

First Quarter GDP Outlook Suddenly Much Brighter

My apologies to fellow Texans facing much bigger issues than quarterly GDP projections. We went 60 hours without power and most of Monday and Tuesday without water. At one point, it was 45 degrees in the house. I know we weren't alone and recognize many of you may have endured more significant problems. I sincerely hope things are better and will continue to improve.

The range of first quarter GDP estimates have been remarkably wide as analysts consider not only the traditional data inputs, but also timing and magnitude of trillion dollar aid packages, an apparent COVID slowing trend and an increasing vaccination rate. Another wildcard is the simple fact that household wealth has reached new record highs in each of the last three quarters, and the U.S. savings rate remains elevated. The capacity to spend is in place. The only question is...when will the spending be unleashed?

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