Did the US Have an Undeclared Recession in 2023?

Official gov't data and the NBER say no, but our hard data from ~2,000 publicly traded companies says yes

SUMMARY

Official government statistics and the NBER have concluded there was no recession in the United States in 2022–24. We at *The Curb Economist* think otherwise, but with an important caveat: we think the US had a recession during this period, but it appears to have potentially been the country's first "job-loss-less" recession. Put differently, we think we had a recession, it just didn't involve significant job losses (though as we'll show later, this might have only been the case if you use the gov't jobs data; our hard jobs data from publicly traded companies indicates modest job losses in 2023). By our research, this is the first time in the history of the US this might have occurred.

WHY ASK THE QUESTION NOW?

A recession isn't just two negative GDP quarters. The NBER's Business Cycle Dating Committee looks for a decline in activity that is deep, diffuse and lasting, mainly in six monthly series: payrolls, household employment, real personal income less transfers, real consumer spending, real manufacturing and trade sales, and industrial production. In 2022–23 three of the six fell (income less transfers in 2Q22–4Q22, manufacturing and trade sales in 2Q22 and 4Q22–1Q23, industrial production from 1Q23 on) but never at the same time, and the two jobs series never fell at all. The committee has dated no recession since 2020.

The question matters beyond the history books. If public-company data called a downturn the official data missed, it should get more weight the next time the two disagree, and they disagree today (our US revenue has run well above nominal GDP for the last three quarters). This is also the test of *TCE*'s whole approach: hard numbers companies report to the SEC, under audit and legal liability, act as an important sanity check on survey-based government statistics.

OUR 2023 RECESSION ARGUMENT

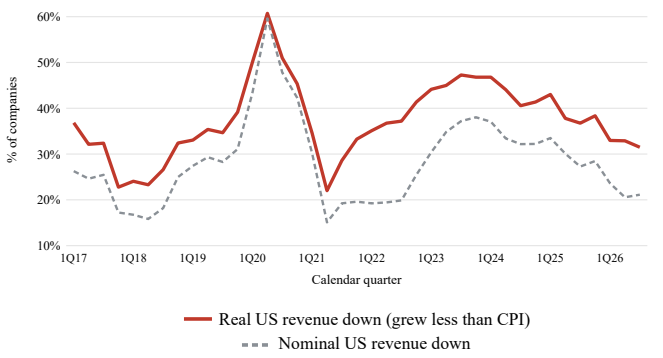
1. **Aggregate US revenue from ~2,000 publicly traded companies shrank in real terms in 2023.** Across 2,003 companies, aggregate US revenue was flat after inflation in 1Q23, then fell 2.7% in 2Q23 and 1.4% in 3Q23. Even excluding energy and financials (arguably a measure of "core" growth) it fell in 1Q23, 2Q23, 3Q23, bottoming at −0.7% in 2Q23. In 2Q23 our aggregate US revenue only grew 0.9% in nominal terms, while the government reported nominal GDP growth of 6.4%. This was the widest shortfall versus GDP in our data, which goes back to 2015 and includes 2020 (in 2025 and 2026 the gap has widened substantially in the other direction, with our US revenue figures running well ahead of GDP). Even the median company's real revenue growth ran well below the gov't's stated GDP growth from 2Q23 through 1Q24. Using revenue as a proxy for product or output, this indicates at least two quarters of declining real output, one of the key barometers for declaring a recession.

