

# GDP and the Economy

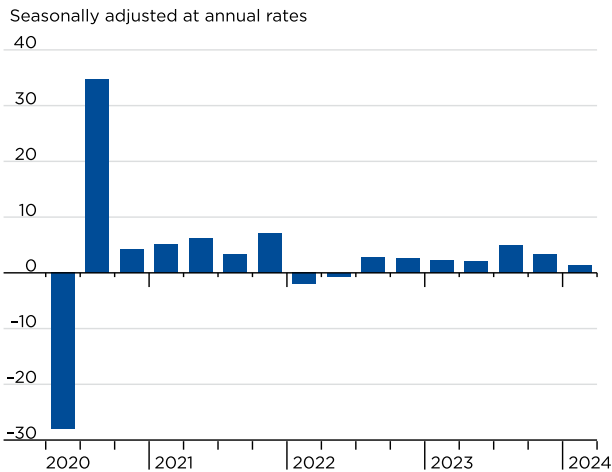
## Third Estimates for the First Quarter of 2024

July 8, 2024

*This article reflects GDP statistics published on June 27, 2024. Refer to the GDP product page for the [latest statistics](#).*

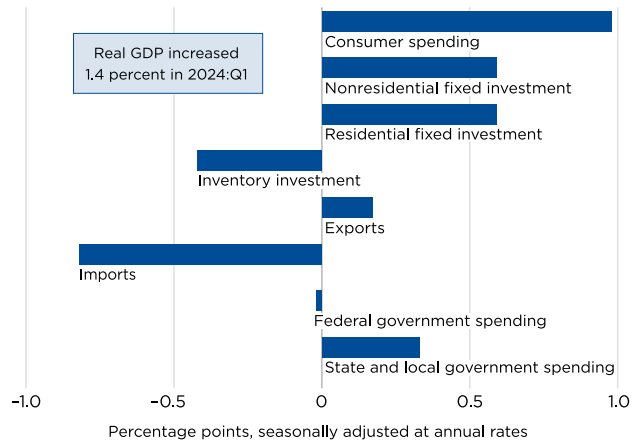
Real gross domestic product (GDP) increased at an annual rate of 1.4 percent in the first quarter of 2024, according to the “third” estimate of the National Income and Product Accounts (NIPAs) (chart 1 and table 1).<sup>1</sup> With the third estimate, real GDP growth was revised up 0.1 percentage point from the “second” estimate issued in May. In the fourth quarter of 2023, real GDP increased 3.4 percent.

**Chart 1. Real GDP: Percent Change From Preceding Quarter**



GDP Gross domestic product  
U.S. Bureau of Economic Analysis

**Chart 2. Real GDP: Contributions to the Percent Change in 2024:Q1**



GDP Gross domestic product  
U.S. Bureau of Economic Analysis

## GDP by Expenditure

The increase in first-quarter real GDP reflected increases in consumer spending, residential fixed investment, nonresidential fixed investment, state and local government spending, and exports that were partly offset by decreases in private inventory investment and federal government spending. Imports, which are a subtraction in the calculation of GDP, increased (chart 2 and table 1).<sup>2</sup>

- The increase in consumer spending reflected an increase in services that was partly offset by a decrease in goods.
  - Within services, the leading contributors to the increase were health care (both out-patient services and hospital and nursing home services) as well as financial services and insurance (mainly banking and other financial services).
  - Within goods, spending on both durable and nondurable goods decreased. The leading contributors to the decrease were motor vehicles and parts as well as gasoline and other energy goods.
- The increase in residential fixed investment was led by brokers' commissions and other ownership transfer costs and new single-family construction.
- The increase in nonresidential fixed investment primarily reflected an increase in intellectual property products. The increase was led by software (prepackaged software) and research and development (business).
- The increase in state and local government spending primarily reflected an increase in compensation of state and local government employees.
- The increase in exports reflected an increase in services (led by telecommunications, computer, and information services) that was partly offset by a decrease in goods (led by industrial supplies and materials, notably nondurable goods).
- The decrease in private inventory investment was led by decreases in wholesale trade and manufacturing.
- The decrease in federal government spending primarily reflected a decrease in defense spending. The leading contributor to the decrease in defense spending was gross investment in equipment (mainly aircraft).
- The increase in imports reflected increases in both goods and services. The leading contributors to the increase in goods were capital goods, except automotive; industrial supplies and materials; and consumer goods, except food and automotive. Within services, the increase was led by transport.

Compared to the fourth quarter of 2023, the deceleration in real GDP in the first quarter primarily reflected decelerations in consumer spending, exports, and state and local government spending and a downturn in federal government spending. These movements were partly offset by an acceleration in residential fixed investment. Imports accelerated.

**Table 1. Real Gross Domestic Product by Expenditure and Related Measures**

[Seasonally adjusted at annual rates]

