

GDP and the Economy

Third Estimates for the Fourth Quarter of 2023

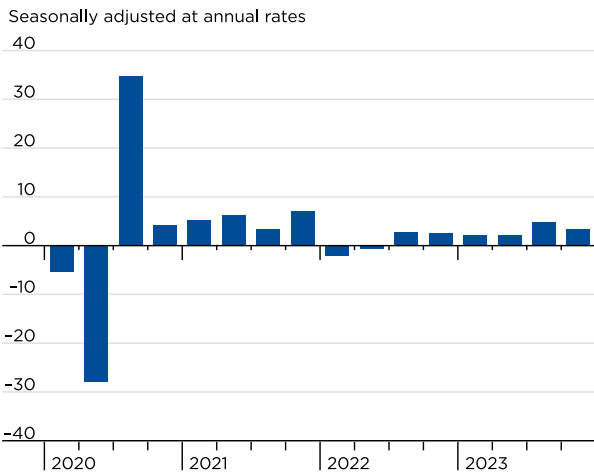
April 2, 2024

This article reflects GDP statistics published on March 28, 2024. Refer to the GDP product page for the [latest statistics](#).

Real gross domestic product (GDP) increased at an annual rate of 3.4 percent in the fourth quarter of 2023, according to the “third” estimate of the National Income and Product Accounts (chart 1 and table 1).¹ With the third estimate, real GDP growth was revised up 0.2 percentage point from the second estimate issued in February. In the third quarter, real GDP increased 4.9 percent.

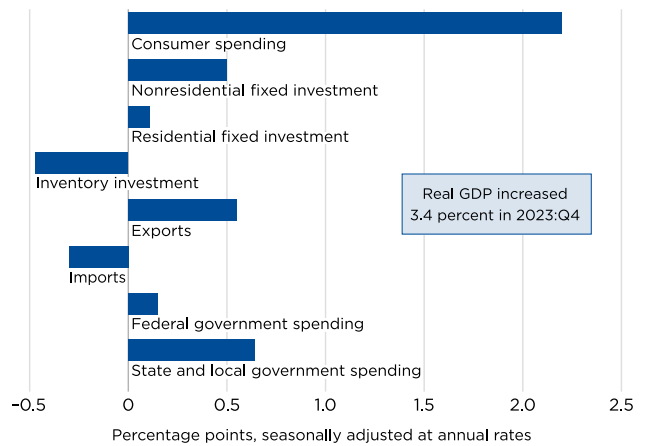
Real GDP increased 2.5 percent in 2023 (from the 2022 annual level to the 2023 annual level), compared with an increase of 1.9 percent in 2022 (see “[Real GDP for 2023](#)”).

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 2023:Q4



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

GDP by Expenditure

The increase in fourth-quarter real GDP reflected increases in consumer spending, state and local government spending, exports, nonresidential fixed investment, federal government spending, and residential fixed investment that were partly offset by a decrease in private inventory investment. 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 services and goods.
 - Within services, the leading contributors were health care (both outpatient and hospital services), other services (led by professional and other services), and food services and accommodations.
 - Within goods, the leading contributors were other nondurable goods (led by pharmaceutical products) and recreational goods and vehicles.
- The increase in state and local government spending reflected increases in both investment (led by structures) and consumption expenditures (led by compensation of employees).
- Within exports, both goods and services increased. The increase in goods was led by petroleum. The increase in services was led by air transport and travel.
- The increase in nonresidential fixed investment reflected increases in structures (led by manufacturing structures) and intellectual property products (led by software).
- The increase in federal government spending primarily reflected an increase in nondefense spending. The increase in nondefense spending primarily reflected increases in gross investment in intellectual property products and federal government employee compensation.
- The increase in residential fixed investment primarily reflected an increase in new single-family construction. Partly offsetting this increase was a decrease in brokers' commissions and other ownership transfer costs.
- Within private inventory investment, the decrease primarily reflected decreases in retail trade industries and manufacturing that were partly offset by an increase in wholesale trade.
- Within imports, both services and goods increased. Within services, the leading contributor to the increase was travel. Within goods, the increase was led by computers.

Compared to the third quarter of 2023, the deceleration in real GDP in the fourth quarter primarily reflected a downturn in private inventory investment and slowdowns in federal government spending and residential fixed investment. Imports decelerated.

Real gross domestic income (GDI)—which measures output of the economy as the costs incurred and the incomes earned in the production of goods and services (as measured by GDP)—increased 4.8 percent at an annual rate in the fourth quarter, compared with an increase of 1.9 percent in the third quarter. The average of real GDP and real GDI—a supplemental measure of U.S. economic activity that equally weights GDP and GDI—increased 4.1 percent, compared with an increase of 3.4 percent.