US revenue Y/Y	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24
Nominal						
Aggregate, all companies	7.5%	5.4%	0.9%	1.8%	3.8%	4.2%
Aggregate ex-energy, ex-fin.	7.5%	4.8%	2.9%	2.9%	4.4%	4.3%
Median company	10.8%	8.3%	5.8%	4.5%	4.5%	4.3%
Nominal GDP (BEA)	**7.9%**	**7.8%**	**6.4%**	**6.6%**	**6.3%**	**5.7%**
Real (less GDP-deflator inflation)						
Aggregate, all companies	**0.9%**	**−0.0%**	**−2.7%**	**−1.4%**	**1.0%**	**1.5%**
Aggregate ex-energy, ex-fin.	**0.9%**	**−0.6%**	**−0.7%**	**−0.4%**	**1.6%**	**1.6%**
Median company	4.2%	2.9%	2.2%	1.2%	1.7%	1.7%
Real GDP (BEA)	**1.2%**	**2.3%**	**2.7%**	**3.2%**	**3.4%**	**2.9%**

TCE broad US revenue, 1,911–2,072 companies per quarter. GDP deflator Y/Y: 4Q22 6.5%, 1Q23 5.4%, 2Q23 3.6%, 3Q23 3.3%, 4Q23 2.8%, 1Q24 2.7%. Source: SEC filings, BEA via FRED, TCE.

2. **Profits fell too, even before inflation.** The median company's operating profit fell from a year earlier for 5 straight quarters (1Q23–1Q24), something that happened in only two other quarters since 2015: 1Q20 and 2Q20, the COVID recession. Aggregate operating profit fell 16.4% in 4Q22, and the government's own measure of pretax profits fell in 4Q22 and 2Q23.
3. **The decline was broad, not just a few big names.** 47% of companies saw their US revenue fall in real terms in 3Q23, up from 31% in 2018–19 and not far below the 52% of the 2020 COVID recession.

COMPANIES WITH FALLING REAL US REVENUE

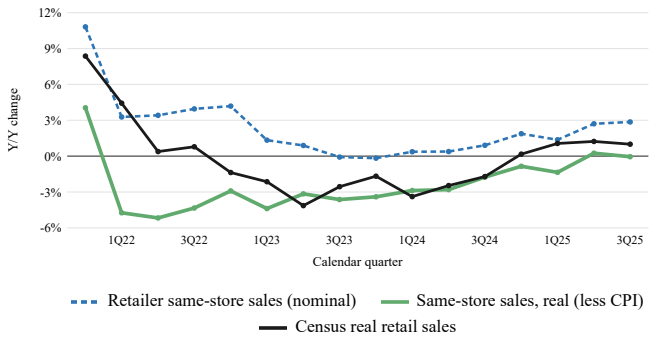


Companies whose US revenue Y/Y grew less than CPI (real decline) or fell outright (nominal decline); prior-year quarter $10M+. Source: SEC filings, BLS, TCE.

4. **Retail sales and investment both contracted too.** Retailers' same-store sales were negative even before inflation in 2H23 and real capex at domestic companies fell 7.5% Y/Y by 2Q24. Because investment decisions take longer to effect, this data lags much of the rest, but it further validates companies feeling pressure in 2023.

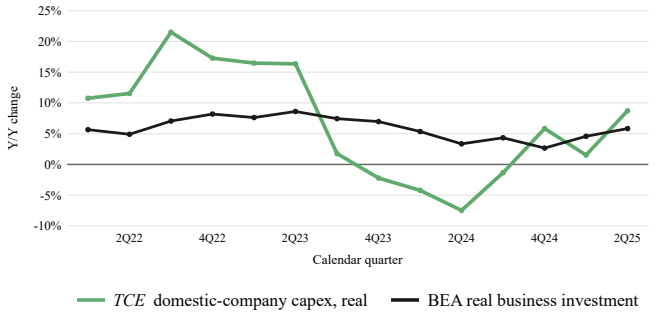
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SAME-STORE VS. REAL RETAIL SALES, Y/Y



Same-store sales: average of 54 public retailers. Real = less CPI. Census real retail & food service sales are CPI-deflated by Census. Source: SEC filings, Census, BLS, TCE.

DOMESTIC CAPEX VS. BEA INVESTMENT, REAL



Domestic companies = US share of long-lived assets 90%+ plus companies with no geographic data in US-only industries. Real = less GDP deflator. BEA = real private nonresidential fixed investment. Source: SEC filings, BEA, TCE Capex Tracker.