Line	Series	Share of current-dollar GDP (percent)	Change from preceding period (percent)				Contribution to percent change in real GDP (percentage points)			
		2024	2023			2024	2023			2024
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
<b>1</b>	<b>GDP<sup>1</sup></b>	<b>100.0</b>	<b>2.1</b>	<b>4.9</b>	<b>3.4</b>	<b>1.4</b>	<b>2.1</b>	<b>4.9</b>	<b>3.4</b>	<b>1.4</b>
<b>2</b>	<b>Personal consumption expenditures</b>	<b>67.7</b>	<b>0.8</b>	<b>3.1</b>	<b>3.3</b>	<b>1.5</b>	<b>0.55</b>	<b>2.11</b>	<b>2.20</b>	<b>0.98</b>
3	Goods	22.0	0.5	4.9	3.0	-2.3	0.11	1.09	0.67	-0.51
4	Durable goods	7.7	-0.3	6.7	3.2	-4.5	-0.03	0.53	0.25	-0.35
5	Nondurable goods	14.3	0.9	3.9	2.9	-1.1	0.14	0.56	0.41	-0.15
6	Services	45.7	1.0	2.2	3.4	3.3	0.44	1.02	1.54	1.49
<b>7</b>	<b>Gross private domestic investment</b>	<b>17.8</b>	<b>5.2</b>	<b>10.0</b>	<b>0.7</b>	<b>4.4</b>	<b>0.90</b>	<b>1.74</b>	<b>0.15</b>	<b>0.77</b>
8	Fixed investment	17.6	5.2	2.6	3.5	7.0	0.90	0.46	0.61	1.19
9	Nonresidential	13.6	7.4	1.4	3.7	4.4	0.98	0.21	0.50	0.59
10	Structures	3.1	16.1	11.2	10.9	3.4	0.46	0.33	0.32	0.10
11	Equipment	5.0	7.7	-4.4	-1.1	1.6	0.38	-0.22	-0.05	0.08
12	Intellectual property products	5.5	2.7	1.8	4.3	7.7	0.15	0.10	0.23	0.41
13	Residential	4.0	-2.2	6.7	2.8	16.0	-0.09	0.26	0.11	0.59
14	Change in private inventories	0.1	---	---	---	---	0.00	1.27	-0.47	-0.42
<b>15</b>	<b>Net exports of goods and services</b>	<b>-3.0</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>0.04</b>	<b>0.03</b>	<b>0.25</b>	<b>-0.65</b>
16	Exports	10.9	-9.3	5.4	5.1	1.6	-1.09	0.59	0.55	0.17
17	Goods	7.2	-16.0	7.7	6.2	-0.5	-1.31	0.55	0.45	-0.04
18	Services	3.7	6.2	1.0	2.8	5.9	0.22	0.04	0.10	0.21
19	Imports	13.9	-7.6	4.2	2.2	6.1	1.13	-0.56	-0.30	-0.82
20	Goods	11.3	-6.5	5.9	1.3	6.5	0.78	-0.64	-0.14	-0.71
21	Services	2.6	-12.2	-2.8	6.2	4.3	0.35	0.08	-0.15	-0.11
<b>22</b>	<b>Government consumption expenditures and gross investment</b>	<b>17.5</b>	<b>3.3</b>	<b>5.8</b>	<b>4.6</b>	<b>1.8</b>	<b>0.57</b>	<b>0.99</b>	<b>0.79</b>	<b>0.31</b>
23	Federal	6.5	1.1	7.1	2.4	-0.2	0.07	0.45	0.15	-0.02
24	National defense	3.6	2.3	8.4	0.5	-0.9	0.08	0.30	0.02	-0.03
25	Nondefense	2.9	-0.4	5.5	4.8	0.6	-0.01	0.15	0.14	0.02
26	State and local	11.0	4.7	5.0	6.0	3.0	0.50	0.53	0.64	0.33
<b>Addenda:</b>										
27	GDI <sup>2</sup>	---	0.5	1.9	3.6	1.3	---	---	---	---
28	Average of GDP and GDI	---	1.3	3.4	3.5	1.4	---	---	---	---
29	Final sales of domestic product	---	2.1	3.6	3.9	1.8	---	---	---	---
30	Goods	30.6	0.9	7.3	2.6	-3.8	0.29	2.30	0.83	-1.18
31	Services	60.6	1.9	2.9	2.8	3.0	1.13	1.73	1.70	1.77
32	Structures	8.9	7.7	10.0	10.4	9.7	0.63	0.83	0.86	0.82

**GDI** Gross domestic income

**GDP** Gross domestic product

1. The GDP estimates under the contribution columns are also percent changes.
2. GDI is deflated by the implicit price deflator for GDP.

Note. Percent changes are from National Income and Product Accounts (NIPA) tables 1.1.1 and 1.2.1, contributions are from NIPA tables 1.1.2 and 1.2.2, and shares are from NIPA table 1.1.10 or are calculated from NIPA table 1.2.5.

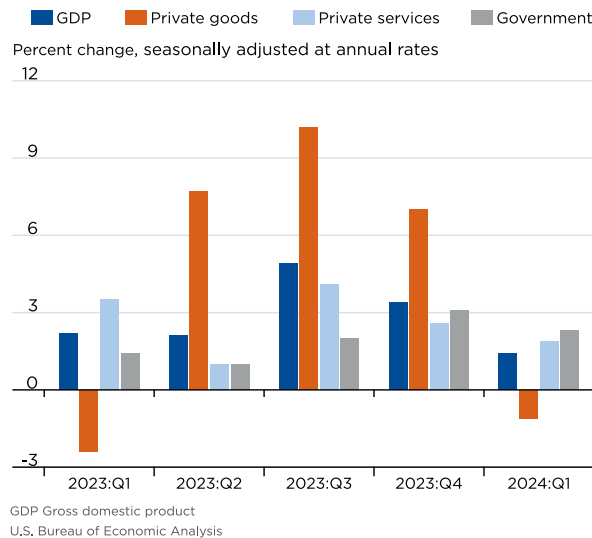
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## GDP by Industry

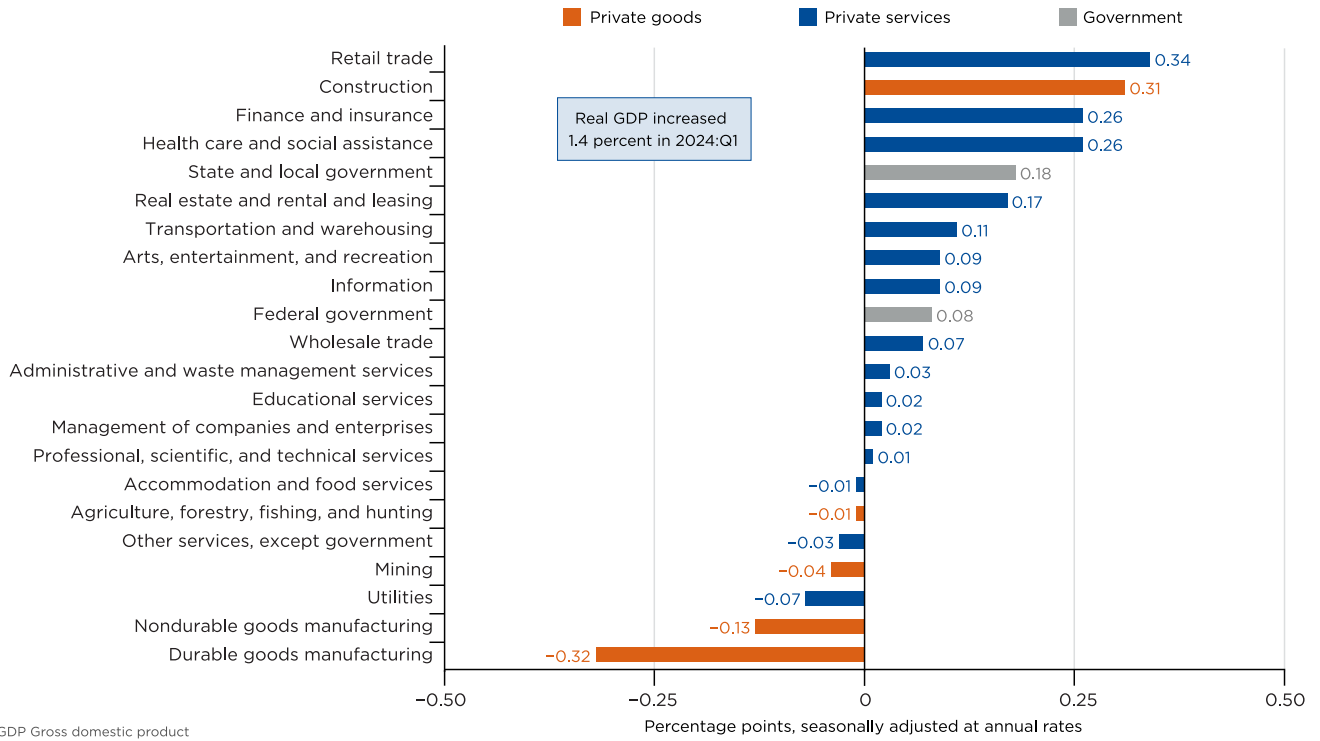
The third estimate of GDP includes estimates of GDP by industry, or value added—a measure of an industry's contribution to GDP. In the first quarter, private goods-producing industries decreased 1.1 percent, private services-producing industries increased 1.9 percent, and government increased 2.3 percent (chart 3 and table 2). Overall, 15 of 22 industry groups contributed to the first-quarter increase in real GDP (chart 4).

