

# GDP and the Economy

## Third Estimates for the Second Quarter of 2024

October 4, 2024

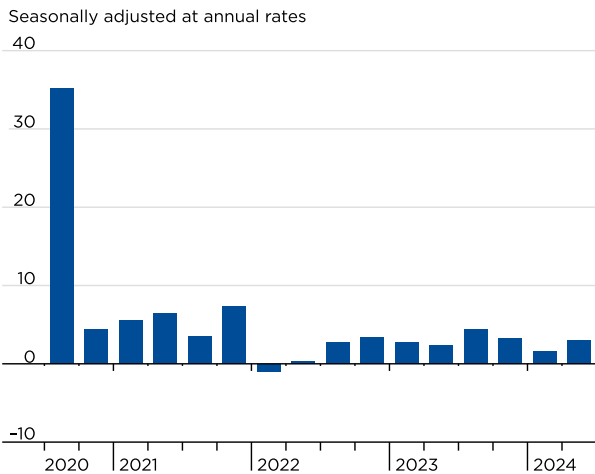
*This article reflects GDP statistics published on September 26, 2024. Refer to the GDP product page for the [latest statistics](#).*

Real gross domestic product (GDP) increased at an annual rate of 3.0 percent in the second quarter of 2024, according to the “third” estimate of the National Income and Product Accounts (chart 1 and table 1).<sup>1</sup> With the third estimate, real GDP growth was the same as the “second” estimate issued last month. In the first quarter, real GDP increased 1.6 percent (revised; refer to “Annual Update of the National Economic Accounts,” below).

### Annual Update of the National Economic Accounts

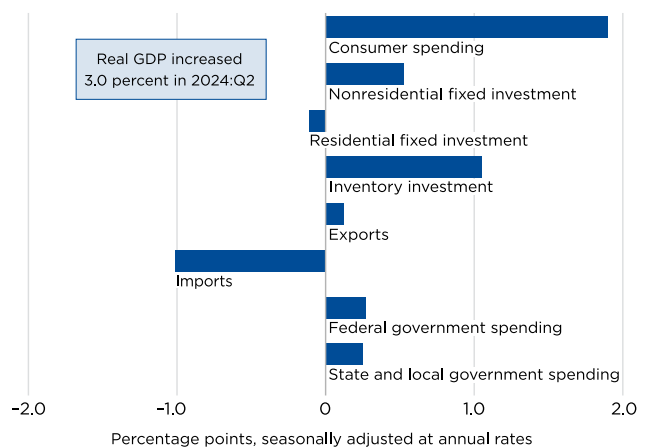
In conjunction with the release of the third estimate of GDP for the second quarter of 2024, BEA updated the estimates to reflect the results of the annual update of the National Economic Accounts, which include the National Income and Product Accounts as well as the Industry Economic Accounts. The update includes revised estimates for the first quarter of 2019 through the first quarter of 2024 and resulted in revisions to GDP, GDP by industry, gross domestic income, and their major components. The reference year remains 2017. A forthcoming *Survey of Current Business* article will describe the update in more detail. Refer to “[Information on 2024 Annual Updates to the National, Industry, and State and Local Economic Accounts](#)” for more information.

**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:Q2**



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

## 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 health care, final consumption expenditures of nonprofit institutions serving households, transportation services, and housing and utilities. Within goods, increases were widespread, except for clothing and footwear, and led by and motor vehicles and parts.
  - The increase in health care reflected an increase in outpatient services.
  - The increase in final consumption expenditures of nonprofit institutions serving households was led by nonprofit hospitals.
  - Within transportation services, the increase was led by motor vehicle maintenance and repair services, ground transportation, and air transportation.
  - The increase in housing and utilities was led by the imputed rental of owner-occupied nonfarm housing and electricity.
  - The increase in motor vehicles and parts was led by new light trucks.
- Within private inventory investment, increases in retail and wholesale trade industries were partly offset by a decrease in mining, utilities, and construction industries.
- The increase in nonresidential fixed investment primarily reflected an increase in equipment led by transportation equipment (notably, aircraft).
- The increase in imports was led by imports of goods, both durable (notably, computers, peripherals, and parts) 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 by Expenditure and Related Measures**

[Seasonally adjusted at annual rates]