5. **Stress showed up where it usually does.** Distress delistings hit 2.4% of listed companies in both 2023 and 2024, five times the level seen in 2021 and the highest since 2009. Additionally, the S&P 500 fell 25%, the Russell 2000 fell 33%, economic forecasters put the odds of a GDP decline at 47% (a level only ever reached in or next to a recession), and the yield curve stayed inverted for two years. All of these things point to market participants and observers telling you we were in a recession.
6. **The "job-loss-less" part holds, but only in the government's totals.** Payroll data from the gov't never fell, which no recession since 1948 can claim. But an important caveat was that 69% of 2023's job gains (again, according to the BLS) were from government and healthcare. Temporary-help jobs also fell 20% (about as much as in the 2001 recession). Using data from our Employee Tracker, however, US headcount may have actually contracted (we estimate −0.7% in 2023), which also points to a recession. Even if our data is more accurate than the gov't's here, the relatively small job losses our data produces were indicative of unique circumstances in the labor market at the time: companies were just very reluctant to let employees go after working so hard to get them back in 2021. Whether we had modest job losses or no job losses at all, this is absolutely the most unique aspect of this period, and almost certainly kept whatever recession we did have from being very pronounced.
7. **Our verdict: yes, we had a shallow recession in 2022–23.** The "softer" government data never picked it up, but hard data from *The Curb Economist* did.

THE SCORECARD

Indicator	Weakest 2022–24 reading	Recession-like?
Publicly Traded Companies (*TCE* data)		
Core US revenue, real Y/Y (2,003 cos.)	−0.7% (2Q23)	Yes
All-company US revenue, real Y/Y	+0.9% (4Q22)	Yes
Companies with falling real US revenue	47% (3Q23) vs. 31% in 2018–19	Yes
Median company operating profit, Y/Y	−1.9% (2Q23); down 5 quarters in a row	Yes
Aggregate operating profit, Y/Y	−16.4% (4Q22)	Yes
Retailer same-store sales, real Y/Y	−4.4% (1Q23)	Yes
Domestic-company capex, real Y/Y	−7.5% (2Q24)	Yes
Public-company US headcount, FY23	−0.7% (334 cos.)	Yes
Distress delisting rate	2.4% (2023), most since 2009	Yes
Markets and forecasters		
S&P 500 / Russell 2000 decline	−25.4% / −32.5% (2022)	Yes
Anxious Index (odds of a GDP decline)	47% for 1Q23	Yes
Government data		
Census real retail sales, peak to trough	−7.3% (4/22–4/24)	Yes
Industrial production, peak to trough	−2.2% (4/22–1/24)	Yes
Temp-help jobs, peak to trough	−19.6% (3/22–12/24)	Yes
Real GDP, Y/Y	+2.3% to +3.4% in 2023	No
Real GDI, Y/Y	+1.4% to +4.0% in 2023	No
Real consumer spending, Y/Y	+1.8% to +2.8% in 2023	No
Nonfarm payrolls	+2.5M in 2023; never down Y/Y	No
Unemployment rate	3.4%–3.9% in 2023	No

Real = nominal growth less GDP-deflator inflation (CPI for retail and headcount comparisons). Core = ex-energy and ex-financials. Recession-like = a reading in the range of past NBER recessions or far outside the expansion norm. Sources below each section.