- Within private goods-producing industries, the leading contributors to the decrease were durable-goods manufacturing (led by primary metals) and nondurable-goods manufacturing (led by petroleum and coal products). These decreases were partly offset by an increase in construction.
- Within private services-producing industries, the leading contributors to the increase were retail trade (led by motor vehicle and parts dealers), finance and insurance (led by Federal Reserve banks, credit intermediation, and related activities), and health care and social assistance (led by ambulatory health care services).
- The increase in government reflected increases in both state and local as well as federal government spending.

**Chart 3. Real GDP by Sector: Percent Change From Preceding Period**



**Chart 4. Contributions to Percent Change in Real GDP by Industry Group, 2024:Q1**



**Table 2. Real Gross Domestic Product by Industry Group and Related Measures**

[Seasonally adjusted at annual rates]

Line	Series	Share of current-dollar GDP (percent)	Change from preceding period (percent)				Contribution to percent change in real GDP (percentage points)			
		2024	2023			2024	2023			2024
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
1	<b>GDP<sup>1</sup></b>	<b>100.0</b>	<b>2.1</b>	<b>4.9</b>	<b>3.4</b>	<b>1.4</b>	<b>2.1</b>	<b>4.9</b>	<b>3.4</b>	<b>1.4</b>
2	<b>Private industries</b>	<b>88.5</b>	<b>2.2</b>	<b>5.2</b>	<b>3.4</b>	<b>1.3</b>	<b>1.96</b>	<b>4.63</b>	<b>3.05</b>	<b>1.17</b>
3	Agriculture, forestry, fishing, and hunting	0.8	3.6	-5.9	-1.7	-1.3	0.03	-0.06	-0.01	-0.01
4	Mining	1.3	29.1	12.1	4.7	-2.7	0.35	0.16	0.07	-0.04
5	Utilities	1.5	60.9	-27.2	19.4	-4.8	0.77	-0.50	0.28	-0.07
6	Construction	4.5	5.5	15.8	6.0	7.0	0.23	0.65	0.26	0.31
7	Manufacturing	10.1	6.5	9.2	8.5	-4.3	0.64	0.92	0.85	-0.45
8	Durable goods	5.5	6.4	4.0	6.0	-5.6	0.35	0.22	0.33	-0.32
9	Nondurable Goods	4.6	6.6	15.9	11.4	-2.8	0.30	0.70	0.52	-0.13
10	Wholesale trade	5.8	-5.2	-2.5	-1.3	1.2	-0.32	-0.15	-0.08	0.07
11	Retail trade	6.3	-2.8	23.4	8.3	5.6	-0.18	1.36	0.51	0.34
12	Transportation and warehousing	3.5	7.7	4.0	1.3	3.0	0.27	0.14	0.04	0.11
13	Information	5.4	2.2	14.6	2.2	1.6	0.12	0.75	0.12	0.09
14	Finance, insurance, real estate, rental, and leasing	20.9	-0.1	4.0	1.3	2.1	-0.02	0.83	0.27	0.43
15	Finance and insurance	7.4	-0.9	6.1	1.8	3.6	-0.06	0.44	0.13	0.26
16	Real estate and rental and leasing	13.5	0.3	2.9	1.0	1.3	0.04	0.39	0.14	0.17
17	Professional and business services	12.9	2.1	2.9	2.5	0.4	0.27	0.38	0.33	0.05
18	Professional, scientific, and technical services	8.0	6.0	4.0	3.4	0.1	0.46	0.32	0.27	0.01
19	Management of companies and enterprises	1.8	-1.1	6.2	2.2	1.0	-0.02	0.11	0.04	0.02
20	Administrative and waste management services	3.1	-5.2	-1.7	0.5	0.9	-0.17	-0.05	0.02	0.03
21	Educational services, health care, and social assistance	8.7	1.4	3.2	4.4	3.3	0.12	0.27	0.37	0.29
22	Educational services	1.2	-1.9	-0.6	6.8	2.1	-0.02	-0.01	0.08	0.02
23	Health care and social assistance	7.5	2.0	3.8	4.0	3.5	0.14	0.28	0.30	0.26
24	Arts, entertainment, recreation, accommodation, and food services	4.5	-4.6	-0.5	-1.1	1.8	-0.21	-0.02	-0.05	0.08
25	Arts, entertainment, and recreation	1.2	4.8	-6.7	-3.9	8.0	0.05	-0.08	-0.05	0.09
26	Accommodation and food services	3.3	-7.7	1.8	-0.1	-0.3	-0.27	0.06	0.00	-0.01
27	Other services, except government	2.2	-5.8	-5.2	3.6	-1.2	-0.13	-0.12	0.08	-0.03
28	<b>Government</b>	<b>11.5</b>	<b>1.0</b>	<b>2.0</b>	<b>3.1</b>	<b>2.3</b>	<b>0.11</b>	<b>0.24</b>	<b>0.35</b>	<b>0.26</b>
29	Federal	3.7	3.9	-0.7	3.4	2.2	0.14	-0.02	0.12	0.08
30	State and local	7.8	-0.3	3.3	2.9	2.3	-0.02	0.26	0.23	0.18
	<b>Addenda:</b>									
31	Private goods-producing industries <sup>2</sup>	16.8	7.7	10.2	7.0	-1.1	1.26	1.68	1.17	-0.19
32	Private services-producing industries <sup>3</sup>	71.7	1.0	4.1	2.6	1.9	0.69	2.95	1.88	1.36

