

# GDP and the Economy

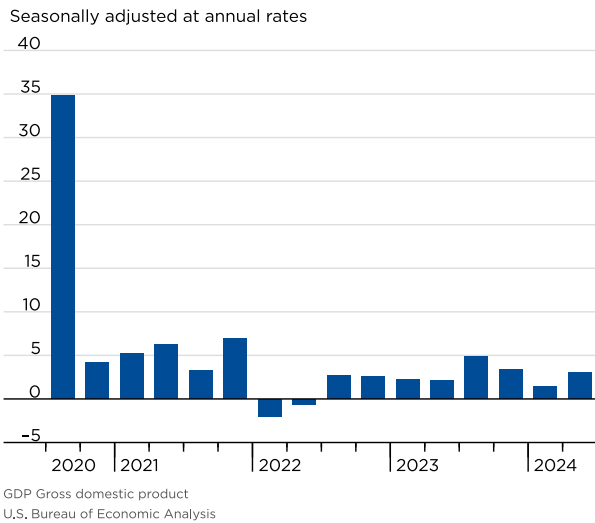
## Second Estimates for the Second Quarter of 2024

September 5, 2024

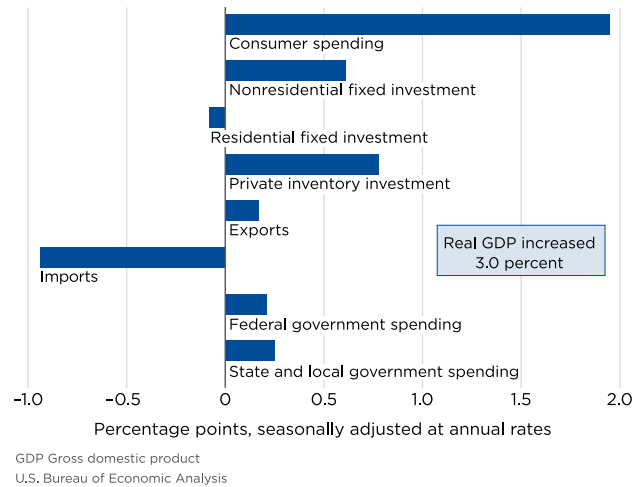
This article reflects GDP statistics published on August 29, 2024. Refer to the GDP product page for the [latest statistics](#).

Real gross domestic product (GDP) increased at an annual rate of 3.0 percent in the second quarter of 2024, according to the “second” estimate of the National Income and Product Accounts (chart 1 and table 1).<sup>1</sup> In the first quarter,\* real GDP increased 1.4 percent.

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



**Chart 2. Real GDP: Contributions to the Percent Change in 2024:Q2**



## GDP by Expenditure

The increase in second-quarter real GDP reflected increases in consumer spending, private inventory investment, and nonresidential fixed investment. 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 increases in both services and goods. Within services, the leading contributors to the increase were final consumption expenditures of nonprofit institutions serving households, health care, housing and utilities, and recreation services. Within goods, the leading contributors to the increase were gasoline and other energy goods, furnishings and durable household equipment, recreational goods and vehicles, and motor vehicles and parts.
  - The increase in final consumption expenditures of nonprofit institutions serving households was led by nonprofit hospitals.
  - The increase in health care reflected an increase in outpatient services.
  - The increase in housing and utilities was led by housing.
  - Within recreation services, the increase was led by membership clubs, sports centers, parks, theaters and museums as well as gambling.
  - The increase in gasoline and other energy goods reflected an increase in motor vehicle fuels, lubricants, and fluids.
  - Increases within furnishings and durable household equipment were widespread and led by glassware, tableware, and household utensils.
  - The increase in recreational goods and vehicles primarily reflected an increase in information processing equipment.
  - The increase in motor vehicles and parts was led by new light trucks.
- Within private inventory investment, increases in wholesale trade and retail trade industries were partly offset by a decrease in mining, utilities, and construction industries.
- The increase in nonresidential fixed investment reflected increases in equipment and intellectual property products that were partly offset by a decrease in structures.
  - The increase in equipment was led by transportation (notably, aircraft).
  - The increase in intellectual property products was led by research and development.
  - The decrease in structures was led by investment in commercial and health care structures.
- The increase in imports was led by imports of goods, both durable (notably, capital goods, except automotive) and nondurable (notably, medicinal, dental, and pharmaceutical preparations).