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APPENDIX

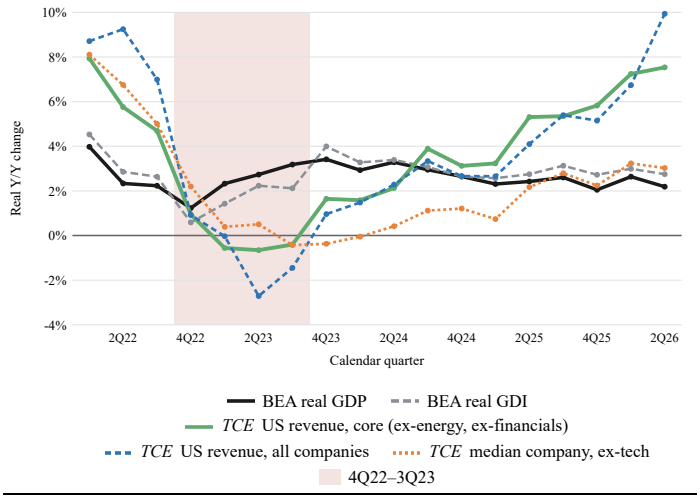
US REVENUE FELL IN REAL TERMS

TCE's Revenue Growth Tracker adds up the US revenue of every publicly traded company with a usable figure: the US line where it's disclosed, a US segment or the 10-K's US share where it isn't, and the whole company for domestic-only firms. Each company is compared with its own year-earlier quarter, so companies that went bankrupt or were acquired simply drop out.

Nominal growth slowed from 17.0% in 2Q22 to 0.9% in 2Q23 and 1.8% in 3Q23. Inflation was still running 3%–5%, so in real terms the all-company aggregate fell 2.7% in 2Q23. Part of that is energy: oil and gas revenue collapsed from 2022's price spike. Strip out energy and financials and the "core" aggregate still fell after inflation for 3 straight quarters (1Q23, 2Q23, 3Q23). The ex-tech median company, which isn't moved by a handful of giants, fell in real terms in 3Q23 through 1Q24.

Over the same quarters BEA reported real GDP growth of 2.7%–3.2%. The income-side measure (GDI) was weaker, and actually fell quarter over quarter in 2Q22 and 4Q22.

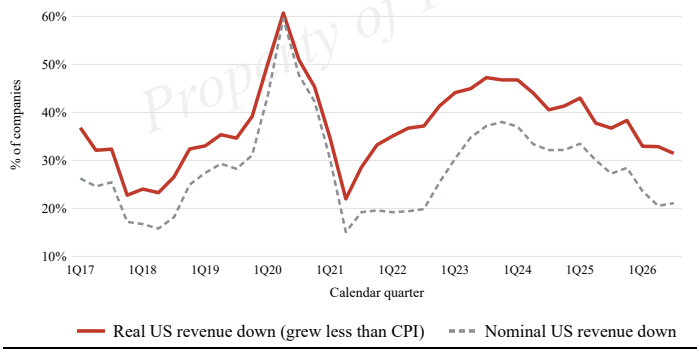
REAL US REVENUE GROWTH (*TCE*) VS. REAL GDP AND GDI, 1Q22–2Q26



Real = nominal Y/Y less GDP-deflator Y/Y. TCE series: broad US revenue (disclosed, estimated and domestic-only companies), 2,003 companies in 2Q23. Shaded = 4Q22–3Q23. Source: SEC filings (XBRL), BEA via FRED, TCE Revenue Growth Tracker.

It wasn't a few companies dragging down the total. The share of companies with falling real US revenue climbed from about a third before COVID to 47% in 3Q23, and the share with outright *nominal* declines reached 38% in 4Q23, above any quarter of 2017–19. That's the "diffuse" part of the NBER's test.

COMPANIES WITH FALLING REAL US REVENUE

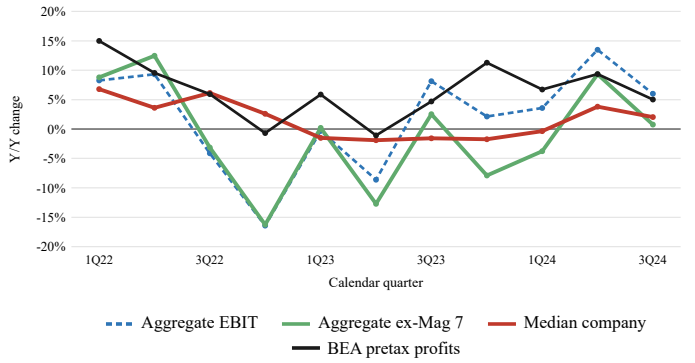


Companies whose US revenue Y/Y grew less than CPI (real decline) or fell outright (nominal decline); prior-year quarter $10M+. Source: SEC filings, BLS, TCE.