**GDP** Gross domestic product

1. The GDP estimates under the contribution columns are also percent changes.
2. Consists of agriculture, forestry, fishing, and hunting; mining; construction; and manufacturing.
3. Consists of utilities; wholesale trade; retail trade; transportation and warehousing; information; finance, insurance, real estate, rental, and leasing; professional and business services; educational services, health care, and social assistance; arts, entertainment, recreation, accommodation, and food services; and other services, except government.

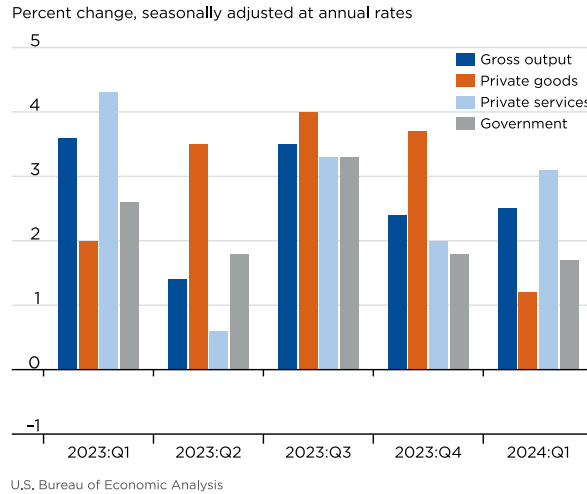
Note. Percent changes are from these GDP by industry tables: “Value Added by Industry as a Percentage of Gross Domestic Product,” “Percent Changes in Chain-Type Quantity Indexes for Value Added by Industry,” and “Contributions to Percent Change in Real Gross Domestic Product by Industry.”

U.S. Bureau of Economic Analysis

## Gross Output by Industry

Real gross output—principally a measure of an industry's sales or receipts, which includes sales to final users in the economy (GDP) and sales to other industries (intermediate inputs)—increased 2.5 percent in the first quarter (chart 5 and table 3). Private goods-producing industries increased 1.2 percent, private services-producing industries increased 3.1 percent, and government increased 1.7 percent. Overall, 14 of 22 industry groups contributed to the increase in real gross output.

**Chart 5. Real Gross Output by Sector: Percent Change From Preceding Period**



**Table 3. Real Gross Output by Industry Group and Related Measures**

[Seasonally adjusted at annual rates]

Line	Series	Change from preceding period (percent)			
		2023			2024
		Q2	Q3	Q4	Q1
<b>1</b>	<b>All industries</b>	<b>1.4</b>	<b>3.5</b>	<b>2.4</b>	<b>2.5</b>
<b>2</b>	<b>Private industries</b>	<b>1.3</b>	<b>3.5</b>	<b>2.5</b>	<b>2.6</b>
3	Agriculture, forestry, fishing, and hunting	-1.0	-1.3	-0.8	-1.2
4	Mining	-7.3	1.3	-3.6	-6.2
5	Utilities	2.8	10.2	-5.6	1.0
6	Construction	7.3	14.7	16.3	7.3
7	Manufacturing	3.9	1.6	0.9	0.1
8	Durable goods	8.0	0.1	-1.0	-3.7
9	Nondurable goods	0.0	3.1	2.9	4.0
10	Wholesale trade	-8.9	-1.2	-1.8	0.2
11	Retail trade	-1.9	12.1	4.5	2.5
12	Transportation and warehousing	-0.3	1.9	2.2	-0.1
13	Information	1.7	8.4	3.4	4.7
14	Finance, insurance, real estate, rental, and leasing	5.4	4.3	-2.0	4.7
15	Finance and insurance	11.3	8.3	-4.4	7.5
16	Real estate and rental and leasing	1.3	1.6	-0.3	2.7
17	Professional and business services	0.4	-0.4	4.9	1.1
18	Professional, scientific, and technical services	0.8	-0.5	7.5	2.5
19	Management of companies and enterprises	3.3	7.9	2.8	-0.8
20	Administrative and waste management services	-1.9	-4.2	0.5	-0.9
21	Educational services, health care, and social assistance	2.8	2.9	6.7	6.4
22	Educational services	2.8	3.1	1.1	4.3
23	Health care and social assistance	2.8	2.9	7.4	6.6
24	Arts, entertainment, recreation, accommodation, and food services	-5.4	3.6	3.7	1.5
25	Arts, entertainment, and recreation	-1.4	-8.8	-6.5	13.2
26	Accommodation and food services	-6.6	7.7	7.0	-1.8
27	Other services, except government	-2.7	-8.4	9.5	4.1
<b>28</b>	<b>Government</b>	<b>1.8</b>	<b>3.3</b>	<b>1.8</b>	<b>1.7</b>
29	Federal	1.0	3.4	-0.6	-0.7
30	State and local	2.1	3.3	2.9	2.8
<b>Addenda:</b>					
31	Private goods-producing industries <sup>1</sup>	3.5	4.0	3.7	1.2
32	Private services-producing industries <sup>2</sup>	0.6	3.3	2.0	3.1

1. Consists of agriculture, forestry, fishing and hunting; mining; construction; and manufacturing.
2. Consists of utilities; wholesale trade; retail trade; transportation and warehousing; information; finance, insurance, real estate, rental, and leasing; professional and business services; educational services, health care, and social assistance; arts, entertainment, recreation, accommodation, and food services; and other services, except government.

Note. Percent changes are from the table "[Percent Changes in Chain-Type Quantity Indexes for Gross Output by Industry.](#)"

U.S. Bureau of Economic Analysis



## Prices

The U.S. Bureau of Economic Analysis' (BEA's) featured measure of inflation for the U.S. economy, the price index for gross domestic purchases (goods and services purchased by U.S. residents), increased 3.1 percent in the first quarter after increasing 1.9 percent in the fourth quarter (chart 6 and table 4).