Line	Series	Share of current-dollar GDP (percent)	Change from preceding period (percent)				Contribution to percent change in real GDP (percentage points)			
		2024	2023		2024		2023		2024	
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
<b>1</b>	<b>GDP<sup>1</sup></b>	<b>100.0</b>	<b>4.4</b>	<b>3.2</b>	<b>1.6</b>	<b>3.0</b>	<b>4.4</b>	<b>3.2</b>	<b>1.6</b>	<b>3.0</b>
<b>2</b>	<b>Personal consumption expenditures</b>	<b>67.8</b>	<b>2.5</b>	<b>3.5</b>	<b>1.9</b>	<b>2.8</b>	<b>1.72</b>	<b>2.33</b>	<b>1.30</b>	<b>1.90</b>
3	Goods	21.4	3.5	3.4	-1.2	3.0	0.76	0.73	-0.25	0.63
4	Durable goods	7.4	4.2	2.9	-1.8	5.5	0.32	0.22	-0.13	0.40
5	Nondurable goods	14.0	3.1	3.6	-0.8	1.7	0.44	0.51	-0.12	0.23
6	Services	46.4	2.1	3.5	3.4	2.7	0.96	1.60	1.55	1.27
<b>7</b>	<b>Gross private domestic investment</b>	<b>18.3</b>	<b>10.1</b>	<b>0.7</b>	<b>3.6</b>	<b>8.3</b>	<b>1.80</b>	<b>0.16</b>	<b>0.64</b>	<b>1.47</b>
8	Fixed investment	17.9	2.6	3.5	6.5	2.3	0.45	0.62	1.14	0.42
9	Nonresidential	13.8	1.1	3.8	4.5	3.9	0.16	0.52	0.61	0.53
10	Structures	3.2	1.7	6.5	6.3	0.2	0.06	0.20	0.20	0.01
11	Equipment	5.2	-1.1	0.7	0.3	9.8	-0.05	0.04	0.02	0.49
12	Intellectual property products	5.5	2.8	5.2	7.5	0.7	0.15	0.28	0.40	0.04
13	Residential	4.1	7.7	2.5	13.7	-2.8	0.30	0.10	0.53	-0.11
14	Change in private inventories	0.3	---	---	---	---	1.34	-0.47	-0.49	1.05
<b>15</b>	<b>Net exports of goods and services</b>	<b>-3.1</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>-0.10</b>	<b>0.09</b>	<b>-0.61</b>	<b>-0.90</b>
16	Exports	10.9	4.9	6.2	1.9	1.0	0.53	0.66	0.21	0.12
17	Goods	7.1	7.5	5.3	-0.2	0.9	0.53	0.37	-0.02	0.07
18	Services	3.8	0.0	8.0	6.1	1.2	0.00	0.29	0.23	0.05
19	Imports	14.0	4.7	4.2	6.1	7.6	-0.63	-0.57	-0.82	-1.01
20	Goods	11.2	5.1	1.8	6.5	8.4	-0.56	-0.19	-0.69	-0.90
21	Services	2.8	2.6	14.8	4.8	4.3	-0.07	-0.38	-0.13	-0.12
<b>22</b>	<b>Government consumption expenditures and gross investment</b>	<b>17.0</b>	<b>5.7</b>	<b>3.6</b>	<b>1.8</b>	<b>3.1</b>	<b>0.94</b>	<b>0.61</b>	<b>0.30</b>	<b>0.52</b>
23	Federal	6.3	5.3	-0.3	-0.4	4.3	0.33	-0.02	-0.02	0.27
24	National defense	3.6	6.7	-1.3	-2.5	6.4	0.24	-0.05	-0.09	0.23
25	Nondefense	2.7	3.4	0.9	2.6	1.5	0.09	0.02	0.07	0.04
26	State and local	10.7	5.9	6.1	3.1	2.3	0.62	0.63	0.32	0.25
<b>Addenda:</b>										
27	GDI <sup>2</sup>	---	2.7	5.1	3.0	3.4	---	---	---	---
28	Average of GDP and GDI	---	3.5	4.1	2.3	3.2	---	---	---	---
29	Final sales of domestic product	---	3.0	3.7	2.1	1.9	---	---	---	---
30	Goods	30.3	7.1	2.5	-3.6	5.2	2.22	0.80	-1.12	1.56
31	Services	60.8	2.5	2.8	3.2	2.4	1.50	1.67	1.91	1.48
32	Structures	8.9	7.5	8.6	9.9	-0.6	0.64	0.73	0.85	-0.05

**GDI** Gross domestic income

**GDP** Gross domestic product

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

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

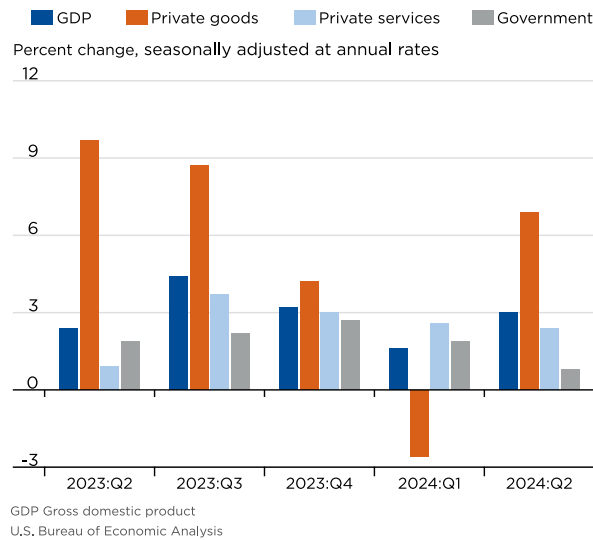
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## GDP by Industry

