

Macro Roundup Article

Headline: [The 6% Solution?](#)

Article Link: <https://theovershoot.co/p/the-6-solution>

Author(s)	Matt Klein
Publication	The Overshoot
Publication Date	May 02, 2024

Tweet: . @M_C_Klein argues that the US economy has settled into a 5.5-6% annual nominal growth rate since mid-2022, a range proposed by @LHSummers in 2018. While this may imply inflation above 2%, he views this as a desirable outcome.

Summary: The latest batch of data for 2024Q1 confirms that, whether by accident or by design, the U.S. economy remains settled in the stable ~5.5-6% yearly nominal growth trend it has occupied since mid-2022. From 2022Q3-2023Q3, nominal GDP rose 6.2%, nominal consumer spending rose by 5.6%, the currently available components of nominal net domestic income rose by 4.9%, and nominal private final domestic demand net of depreciation rose by 5.1%. From 2023Q3-2024Q1, NGDP grew at a yearly rate of 5%, consumer spending rose by 5.6% annualized, NDI excluding corporate profits and net interest paid by business rose at a yearly rate of 5.9%, and NNPD excluding inventories, trade, and government spending rose by 6.1% annualized. Some breakdowns accelerated slightly, some decelerated slightly, and some stayed the same, but the overall picture is one of stability in the Summers (2018) target range.

Related Articles: Global Views: Friendly Baseline, Greater Risks and Parsing the 2024 Inflation Rebound and The Big Picture: Back to the Future

Primary Topic: Growth

Topics: GDP, Growth, Inflation, Op-Ed/Blog Post, Wages/Income, Workforce

Permalink: https://www.edwardconard.com/macro-roundup/m_c_klein-argues-that-the-us-economy-has-settled-into-a-5-5-6-annual-nominal-growth-rate-since-mid-2022-a-range-proposed-by-lhsummers-in-2018-while-this-may-imply-inflation-above-2-he-views-thi?view=detail

Featured Image Link: <https://www.edwardconard.com/wp-content/uploads/2024/05/20706-the-6-solution-featured-image.png>