Strong GDP Set to Accelerate in the Second Quarter

First-quarter GDP estimates came in at a robust 6.4%, with growth likely to accelerate to more than 8% next quarter. Over the coming weeks, economic activity in the U.S. will surpass its pre-pandemic high. With the Fed pumping over a trillion dollars of liquidity into financial markets annually and the Six Trillion Dollar Man (Joe Biden) proposing new schemes to run up the deficit, GDP is poised to increase at its fastest rate in decades this year. Josh Mitchell reports:

> *A burst of growth put the U.S. economy just a shave below its pre-pandemic size in the first quarter, extending what is shaping up to be a rapid, consumer-driven recovery this year.*
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> *Gross domestic product, the broadest measure of goods and services made in the U.S., grew at a 6.4% seasonally adjusted annual rate in January through March, the Commerce Department said Thursday. That left the world's largest economy within 1% of its peak, reached in late 2019, just before the coronavirus pandemic reached the U.S.*
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> *Households, many of them vaccinated and armed with hundreds of billions of dollars in federal stimulus money, drove the first-quarter surge in output by shelling out more for cars, bicycles, furniture and other big-ticket goods. The federal government also stepped up spending—on vaccines and aid to businesses.*
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> *"If you had asked me a year ago where we would be today I certainly would not have said we would have recouped the pre-pandemic levels of economic activity," said Gregory Daco, chief U.S. economist at Oxford Economics. "Everything about this crisis has been unique. The speed and the magnitude of*

the contraction in economic activity was unprecedented. The amount of policy support put in place was extremely rapid.”