OPERATING PROFITS FELL

TCE's Corporate Profits Tracker follows operating profit (EBIT) for about 2,267 companies, company-wide (worldwide), compared with the same quarter a year earlier. Profits turned down before revenue did. Aggregate EBIT fell 4.1% in 3Q22 and 16.4% in 4Q22, was flat in 1Q23 and fell 8.6% in 2Q23, as the EBIT margin dropped 2.8 points from a year earlier in 4Q22. That's before inflation; less the GDP deflator, aggregate profits fell 6%–23% in real terms in each of those four quarters.

OPERATING PROFIT (EBIT) GROWTH, Y/Y



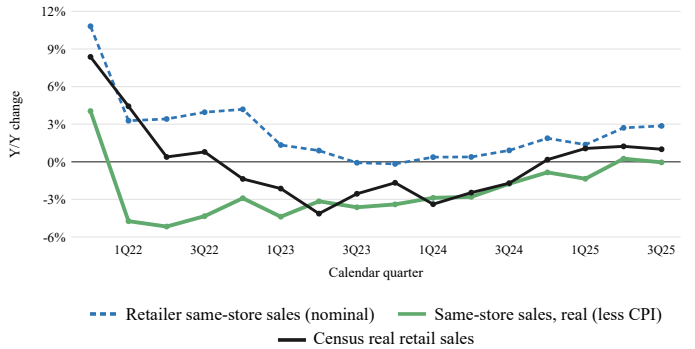
Company totals (worldwide), same companies both years, nominal. Median = companies with year-ago EBIT above zero. BEA = corporate pretax profits (no IVA/CCAdj). Source: SEC filings (XBRL), BEA via FRED, TCE Corporate Profits Tracker.

The aggregate recovered in 2H23 only because of the Magnificent 7: excluding them, EBIT fell 12.7% in 2Q23, 7.9% in 4Q23 and 3.8% in 1Q24. The typical company never recovered at all in 2023. The median company's EBIT fell in every quarter from 1Q23 through 1Q24 (low −1.9% in 2Q23), and only 52% of companies grew profits in 1Q23, the lowest share since 2015 outside the COVID quarters. In our data, a falling median is a recession-only event: it happened in 1Q20 and 2Q20, and not once in the 2015–16 energy and manufacturing slump or the 2019 slowdown.

RETAIL SALES SHRANK

Our 54 public retailers' US same-store sales slowed from about 4% in 2022 to −0.1% in 3Q23 and −0.2% in 4Q23, negative before any inflation adjustment. Less CPI, same-store sales fell every quarter from 1Q22 through 1Q25. The Census Bureau's nominal retail sales looked fine, but its real (CPI-deflated) series agrees with us: it fell Y/Y from 4Q22 through 3Q24, 4.1% at the worst quarter (2Q23), and 7.3% from its April 2022 peak to its April 2024 low. That is a bigger fall than the 2001 recession (−4.1%), though well short of 2008–09 (−13.7%).

SAME-STORE VS. REAL RETAIL SALES, Y/Y



Same-store sales: average of 54 public retailers. Real = less CPI. Census real retail & food service sales are CPI-deflated by Census. Source: SEC filings, Census, BLS, TCE.

