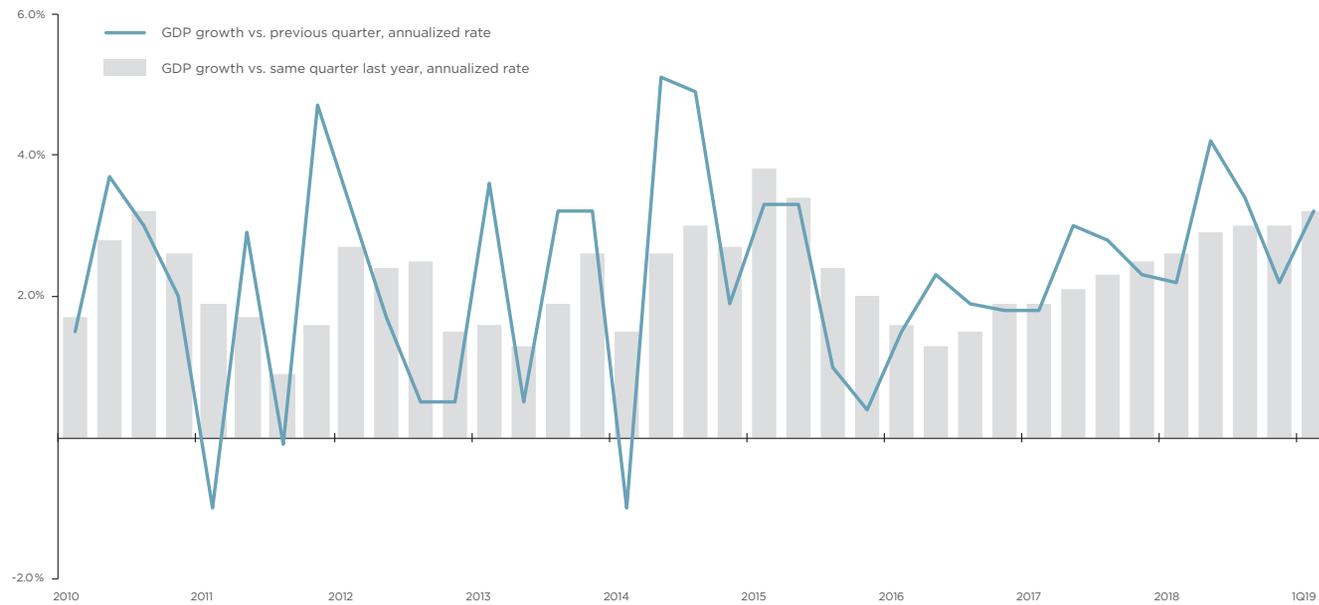


# GDP: Smoother sailing than it seems



The math of GDP growth tells a different story than the headlines.

**U.S. Gross Domestic Product (GDP) annualized rate of growth**  
2010 through Q1 2019



The first estimate of Gross Domestic Product (GDP) growth for Q1—3.2% on an annualized basis—beat the consensus estimate of 2.0%. If subsequent readings are just as strong, the final Q1 GDP growth rate would buck the recent trend of sluggish first quarters over the last five calendar years.

Why has the U.S. economy seemed to start on such a weak foot in recent years? It may have more to do with math than actual economic performance. Many economic statistics, including GDP, are calculated at a seasonally-adjusted, annualized growth rate against the previous quarter. Comparing growth rates from quarter to quarter (illustrated by the blue line in the above chart) can make GDP seem more volatile than it may be.

If we compare quarterly GDP growth over the same quarter the previous year (illustrated by the gray bars in the chart), the trend isn't as volatile. In fact, quarterly GDP growth on a year-over-year has been stable to positive in each of the past 11 quarters — the longest such streak since World War II. Economic growth may be more consistent than suggested by government reports.



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