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)			
			2023							
			Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
1	GDP¹	100.0	2.2	2.1	4.9	3.4	2.2	2.1	4.9	3.4
2	Personal consumption expenditures	67.7	3.8	0.8	3.1	3.3	2.54	0.55	2.11	2.20
3	Goods	22.4	5.1	0.5	4.9	3.0	1.14	0.11	1.09	0.67
4	Durable goods	7.9	14.0	-0.3	6.7	3.2	1.07	-0.03	0.53	0.25
5	Nondurable goods	14.5	0.5	0.9	3.9	2.9	0.07	0.14	0.56	0.41
6	Services	45.3	3.1	1.0	2.2	3.4	1.40	0.44	1.02	1.54
7	Gross private domestic investment	17.7	-9.0	5.2	10.0	0.7	-1.69	0.90	1.74	0.15
8	Fixed investment	17.5	3.1	5.2	2.6	3.5	0.53	0.90	0.46	0.61
9	Nonresidential	13.5	5.7	7.4	1.4	3.7	0.76	0.98	0.21	0.50
10	Structures	3.1	30.3	16.1	11.2	10.9	0.77	0.46	0.33	0.32
11	Equipment	5.0	-4.1	7.7	-4.4	-1.1	-0.21	0.38	-0.22	-0.05
12	Intellectual property products	5.4	3.8	2.7	1.8	4.3	0.20	0.15	0.10	0.23
13	Residential	3.9	-5.3	-2.2	6.7	2.8	-0.22	-0.09	0.26	0.11
14	Change in private inventories	0.3	---	---	---	---	-2.22	0.00	1.27	-0.47
15	Net exports of goods and services	-2.8	---	---	---	---	0.58	0.04	0.03	0.25
16	Exports	10.9	6.8	-9.3	5.4	5.1	0.76	-1.09	0.59	0.55
17	Goods	7.3	12.0	-16.0	7.7	6.2	0.89	-1.31	0.55	0.45
18	Services	3.6	-3.5	6.2	1.0	2.8	-0.13	0.22	0.04	0.10
19	Imports	13.7	1.3	-7.6	4.2	2.2	-0.18	1.13	-0.56	-0.30
20	Goods	11.2	1.9	-6.5	5.9	1.3	-0.22	0.78	-0.64	-0.14
21	Services	2.5	-1.2	-12.2	-2.8	6.2	0.04	0.35	0.08	-0.15
22	Government consumption expenditures and gross investment	17.4	4.8	3.3	5.8	4.6	0.82	0.57	0.99	0.79
23	Federal	6.5	5.2	1.1	7.1	2.4	0.33	0.07	0.45	0.15
24	National defense	3.7	1.9	2.3	8.4	0.5	0.07	0.08	0.30	0.02
25	Nondefense	2.9	9.5	-0.4	5.5	4.8	0.26	-0.01	0.15	0.14
26	State and local	10.9	4.6	4.7	5.0	6.0	0.49	0.50	0.53	0.64
Addenda:										
27	GDI ²	---	0.5	0.5	1.9	4.8	---	---	---	---
28	Average of GDP and GDI	---	1.4	1.3	3.4	4.1	---	---	---	---
29	Final sales of domestic product	---	4.6	2.1	3.6	3.9	---	---	---	---
30	Goods	31.2	-1.3	0.9	7.3	2.6	-0.40	0.29	2.30	0.83
31	Services	60.0	3.2	1.9	2.9	2.8	1.92	1.13	1.73	1.70
32	Structures	8.8	8.9	7.7	10.0	10.4	0.72	0.63	0.83	0.86

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.

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 fourth quarter, private goods-producing industries increased 7.0 percent, private services-producing industries increased 2.6 percent, and government increased 3.1 percent (chart 3 and table 2). Overall, 18 of 22 industry groups contributed to the fourth-quarter increase in real GDP (chart 4).

- Within private goods-producing industries, the largest contributors to the increase were nondurable goods (led by petroleum and coal products and chemical products), durable-goods manufacturing (led by machinery), and construction.
- Within private services-producing industries, the increase was led by retail trade (primarily, motor vehicle and parts dealers); health care and social assistance (led by ambulatory health care services); utilities; and professional, scientific, and technical services (led by computer systems design and related services).
- The increase in government reflected increases in state and local government and federal government.

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

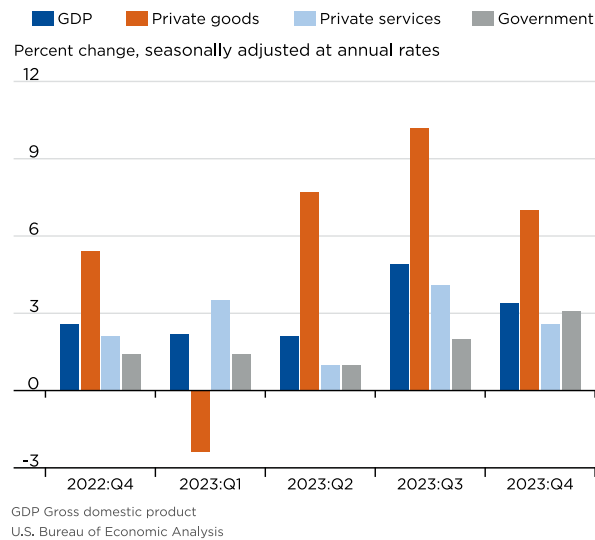
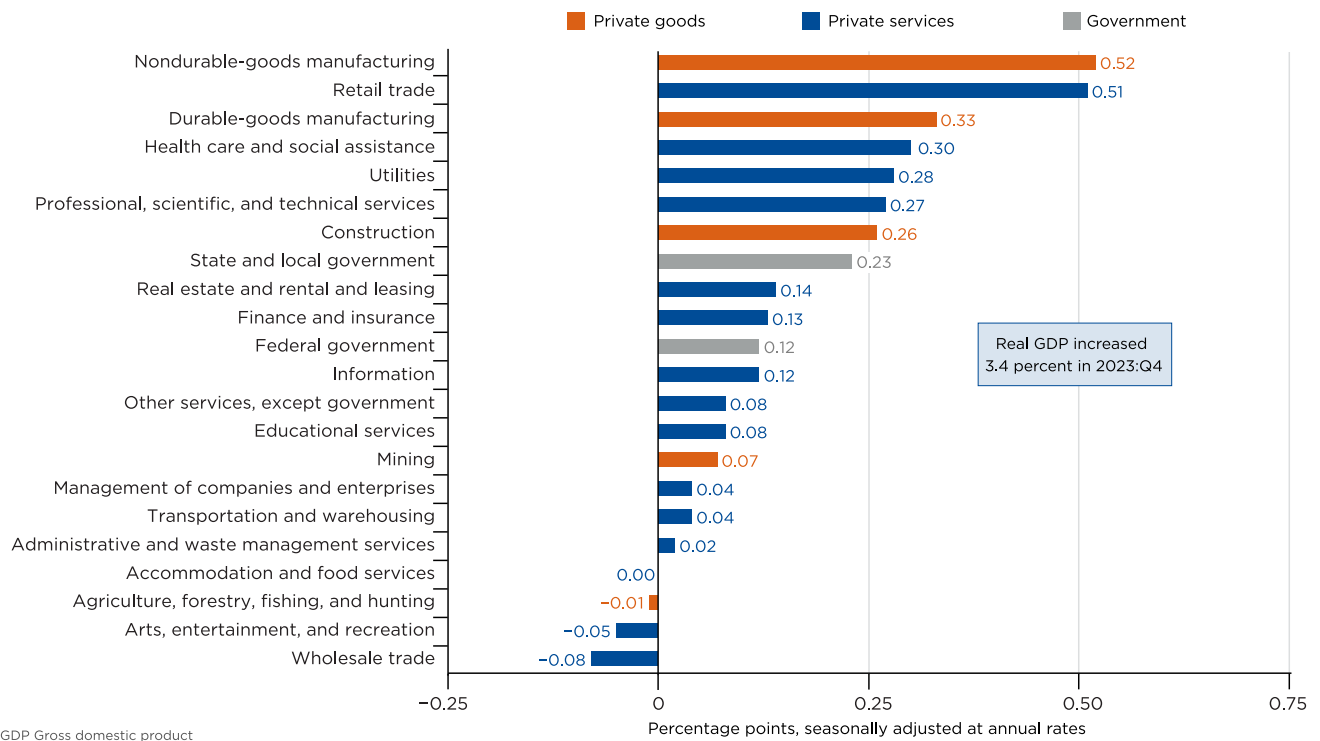


