

GDP and the Economy

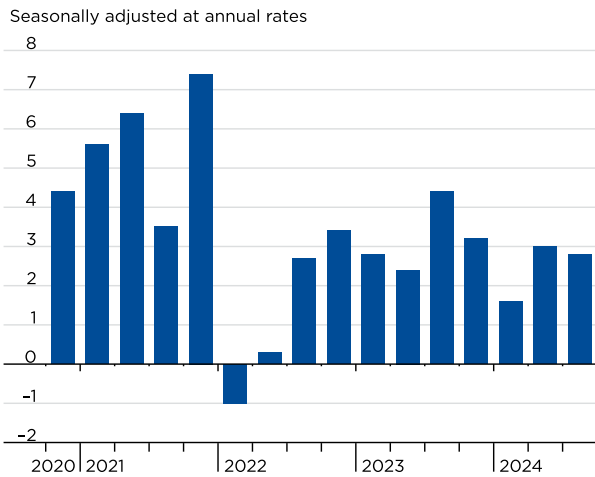
Advance Estimates for the Third Quarter of 2024

November 5, 2024

This article reflects GDP statistics published on October 30, 2024. Refer to the GDP product page for the latest statistics.

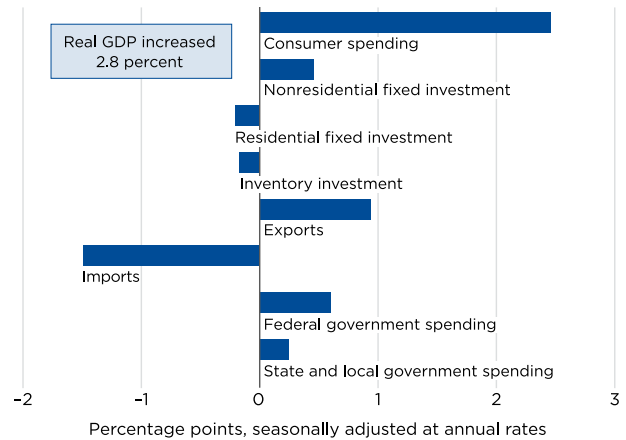
Real gross domestic product (GDP) increased at an annual rate of 2.8 percent in the third quarter of 2024, according to the “advance” estimate of the National Income and Product Accounts (NIPAs) (chart 1 and table 1).¹ In the second quarter, real GDP increased 3.0 percent.

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:Q3



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

GDP by Expenditure

The increase in third-quarter real GDP primarily reflected increases in consumer spending, exports, and federal government spending. Imports, which are a subtraction in the calculation of GDP, increased (chart 2 and table 1).²

- The increase in consumer spending reflected increases in both goods and services. The increase in goods was led by other nondurable goods (mainly prescription drugs) and motor vehicles and parts (mainly used light trucks). The increase in services was led by health care (mainly outpatient services) and food services and accommodations.
- The increase in exports primarily reflected an increase in goods (led by capital goods, excluding automotive).
- The increase in federal government spending primarily reflected an increase in defense consumption expenditures.
- The increase in imports primarily reflected an increase in goods (led by capital goods, excluding automotive).

Compared to the second quarter, the deceleration in real GDP in the third quarter primarily reflected a downturn in private inventory investment and a larger decrease in residential fixed investment. These movements were partly offset by accelerations in exports, consumer spending, and federal government spending. Imports accelerated.