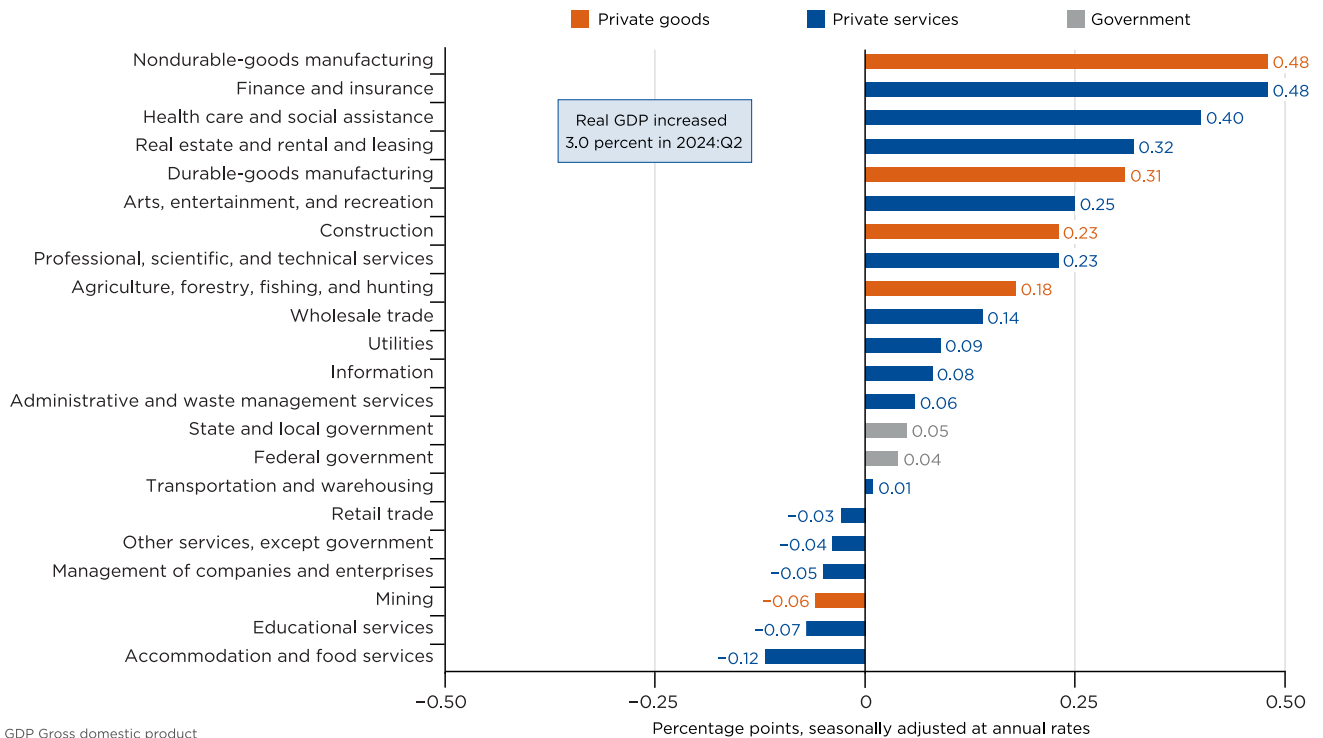
The third estimate of GDP includes estimates of GDP by industry, or value added—a measure of an industry's contribution to GDP. In the second quarter, private goods-producing industries increased 6.9 percent, private services-producing industries increased 2.4 percent, and government increased 0.8 percent (chart 3 and table 2). Overall, 16 of 22 industry groups contributed to the second-quarter increase in real GDP (chart 4).

- Within private goods-producing industries, the leading contributors to the increase were nondurable-goods manufacturing (led by petroleum and coal products) and durable-goods manufacturing (led by motor vehicles, bodies and trailers, and parts).
- Within private services-producing industries, the leading contributors to the increase were finance and insurance (led by Federal Reserve banks, credit intermediation, and related activities), health care and social assistance (led by ambulatory health care services), and real estate and rental and leasing (led by real estate).
- The increase in government reflected increases in state and local government as well as 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, 2024:Q2