Chart 4. Contributions to Percent Change in Real GDP by Industry Group, 2023:Q4



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

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)				
			2023									
			Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
1	GDP¹	100.0	2.2	2.1	4.9	3.4	2.2	2.1	4.9	3.4		
2	Private industries	88.6	2.4	2.2	5.2	3.4	2.09	1.96	4.63	3.05		
3	Agriculture, forestry, fishing, and hunting	0.8	27.8	3.6	-5.9	-1.7	0.26	0.03	-0.06	-0.01		
4	Mining	1.4	11.9	29.1	12.1	4.7	0.17	0.35	0.16	0.07		
5	Utilities	1.5	-3.1	60.9	-27.2	19.4	-0.05	0.77	-0.50	0.28		
6	Construction	4.5	3.3	5.5	15.8	6.0	0.14	0.23	0.65	0.26		
7	Manufacturing	10.3	-9.1	6.5	9.2	8.5	-0.98	0.64	0.92	0.85		
8	Durable goods	5.6	-4.7	6.4	4.0	6.0	-0.26	0.35	0.22	0.33		
9	Nondurable Goods	4.7	-14.0	6.6	15.9	11.4	-0.72	0.30	0.70	0.52		
10	Wholesale trade	5.9	-2.3	-5.2	-2.5	-1.3	-0.14	-0.32	-0.15	-0.08		
11	Retail trade	6.3	11.5	-2.8	23.4	8.3	0.69	-0.18	1.36	0.51		
12	Transportation and warehousing	3.5	6.0	7.7	4.0	1.3	0.21	0.27	0.14	0.04		
13	Information	5.4	4.4	2.2	14.6	2.2	0.23	0.12	0.75	0.12		
14	Finance, insurance, real estate, rental, and leasing	20.7	0.3	-0.1	4.0	1.3	0.06	-0.02	0.83	0.27		
15	Finance and insurance	7.3	-1.3	-0.9	6.1	1.8	-0.09	-0.06	0.44	0.13		
16	Real estate and rental and leasing	13.4	1.2	0.3	2.9	1.0	0.16	0.04	0.39	0.14		
17	Professional and business services	12.9	1.2	2.1	2.9	2.5	0.15	0.27	0.38	0.33		
18	Professional, scientific, and technical services	8.0	3.6	6.0	4.0	3.4	0.28	0.46	0.32	0.27		
19	Management of companies and enterprises	1.9	-2.3	-1.1	6.2	2.2	-0.04	-0.02	0.11	0.04		
20	Administrative and waste management services	3.1	-2.5	-5.2	-1.7	0.5	-0.08	-0.17	-0.05	0.02		
21	Educational services, health care, and social assistance	8.6	10.9	1.4	3.2	4.4	0.88	0.12	0.27	0.37		
22	Educational services	1.2	5.9	-1.9	-0.6	6.8	0.07	-0.02	-0.01	0.08		
23	Health care and social assistance	7.5	11.8	2.0	3.8	4.0	0.82	0.14	0.28	0.30		
24	Arts, entertainment, recreation, accommodation, and food services	4.5	12.3	-4.6	-0.5	-1.1	0.52	-0.21	-0.02	-0.05		
25	Arts, entertainment, and recreation	1.2	9.3	4.8	-6.7	-3.9	0.10	0.05	-0.08	-0.05		
26	Accommodation and food services	3.3	13.4	-7.7	1.8	-0.1	0.41	-0.27	0.06	0.00		
27	Other services, except government	2.2	-2.5	-5.8	-5.2	3.6	-0.06	-0.13	-0.12	0.08		
28	Government	11.4	1.4	1.0	2.0	3.1	0.16	0.11	0.24	0.35		
29	Federal	3.6	1.7	3.9	-0.7	3.4	0.06	0.14	-0.02	0.12		
30	State and local	7.7	1.2	-0.3	3.3	2.9	0.10	-0.02	0.26	0.23		
Addenda:												
31	Private goods-producing industries ²	17.0	-2.4	7.7	10.2	7.0	-0.41	1.26	1.68	1.17		
32	Private services-producing industries ³	71.6	3.5	1.0	4.1	2.6	2.50	0.69	2.95	1.88		

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.”

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 2.4 percent in the fourth quarter (chart 5 and table 3). Private goods-producing industries increased 3.7 percent, private services-producing industries increased 2.0 percent, and government increased 1.8 percent. Overall, 13 of 22 industry groups contributed to the increase in real gross output.