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		
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
1	GDP¹	100.0	3.2	1.6	3.0	2.8	3.2	1.6	3.0	2.8
2	Personal consumption expenditures	67.9	3.5	1.9	2.8	3.7	2.33	1.30	1.90	2.46
3	Goods	21.4	3.4	-1.2	3.0	6.0	0.73	-0.25	0.63	1.25
4	Durable goods	7.4	2.9	-1.8	5.5	8.1	0.22	-0.13	0.40	0.58
5	Nondurable goods	14.0	3.6	-0.8	1.7	4.9	0.51	-0.12	0.23	0.67
6	Services	46.6	3.5	3.4	2.7	2.6	1.60	1.55	1.27	1.21
7	Gross private domestic investment	18.2	0.7	3.6	8.3	0.3	0.16	0.64	1.47	0.07
8	Fixed investment	17.9	3.5	6.5	2.3	1.3	0.62	1.14	0.42	0.24
9	Nonresidential	13.9	3.8	4.5	3.9	3.3	0.52	0.61	0.53	0.46
10	Structures	3.1	6.5	6.3	0.2	-4.0	0.20	0.20	0.01	-0.13
11	Equipment	5.3	0.7	0.3	9.8	11.1	0.04	0.02	0.49	0.56
12	Intellectual property products	5.5	5.2	7.5	0.7	0.6	0.28	0.40	0.04	0.03
13	Residential	4.0	2.5	13.7	-2.8	-5.1	0.10	0.53	-0.11	-0.21
14	Change in private inventories	0.3	---	---	---	---	-0.47	-0.49	1.05	-0.17
15	Net exports of goods and services	-3.2	---	---	---	---	0.09	-0.61	-0.90	-0.56
16	Exports	10.9	6.2	1.9	1.0	8.9	0.66	0.21	0.12	0.94
17	Goods	7.1	5.3	-0.2	0.9	12.2	0.37	-0.02	0.07	0.83
18	Services	3.8	8.0	6.1	1.2	3.0	0.29	0.23	0.05	0.11
19	Imports	14.2	4.2	6.1	7.6	11.2	-0.57	-0.82	-1.01	-1.49
20	Goods	11.4	1.8	6.5	8.4	11.6	-0.19	-0.69	-0.90	-1.24
21	Services	2.8	14.8	4.8	4.3	9.4	-0.38	-0.13	-0.12	-0.25
22	Government consumption expenditures and gross investment	17.2	3.6	1.8	3.1	5.0	0.61	0.30	0.52	0.85
23	Federal	6.5	-0.3	-0.4	4.3	9.7	-0.02	-0.02	0.27	0.60
24	National defense	3.7	-1.3	-2.5	6.4	14.9	-0.05	-0.09	0.23	0.51
25	Nondefense	2.7	0.9	2.6	1.5	3.2	0.02	0.07	0.04	0.09
26	State and local	10.7	6.1	3.1	2.3	2.3	0.63	0.32	0.25	0.25
Addenda:										
27	GDI ²	---	5.1	3.0	3.4	---	---	---	---	---
28	Average of GDP and GDI	---	4.1	2.3	3.2	---	---	---	---	---
29	Final sales of domestic product	---	3.7	2.1	1.9	3.0	---	---	---	---
30	Goods	30.2	2.5	-3.6	5.2	4.8	0.80	-1.12	1.56	1.45
31	Services	61.0	2.8	3.2	2.4	2.8	1.67	1.91	1.48	1.70
32	Structures	8.8	8.6	9.9	-0.6	-3.6	0.73	0.85	-0.05	-0.33

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.

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 1.8 percent in the third quarter after increasing 2.4 percent in the second quarter (table 2 and chart 3).

Within gross domestic purchases, food prices increased 1.4 percent in the third quarter after decreasing 0.5 percent in the second quarter. Prices for energy goods and services decreased 12.6 percent after increasing 2.5 percent. Excluding food and energy, gross domestic purchases prices increased 2.3 percent after increasing 2.6 percent.

The price index for personal consumption expenditures (PCE) increased 1.5 percent in the third quarter after increasing 2.5 percent in the second quarter. The increase in PCE prices reflected an increase in prices for services, which was partly offset by a decrease in prices for goods.

- Within services, the leading contributors to the increase were housing and utilities (mainly housing), health care (led by hospitals), and financial services and insurance (mainly banking and other financial services).
- Within goods, the leading contributors to the decrease were gasoline and other energy goods (mainly motor vehicle fuels, lubricants, and fluids) and motor vehicles and parts (led by used light trucks).

Excluding food and energy, the “core” PCE price index increased 2.2 percent in the third quarter, following an increase of 2.8 percent in the second quarter.

