

Q4 GDP Revised Slightly Downward; Consumer Spending Moves Higher

By Paul Bubny

Real U.S. GDP increased at an annual rate of 3.2% in the fourth quarter of 2023, a slightly lower gain than originally estimated, the Commerce Department's Bureau of Economic Analysis said Wednesday. The initial estimate called for 3.3% annualized growth.

Conversely, growth in consumer spending was revised upward to 3% from the original estimate of 2.8%. The BEA said the downward revision to GDP was due primarily to a downgrade to private inventory investment, now estimated to have increased by \$66.3 billion instead of the previously reported \$82.7 billion.

Real GDP increased 2.5% in 2023, compared with an increase of 1.9% in 2022. The BEA said last year's increase in real GDP primarily reflected increases in consumer spending, nonresidential fixed investment, state and local government spending, exports, and federal government spending that were partly offset by decreases in residential fixed investment and private inventory investment. Imports decreased in 2023.