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)			
		2024	2023		2024		2023		2024	
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
1	<b>GDP<sup>1</sup></b>	<b>100.0</b>	<b>4.4</b>	<b>3.2</b>	<b>1.6</b>	<b>3.0</b>	<b>4.4</b>	<b>3.2</b>	<b>1.6</b>	<b>3.0</b>
2	<b>Private industries</b>	<b>88.7</b>	<b>4.7</b>	<b>3.3</b>	<b>1.6</b>	<b>3.3</b>	<b>4.11</b>	<b>2.90</b>	<b>1.40</b>	<b>2.90</b>
3	Agriculture, forestry, fishing, and hunting	0.8	-4.9	2.0	5.6	23.8	-0.04	0.03	0.05	0.18
4	Mining	1.4	13.8	-0.9	-10.5	-4.9	0.19	-0.02	-0.16	-0.06
5	Utilities	1.5	-31.8	16.3	-9.1	5.6	-0.60	0.25	-0.15	0.09
6	Construction	4.5	9.5	3.4	8.3	5.2	0.48	0.19	0.36	0.23
7	Manufacturing	10.0	9.1	5.5	-6.5	8.2	0.90	0.56	-0.68	0.79
8	Durable goods	5.3	1.1	2.7	-10.4	5.8	0.16	0.20	-0.60	0.31
9	Nondurable Goods	4.7	19.0	8.7	-1.8	10.9	0.74	0.36	-0.09	0.48
10	Wholesale trade	5.8	-1.4	-1.7	4.0	2.3	-0.12	-0.12	0.23	0.14
11	Retail trade	6.3	23.3	12.3	6.7	-0.6	1.41	0.79	0.42	-0.03
12	Transportation and warehousing	3.3	3.5	0.4	0.9	0.4	0.12	0.01	0.03	0.01
13	Information	5.4	15.2	2.3	2.0	1.6	0.76	0.13	0.11	0.08
14	Finance, insurance, real estate, rental, and leasing	21.2	3.7	1.6	-0.1	3.8	0.67	0.28	-0.02	0.80
15	Finance and insurance	7.4	6.6	2.8	-2.5	6.6	0.42	0.17	-0.18	0.48
16	Real estate and rental and leasing	13.8	2.1	0.9	1.1	2.3	0.25	0.11	0.16	0.32
17	Professional and business services	13.2	1.0	3.6	4.2	1.9	0.12	0.46	0.55	0.25
18	Professional, scientific, and technical services	8.1	2.1	2.6	5.7	2.8	0.15	0.20	0.45	0.23
19	Management of companies and enterprises	1.8	2.2	2.3	7.6	-2.5	0.03	0.04	0.13	-0.05
20	Administrative and waste management services	3.2	-2.4	6.9	-1.1	2.0	-0.07	0.22	-0.03	0.06
21	Educational services, health care, and social assistance	8.7	4.2	4.9	4.8	3.9	0.35	0.41	0.41	0.33
22	Educational services	1.1	0.9	9.5	2.4	-6.1	0.01	0.10	0.03	-0.07
23	Health care and social assistance	7.6	4.7	4.2	5.2	5.4	0.35	0.31	0.38	0.40
24	Arts, entertainment, recreation, accomodation, and food services	4.5	0.7	-3.7	6.7	3.1	0.04	-0.17	0.29	0.14
25	Arts, entertainment, and recreation	1.2	-10.6	-9.1	19.3	24.6	-0.12	-0.10	0.19	0.25
26	Accommodation and food services	3.3	4.7	-1.9	2.8	-3.5	0.16	-0.06	0.09	-0.12
27	Other services, except government	2.2	-8.0	5.0	-0.7	-1.8	-0.17	0.11	-0.01	-0.04
28	<b>Government</b>	<b>11.3</b>	<b>2.2</b>	<b>2.7</b>	<b>1.9</b>	<b>0.8</b>	<b>0.27</b>	<b>0.30</b>	<b>0.21</b>	<b>0.09</b>
29	Federal	3.6	-2.3	1.0	1.2	1.1	-0.08	0.04	0.04	0.04
30	State and local	7.7	4.4	3.5	2.2	0.6	0.35	0.26	0.17	0.05
	<b>Addenda:</b>									
31	Private goods-producing industries <sup>2</sup>	16.8	8.7	4.2	-2.6	6.9	1.52	0.76	-0.44	1.14
32	Private services-producing industries <sup>3</sup>	72.0	3.7	3.0	2.6	2.4	2.58	2.14	1.84	1.77