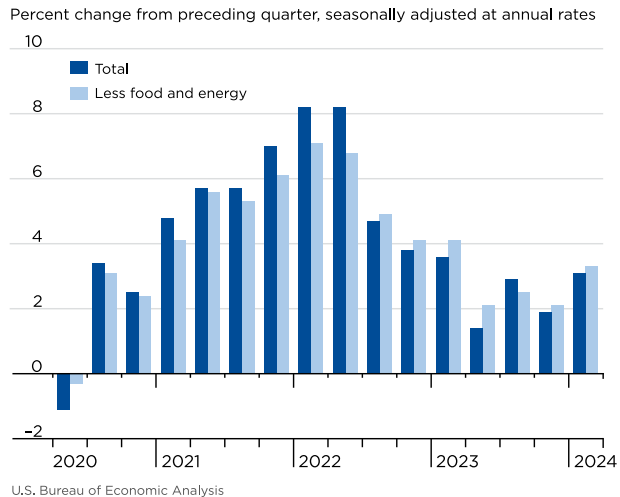
Within gross domestic purchases, food prices increased 2.0 percent in the first quarter after increasing 1.4 percent in the fourth quarter. Prices for energy goods and services decreased 1.3 percent after decreasing 2.9 percent. Excluding food and energy, gross domestic purchases prices increased 3.3 percent after increasing 2.1 percent.

The price index for personal consumption expenditures (PCE) increased 3.4 percent in the first quarter after increasing 1.8 percent in the fourth quarter. The increase in PCE prices reflected an increase in prices for services that was partly offset by a decrease in prices for goods.

- Within services, price increases were widespread. The leading contributors were housing and utilities (led by housing), financial services and insurance (mainly banking and other financial services), and health care (led by hospitals).
- Within goods, the leading contributor to the decrease was gasoline and other energy goods (led by motor vehicle fuels, lubricants, and fluids).

Excluding food and energy, the “core” PCE price index increased 3.7 percent in the first quarter, following an increase of 2.0 percent in the fourth quarter.

**Chart 6. Prices for Gross Domestic Purchases**



**Table 4. Prices for Gross Domestic Purchases**

[Percent change at annual rates; based on seasonally adjusted index numbers (2017=100)]

Line	Series	Change from preceding period (percent)				Contribution to percent change in gross domestic purchases prices (percentage points)			
		2023			2024	2023			2024
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
<b>1</b>	<b>Gross domestic purchases<sup>1</sup></b>	<b>1.4</b>	<b>2.9</b>	<b>1.9</b>	<b>3.1</b>	<b>1.4</b>	<b>2.9</b>	<b>1.9</b>	<b>3.1</b>
<b>2</b>	<b>Personal consumption expenditures</b>	<b>2.5</b>	<b>2.6</b>	<b>1.8</b>	<b>3.4</b>	<b>1.63</b>	<b>1.71</b>	<b>1.18</b>	<b>2.24</b>
3	Goods	0.2	0.9	-1.4	-0.5	0.05	0.20	-0.31	-0.11
4	Durable goods	0.1	-4.4	-3.5	-0.5	0.01	-0.35	-0.27	-0.03
5	Nondurable goods	0.3	3.9	-0.2	-0.6	0.04	0.55	-0.03	-0.08
6	Services	3.6	3.5	3.4	5.4	1.58	1.51	1.48	2.35
<b>7</b>	<b>Gross private domestic investment</b>	<b>-0.1</b>	<b>1.7</b>	<b>2.3</b>	<b>0.9</b>	<b>-0.02</b>	<b>0.30</b>	<b>0.39</b>	<b>0.17</b>
8	Fixed investment	0.0	1.7	2.4	1.4	-0.01	0.30	0.41	0.24
9	Nonresidential	0.2	0.9	2.0	1.8	0.03	0.12	0.26	0.24
10	Structures	0.9	-2.3	2.1	-0.4	0.03	-0.07	0.06	-0.01
11	Equipment	-1.1	2.3	1.5	4.1	-0.06	0.11	0.07	0.20
12	Intellectual property products	1.1	1.4	2.4	1.0	0.06	0.08	0.12	0.05
13	Residential	-0.9	4.8	4.0	0.0	-0.03	0.18	0.15	0.00
14	Change in private inventories	---	---	---	---	-0.01	0.00	-0.02	-0.08
<b>15</b>	<b>Government consumption expenditures and gross investment</b>	<b>-1.1</b>	<b>5.1</b>	<b>1.9</b>	<b>3.9</b>	<b>-0.18</b>	<b>0.84</b>	<b>0.32</b>	<b>0.66</b>
16	Federal	2.1	4.0	4.0	4.1	0.13	0.25	0.25	0.26
17	National defense	1.9	4.2	4.7	4.2	0.07	0.15	0.16	0.15
18	Nondefense	2.3	3.7	3.0	4.1	0.06	0.10	0.08	0.11
19	State and local	-2.9	5.7	0.6	3.8	-0.31	0.59	0.07	0.41
<b>Addenda:</b>									
20	Gross domestic purchases:								
	Food	0.1	1.9	1.4	2.0	0.00	0.10	0.07	0.10
21	Energy goods and services	-15.6	16.1	-2.9	-1.3	-0.46	0.42	-0.08	-0.03
22	Excluding food and energy	2.1	2.5	2.1	3.3	1.90	2.34	1.90	3.00
	Personal consumption expenditures:								
23	Food and beverages purchased for off-premises consumption	0.0	1.9	1.6	2.1	---	---	---	---
24	Energy goods and services	-15.6	16.2	-3.2	-1.3	---	---	---	---
25	Excluding food and energy	3.7	2.0	2.0	3.7	---	---	---	---
26	Gross domestic product	1.7	3.3	1.6	3.1	---	---	---	---
27	Exports of goods and services	-3.9	4.0	-2.2	2.8	---	---	---	---
28	Imports of goods and services	-4.8	0.3	0.5	2.8	---	---	---	---

1. The estimated prices for gross domestic purchases under the contribution columns are also percent changes.

Note. Most percent changes are from National Income and Product Accounts (NIPA) table 1.6.7; percent changes for personal consumption expenditures (PCE) for food and energy goods and services and for PCE excluding food and energy are from NIPA table 2.3.7. Contributions are from NIPA table 1.6.8. Gross domestic product, export, and import prices are from NIPA table 1.1.7.

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## Note on Prices

The U.S. Bureau of Economic Analysis (BEA) gross domestic purchases price index is the most comprehensive index of prices paid by U.S. residents for all goods and services, regardless of whether those goods and services were produced domestically or imported. It is derived from the prices of personal consumption expenditures (PCE), private investment, and government consumption expenditures and gross investment.