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

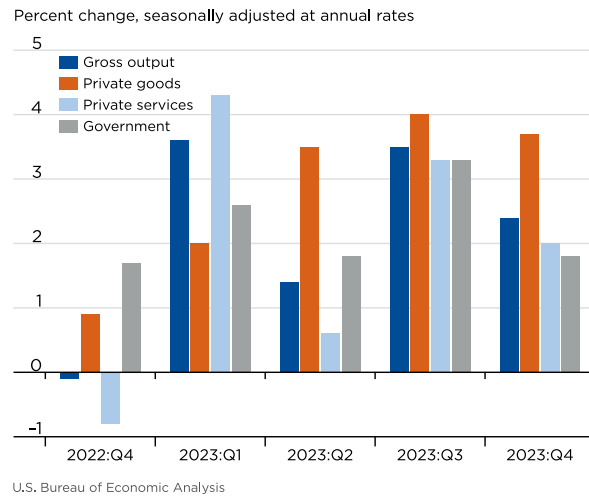


Table 3. Real Gross Output by Industry Group and Related Measures

[Seasonally adjusted at annual rates]

Line	Series	Change from preceding period (percent)			
		2023			
		Q1	Q2	Q3	Q4
1	All industries	3.6	1.4	3.5	2.4
2	Private industries	3.7	1.3	3.5	2.5
3	Agriculture, forestry, fishing, and hunting	12.0	-1.0	-1.3	-0.8
4	Mining	8.0	-7.3	1.3	-3.6
5	Utilities	-5.9	2.8	10.2	-5.6
6	Construction	7.1	7.3	14.7	16.3
7	Manufacturing	-0.9	3.9	1.6	0.9
8	Durable goods	-2.8	8.0	0.1	-1.0
9	Nondurable goods	1.0	0.0	3.1	2.9
10	Wholesale trade	-5.4	-8.9	-1.2	-1.8
11	Retail trade	5.8	-1.9	12.1	4.5
12	Transportation and warehousing	-3.3	-0.3	1.9	2.2
13	Information	6.1	1.7	8.4	3.4
14	Finance, insurance, real estate, rental, and leasing	7.3	5.4	4.3	-2.0
15	Finance and insurance	16.7	11.3	8.3	-4.4
16	Real estate and rental and leasing	1.2	1.3	1.6	-0.3
17	Professional and business services	2.1	0.4	-0.4	4.9
18	Professional, scientific, and technical services	1.6	0.8	-0.5	7.5
19	Management of companies and enterprises	-3.9	3.3	7.9	2.8
20	Administrative and waste management services	6.4	-1.9	-4.2	0.5
21	Educational services, health care, and social assistance	11.2	2.8	2.9	6.7
22	Educational services	5.8	2.8	3.1	1.1
23	Health care and social assistance	11.9	2.8	2.9	7.4
24	Arts, entertainment, recreation, accomodation, and food services	7.4	-5.4	3.6	3.7
25	Arts, entertainment, and recreation	0.4	-1.4	-8.8	-6.5
26	Accommodation and food services	9.7	-6.6	7.7	7.0
27	Other services, except government	0.3	-2.7	-8.4	9.5
28	Government	2.6	1.8	3.3	1.8
29	Federal	2.5	1.0	3.4	-0.6
30	State and local	2.7	2.1	3.3	2.9
	Addenda:				
31	Private goods-producing industries ¹	2.0	3.5	4.0	3.7
32	Private services-producing industries ²	4.3	0.6	3.3	2.0

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.](#)"

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 1.9 percent in the fourth quarter after increasing 2.9 percent in the third quarter (chart 6 and table 4).

Within gross domestic purchases, food prices increased 1.4 percent in the fourth quarter after increasing 1.9 percent in the third quarter. Prices for energy goods and services decreased 2.9 percent after increasing 16.1 percent. Excluding food and energy, gross domestic purchases prices increased 2.1 percent after increasing 2.5 percent.

The price index for personal consumption expenditures (PCE) increased 1.8 percent in the fourth quarter after increasing 2.6 percent in the third 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 (mainly accounted for by housing) and health care (led by hospitals).
- Within goods, the leading contributors to the decrease were gasoline and other energy goods (led by motor vehicle fuels, lubricants, and fluids) and recreational goods and vehicles (led by information processing equipment) that were partly offset by increases in other nondurable goods (led by pharmaceutical products) and food and beverages.

Excluding food and energy, the “core” PCE price index increased 2.0 percent in the fourth quarter, the same increase as in the third quarter.