Compared to the first quarter, the acceleration in real GDP in the second quarter primarily reflected an upturn in private inventory investment and an acceleration in consumer spending. These movements were partly offset by a downturn in residential fixed investment.

**Table 1. Real Gross Domestic Product 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	
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
<b>1</b>	<b>GDP<sup>1</sup></b>	<b>100.0</b>	<b>4.9</b>	<b>3.4</b>	<b>1.4</b>	<b>3.0</b>	<b>4.9</b>	<b>3.4</b>	<b>1.4</b>	<b>3.0</b>
<b>2</b>	<b>Personal consumption expenditures</b>	<b>67.7</b>	<b>3.1</b>	<b>3.3</b>	<b>1.5</b>	<b>2.9</b>	<b>2.11</b>	<b>2.20</b>	<b>0.98</b>	<b>1.95</b>
3	Goods	21.9	4.9	3.0	-2.3	3.0	1.09	0.67	-0.51	0.65
4	Durable goods	7.6	6.7	3.2	-4.5	4.9	0.53	0.25	-0.35	0.37
5	Nondurable goods	14.2	3.9	2.9	-1.1	2.0	0.56	0.41	-0.15	0.28
6	Services	45.8	2.2	3.4	3.3	2.9	1.02	1.54	1.49	1.30
<b>7</b>	<b>Gross private domestic investment</b>	<b>18.0</b>	<b>10.0</b>	<b>0.7</b>	<b>4.4</b>	<b>7.5</b>	<b>1.74</b>	<b>0.15</b>	<b>0.77</b>	<b>1.31</b>
8	Fixed investment	17.6	2.6	3.5	7.0	3.0	0.46	0.61	1.19	0.53
9	Nonresidential	13.6	1.4	3.7	4.4	4.6	0.21	0.50	0.59	0.61
10	Structures	3.1	11.2	10.9	3.4	-1.6	0.33	0.32	0.10	-0.05
11	Equipment	5.0	-4.4	-1.1	1.6	10.8	-0.22	-0.05	0.08	0.52
12	Intellectual property products	5.5	1.8	4.3	7.7	2.6	0.10	0.23	0.41	0.14
13	Residential	4.0	6.7	2.8	16.0	-2.0	0.26	0.11	0.59	-0.08
14	Change in private inventories	0.3	---	---	---	---	1.27	-0.47	-0.42	0.78
<b>15</b>	<b>Net exports of goods and services</b>	<b>-3.1</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>0.03</b>	<b>0.25</b>	<b>-0.65</b>	<b>-0.77</b>
16	Exports	10.9	5.4	5.1	1.6	1.6	0.59	0.55	0.17	0.17
17	Goods	7.2	7.7	6.2	-0.5	1.3	0.55	0.45	-0.04	0.09
18	Services	3.7	1.0	2.8	5.9	2.2	0.04	0.10	0.21	0.08
19	Imports	14.0	4.2	2.2	6.1	7.0	-0.56	-0.30	-0.82	-0.94
20	Goods	11.4	5.9	1.3	6.5	7.8	-0.64	-0.14	-0.71	-0.85
21	Services	2.6	-2.8	6.2	4.3	3.6	0.08	-0.15	-0.11	-0.09
<b>22</b>	<b>Government consumption expenditures and gross investment</b>	<b>17.5</b>	<b>5.8</b>	<b>4.6</b>	<b>1.8</b>	<b>2.7</b>	<b>0.99</b>	<b>0.79</b>	<b>0.31</b>	<b>0.46</b>
23	Federal	6.5	7.1	2.4	-0.2	3.3	0.45	0.15	-0.02	0.21
24	National defense	3.7	8.4	0.5	-0.9	4.9	0.30	0.02	-0.03	0.18
25	Nondefense	2.8	5.5	4.8	0.6	1.2	0.15	0.14	0.02	0.03
26	State and local	10.9	5.0	6.0	3.0	2.3	0.53	0.64	0.33	0.25
<b>Addenda:</b>										
27	GDI <sup>2</sup>	---	1.9	3.6	1.3	1.3	---	---	---	---
28	Average of GDP and GDI	---	3.4	3.5	1.4	2.1	---	---	---	---
29	Final sales of domestic product	---	3.6	3.9	1.8	2.2	---	---	---	---
30	Goods	30.6	7.3	2.6	-3.8	5.0	2.30	0.83	-1.18	1.52
31	Services	60.6	2.9	2.8	3.0	2.5	1.73	1.70	1.77	1.50
32	Structures	8.8	10.0	10.4	9.7	-0.8	0.83	0.86	0.82	-0.07

**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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## 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 2.4 percent in the second quarter after increasing 3.1 percent in the first quarter (table 2 and chart 3).

