

## Macro Roundup Article

**Headline:** [The Q4 Pothole: Student Loans, Shutdown, and Strikes](#)

**Article Link:** <https://www.gspublishing.com/content/research/en/reports/2023/09/12/c4a88156-6948-4847-b703-84a8293159c0.html>

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| Author(s)        | Ronnie Walker and Alec Phillips |
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**Tweet:** [@GoldmanSachs](#) argues that the US economy is facing three headwinds in Q4: a resumption of student loan payments, a UAW strike, and a potential government shutdown, slowing quarterly annualized growth from 3.1% in Q3 to 1.3% in Q4.

**Summary:** First, we expect the resumption of student loan payments to subtract 0.5pp from quarterly annualized GDP growth. Second, the federal government looks more likely than not to temporarily shut down. A government-wide shutdown would reduce quarterly annualized growth by around 0.2pp for each week it lasted. Third, we estimate that reduced auto production from a potential UAW strike would reduce quarterly annualized growth by 0.05-0.10pp for each week it lasted, if all three companies currently undergoing contract negotiations are impacted. We expect quarterly annualized GDP growth to slow from +3.1% in Q3 to +1.3% in Q4 (vs. consensus of +2.9% and +0.6%). We expect the slowdown to be shallow and short-lived, with GDP growth rebounding to +1.9% in Q1 (vs. consensus of +0.1%) as these temporary drags abate and income growth reaccelerates on the back of continued solid job growth and rising real wages. Related: [Soft Landing Summer](#) and [Autoworkers Have Good Reason to Demand a Big Raise](#) and [The Economic Impact of the Student Loan Restart](#)

**Primary Topic:** Business Cycle

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

**Permalink:** <https://www.edwardconard.com/macro-roundup/goldmansachs-argues-that-the-us-economy-is-facing-three-headwinds-in-q4-a-resumption-of-student-loan-payments-a-uaw-strike-and-a-potential-government-shutdown-slowing-quarterly-annualized-growth?view=detail>

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