Business Cycle, Database, Factoid, GDP, Op-Ed/Blog Post, Sell-by Date, Weekly

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