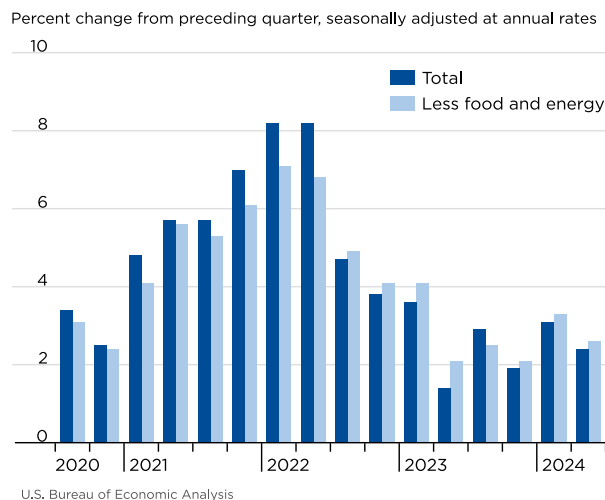
Within gross domestic purchases, food prices decreased 0.4 percent in the second quarter after increasing 2.0 percent in the first quarter. Prices for energy goods and services increased 2.4 percent after decreasing 1.3 percent. Excluding food and energy, gross domestic purchases prices increased 2.6 percent after increasing 3.3 percent.

The price index for personal consumption expenditures (PCE) increased 2.5 percent in the second quarter after increasing 3.4 percent in the first quarter. The increase in PCE prices reflected an increase in prices for both services and goods.

- Within services, price increases were widespread, except for transportation services. The leading contributors were housing and utilities (led by housing), financial services and insurance (mainly banking and other financial services), other services (led by personal care and clothing services), and health care (led by hospitals).
- Within goods, an increase in nondurable-goods prices was partly offset by a decrease in durable-goods prices. The leading contributor to the increase in nondurable-goods prices was other nondurable goods (mainly pharmaceuticals and other medical products). The leading contributors to the decrease in durable-goods prices were motor vehicles and parts and furnishings and durable household equipment.

Excluding food and energy, the “core” PCE price index increased 2.8 percent in the second quarter, following an increase of 3.7 percent in the first quarter.