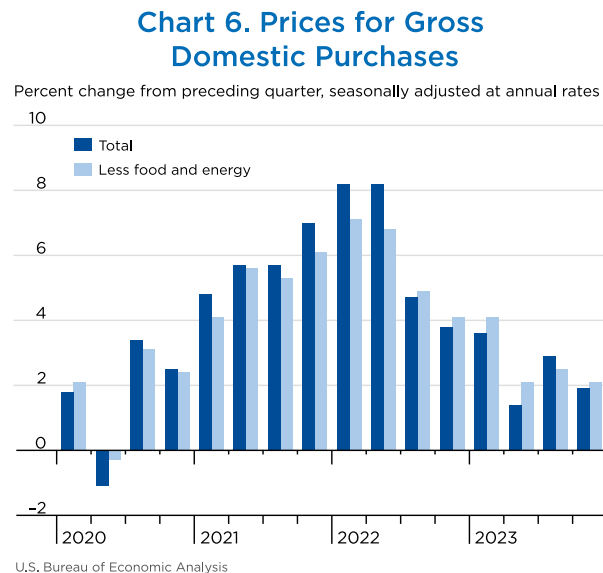


Table 4. Prices for Gross Domestic Purchases

[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							
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1	Gross domestic purchases¹	3.6	1.4	2.9	1.9	3.6	1.4	2.9	1.9
2	Personal consumption expenditures	4.2	2.5	2.6	1.8	2.73	1.63	1.71	1.18
3	Goods	0.7	0.2	0.9	-1.4	0.16	0.05	0.20	-0.31
4	Durable goods	-0.9	0.1	-4.4	-3.5	-0.07	0.01	-0.35	-0.27
5	Nondurable goods	1.6	0.3	3.9	-0.2	0.23	0.04	0.55	-0.03
6	Services	6.0	3.6	3.5	3.4	2.57	1.58	1.51	1.48
7	Gross private domestic investment	3.2	-0.1	1.7	2.3	0.56	-0.02	0.30	0.39
8	Fixed investment	4.2	0.0	1.7	2.4	0.71	-0.01	0.30	0.41
9	Nonresidential	6.4	0.2	0.9	2.0	0.81	0.03	0.12	0.26
10	Structures	7.2	0.9	-2.3	2.1	0.20	0.03	-0.07	0.06
11	Equipment	7.9	-1.1	2.3	1.5	0.38	-0.06	0.11	0.07
12	Intellectual property products	4.5	1.1	1.4	2.4	0.24	0.06	0.08	0.12
13	Residential	-2.6	-0.9	4.8	4.0	-0.10	-0.03	0.18	0.15
14	Change in private inventories	---	---	---	---	-0.15	-0.01	0.00	-0.02
15	Government consumption expenditures and gross investment	1.5	-1.1	5.1	1.9	0.26	-0.18	0.84	0.32
16	Federal	4.1	2.1	4.0	4.0	0.26	0.13	0.25	0.25
17	National defense	3.3	1.9	4.2	4.7	0.12	0.07	0.15	0.16
18	Nondefense	5.2	2.3	3.7	3.0	0.14	0.06	0.10	0.08
19	State and local	0.0	-2.9	5.7	0.6	0.00	-0.31	0.59	0.07
Addenda:									
Gross domestic purchases:									
20	Food	3.8	0.1	1.9	1.4	0.20	0.00	0.10	0.07
21	Energy goods and services	-11.4	-15.6	16.1	-2.9	-0.36	-0.46	0.42	-0.08
22	Excluding food and energy	4.1	2.1	2.5	2.1	3.72	1.90	2.34	1.90
Personal consumption expenditures:									
23	Food and beverages purchased for off-premises consumption	3.8	0.0	1.9	1.6	---	---	---	---
24	Energy goods and services	-9.8	-15.6	16.2	-3.2	---	---	---	---
25	Excluding food and energy	5.0	3.7	2.0	2.0	---	---	---	---
26	Gross domestic product	3.9	1.7	3.3	1.6	---	---	---	---
27	Exports of goods and services	0.1	-3.9	4.0	-2.2	---	---	---	---
28	Imports of goods and services	-1.3	-4.8	0.3	0.5	---	---	---	---

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.

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 fourth quarter, the growth rate in real GDP was revised up 0.2 percentage point from the second estimate (table 5). The updated estimates primarily reflected upward revisions to consumer spending, nonresidential fixed investment, and state and local government spending that were partly offset by downward revisions to private inventory investment and exports. Imports were revised down.

- Within consumer spending, an upward revision to services was partly offset by a downward revision to goods.
 - For services, the revision primarily reflected upward revisions to health care (both outpatient and hospital services), other services (led by professional and other services as well as social services and religious activities), and financial services and insurance (mainly financial service charges, fees, and commissions).
 - For goods, the downward revision was led by food and beverages.
- The revision to nonresidential fixed investment reflected upward revisions to structures, intellectual property products, and equipment.
 - For structures, the revision primarily reflected upward revisions to manufacturing as well as commercial and health care structures. These upward revisions were partly offset by a downward revision to mining exploration, shafts, and wells.
 - The upward revision to intellectual property products reflected an upward revision to research and development.
 - The revision to equipment was led by information processing equipment (notably, computers and peripherals).
- The upward revision to state and local government spending was led by structures (mainly educational structures as well as highways and streets).
- Within private inventory investment, the revision primarily reflected a downward revision to nonfarm.
- Within exports, the downward revision was to services, led by other business services (which includes financial services).
- Within imports, the revision was led by services (notably, telecommunications, computer, and information services).

Table 5. Second and Third Estimates for the Fourth Quarter of 2023

[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	GDP¹	3.2	3.4	0.2	3.2	3.4	0.20
2	Personal consumption expenditures	3.0	3.3	0.3	2.00	2.20	0.20
3	Goods	3.2	3.0	-0.2	0.72	0.67	-0.05
4	Durable goods	3.2	3.2	0.0	0.25	0.25	0.00
5	Nondurable goods	3.3	2.9	-0.4	0.47	0.41	-0.06
6	Services	2.8	3.4	0.6	1.28	1.54	0.26
7	Gross private domestic investment	0.9	0.7	-0.2	0.17	0.15	-0.02
8	Fixed investment	2.5	3.5	1.0	0.43	0.61	0.18
9	Nonresidential	2.4	3.7	1.3	0.32	0.50	0.18
10	Structures	7.5	10.9	3.4	0.23	0.32	0.09
11	Equipment	-1.7	-1.1	0.6	-0.08	-0.05	0.03
12	Intellectual property products	3.3	4.3	1.0	0.18	0.23	0.05
13	Residential	2.9	2.8	-0.1	0.11	0.11	0.00
14	Change in private inventories	---	---	---	-0.27	-0.47	-0.20
15	Net exports of goods and services	---	---	---	0.32	0.25	-0.07
16	Exports	6.4	5.1	-1.3	0.69	0.55	-0.14
17	Goods	4.8	6.2	1.4	0.35	0.45	0.10
18	Services	9.6	2.8	-6.8	0.34	0.10	-0.24
19	Imports	2.7	2.2	-0.5	-0.37	-0.30	0.07
20	Goods	1.3	1.3	0.0	-0.15	-0.14	0.01
21	Services	9.1	6.2	-2.9	-0.22	-0.15	0.07
22	Government consumption expenditures and gross investment	4.2	4.6	0.4	0.73	0.79	0.06
23	Federal	2.3	2.4	0.1	0.15	0.15	0.00
24	National defense	0.4	0.5	0.1	0.02	0.02	0.00
25	Nondefense	4.7	4.8	0.1	0.13	0.14	0.01
26	State and local	5.4	6.0	0.6	0.58	0.64	0.06
Addenda:							
27	Final sales of domestic product	3.5	3.9	0.4	---	---	---
28	GDI ²	---	4.8	---	---	---	---
29	Average of GDP and GDI	---	4.1	---	---	---	---
30	Gross domestic purchases price index	1.9	1.9	0.0	---	---	---
31	GDP price index	1.6	1.6	0.0	---	---	---

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.

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)) increased \$133.5 billion, or 4.1 percent at a quarterly rate, in the fourth quarter after increasing \$108.7 billion in the third quarter (table 6). Profits of domestic financial corporations increased \$5.9 billion, profits of domestic nonfinancial corporations increased \$136.5 billion, and rest-of-the-world profits decreased \$8.9 billion.

Estimates of corporate profits were affected by several legal settlements that were finalized in the fourth quarter. Settlements are recorded in the National Income and Product Accounts (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. Notably, in the fourth quarter, the following settlement reduced corporate profits:

- Binance agreed to pay penalties and fines totaling \$4.3 billion (\$17.3 billion at an annual rate) for violating criminal anti-money-laundering guidelines, failing to register as a money-transfer business, and violating multiple sanctions programs.