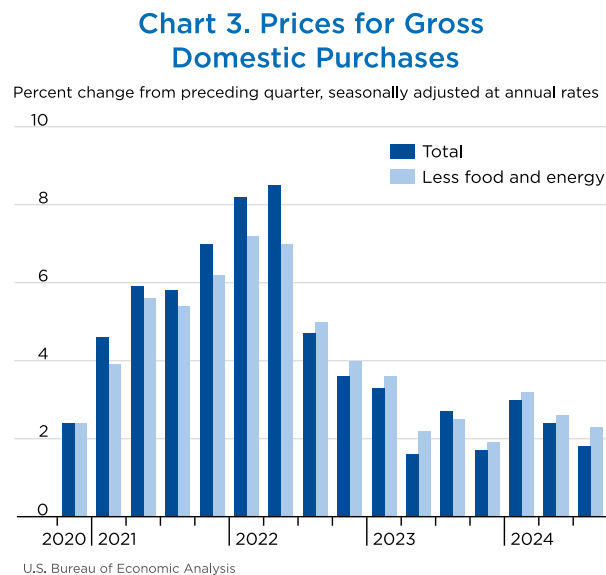


Table 2. Prices for Gross Domestic Purchases

[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		
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
1	Gross domestic purchases¹	1.7	3.0	2.4	1.8	1.7	3.0	2.5	1.8
2	Personal consumption expenditures	1.7	3.4	2.5	1.5	1.10	2.25	1.67	1.00
3	Goods	-1.6	-0.5	0.7	-1.6	-0.33	-0.10	0.15	-0.33
4	Durable goods	-3.2	-0.5	-2.6	-2.4	-0.24	-0.03	-0.18	-0.17
5	Nondurable goods	-0.7	-0.5	2.5	-1.2	-0.09	-0.07	0.33	-0.16
6	Services	3.2	5.3	3.4	3.0	1.43	2.36	1.52	1.33
7	Gross private domestic investment	2.2	0.9	2.5	2.3	0.37	0.16	0.44	0.40
8	Fixed investment	2.3	0.9	2.6	2.5	0.40	0.16	0.45	0.43
9	Nonresidential	1.7	1.3	2.3	2.4	0.23	0.18	0.31	0.33
10	Structures	3.4	-2.0	0.3	0.3	0.11	-0.06	0.01	0.01
11	Equipment	1.1	3.8	1.7	2.4	0.06	0.19	0.08	0.12
12	Intellectual property products	1.2	1.0	4.0	3.6	0.06	0.06	0.21	0.19
13	Residential	4.5	-0.4	3.5	2.7	0.17	-0.02	0.14	0.11
14	Change in private inventories	---	---	---	---	-0.03	0.00	-0.01	-0.03
15	Government consumption expenditures and gross investment	1.3	3.7	2.1	2.5	0.23	0.62	0.34	0.41
16	Federal	3.8	3.6	2.8	1.8	0.24	0.22	0.17	0.11
17	National defense	4.9	3.8	2.7	1.2	0.17	0.13	0.09	0.04
18	Nondefense	2.5	3.2	3.0	2.5	0.07	0.09	0.08	0.07
19	State and local	-0.1	3.9	1.6	2.9	-0.01	0.40	0.17	0.30
Addenda:									
20	Gross domestic purchases:								
	Food	1.2	2.3	-0.5	1.4	0.06	0.12	-0.02	0.07
21	Energy goods and services	-5.2	-1.3	2.5	-12.6	-0.15	-0.03	0.06	-0.34
22	Excluding food and energy	1.9	3.2	2.6	2.3	1.80	2.95	2.41	2.09
	Personal consumption expenditures:								
23	Food and beverages purchased for off-premises consumption	1.3	2.1	-0.4	1.6	---	---	---	---
24	Energy goods and services	-5.4	-1.2	2.4	-12.4	---	---	---	---
25	Excluding food and energy	2.0	3.7	2.8	2.2	---	---	---	---
26	Gross domestic product	1.5	3.0	2.5	1.8	---	---	---	---
27	Exports of goods and services	-2.1	2.5	2.7	-1.4	---	---	---	---
28	Imports of goods and services	0.0	2.6	2.1	-0.9	---	---	---	---

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 \$221.3 billion in the third quarter, compared to an increase of \$315.7 billion in the second quarter (table 3). The increase in the third quarter primarily reflected an increase in compensation (led by private wages and salaries).