**Chart 3. Prices for Gross Domestic Purchases**



**Table 2. 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	
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
<b>1</b>	<b>Gross domestic purchases<sup>1</sup></b>	<b>2.9</b>	<b>1.9</b>	<b>3.1</b>	<b>2.4</b>	<b>2.9</b>	<b>1.9</b>	<b>3.1</b>	<b>2.4</b>
<b>2</b>	<b>Personal consumption expenditures</b>	<b>2.6</b>	<b>1.8</b>	<b>3.4</b>	<b>2.5</b>	<b>1.71</b>	<b>1.18</b>	<b>2.24</b>	<b>1.65</b>
3	Goods	0.9	-1.4	-0.5	0.7	0.20	-0.31	-0.11	0.15
4	Durable goods	-4.4	-3.5	-0.5	-2.6	-0.35	-0.27	-0.03	-0.19
5	Nondurable goods	3.9	-0.2	-0.6	2.5	0.55	-0.03	-0.08	0.34
6	Services	3.5	3.4	5.4	3.4	1.51	1.48	2.35	1.51
<b>7</b>	<b>Gross private domestic investment</b>	<b>1.7</b>	<b>2.3</b>	<b>0.9</b>	<b>2.5</b>	<b>0.30</b>	<b>0.39</b>	<b>0.17</b>	<b>0.42</b>
8	Fixed investment	1.7	2.4	1.4	2.5	0.30	0.41	0.24	0.43
9	Nonresidential	0.9	2.0	1.8	2.2	0.12	0.26	0.24	0.29
10	Structures	-2.3	2.1	-0.4	0.4	-0.07	0.06	-0.01	0.01
11	Equipment	2.3	1.5	4.1	1.7	0.11	0.07	0.20	0.08
12	Intellectual property products	1.4	2.4	1.0	3.8	0.08	0.12	0.05	0.20
13	Residential	4.8	4.0	0.0	3.6	0.18	0.15	0.00	0.14
14	Change in private inventories	---	---	---	---	0.00	-0.02	-0.08	-0.01
<b>15</b>	<b>Government consumption expenditures and gross investment</b>	<b>5.1</b>	<b>1.9</b>	<b>3.9</b>	<b>2.1</b>	<b>0.84</b>	<b>0.32</b>	<b>0.66</b>	<b>0.36</b>
16	Federal	4.0	4.0	4.1	2.9	0.25	0.25	0.26	0.18
17	National defense	4.2	4.7	4.2	2.8	0.15	0.16	0.15	0.10
18	Nondefense	3.7	3.0	4.1	3.0	0.10	0.08	0.11	0.08
19	State and local	5.7	0.6	3.8	1.7	0.59	0.07	0.41	0.18
<b>Addenda:</b>									
20	Gross domestic purchases:								
	Food	1.9	1.4	2.0	-0.4	0.10	0.07	0.10	-0.02
21	Energy goods and services	16.1	-2.9	-1.3	2.4	0.42	-0.08	-0.03	0.07
22	Excluding food and energy	2.5	2.1	3.3	2.6	2.34	1.90	3.00	2.40
	Personal consumption expenditures:								
23	Food and beverages purchased for off-premises consumption	1.9	1.6	2.1	-0.4	---	---	---	---
24	Energy goods and services	16.2	-3.2	-1.3	2.3	---	---	---	---
25	Excluding food and energy	2.0	2.0	3.7	2.8	---	---	---	---
26	Gross domestic product	3.3	1.6	3.1	2.5	---	---	---	---
27	Exports of goods and services	4.0	-2.2	2.8	2.8	---	---	---	---
28	Imports of goods and services	0.3	0.5	2.8	2.4	---	---	---	---

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's) 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.

# Personal Income

Measured in current dollars, personal income increased \$233.6 billion in the second quarter, compared with an increase of \$396.8 billion in the first quarter (table 3). The increase in the second quarter primarily reflected increases in compensation (led by private wages and salaries) and personal current transfer receipts (led by government social benefits to persons).

Personal current taxes increased \$50.6 billion in the second quarter after increasing \$156.6 billion in the first quarter.

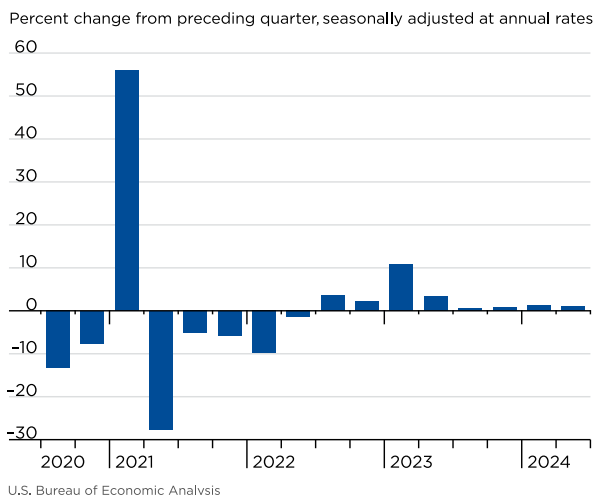
Current-dollar disposable personal income (DPI) increased \$183.0 billion, or 3.6 percent, in the second quarter after increasing \$240.2 billion, or 4.8 percent, in the first quarter. Personal outlays increased \$274.0 billion after increasing \$222.6 billion.

Real DPI (chart 4) increased 1.0 percent in the second quarter, compared with an increase of 1.3 percent in the first quarter.