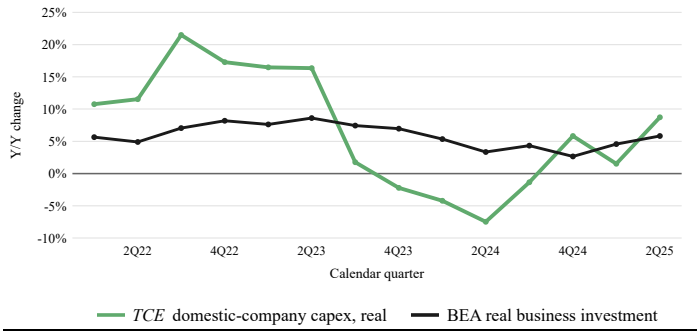
BUSINESS INVESTMENT TURNED DOWN

Investment lags revenue because projects are planned months ahead, and that is what our Capex Tracker shows. Capex at roughly 570 domestic companies (90%+ of assets in the US, or US-only industries) was still up 16% in real terms in 2Q23, then

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fell from +1.8% in 3Q23 to −7.5% in 2Q24. BEA's real business investment kept growing 3%–7% through that stretch, helped by CHIPS Act and Inflation Reduction Act factory building and data centers, which are concentrated in a few very large projects.

DOMESTIC CAPEX VS. BEA INVESTMENT, REAL

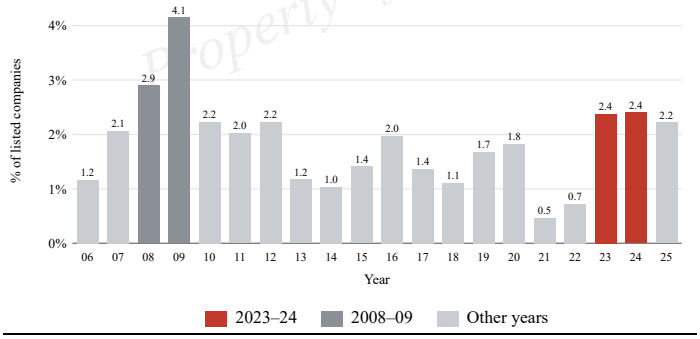


Domestic companies = US share of long-lived assets 90%+ plus companies with no geographic data in US-only industries. Real = less GDP deflator. BEA = real private nonresidential fixed investment. Source: SEC filings, BEA, TCE Capex Tracker.

DISTRESS DELISTINGS SPIKED

Our Delisting Tracker classifies every Form 25 since 2006 and separates companies forced off an exchange or into bankruptcy from those that were simply bought. Distress delistings rose from 25 in 2021 to 129 in 2023 and 128 in 2024, 2.4% of listed companies in both years: five times 2021's 0.5%, above every year from 2010 through 2022, and topped only by 2008 (2.9%) and 2009 (4.1%). Bankruptcies among listed companies went from 15 in 2022 to 51 in 2023. At the same time acquisitions, the "good" exit, fell to 157 in 2024, tied with 2020 for the fewest since 2009.

DISTRESS DELISTINGS, % OF LISTED COS.



Exchange-forced delistings (12d2-2(b)), bankruptcies and voluntary delistings after a deficiency notice, divided by listed SEC filers. Source: SEC EDGAR Forms 25/25-NSE, TCE Delisting Tracker.

One caveat: many of 2023–24's casualties were 2020–21 IPOs and SPAC deals that were never viable, which would have struggled in any economy. Higher rates are what exposed them, and that is how recessions usually clear out weak companies.

MARKETS AND FORECASTERS CALLED IT

The S&P 500 fell 25.4% from its 1/3/2022 high to its 10/12/2022 low and the Russell 2000 fell 32.5% (11/8/2021 to 6/16/2022). In our Recession Predictor, S&P declines of 20% or more have been followed by a recession within 12 months 7 times out of 11 since 1954; 2022 is one of the four "false alarms" (with 1962, 1966 and 1987). If a recession is dated to late 2022 or 1H23, 2022 turns into a hit and the record becomes 8 of 11.

