

## Macro Roundup Article

**Headline:** [The US Consumer: Still Strong in 2024](#)

**Article Link:** <https://www.gspublishing.com/content/research/en/reports/2023/09/05/d33a1656-f37e-4661-9111-f6fe593ffa8a.html>

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**Tweet:** Despite the labor market cooling Goldman Sachs forecasts real income growth of 3% in 2024, “comfortably above the roughly 2½% real growth pace observed in the 20 years prior to the pandemic.”

**Summary:** We expect real income will grow by 3% in 2024 on a Q4/Q4 basis. In terms of components, expected labor income gains account for over half this increase, we expect interest income increases will raise real income growth by over 1pp, and the pullback in Medicaid coverage [Sunset of pandemic era continuous enrollment provision] is set to subtract almost ½pp. This pace of real income growth is below the 4% pace in 2023, but comfortably above the roughly 2½% real growth pace observed in the 20 years prior to the pandemic. In terms of the timing of these real income gains, we forecast a flatter profile than in 2023, as start-of-year adjustments from COLAs and changes in the effective tax rate will likely be less of a driver of income growth in 2024. Related: Soft Landing Optimism Is Everywhere. That’s Happened Before and Has the Fed Tightened Enough? Guideposts to Consider and The Unresolved Tension Between Prices and Incomes

**Primary Topic:** Growth

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

**Permalink:** <https://www.edwardconard.com/macro-roundup/despite-the-labor-market-cooling-goldman-sachs-forecasts-real-income-growth-of-3-in-2024-comfortably-above-the-roughly-2%bd-real-growth-pace-observed-in-the-20-years-prior-to-the-pandemic?view=detail>

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