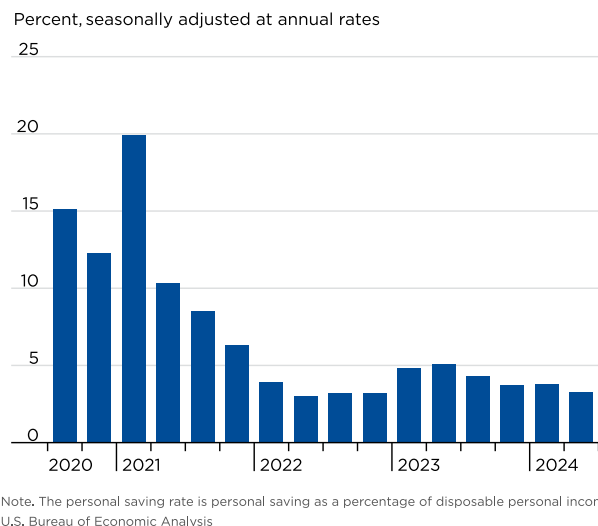
The personal saving rate (chart 5)—personal saving as a percentage of DPI—was 3.3 percent in the second quarter, compared with 3.8 percent in the first quarter.

BEA's standard practice for first-quarter estimates of wages and salaries is to incorporate data from the U.S. Bureau of Labor Statistics' Quarterly Census of Employment and Wages (QCEW) program as part of BEA's annual update of the National Economic Accounts. New QCEW data for the first quarter of 2024 will be incorporated in next month's release, along with the 2024 annual update of the National Economic Accounts (refer to "Annual Update of the National Economic Accounts").

**Chart 4. Real Disposable Personal Income**



**Chart 5. Personal Saving Rate**



**Table 3. Personal Income and Its Disposition**

[Billions of dollars; quarterly estimates are seasonally adjusted at annual rates]

Line	Series	Level		Change from preceding period			
		2024		2023		2024	
		Q1	Q2	Q3	Q4	Q1	Q2
1	<b>Personal income</b>	<b>23,644.3</b>	<b>23,877.9</b>	<b>217.7</b>	<b>161.8</b>	<b>396.8</b>	<b>233.6</b>
2	Compensation of employees	14,644.9	14,820.7	214.6	79.4	196.8	175.8
3	Wages and salaries	12,138.9	12,290.0	184.2	58.5	162.9	151.0
4	Private industries	10,313.4	10,436.6	141.8	24.5	124.8	123.2
5	Goods-producing industries	1,904.4	1,936.2	30.0	11.5	25.5	31.8
6	Manufacturing	1,114.6	1,135.0	20.8	0.0	12.0	20.4
7	Services-producing industries	8,409.0	8,500.5	111.8	12.9	99.3	91.4
8	Trade, transportation, and utilities	1,845.3	1,859.8	28.9	-0.1	18.0	14.5
9	Other services-producing industries	6,563.8	6,640.7	83.0	13.1	81.3	76.9
10	Government	1,825.5	1,853.4	42.4	34.1	38.1	27.8
11	Supplements to wages and salaries	2,506.0	2,530.7	30.4	20.9	33.9	24.8
12	Proprietors' income with IVA and CCAdj	1,890.4	1,900.4	35.5	23.1	7.8	9.9
13	Farm	35.6	28.0	-8.3	-11.9	-2.4	-7.6
14	Nonfarm	1,854.8	1,872.4	43.7	35.0	10.2	17.6
15	Rental income of persons with CCAdj	1,023.9	1,026.2	13.3	13.7	35.8	2.3
16	Personal income receipts on assets	3,699.5	3,697.0	3.9	60.8	32.2	-2.5
17	Personal interest income	1,814.2	1,814.4	21.6	39.2	-1.4	0.2
18	Personal dividend income	1,885.3	1,882.6	-17.6	21.6	33.5	-2.7
19	Personal current transfer receipts	4,248.8	4,317.6	-26.5	-6.9	162.0	68.8
20	Government social benefits to persons	4,135.0	4,204.3	-29.5	-8.5	155.7	69.3
21	Social security	1,426.4	1,439.4	7.5	13.0	52.2	13.0
22	Medicare	965.3	983.2	4.4	5.0	13.9	17.9
23	Medicaid	916.9	942.7	-30.8	-12.3	48.6	25.9
24	Unemployment insurance	22.7	22.7	-1.3	1.7	0.1	0.0
25	Veterans' benefits	174.7	178.4	0.3	0.7	1.1	3.8
26	Other	629.0	637.8	-9.6	-16.7	39.9	8.8
27	Other current transfer receipts, from business (net)	113.8	113.3	3.0	1.7	6.3	-0.6
28	Less: Contributions for government social insurance	1,863.2	1,884.0	23.2	8.3	37.8	20.7
29	Less: Personal current taxes	2,949.1	2,999.7	61.5	27.1	156.6	50.6
30	<i>Equals:</i> Disposable personal income	20,695.2	20,878.2	156.2	134.7	240.2	183.0
31	Less: Personal outlays	19,917.9	20,191.8	319.9	238.8	222.6	274.0
32	Personal consumption expenditures	19,142.5	19,399.9	260.5	235.0	228.1	257.4
33	Personal interest payments <sup>1</sup>	523.5	538.4	55.9	1.1	-8.2	14.9
34	Personal current transfer payments	251.8	253.5	3.5	2.8	2.7	1.7
35	<i>Equals:</i> Personal saving	777.3	686.4	-163.7	-104.1	17.6	-90.9
36	Personal saving as a percentage of DPI	3.8	3.3	---	---	---	---