**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.

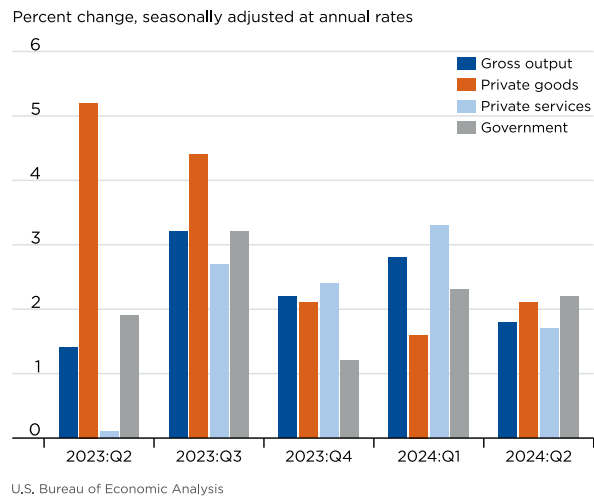
Note. Percent changes are from these GDP by industry tables: “Value Added by Industry as a Percentage of Gross Domestic Product,” “Percent Changes in Chain-Type Quantity Indexes for Value Added by Industry,” and “Contributions to Percent Change in Real Gross Domestic Product by Industry.”

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## 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 1.8 percent in the second quarter (chart 5 and table 3). Private goods-producing industries increased 2.1 percent, private services-producing industries increased 1.7 percent, and government increased 2.2 percent. Overall, 18 of 22 industry groups contributed to the increase in real gross output.

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



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

[Seasonally adjusted at annual rates]

Line	Series	Change from preceding period (percent)			
		2023		2024	
		Q3	Q4	Q1	Q2
1	<b>All industries</b>	3.2	2.2	2.8	1.8
2	<b>Private industries</b>	3.2	2.3	2.9	1.8
3	Agriculture, forestry, fishing, and hunting	-0.3	1.1	1.0	-0.7
4	Mining	6.2	-1.3	-3.8	2.0
5	Utilities	9.7	-5.8	-1.2	10.3
6	Construction	11.2	11.8	7.6	1.5
7	Manufacturing	2.6	-0.5	0.2	2.6
8	Durable goods	0.0	-1.2	-3.7	4.6
9	Nondurable goods	5.3	0.3	4.2	0.6
10	Wholesale trade	1.5	0.5	1.1	-0.5
11	Retail trade	10.5	7.4	2.7	-0.6
12	Transportation and warehousing	3.1	3.0	-0.4	1.1
13	Information	8.4	3.3	4.5	2.3
14	Finance, insurance, real estate, rental, and leasing	3.1	-2.0	4.1	1.1
15	Finance and insurance	3.3	-5.6	6.3	0.8
16	Real estate and rental and leasing	2.9	0.6	2.6	1.3
17	Professional and business services	-1.9	4.0	2.7	2.4
18	Professional, scientific, and technical services	-0.8	7.2	2.8	3.6
19	Management of companies and enterprises	3.4	2.2	7.7	1.1
20	Administrative and waste management services	-7.0	-2.0	-0.3	0.6
21	Educational services, health care, and social assistance	3.2	7.0	6.7	4.5
22	Educational services	3.8	2.0	4.0	2.0
23	Health care and social assistance	3.2	7.7	7.1	4.8
24	Arts, entertainment, recreation, accommodation, and food services	1.3	3.7	1.9	0.2
25	Arts, entertainment, and recreation	-12.2	-6.7	12.8	16.8
26	Accommodation and food services	6.0	7.0	-1.3	-4.5
27	Other services, except government	-8.1	9.6	3.8	2.1
28	<b>Government</b>	3.2	1.2	2.3	2.2
29	Federal	2.9	-1.6	1.4	1.9
30	State and local	3.3	2.5	2.7	2.3
	<b>Addenda:</b>				
31	Private goods-producing industries <sup>1</sup>	4.4	2.1	1.6	2.1
32	Private services-producing industries <sup>2</sup>	2.7	2.4	3.3	1.7

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

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

U.S. Bureau of Economic Analysis



## Prices

The U.S. Bureau of Economic Analysis' (BEA's) featured measure of inflation for the U.S. economy, the price index for gross domestic purchases (goods and services purchased by U.S. residents), increased 2.4 percent in the second quarter after increasing 3.0 percent in the first quarter (table 4 and chart 6).

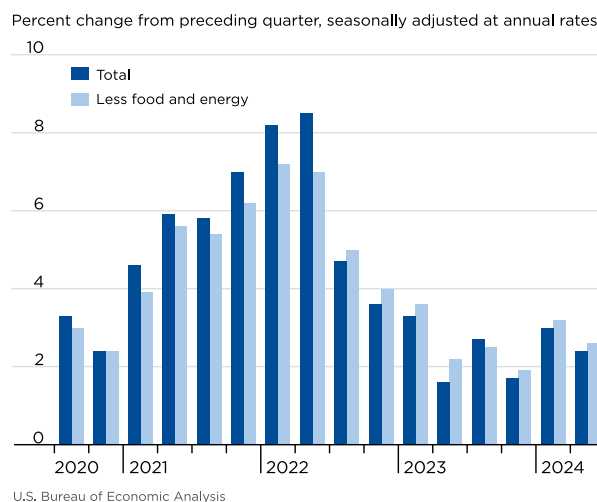
Within gross domestic purchases, food prices decreased 0.5 percent in the second quarter after increasing 2.3 percent in the first quarter. Prices for energy goods and services increased 2.5 percent after decreasing 1.3 percent. Excluding food and energy, gross domestic purchases prices increased 2.6 percent after increasing 3.2 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 (which decreased less than 0.1 percent). The leading contributors to the increase were housing and utilities (led by the imputed rental of owner-occupied nonfarm 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 hospital and nursing home services).
- Within goods, an increase in nondurable-goods prices was partly offset by a decrease in durable-goods prices. The leading contributors to the increase in nondurable-goods prices were “other nondurable goods” (mainly pharmaceuticals and other medical products) and clothing and footwear. 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 6. Prices for Gross Domestic Purchases**



