

## Macro Roundup Article

**Headline:** [Making Sense of the GDP-GDI Gap](#)

**Article Link:** <https://www.gspublishing.com/content/research/en/reports/2024/02/11/ac7608b8-0385-4e97-86e0-064e27858d79.html>

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Publication	Goldman Sachs
Publication Date	February 12, 2024

**Tweet:** Taking into account both GDP and GDI @GoldmanSachs argues year-over-year US growth was 2.1% through Q3 of last year, modestly above potential.

**Summary:** Real GDP grew by 3.3% year-over-year in 2023Q4, well above expectations and our estimate of potential growth. However, real gross domestic income (GDI), an alternative measure of economic activity derived from income rather than expenditure data, declined by 0.1% year-over-year in 2023Q3, and the gap between the levels of GDP and GDI is now at its highest level since the early 1990s. To gauge “true” growth in the four quarters to 2023Q3, we would use the average of GDP (2.9%) and GDI adjusted for four distortions (1.3%). The resulting 2.1% estimate implies that the US economy grew at a pace close to or very slightly above potential. This is also consistent with the performance of the labor market over the past 12-18 months. Related: Global Views: Too Much of a Good Thing? and The Big Picture: Back to the Future and Macro Outlook 2024: The Hard Part Is Over

**Primary Topic:** Growth

**Topics:** Business Cycle, GDP, Growth, Op-Ed/Blog Post

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