



Barely Reported Growth

December 5, 2023

It's surprising that this isn't getting more attention in the press, but the U.S. Commerce Department has reported that the American economy grew by a remarkable 5.2% annualized pace in this year's third quarter. Corporate profits were up 4.3% for the quarter, following a somewhat anemic 0.8% gain in the second quarter. Consumer spending rose 3.6%, and the next report could top that, based on record-setting sales reported on Black Friday and Cyber Monday.

The only concerning statistic in the report was the inflation rate; the consumer price index rose at a 3.6% rate, which is well above the 2% rate that the U.S. Federal Reserve Board is targeting.

But if you look at the complete picture, this is a remarkable growth pace, which is not indicating that we're about to tumble into that long-predicted recession. Virtually nobody expects this kind of economic growth to continue indefinitely, but then again, it's hard to find any experts who expected it this year at all.

Perhaps the biggest takeaway here is that the 'experts' who have been predicting a recession for at least the past two years are, yet again, proven to be wrong. Nothing against the 'experts,' many of whom have impressive credentials. But the lesson the economy has (uncomfortably for them) confirmed is that nobody can predict the future with any degree of certainty. And that means none of us should be giving much attention to those sober prognostications, any more than we should be taking investing advice from somebody who is staring into a crystal ball or reading the entrails of sacrificed animals. The future is, yet again, failing to conform to what the experts tell us it will be.

Sources:

<https://www.cnn.com/2023/11/29/economy/second-estimate-third-quarter-gdp/index.html>

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If you have any questions about this article or want to discuss your family finances, investment portfolio, or financial planning advice, please call on me anytime at my number [\(215\) 325-1595](tel:2153251595) or you can [click here to schedule a meeting](#).

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