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

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

Line	Series	Change from preceding period (percent)				Contribution to percent change in gross domestic purchases prices (percentage points)			
		2023		2024		2023		2024	
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
<b>1</b>	<b>Gross domestic purchases<sup>1</sup></b>	<b>2.7</b>	<b>1.7</b>	<b>3.0</b>	<b>2.4</b>	<b>2.7</b>	<b>1.7</b>	<b>3.0</b>	<b>2.5</b>
<b>2</b>	<b>Personal consumption expenditures</b>	<b>2.7</b>	<b>1.7</b>	<b>3.4</b>	<b>2.5</b>	<b>1.81</b>	<b>1.10</b>	<b>2.25</b>	<b>1.67</b>
3	Goods	0.5	-1.6	-0.5	0.7	0.12	-0.33	-0.10	0.15
4	Durable goods	-4.3	-3.2	-0.5	-2.6	-0.32	-0.24	-0.03	-0.18
5	Nondurable goods	3.2	-0.7	-0.5	2.5	0.44	-0.09	-0.07	0.33
6	Services	3.8	3.2	5.3	3.4	1.69	1.43	2.36	1.52
<b>7</b>	<b>Gross private domestic investment</b>	<b>1.7</b>	<b>2.2</b>	<b>0.9</b>	<b>2.5</b>	<b>0.26</b>	<b>0.37</b>	<b>0.16</b>	<b>0.44</b>
8	Fixed investment	1.4	2.3	0.9	2.6	0.25	0.40	0.16	0.45
9	Nonresidential	0.5	1.7	1.3	2.3	0.07	0.23	0.18	0.31
10	Structures	-3.8	3.4	-2.0	0.3	-0.12	0.11	-0.06	0.01
11	Equipment	2.5	1.1	3.8	1.7	0.13	0.06	0.19	0.08
12	Intellectual property products	1.1	1.2	1.0	4.0	0.06	0.06	0.06	0.21
13	Residential	4.9	4.5	-0.4	3.5	0.18	0.17	-0.02	0.14
14	Change in private inventories	---	---	---	---	0.00	-0.03	0.00	-0.01
<b>15</b>	<b>Government consumption expenditures and gross investment</b>	<b>4.0</b>	<b>1.3</b>	<b>3.7</b>	<b>2.1</b>	<b>0.66</b>	<b>0.23</b>	<b>0.62</b>	<b>0.34</b>
16	Federal	3.8	3.8	3.6	2.8	0.24	0.24	0.22	0.17
17	National defense	4.5	4.9	3.8	2.7	0.16	0.17	0.13	0.09
18	Nondefense	3.0	2.5	3.2	3.0	0.08	0.07	0.09	0.08
19	State and local	4.0	-0.1	3.9	1.6	0.42	-0.01	0.40	0.17
<b>Addenda:</b>									
20	Gross domestic purchases:								
	Food	2.2	1.2	2.3	-0.5	0.10	0.06	0.12	-0.02
21	Energy goods and services	12.5	-5.2	-1.3	2.5	0.31	-0.15	-0.03	0.06
22	Excluding food and energy	2.5	1.9	3.2	2.6	2.31	1.80	2.95	2.41
	Personal consumption expenditures:								
23	Food and beverages purchased for off-premises consumption	1.9	1.3	2.1	-0.4	---	---	---	---
24	Energy goods and services	12.0	-5.4	-1.2	2.4	---	---	---	---
25	Excluding food and energy	2.4	2.0	3.7	2.8	---	---	---	---
26	Gross domestic product	3.2	1.5	3.0	2.5	---	---	---	---
27	Exports of goods and services	4.1	-2.1	2.5	2.7	---	---	---	---
28	Imports of goods and services	0.1	0.0	2.6	2.1	---	---	---	---