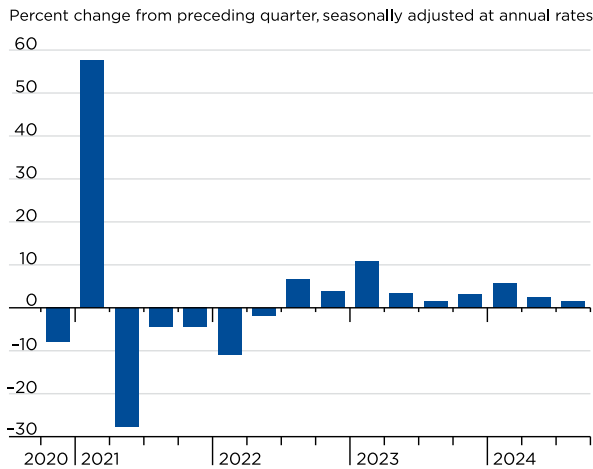
Personal current taxes increased \$55.3 billion in the third quarter, the same increase as in the second quarter.

Current-dollar disposable personal income (DPI) increased \$166.0 billion in the third quarter after increasing \$260.4 billion in the second quarter. Personal outlays increased \$258.7 billion after increasing \$277.0 billion.

Real DPI (chart 4) increased 1.6 percent in the third quarter after increasing 2.4 percent in the second quarter. Current-dollar DPI, which is deflated by the implicit price deflator for consumer spending, increased 3.1 percent after increasing 5.0 percent.

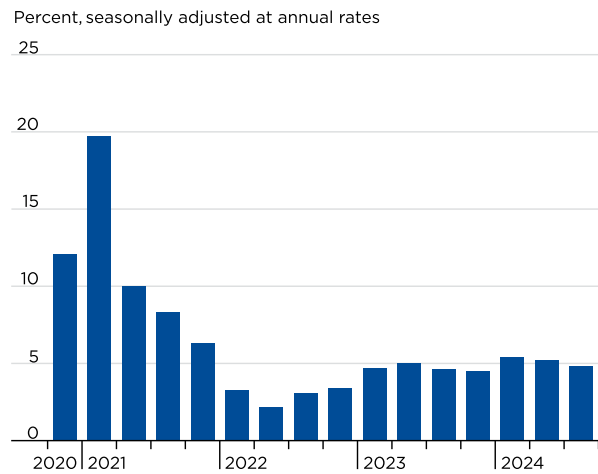
The personal saving rate (chart 5)—personal saving as a percentage of DPI—was 4.8 percent in the third quarter, compared with 5.2 percent in the second quarter.

Chart 4. Real Disposable Personal Income



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Chart 5. Personal Saving Rate