The estimate of GDI was not impacted by these settlements, because they were recorded in the NIPAs as business current transfer payments to the federal government, which offset the reductions 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							
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	Current production measures:									
1	Corporate profits with IVA and CCAdj	3,414.2	-83.3	6.9	108.7	133.5	-2.6	0.2	3.4	4.1
2	Domestic industries	2,900.3	-75.3	-15.2	99.9	142.4	-2.7	-0.6	3.8	5.2
3	Financial	458.5	17.3	-54.2	9.0	5.9	3.6	-10.9	2.0	1.3
4	Nonfinancial	2,441.8	-92.7	39.0	90.8	136.5	-4.1	1.8	4.1	5.9
5	Rest of the world	514.0	-7.9	22.1	8.8	-8.9	-1.6	4.5	1.7	-1.7
6	Receipts from the rest of the world	1,014.3	13.1	25.8	22.0	-20.1	1.3	2.6	2.2	-1.9
7	Less: Payments to the rest of the world	500.3	21.1	3.7	13.2	-11.2	4.5	0.7	2.6	-2.2
9	Less: Taxes on corporate income	611.1	28.2	-6.3	12.6	28.2	5.1	-1.1	2.2	4.8
10	Equals: Profits after tax	2,803.2	-111.5	13.2	96.1	105.2	-4.1	0.5	3.7	3.9
11	Net dividends	1,861.4	0.4	15.6	-18.2	23.8	0.0	0.8	-1.0	1.3
12	Undistributed profits from current production	941.7	-111.8	-2.4	114.3	81.4	-13.0	-0.3	15.3	9.5
13	Net cash flow with IVA	3,464.3	8.5	32.3	142.1	118.2	0.3	1.0	4.4	3.5

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](#).

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.

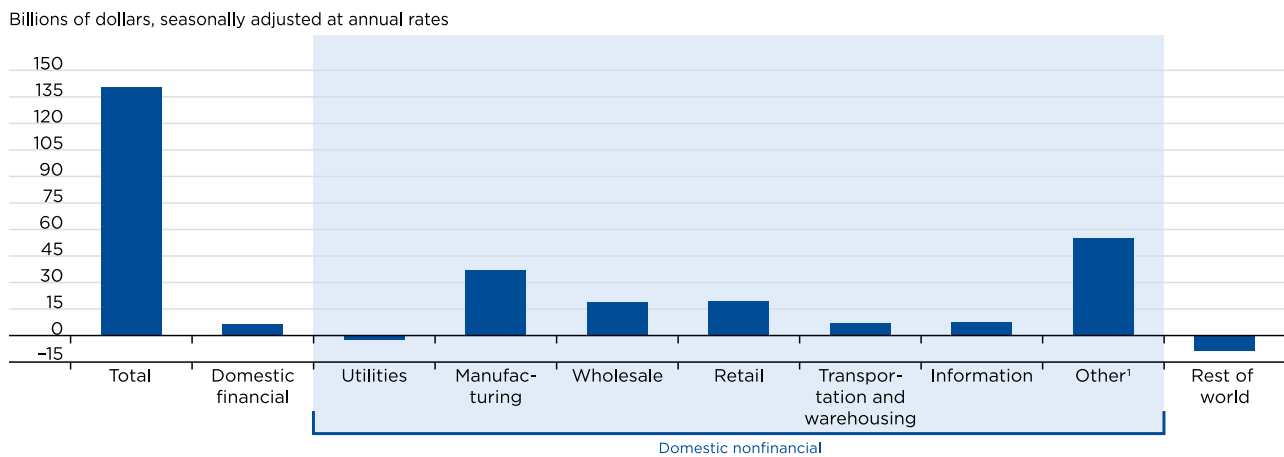
Third, to remove the effects of tax accounting on depreciation, BEA adds a capital consumption adjustment (CCAdj). CCAdj is defined as the difference between capital consumption allowances (tax return depreciation) and consumption of fixed capital (the decline in the value of the stock of assets due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

Corporate Profits by Industry

Industry profits (corporate profits by industry with IVA) increased \$140.5 billion, or 3.9 percent at a quarterly rate, in the fourth quarter after increasing \$106.5 billion, or 3.0 percent, in the third quarter (chart 7 and table 7). Domestic profits increased \$149.5 billion in the fourth quarter, primarily reflecting increases in other nonfinancial industries and manufacturing that were partly offset by a decrease in utilities.

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 \$78.5 billion in the fourth quarter after increasing \$114.9 billion in the third 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.
U.S. Bureau of Economic Analysis

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							
			2023							
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	Industry profits:									
1	Corporate profits with IVA	3,760.7	4.0	10.8	106.5	140.5	0.1	0.3	3.0	3.9
2	Domestic industries	3,246.7	11.9	-11.3	97.7	149.5	0.4	-0.4	3.3	4.8
3	Financial	552.6	26.9	-54.7	9.2	6.5	4.8	-9.2	1.7	1.2
4	Nonfinancial	2,694.0	-14.9	43.4	88.6	142.9	-0.6	1.8	3.6	5.6
5	Utilities	42.6	1.4	7.0	-4.6	-2.4	3.5	16.4	-9.3	-5.3
6	Manufacturing	780.8	-18.6	-27.7	32.5	36.9	-2.5	-3.7	4.6	5.0
7	Wholesale trade	252.4	-32.1	-5.6	5.6	18.9	-12.1	-2.4	2.5	8.1
8	Retail trade	393.9	13.5	38.3	20.9	19.7	4.5	12.1	5.9	5.3
9	Transportation and warehousing	123.9	8.0	15.6	-10.3	7.3	7.8	14.1	-8.1	6.3
10	Information	200.6	-2.9	15.2	5.6	7.4	-1.6	8.8	3.0	3.8
11	Other nonfinancial	899.8	15.6	0.5	38.8	55.1	2.0	0.1	4.8	6.5
12	Rest of the world	514.0	-7.9	22.1	8.8	-8.9	-1.6	4.5	1.7	-1.7
	Addenda:									
13	Profits before tax (without IVA and CCAdj)	3,707.4	59.2	15.5	127.5	106.8	1.7	0.4	3.7	3.0
14	Profits after tax (without IVA and CCAdj)	3,096.3	31.0	21.8	114.9	78.5	1.1	0.8	4.0	2.6
15	IVA	53.3	-55.2	-4.8	-21.0	33.8	---	---	---	---
16	CCAdj	-346.4	-87.3	-3.8	2.1	-7.0	---	---	---	---

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](#), [1.14](#), [1.15](#), and [6.16D](#).