The gross domestic product (GDP) price index measures the prices of goods and services produced in the United States, including the prices of goods and services produced for export. The difference between the gross domestic purchases price index and the GDP price index reflects the differences between imports prices (included in the gross domestic purchases index) and exports prices (included in the GDP price index). For other measures that are affected by import and export prices, see the FAQ [“How do the effects of dollar depreciation show up in the GDP accounts?”](#) on BEA's website.

BEA also produces price indexes for all the components of GDP. The PCE price index is a measure of the total cost of consumer goods and services, including durable goods, nondurable goods, and services. PCE prices for food, for energy goods and services, and for all items except food and energy are also estimated and reported.

Because prices for food and for energy can be volatile, the price measure that excludes food and energy is often used as a measure of underlying, or “core,” inflation. The core PCE price index includes purchased meals and beverages, such as restaurant meals and pet food. (See [“What is the core PCE price index?”](#) on BEA's website.)

BEA also prepares a supplemental PCE price index, the “market-based” PCE price index, that is based on market transactions for which there are corresponding price measures. This index excludes many imputed expenditures, such as financial services furnished without payment, that are included in PCE and in the PCE price index. BEA also prepares a market-based measure that excludes food and energy.

## Updates

In the third estimate of the first quarter, the growth rate in real GDP was revised up 0.1 percentage point from the second estimate (table 5). The updated estimates primarily reflected a downward revision to imports and upward revisions to nonresidential fixed investment and state and local government spending that were partly offset by a downward revision to consumer spending.

- For imports, both services and goods were revised down.
  - The revision to services primarily reflected a downward revision to travel that was partly offset by an upward revision to transport.
  - The revision to goods was led by “other goods” as well as durable consumer goods, except food and automotive.
- The revision to nonresidential fixed investment primarily reflected upward revisions to structures and equipment.
  - For structures, the revision was led by manufacturing.
  - The revision to equipment was led by transportation equipment (notably, railroad equipment).
- The revision to state and local government spending reflected an upward revision to investment in structures.
- Within consumer spending, both services and goods were revised down.
  - For services, the revision primarily reflected downward revisions to “other services” (led by international travel) and transportation services (led by motor vehicle maintenance and repair).
  - For goods, the downward revision was led by gasoline and other energy goods.

**Table 5. Second and Third Estimates for the First Quarter of 2024**

[Seasonally adjusted at annual rates]

Line	Series	Change from preceding period (percent)			Contribution to percent change in real GDP (percentage points)		
		Second estimate	Third estimate	Third estimate minus second estimate	Second estimate	Third estimate	Third estimate minus second estimate
1	<b>GDP<sup>1</sup></b>	<b>1.3</b>	<b>1.4</b>	<b>0.1</b>	<b>1.3</b>	<b>1.4</b>	<b>0.1</b>
2	<b>Personal consumption expenditures</b>	<b>2.0</b>	<b>1.5</b>	<b>-0.5</b>	<b>1.34</b>	<b>0.98</b>	<b>-0.36</b>
3	Goods	-1.9	-2.3	-0.4	-0.42	-0.51	-0.09
4	Durable goods	-4.1	-4.5	-0.4	-0.33	-0.35	-0.02
5	Nondurable goods	-0.6	-1.1	-0.5	-0.09	-0.15	-0.06
6	Services	3.9	3.3	-0.6	1.76	1.49	-0.27
7	<b>Gross private domestic investment</b>	<b>3.2</b>	<b>4.4</b>	<b>1.2</b>	<b>0.57</b>	<b>0.77</b>	<b>0.20</b>
8	Fixed investment	6.0	7.0	1.0	1.02	1.19	0.17
9	Nonresidential	3.3	4.4	1.1	0.44	0.59	0.15
10	Structures	0.4	3.4	3.0	0.01	0.10	0.09
11	Equipment	0.3	1.6	1.3	0.01	0.08	0.07
12	Intellectual property products	7.9	7.7	-0.2	0.42	0.41	-0.01
13	Residential	15.4	16.0	0.6	0.57	0.59	0.02
14	Change in private inventories	---	---	---	-0.45	-0.42	0.03
15	<b>Net exports of goods and services</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>-0.89</b>	<b>-0.65</b>	<b>0.24</b>
16	Exports	1.2	1.6	0.4	0.13	0.17	0.04
17	Goods	1.7	-0.5	-2.2	0.12	-0.04	-0.16
18	Services	0.1	5.9	5.8	0.00	0.21	0.21
19	Imports	7.7	6.1	-1.6	-1.02	-0.82	0.20
20	Goods	7.2	6.5	-0.7	-0.78	-0.71	0.07
21	Services	9.6	4.3	-5.3	-0.24	-0.11	0.13
22	<b>Government consumption expenditures and gross investment</b>	<b>1.3</b>	<b>1.8</b>	<b>0.5</b>	<b>0.23</b>	<b>0.31</b>	<b>0.08</b>
23	Federal	-0.7	-0.2	0.5	-0.05	-0.02	0.03
24	National defense	-1.2	-0.9	0.3	-0.05	-0.03	0.02
25	Nondefense	0.0	0.6	0.6	0.00	0.02	0.02
26	State and local	2.6	3.0	0.4	0.28	0.33	0.05
<b>Addenda:</b>							
27	Final sales of domestic product	1.7	1.8	0.1	---	---	---
28	GDI <sup>2</sup>	---	1.3	---	---	---	---
29	Average of GDP and GDI	---	1.4	---	---	---	---
30	Gross domestic purchases price index	3.0	3.1	0.1	---	---	---
31	GDP price index	3.0	3.1	0.1	---	---	---

**GDI** Gross domestic income

**GDP** Gross domestic product

Note. Percent changes are from National Income and Product Account (NIPA) tables 1.1.1, contributions to percent change are from NIPA table 1.1.2, and shares are from NIPA table 1.1.10.

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1. The GDP estimates under the contribution columns are also percent changes.
2. GDI is deflated by the implicit price deflator for GDP.

## Corporate Profits

Measured in current dollars, profits from current production (corporate profits with the inventory valuation adjustment (IVA) and the capital consumption adjustment (CCAdj)) decreased \$47.1 billion, or 1.4 percent at a quarterly rate, in the first quarter (table 6). Domestic profits of financial corporations increased \$65.0 billion, domestic profits of nonfinancial corporations decreased \$114.5 billion, and rest-of-the-world profits (net) increased \$2.3 billion. In the fourth quarter, profits increased \$133.5 billion, or 4.1 percent.