Professional forecasters agreed. The Philadelphia Fed's Anxious Index (the odds forecasters give to a decline in real GDP the next quarter) was 47% for 1Q23, 42% for 2Q23, 45% for 3Q23 and 41% for 1Q24. Before 2023, every reading of 40% or more since the survey began in 1968 came during a recession, just before one, or within a few quarters after one. The 10-year/2-year Treasury curve was inverted from 3Q22 to 3Q24, about two years, and the Fed raised rates 5.25 points in 16 months.

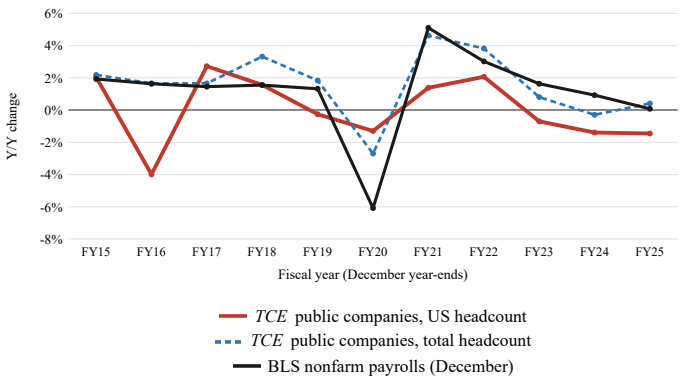
THE PUZZLE: WHERE WERE THE JOB LOSSES?

This is the strongest argument against a 2023 recession, and the data confirm it. In every NBER recession since 1948, payrolls fell from a year earlier (not seasonally adjusted) and fell for at least two months on a seasonally adjusted basis. In 2022–24, year-over-year payroll growth never dropped below +0.8% and there wasn't a single monthly decline.

Recession	Payrolls, min Y/Y (NSA)	Monthly declines (SA)	Temp help, peak to trough	Industrial production	Real retail sales
1948–49	−4.9%	12	–	−10.1%	–
1953–54	−3.4%	13	–	−9.5%	–
1957–58	−4.2%	12	–	−13.6%	–
1960–61	−2.1%	12	–	−8.6%	–
1969–70	−0.9%	10	–	−7.0%	–
1973–75	−2.6%	9	–	−13.1%	–
1980	−0.4%	4	–	−6.7%	–
1981–82	−2.7%	18	–	−9.3%	–
1990–91	−1.4%	12	−4.9%	−4.2%	–
2001	−1.5%	15	−20.3%	−5.4%	−4.1%
2007–09	−5.0%	26	−33.9%	−17.2%	−13.7%
2020	−13.4%	2	−35.0%	−17.8%	–
2022–24	**+0.8%**	**0**	**−19.6%**	**−2.2%**	**−7.3%**

Payrolls: 6 months before the NBER peak through 6 months after the trough. Temp help (data from 1990): peak in the 24 months before the recession to the low within 12 months after it ended; industrial production: 12 months before to 6 after; real retail sales (data from 1992, CPI-deflated by Census). 2022–24 row: peaks in March–April 2022, lows through December 2024. Source: BLS, Federal Reserve, Census via FRED; NBER.

PUBLIC-COMPANY HEADCOUNT VS. BLS PAYROLLS, Y/Y



Same companies both years, 10-K headcounts for fiscal years ending in December (1,113 companies total, 334 reporting US headcount in FY23); BLS = December payrolls vs. a year earlier. Source: SEC filings, BLS, TCE Employee Tracker.

But look underneath the total. The other columns of that table show 2022–24 looking like a mild recession everywhere except

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payrolls: temp-help jobs, usually the first to go, fell nearly as much as in 2001. And the 2023 job gains came from a narrow base:

- Payrolls rose 2.52 million in 2023 (December to December). Government added 726k and health care & social assistance 1,001k, together 69% of the total. Everything else added 788k, about 0.7%.
- Temp help lost 283k jobs, professional & business services (which includes temp help) 131k, information 129k, and manufacturing 23k.
- The 334 public companies in our Employee Tracker that report US headcount (December fiscal years) cut it 0.7% in FY23 and 1.4% in FY24, while BLS payrolls rose 1.6% and 0.9%.
- BLS's own annual benchmark later cut its March 2024 payroll count by about 600,000, so 2023–24 job growth was weaker than first reported.