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 (CCAdj) for each industry. However, estimates of the CCAdj 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.

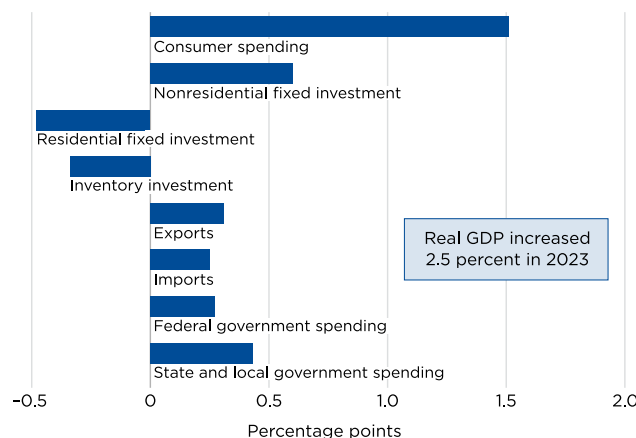
Real GDP for 2023

Real GDP increased 2.5 percent in 2023 (from the 2022 annual level to the 2023 annual level), compared with an increase of 1.9 percent in 2022. The increase in real GDP in 2023 primarily reflected increases in consumer spending, nonresidential fixed investment, state and local government spending, exports, and federal government spending. These increases were partly offset by decreases in residential fixed investment and private inventory investment. Imports decreased (chart 8 and table 8).

- The increase in consumer spending reflected increases in both services and goods. Within services, the leading contributor to the increase was health care (both outpatient services and hospitals). Within goods, the leading contributors to the increase were recreational goods and vehicles, other nondurable goods (led by pharmaceutical products), and motor vehicles and parts.
- The increase in nonresidential fixed investment reflected increases in structures and intellectual property products (mainly software) that were partly offset by a decrease in equipment (mainly computers and peripheral equipment).
- The increase in state and local government spending reflected increases in gross investment in structures and in compensation of state and local government employees.
- The increase in exports reflected increases in both goods (mainly other exports of goods and automotive vehicles, engines, and parts) and services (led by travel).
- The increase in federal government spending reflected increases in both nondefense (led by lower sales of crude oil) and defense spending (led by services).
- The decrease in residential fixed investment reflected decreases in new single-family housing construction and brokers' commissions.
- The decrease in private inventory investment primarily reflected a decrease in wholesale trade industries.
- Within imports, the decrease primarily reflected a decrease in goods (mainly durable consumer goods, except food and automotive).

Real GDI increased 0.5 percent in 2023 after increasing 2.1 percent in 2022. The average of real GDP and real GDI increased 1.5 percent in 2023, compared with an increase of 2.0 percent in 2022.

Chart 8. Real GDP: Contributions to the Percent Change in 2023



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

Table 8. Real Gross Domestic Product and Related Measures, Annual

[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)	
		2023	2022	2023	2022	2023
1	GDP¹	100.0	1.9	2.5	1.9	2.5
2	Personal consumption expenditures	67.9	2.5	2.2	1.72	1.51
3	Goods	22.6	0.3	2.0	0.07	0.46
4	Durable goods	8.0	-0.3	4.2	-0.02	0.34
5	Nondurable goods	14.6	0.6	0.8	0.09	0.12
6	Services	45.2	3.7	2.3	1.65	1.05
7	Gross private domestic investment	17.7	4.8	-1.2	0.86	-0.23
8	Fixed investment	17.5	1.3	0.6	0.24	0.11
9	Nonresidential	13.6	5.2	4.5	0.68	0.60
10	Structures	3.1	-2.1	13.2	-0.06	0.37
11	Equipment	5.0	5.2	-0.3	0.26	-0.01
12	Intellectual property products	5.5	9.1	4.5	0.48	0.24
13	Residential	3.9	-9.0	-10.6	-0.44	-0.48
14	Change in private inventories	0.2	---	---	0.62	-0.34
15	Net exports of goods and services	-2.9	---	---	-0.48	0.57
16	Exports	11.1	7.0	2.6	0.76	0.31
17	Goods	7.4	5.8	2.6	0.44	0.22
18	Services	3.6	9.6	2.5	0.33	0.09
19	Imports	14.0	8.6	-1.7	-1.24	0.25
20	Goods	11.4	6.8	-1.6	-0.82	0.21
21	Services	2.6	17.5	-1.7	-0.42	0.05
22	Government consumption expenditures and gross investment	17.3	-0.9	4.1	-0.16	0.70
23	Federal	6.5	-2.8	4.2	-0.19	0.27
24	National defense	3.6	-2.8	3.4	-0.11	0.12
25	Nondefense	2.8	-2.9	5.2	-0.08	0.14
26	State and local	10.9	0.2	4.0	0.03	0.43
Addenda:						
27	GDI ²	---	2.1	0.5	---	---
28	Average of GDP and GDI	---	2.0	1.5	---	---

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. It is not estimated with the fourth-quarter advance or second estimates.

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

For GDP by industry in 2023, private goods-producing industries increased 2.7 percent, private services-producing industries increased 2.7 percent, and government increased 1.4 percent (table 9). Overall, 17 of 22 industry groups contributed to the increase (chart 9).

- Within private goods-producing industries, the leading contributor to the increase was mining.
- Within private services-producing industries, the leading contributors to the increase were retail trade; professional, scientific, and technical services; health care and social assistance; and information. Partly offsetting these increases were decreases in finance and insurance as well as wholesale trade.
- The increase in government reflected increases in state and local government as well as federal government.