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

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

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## Note on Prices

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

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

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

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

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

## 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 \$132.5 billion, or 3.6 percent at a quarterly rate, in the second quarter after decreasing \$65.1 billion, or 1.7 percent, in the first quarter (table 5). Profits of domestic financial corporations increased \$42.5 billion, profits of domestic nonfinancial corporations increased \$108.8 billion, and rest-of-the-world profits decreased \$18.8 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	3,817.2	143.3	162.9	-65.1	132.5	4.2	4.5	-1.7	3.6
2	Domestic industries	3,337.4	126.3	174.0	-67.5	151.2	4.3	5.6	-2.1	4.7
3	Financial	646.3	9.9	38.0	57.4	42.5	2.0	7.5	10.5	7.0
4	Nonfinancial	2,691.1	116.4	135.9	-124.9	108.8	4.7	5.3	-4.6	4.2
5	Rest of the world	479.8	17.0	-11.1	2.3	-18.8	3.5	-2.2	0.5	-3.8
6	Receipts from the rest of the world	1,013.4	41.7	-7.8	25.7	4.4	4.4	-0.8	2.6	0.4
7	Less: Payments to the rest of the world	533.6	24.7	3.2	23.4	23.1	5.4	0.7	4.8	4.5
9	Less: Taxes on corporate income	675.7	25.8	14.1	0.0	27.6	4.2	2.2	0.0	4.3
10	Equals: Profits after tax	3,141.6	117.5	148.8	-65.1	104.9	4.1	5.0	-2.1	3.5
11	Net dividends	1,996.0	-8.9	26.5	35.0	0.3	-0.5	1.4	1.8	0.0
12	Undistributed profits from current production	1,145.5	126.4	122.2	-100.1	104.6	14.2	12.0	-8.8	10.0
13	Net cash flow with IVA	3,720.9	159.4	134.1	-92.5	169.8	4.8	3.8	-2.5	4.8

**CCAdj**      Capital consumption adjustment

**IVA**        Inventory valuation adjustment

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

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## Note on Measuring Corporate Profits

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

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

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

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

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

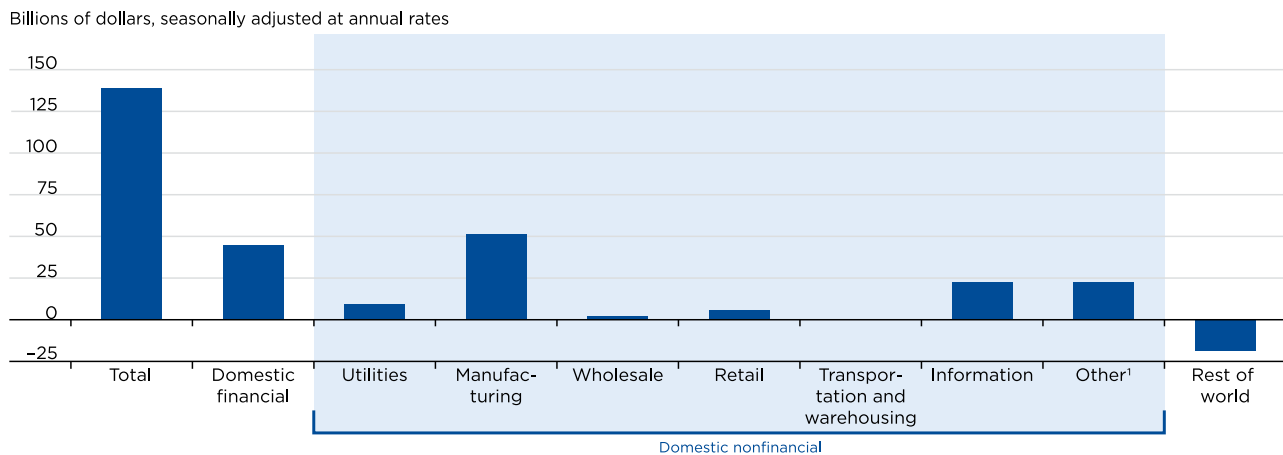
Third, to remove the effects of tax accounting on depreciation, BEA adds a capital consumption adjustment (CCAdj). CCAdj is defined as the difference between capital consumption allowances (tax return depreciation) and consumption of fixed capital (the decline in the value of the stock of assets due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

## Corporate Profits by Industry

Industry profits (corporate profits by industry with IVA) increased \$138.9 billion, or 3.5 percent at a quarterly rate, in the second quarter after increasing \$17.8 billion, or 0.5 percent, in the first quarter (table 6 and chart 7). Domestic profits increased \$157.7 billion in the second quarter and primarily reflected increases in manufacturing, financial industries, “other nonfinancial industries,” and information industries.

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 (S&P) 500 Index—increased \$98.1 billion in the second quarter.