Estimates of corporate profits were reduced by several settlements that were finalized in the first quarter. Settlements are recorded in the NIPAs on an accrual basis in the quarter when the settlement is finalized, regardless of when they are recorded on a company's financial statement. In the first quarter:

- Paper manufacturer 3M and chemical makers Chemours, DuPont de Nemours, and Corteva reached settlements with U.S. local governments in the amount of \$10.3 billion (\$41.2 billion at an annual rate) and \$1.2 billion (\$4.7 billion at an annual rate), respectively, over contaminated water claims.
- Diesel engine manufacturer Cummins agreed to pay \$1.7 billion (\$6.7 billion at an annual rate) in penalties for alleged violations of the Clean Air Act and California law.

The estimate of gross domestic income (GDI) was not impacted, because these settlements were recorded in the NIPAs as business current transfer payments to government, which offset the reduction to corporate profits.

**Table 6. Corporate Profits**  
[Seasonally adjusted]

Line	Series	Billions of dollars (annual rate)					Percent change from preceding quarter (quarterly rate)				
		Level	Change from preceding quarter				2023			2024	
		2024	2023				2024	2023			2024
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	
	<b>Current production measures:</b>										
1	Corporate profits with IVA and CCAdj	3,367.1	6.9	108.7	133.5	-47.1	0.2	3.4	4.1	-1.4	
2	Domestic industries	2,850.8	-15.2	99.9	142.4	-49.4	-0.6	3.8	5.2	-1.7	
3	Financial	523.5	-54.2	9.0	5.9	65.0	-10.9	2.0	1.3	14.2	
4	Nonfinancial	2,327.3	39.0	90.8	136.5	-114.5	1.8	4.1	5.9	-4.7	
5	Rest of the world	516.3	22.1	8.8	-8.9	2.3	4.5	1.7	-1.7	0.5	
6	Receipts from the rest of the world	1,040.0	25.8	22.0	-20.1	25.7	2.6	2.2	-1.9	2.5	
7	Less: Payments to the rest of the world	523.7	3.7	13.2	-11.2	23.4	0.7	2.6	-2.2	4.7	
9	Less: Taxes on corporate income	640.3	-6.3	12.6	28.2	29.2	-1.1	2.2	4.8	4.8	
10	Equals: Profits after tax	2,726.8	13.2	96.1	105.2	-76.3	0.5	3.7	3.9	-2.7	
11	Net dividends	1,894.0	15.6	-18.2	23.8	32.6	0.8	-1.0	1.3	1.8	
12	Undistributed profits from current production	832.8	-2.4	114.3	81.4	-108.9	-0.3	15.3	9.5	-11.6	
13	Net cash flow with IVA	3,364.1	32.3	142.1	118.2	-100.2	1.0	4.4	3.5	-2.9	

**CCAdj** Capital consumption adjustment

**IVA** Inventory valuation adjustment

Note. Levels of these and other profits series are shown in National Income and Product Accounts tables [1.12](#) and [6.16D](#).

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## Note on Measuring Corporate Profits

Corporate profits is a widely followed economic indicator used to gauge corporate health, assess investment conditions, and analyze the effect on corporations of economic policies and conditions. In addition, corporate profits is an important component in key measures of income.

The U.S. Bureau of Economic Analysis' (BEA's) measure of corporate profits aims to capture the income earned by corporations from current production in a manner that is fully consistent with the National Income and Product Accounts (NIPAs). The measure is defined as receipts arising from current production less associated expenses. Receipts exclude income in the form of dividends and capital gains, and expenses exclude bad debts, natural resource depletion, and capital losses.

Because direct estimates of NIPA-consistent corporate profits are unavailable, BEA derives these estimates in three steps.

First, BEA measures profits before taxes to reflect corporate income regardless of any redistributions of income through taxes. Estimates for the current quarter are based on corporate earnings reports from sources including the U.S. Census Bureau Quarterly Financial Report, Federal Deposit Insurance Corporation call reports, other regulatory reports, and tabulations from corporate financial reports. The estimates are benchmarked to Internal Revenue Service (IRS) data when these data are available for two reasons: (1) the IRS data are based on well-specified accounting definitions, and (2) they are comprehensive, covering all incorporated businesses—publicly traded and privately held—in all industries.

Second, to remove the effects of price changes on inventories valued at historical cost and of tax accounting for inventory withdrawals, BEA adds an inventory valuation adjustment that values inventories at current cost.

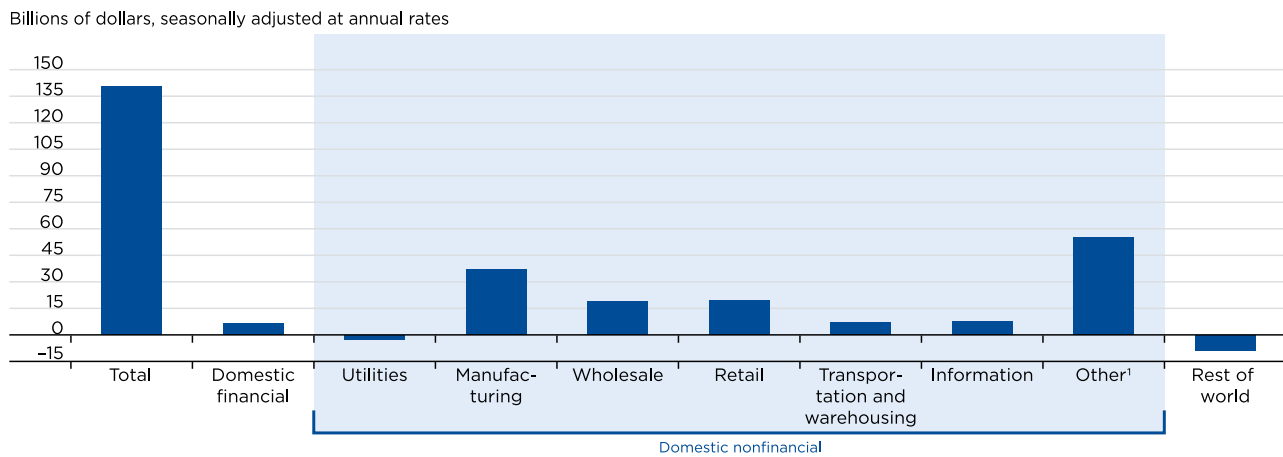
Third, to remove the effects of tax accounting on depreciation, BEA adds a capital consumption adjustment (CCAdj). CCAdj is defined as the difference between capital consumption allowances (tax return depreciation) and consumption of fixed capital (the decline in the value of the stock of assets due to wear and tear, obsolescence, accidental damage, and aging).