Note. The personal saving rate is personal saving as a percentage of disposable personal income.
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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		
		Q2	Q3	Q4	Q1	Q2	Q3
1	Personal income	24,659.9	24,881.1	275.4	536.4	315.7	221.3
2	Compensation of employees	15,043.9	15,230.7	169.8	342.5	220.1	186.8
3	Wages and salaries	12,434.8	12,585.3	131.4	295.6	183.9	150.4
4	Private industries	10,591.6	10,713.5	101.7	260.0	156.8	122.0
5	Goods-producing industries	1,966.6	1,989.4	20.4	44.3	38.4	22.7
6	Manufacturing	1,146.7	1,159.3	9.4	20.4	23.5	12.6
7	Services-producing industries	8,624.9	8,724.2	81.3	215.7	118.5	99.2
8	Trade, transportation, and utilities	1,875.5	1,892.0	14.6	34.6	17.0	16.5
9	Other services-producing industries	6,749.4	6,832.2	66.7	181.2	101.5	82.7
10	Government	1,843.3	1,871.8	29.7	35.6	27.1	28.5
11	Supplements to wages and salaries	2,609.0	2,645.4	38.4	46.9	36.2	36.4
12	Proprietors' income with IVA and CCAdj	2,002.3	2,014.7	15.6	2.0	30.2	12.4
13	Farm	41.1	40.6	-16.1	-11.7	2.5	-0.4
14	Nonfarm	1,961.2	1,974.1	31.6	13.7	27.6	12.9
15	Rental income of persons with CCAdj	1,053.4	1,057.3	18.6	32.5	7.3	3.9
16	Personal income receipts on assets	3,950.2	3,926.7	82.8	19.9	11.3	-23.5
17	Personal interest income	1,966.2	1,955.6	56.6	-14.3	15.2	-10.6
18	Personal dividend income	1,984.0	1,971.2	26.3	34.2	-4.0	-12.8
19	Personal current transfer receipts	4,512.3	4,573.6	8.2	169.6	66.2	61.3
20	Government social benefits to persons	4,380.1	4,441.0	9.1	158.1	65.5	60.9
21	Social security	1,439.7	1,452.6	13.3	52.6	13.2	12.8
22	Medicare	1,067.1	1,090.2	15.4	13.9	17.9	23.1
23	Medicaid	924.7	939.9	-11.0	48.6	19.8	15.2
24	Unemployment insurance	34.9	35.7	0.6	-0.3	0.0	0.7
25	Veterans' benefits	216.7	221.5	5.9	5.1	5.0	4.8
26	Other	696.8	701.1	-15.1	38.2	9.5	4.2
27	Other current transfer receipts, from business (net)	132.3	132.6	-0.9	11.5	0.8	0.3
28	Less: Contributions for government social insurance	1,902.2	1,921.9	19.6	30.0	19.4	19.7
29	Less: Personal current taxes	3,020.9	3,076.2	28.3	71.3	55.3	55.3
30	<i>Equals:</i> Disposable personal income	21,638.9	21,804.9	247.1	465.1	260.4	166.0
31	Less: Personal outlays	20,507.5	20,766.2	247.8	259.2	277.0	258.7
32	Personal consumption expenditures	19,682.7	19,935.2	241.2	254.6	257.9	252.5
33	Personal interest payments ¹	551.7	556.2	2.7	2.2	17.4	4.4
34	Personal current transfer payments	273.1	274.8	3.9	2.5	1.7	1.7
35	<i>Equals:</i> Personal saving	1,131.4	1,038.7	-0.7	205.8	-16.6	-92.7
36	Personal saving as a percentage of DPI	5.2	4.8	---	---	---	---

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](#).

U.S. Bureau of Economic Analysis

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 U.S. Bureau of Economic Analysis' (BEA's) 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 “[Concepts and Methods of the U.S. National Income and Product Accounts](#)” available on the BEA website.

Impact of Hurricane Helene on Third-Quarter 2024 Estimates

Hurricane Helene made landfall in Florida's Big Bend region on September 26, bringing high wind damage and extensive inland flood damage to Georgia, Tennessee, South Carolina, and North Carolina. The hurricane devastated several towns and resulted in catastrophic infrastructure damage across the Southeastern United States.

This disaster disrupted usual consumer and business activities and prompted emergency services and remediation activities. These responses to this disaster are included, but not separately identified, in the source data that BEA uses to prepare the estimates of GDP; consequently, it is not possible to estimate the overall impact of Hurricane Helene on third-quarter GDP. The destruction of fixed assets, such as residential and nonresidential structures, does not directly affect GDP or personal income. BEA estimates of disaster losses are presented in [NIPA table 5.1](#), “Saving and Investment by Sector.” BEA's preliminary estimates show that Hurricane Helene resulted in losses of \$39.0 billion in privately owned fixed assets (\$156.0 billion at an annual rate) and \$2.0 billion in state and local government-owned fixed assets (\$8.0 billion at an annual rate).

BEA also estimates the insurance benefits paid and received due to major disasters. These benefits are recorded on an accrual basis in the quarter in which the disaster occurred and are classified as capital transfers; they do not directly affect the measures of GDP, personal income, or saving. BEA's preliminary estimates, presented in [NIPA table 5.11U](#), “Capital Transfers Paid and Received, by Sector and by Type,” show domestic insurance companies expect to pay benefits for disaster losses related to Hurricane Helene in the amount of \$10.6 billion (\$42.3 billion at an annual rate). The federal government's National Flood Insurance Program expects to pay an additional \$5.5 billion (\$22.0 billion at an annual rate), Citizens Property Insurance Corporation of Florida expects to pay \$1.0 billion (\$4.0 billion at an annual rate), and foreign insurance companies expect to pay \$1.6 billion (\$6.5 billion at an annual rate).

For additional information, refer to “[How are the measures of production and income in the national accounts affected by a disaster?](#)” and “[How are the fixed assets accounts \(FAAs\) and consumption of fixed capital \(CFC\) impacted by disasters?](#)”.

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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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