Table 9. Real Gross Domestic Product by Industry Group and Related Measures, Annual

[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)	
		2023	2022	2023	2022	2023
1	GDP	100.0	1.9	2.5	1.9	2.5
2	Private industries	88.6	2.0	2.7	1.80	2.40
3	Agriculture, forestry, fishing, and hunting	0.9	-7.4	5.9	-0.10	0.10
4	Mining	1.4	-9.0	19.6	-0.10	0.30
5	Utilities	1.6	0.6	8.0	0.00	0.10
6	Construction	4.4	-6.8	1.0	-0.30	0.00
7	Manufacturing	10.3	1.3	0.6	0.10	0.10
8	Durable goods	5.6	3.8	1.7	0.20	0.10
9	Nondurable Goods	4.7	-1.4	-0.7	-0.10	0.00
10	Wholesale trade	5.9	-3.9	-1.9	-0.20	-0.10
11	Retail trade	6.4	-4.7	9.4	-0.30	0.60
12	Transportation and warehousing	3.5	2.0	4.4	0.10	0.20
13	Information	5.4	7.5	6.2	0.40	0.30
14	Finance, insurance, real estate, rental, and leasing	20.7	2.3	-0.2	0.50	-0.10
15	Finance and insurance	7.3	-1.6	-2.8	-0.10	-0.20
16	Real estate and rental and leasing	13.4	4.5	1.2	0.60	0.20
17	Professional and business services	13.0	7.5	3.1	0.90	0.40
18	Professional, scientific, and technical services	8.0	6.8	5.0	0.50	0.40
19	Management of companies and enterprises	1.8	10.3	2.7	0.20	0.10
20	Administrative and waste management services	3.1	7.4	-1.4	0.20	-0.10
21	Educational services, health care, and social assistance	8.6	3.8	4.9	0.30	0.40
22	Educational services	1.2	5.7	3.0	0.10	0.00
23	Health care and social assistance	7.4	3.6	5.3	0.30	0.40
24	Arts, entertainment, recreation, accommodation, and food services	4.5	10.8	3.5	0.40	0.20
25	Arts, entertainment, and recreation	1.2	22.4	7.9	0.20	0.10
26	Accommodation and food services	3.3	7.3	2.0	0.20	0.10
27	Other services, except government	2.2	3.2	-1.5	0.10	0.00
28	Government	11.4	1.6	1.4	0.20	0.20
29	Federal	3.6	-0.7	1.3	0.00	0.10
30	State and local	7.7	2.7	1.4	0.20	0.10
Addenda:						
31	Private goods-producing industries ¹	17.0	-2.2	2.7	-0.40	0.50
32	Private services-producing industries ²	71.7	3.0	2.7	2.10	1.90

GDP Gross domestic product

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.

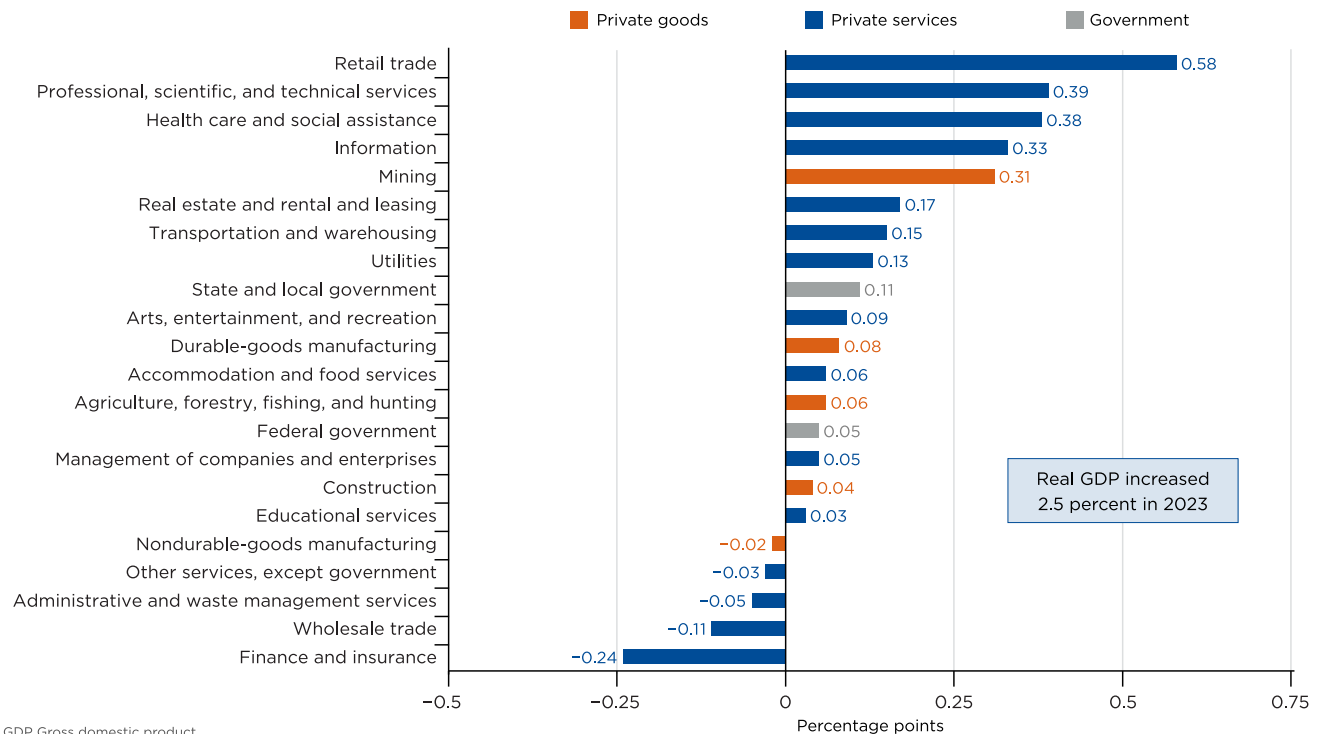
Note. Percent changes are from these GDP by industry tables: “Value Added by Industry as a Percentage of Gross Domestic Product,” “Percent Changes in Chain-Type Quantity Indexes for Value Added by Industry,” and “Contributions to Percent Change in Real Gross Domestic Product by Industry.”

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.

Chart 9. Contributions to Percent Change in Real GDP by Industry Group, 2023



-
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.”



Subscribe to the *SCB*

The *Survey of Current Business* is published by the U.S. Bureau of Economic Analysis.
Guidelines for citing BEA information.

Survey of Current Business

bea.gov/scb
scb@bea.gov