## Corporate Profits by Industry

Industry profits (corporate profits by industry with IVA) increased \$38.7 billion, or 1.0 percent at a quarterly rate, in the first quarter of 2024 after increasing \$140.5 billion, or 3.9 percent, in the fourth quarter of 2023 (chart 7 and table 7). Domestic profits increased \$36.4 billion in the first quarter, reflecting an increase in financial industries that was partly offset by a decrease in nonfinancial industries (led by manufacturing).

Profits after tax (without IVA and CCAdj)—BEA's profits measure that is conceptually most like the profits for companies in the Standard & Poor's 500 Index—increased \$71.9 billion in the first quarter after increasing \$78.5 billion in the first quarter.

**Chart 7. Corporate Profits with Inventory Valuation Adjustment in 2023:Q4, Change From Preceding Quarter**



1. Other nonfinancial corporations includes the agriculture, mining, construction, and services industries.  
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**Table 7. Corporate Profits by Industry**  
[Seasonally adjusted]

Line	Series	Billions of dollars (annual rate)					Percent change from preceding quarter (quarterly rate)			
		Level	Change from preceding quarter							
		2024	2023			2024	2023			2024
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
	<b>Industry profits:</b>									
1	Corporate profits with IVA	3,799.4	10.8	106.5	140.5	38.7	0.3	3.0	3.9	1.0
2	Domestic industries	3,283.1	-11.3	97.7	149.5	36.4	-0.4	3.3	4.8	1.1
3	Financial	626.3	-54.7	9.2	6.5	73.7	-9.2	1.7	1.2	13.3
4	Nonfinancial	2,656.8	43.4	88.6	142.9	-37.3	1.8	3.6	5.6	-1.4
5	Utilities	51.5	7.0	-4.6	-2.4	8.8	16.4	-9.3	-5.3	20.7
6	Manufacturing	694.8	-27.7	32.5	36.9	-86.0	-3.7	4.6	5.0	-11.0
7	Wholesale trade	233.2	-5.6	5.6	18.9	-19.2	-2.4	2.5	8.1	-7.6
8	Retail trade	386.4	38.3	20.9	19.7	-7.6	12.1	5.9	5.3	-1.9
9	Transportation and warehousing	134.8	15.6	-10.3	7.3	10.9	14.1	-8.1	6.3	8.8
10	Information	218.2	15.2	5.6	7.4	17.6	8.8	3.0	3.8	8.8
11	Other nonfinancial	937.9	0.5	38.8	55.1	38.1	0.1	4.8	6.5	4.2
12	Rest of the world	516.3	22.1	8.8	-8.9	2.3	4.5	1.7	-1.7	0.5
	<b>Addenda:</b>									
13	Profits before tax (without IVA and CCAAdj)	3,808.5	15.5	127.5	106.8	101.1	0.4	3.7	3.0	2.7
14	Profits after tax (without IVA and CCAAdj)	3,168.2	21.8	114.9	78.5	71.9	0.8	4.0	2.6	2.3
15	IVA	-9.1	-4.8	-21.0	33.8	-62.4	---	---	---	---
16	CCAAdj	-432.3	-3.8	2.1	-7.0	-85.8	---	---	---	---

**CCAAdj** Capital consumption adjustment

**IVA** Inventory valuation adjustment

Note. Levels of these and other profits series are shown in National Income and Product Accounts tables [1.12](#), [1.14](#), [1.15](#), and [6.16D](#).

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### Note on Corporate Profits by Industry

Industry profits are corporate profits by industry with inventory valuation adjustment (IVA). The IVA removes the effect of price changes on inventories. The IVA is the difference between the cost of inventory withdrawals at acquisition cost and replacement cost. Ideally, the U.S. Bureau of Economic Analysis (BEA) would also add the capital consumption adjustment (CCAAdj) for each industry. However, estimates of the CCAAdj are only available for two broad categories: total financial industries and total nonfinancial industries. For more information about BEA's methodology, see "Corporate Profits" in *NIPA Handbook: Concepts and Methods of the U.S. National Income and Product Accounts* on BEA's website.

## Information on Key Source Data, Assumptions, and Methodologies

A comprehensive table that presents the [key source data and assumptions](#) (under “Current Release”) that are used to prepare each vintage of the estimate of gross domestic product (GDP) for the current quarter is available on the U.S. Bureau of Economic Analysis (BEA) website. For the advance estimates that are released near the end of the month after the close of the quarter, the table shows the months of source data for the quarter that are available; for most components of GDP, 3 months of data are available. For the components for which only 2 months of source data are available, BEA’s assumptions for the third month are shown. Second estimates are released near the end of the second month after the close of the quarter, and third estimates are released near the end of the third month after the close of the quarter. With each vintage, the table is updated to add newly available and revised source data that have been incorporated into the estimates.

For additional details about the source data and the methodologies that are used to prepare the estimates, see [NIPA Handbook: Concepts and Methods of the U.S. National Income and Product Accounts](#) on BEA’s website.

## Annual Update of the National Economic Accounts

BEA will release results from the 2024 annual update of the National Economic Accounts, which include the NIPAs as well as the Industry Economic Accounts, on September 26, 2024. The update will present revised statistics for GDP, GDP by industry, and GDI. For details, refer to [“Information on 2024 Annual Updates to the National, Industry, and State and Local Economic Accounts.”](#)

## Discontinued Data Tables

Selected [national and industry data tables](#) will be discontinued on July 25, 2024, due to budget constraints.

1. “Real” estimates are in chained (2017) dollars, and price indexes are chain-type measures. Each GDP estimate for a quarter (advance, second, and third) incorporates increasingly comprehensive and improved source data; for more information, see [“The Revisions to GDP, GDI, and Their Major Components”](#) in the January 2018 *Survey of Current Business*. Quarterly estimates are expressed at seasonally adjusted annual rates, which reflect a rate of activity for a quarter as if it were maintained for a year.
2. In this article, “consumer spending” refers to “personal consumption expenditures,” “inventory investment” refers to “change in private inventories,” and “government spending” refers to “government consumption expenditures and gross investment.”



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