Why didn't companies cut harder? After the 2021–22 labor shortage, when hiring was slow and expensive, employers hoarded workers through the downturn. That shows up as weak productivity: BLS output per hour fell Y/Y in every quarter of 2022, and revenue per employee at the 1,380 companies in our Employee Tracker rose only 2.3% in 2023, below inflation of about 4.1%, after 5.7% vs. 8.0% inflation in 2022. In other words, real output per worker fell two years running. Companies kept their people and absorbed the slump in margins and output per head. That is what a "job-loss-less" recession looks like.

THE CASE AGAINST

To be fair to the official view, there are real arguments against calling 2023 a recession:

- **GDP (as reported by the government) never fell in 2023.** Real GDP grew 2.3%–3.4% Y/Y in every quarter, and real consumer spending 1.8%–2.8%. Real income less transfers, which fell in 2022, grew 2%–5% in 2023. This is, of course, all government data, so this sort of begets the whole point: we already know the government data doesn't indicate a recession. The point is hard data from a huge set of real companies indicates otherwise.
- **Public companies aren't the whole economy.** We often hear "the stock market isn't the economy," or "publicly traded firms aren't a good representation of the economy as a whole." A full rebuttal to these claims is not within the scope of this note, but we'd say a few things in response to this: First, publicly traded companies shouldn't be excluded from significance just because they're big, or just because they're public. Second, the number of companies we include in our tracker allows our median data to be a very solid indicator of "normal" firms. Third, and most importantly, large firms may be able to control and cut costs easier than smaller firms, but it's far from clear if they are even remotely better at controlling revenue than smaller firms. Thus, given our recession call is predicated on revenue growth data and not profit growth data, we don't think this claim holds much weight either.
- **The deflator matters.** The core real decline was 0.7% at its worst. A goods-price deflator, lower than the GDP deflator in 2023, would shrink it. The all-company number is bigger but is partly an energy-price effect.
- **No job losses.** Recessions are as much about lost jobs and incomes as lost output. Unemployment never rose above 3.9% in 2023, and the Sahm rule wasn't triggered until the July 2024 jobs report.

CONCLUSION

On the hard data, the US had a shallow, "job-loss-less" recession from roughly 4Q22 to 3Q23 (or perhaps a very shallow job-loss recession if you use our data), with investment following in 2024. It was confined to the private, cyclical part of the economy, and the aggregate government numbers never registered it. Government and health care hiring, worker hoarding, and still-high nominal growth hid it. This recession may never be dated by the NBER, but it is still a useful lesson for us: when public-company data and government data disagree this much, the gap is the story. In 2023 the hard data were right about which way the private economy was going. Today the gap runs the other way, with our US revenue running ahead of reported GDP.

Data: TCE Revenue Growth Tracker (SEC Financial Statement & Notes data and EDGAR XBRL filings through 11/13/2026; broad US revenue, Watchlist companies), Corporate Profits Tracker (11/13/2026; company-total operating profit), Capex Tracker (11/9/2026), Employee Tracker (10-K headcounts, 11/8/2026), Delisting Tracker (EDGAR Forms 25/25-NSE through 10/23/2026), Recession Predictor (S&P 500 since 1954, Russell 2000 since 1988), retailer same-store sales from the January 2026 TCE study (54 retailers, 4Q21–3Q25). Government data from FRED (BEA GDP, GDI, deflator, consumer spending, business investment, personal income; BLS payrolls, CPI, productivity; Census retail sales; Federal Reserve industrial production; Treasury yields), current vintages as of 11/13/2026. Anxious Index: Federal Reserve Bank of Philadelphia, Survey of Professional Forecasters. Quarter-average data; Y/Y = vs. the same quarter a year earlier.

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