**CCAdj** Capital consumption adjustment

**DPI** Disposable personal income

**IVA** Inventory valuation adjustment

1. Consists of nonmortgage interest paid by households. Note that mortgage interest paid by households is an expense item in the calculation of rental income of persons.

Note. Dollar levels and percent changes are from National Income and Product Account tables 2.1 and 2.2B.

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## Updates

The increase in second-quarter real GDP was revised up 0.2 percentage point from the “advance” estimate, primarily reflecting an upward revision to consumer spending that was partly offset by downward revisions to nonresidential fixed investment, exports, and private inventory investment (table 4).

- The revision to consumer spending reflected upward revisions to both services and goods.
  - Within services, the largest contributor to the revision was nonprofit institutions serving households (led by nonprofit hospitals).
  - Within goods, the leading contributor was gasoline and other energy goods.
- Within nonresidential fixed investment, the revision reflected downward revisions to intellectual property products and equipment that were partly offset by an upward revision to structures.
  - For intellectual property products, the downward revision was to software.
  - Within equipment, the downward revision was to information processing equipment.
  - For structures, the upward revision was mainly to investment in manufacturing structures and power structures.
- Within exports, both goods and services were revised down.
- Within private inventory investment, the downward revision was led by wholesale trade industries.

**Table 4. Advance and Second Estimates for the Second Quarter of 2024**

[Seasonally adjusted at annual rates]

Line	Series	Change from preceding period (percent)			Contribution to percent change in real GDP (percentage points)		
		Advance estimate	Second estimate	Second estimate minus advance estimate	Advance estimate	Second estimate	Second estimate minus advance estimate
1	<b>GDP<sup>1</sup></b>	<b>2.8</b>	<b>3.0</b>	<b>0.2</b>	<b>2.8</b>	<b>3.0</b>	<b>0.2</b>
2	<b>Personal consumption expenditures</b>	<b>2.3</b>	<b>2.9</b>	<b>0.6</b>	<b>1.57</b>	<b>1.95</b>	<b>0.38</b>
3	Goods	2.5	3.0	0.5	0.55	0.65	0.10
4	Durable goods	4.7	4.9	0.2	0.35	0.37	0.02
5	Nondurable goods	1.4	2.0	0.6	0.20	0.28	0.08
6	Services	2.2	2.9	0.7	1.02	1.30	0.28
7	<b>Gross private domestic investment</b>	<b>8.4</b>	<b>7.5</b>	<b>-0.9</b>	<b>1.46</b>	<b>1.31</b>	<b>-0.15</b>
8	Fixed investment	3.6	3.0	-0.6	0.64	0.53	-0.11
9	Nonresidential	5.2	4.6	-0.6	0.69	0.61	-0.08
10	Structures	-3.3	-1.6	1.7	-0.10	-0.05	0.05
11	Equipment	11.6	10.8	-0.8	0.55	0.52	-0.03
12	Intellectual property products	4.5	2.6	-1.9	0.24	0.14	-0.10
13	Residential	-1.4	-2.0	-0.6	-0.05	-0.08	-0.03
14	Change in private inventories	---	---	---	0.82	0.78	-0.04
15	<b>Net exports of goods and services</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>-0.72</b>	<b>-0.77</b>	<b>-0.05</b>
16	Exports	2.0	1.6	-0.4	0.22	0.17	-0.05
17	Goods	1.7	1.3	-0.4	0.12	0.09	-0.03
18	Services	2.6	2.2	-0.4	0.10	0.08	-0.02
19	Imports	6.9	7.0	0.1	-0.93	-0.94	-0.01
20	Goods	7.7	7.8	0.1	-0.84	-0.85	-0.01
21	Services	3.6	3.6	0.0	-0.09	-0.09	0.00
22	<b>Government consumption expenditures and gross investment</b>	<b>3.1</b>	<b>2.7</b>	<b>-0.4</b>	<b>0.53</b>	<b>0.46</b>	<b>-0.07</b>
23	Federal	3.9	3.3	-0.6	0.25	0.21	-0.04
24	National defense	5.2	4.9	-0.3	0.19	0.18	-0.01
25	Nondefense	2.2	1.2	-1.0	0.06	0.03	-0.03
26	State and local	2.6	2.3	-0.3	0.28	0.25	-0.03
<b>Addenda:</b>							
27	Final sales of domestic product	2.0	2.2	0.2	---	---	---
28	Gross domestic purchases price index	2.3	2.4	0.1	---	---	---
29	GDP price index	2.3	2.5	0.2	---	---	---

**GDP**      Gross domestic product

1. The GDP estimates under the contribution columns are also percent changes.

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## Corporate Profits

Measured in current dollars, profits from current production (corporate profits with the inventory valuation adjustment and the capital consumption adjustment) increased \$57.6 billion, or 1.7 percent at a quarterly rate, in the second quarter. In the first quarter, profits decreased \$47.1 billion, or 1.4 percent (table 5). In the second quarter, domestic profits of financial corporations increased \$46.4 billion, domestic profits of nonfinancial corporations increased \$29.2 billion, and rest-of-the-world profits (net) decreased \$18.0 billion.

**Table 5. Corporate Profits**  
[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	
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
	<b>Current production measures:</b>									
1	Corporate profits with IVA and CCAdj	3,424.7	108.7	133.5	-47.1	57.6	3.4	4.1	-1.4	1.7
2	Domestic industries	2,926.5	99.9	142.4	-49.4	75.6	3.8	5.2	-1.7	2.7
3	Financial	569.9	9.0	5.9	65.0	46.4	2.0	1.3	14.2	8.9
4	Nonfinancial	2,356.5	90.8	136.5	-114.5	29.2	4.1	5.9	-4.7	1.3
5	Rest of the world	498.3	8.8	-8.9	2.3	-18.0	1.7	-1.7	0.5	-3.5
6	Receipts from the rest of the world	1,033.8	22.0	-20.1	25.7	-6.2	2.2	-1.9	2.5	-0.6
7	Less: Payments to the rest of the world	535.5	13.2	-11.2	23.4	11.8	2.6	-2.2	4.7	2.3
8	Less: Taxes on corporate income	650.8	12.6	28.2	29.2	10.5	2.2	4.8	4.8	1.6
9	Equals: Profits after tax	2,774.0	96.1	105.2	-76.3	47.1	3.7	3.9	-2.7	1.7
10	Net dividends	1,894.9	-18.2	23.8	32.6	0.9	-1.0	1.3	1.8	0.0
11	Undistributed profits from current production	879.1	114.3	81.4	-108.9	46.3	15.3	9.5	-11.6	5.6
12	Net cash flow with IVA	3,473.6	142.1	118.2	-100.2	109.5	4.4	3.5	-2.9	3.3

**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](#).

U.S. Bureau of Economic Analysis

## 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).

## Annual Update of the National Economic Accounts

BEA will release results from the 2024 annual update of the National Economic Accounts, which include the National Income and Product Accounts as well as the Industry Economic Accounts, on September 26, 2024. The update will present revised statistics for GDP, GDP by industry, and gross domestic income. 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](#) were discontinued on July 25, 2024, due to budget constraints.

## 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.

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.”

\*Note. September 9, 2024: since this article was originally published, the quarter referenced in this sentence was updated from the second quarter to the first quarter.



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