**Chart 7. Corporate Profits with Inventory Valuation Adjustment in 2024:Q2, Change From Preceding Quarter**



1. Other nonfinancial corporations includes the agriculture, mining, construction, and services industries.  
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**Table 6. Corporate Profits by Industry**  
[Seasonally adjusted]

Line	Series	Billions of dollars (annual rate)					Percent change from preceding quarter (quarterly rate)			
		Level	Change from preceding quarter							
		2024	2023		2024		2023		2024	
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
	<b>Industry profits:</b>									
1	Corporate profits with IVA	4,084.8	138.3	167.7	17.8	138.9	3.8	4.5	0.5	3.5
2	Domestic industries	3,605.0	121.3	178.7	15.4	157.7	3.9	5.5	0.4	4.6
3	Financial	745.9	8.6	37.9	63.9	44.7	1.5	6.3	10.0	6.4
4	Nonfinancial	2,859.1	112.7	140.9	-48.5	113.0	4.4	5.3	-1.7	4.1
5	Utilities	66.9	-4.6	-2.3	7.7	9.3	-8.0	-4.4	15.4	16.2
6	Manufacturing	695.0	38.0	36.2	-86.7	51.3	5.8	5.2	-11.9	8.0
7	Wholesale trade	286.0	-0.3	14.1	-17.9	1.8	-0.1	4.9	-5.9	0.6
8	Retail trade	379.7	26.3	16.0	-2.9	5.8	7.9	4.4	-0.8	1.6
9	Transportation and warehousing	129.4	-12.1	7.3	2.8	0.1	-9.2	6.1	2.2	0.0
10	Information	272.8	10.1	11.2	20.3	22.3	4.8	5.1	8.8	8.9
11	Other nonfinancial	1,029.2	55.1	58.2	28.3	22.4	6.4	6.3	2.9	2.2
12	Rest of the world	479.8	17.0	-11.1	2.3	-18.8	3.5	-2.2	0.5	-3.8
	<b>Addenda:</b>									
13	Profits before tax (without IVA and CCAj)	4,088.7	151.6	138.8	75.3	125.7	4.2	3.7	1.9	3.2
14	Profits after tax (without IVA and CCAj)	3,413.0	125.8	124.7	75.3	98.1	4.2	4.0	2.3	3.0
15	IVA	-3.9	-13.3	28.9	-57.5	13.2	---	---	---	---
16	CCAj	-267.6	5.0	-4.8	-82.9	-6.4	---	---	---	---

**CCAj** Capital consumption adjustment

**IVA** Inventory valuation adjustment

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

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### Note on Corporate Profits by Industry

Industry profits are corporate profits by industry with inventory valuation adjustment (IVA). The IVA removes the effect of price changes on inventories. The IVA is the difference between the cost of inventory withdrawals at acquisition cost and replacement cost. Ideally, the U.S. Bureau of Economic Analysis (BEA) would also add the capital consumption adjustment (CCAj) for each industry. However, estimates of the CCAj 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.

## Updates

The increase in second-quarter real GDP of 3.0 percent was the same as previously estimated in the “second” estimate. Upward revisions to private inventory investment and federal government spending were offset by downward revisions to nonresidential fixed investment, exports, consumer spending, and residential fixed investment. Imports were revised up (table 7).

- Within private inventory investment, the upward revision was to both farm and nonfarm inventories.
  - The revision to farm primarily reflected new September 2024 U.S. Department of Agriculture Economic Research Service farm income forecast data.
  - Within nonfarm, the revision was led by retail trade based on updated price data from the U.S. Bureau of Labor Statistics (BLS) and new and revised U.S. Census Bureau inventory data.
- Within nonresidential fixed investment, the revision primarily reflected a downward revision to intellectual property products, notably, research and development (R&D), based on new and revised Census Bureau Quarterly Services Survey data and updated data on R&D expenses from publicly traded companies.
- For both exports and imports, the revised estimates primarily reflected updated data from BEA's International Transactions Accounts.

Real gross domestic income (GDI) increased 3.4 percent in the second quarter, an upward revision of 2.1 percentage points from the second estimate. The update primarily reflected upward revisions to corporate profits and compensation. The average of real GDP and real GDI increased 3.2 percent in the second quarter, an upward revision of 1.1 percentage points.

- Within profits, the revision primarily reflected upward revisions to nonfinancial industries, based on updated publicly traded company financial report data, new Federal Deposit Insurance Corporation data, and Census Bureau Quarterly Financial Report data.
- Within compensation, the upward revision was led by private wages and salaries, based primarily on revised BLS Current Employment Statistics data.



**Table 7. Second and Third 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)		
		Second estimate	Third estimate	Third estimate minus second estimate	Second estimate	Third estimate	Third estimate minus second estimate
1	<b>GDP<sup>1</sup></b>	3.0	3.0	0.0	3.0	3.0	0.0
2	<b>Personal consumption expenditures</b>	2.9	2.8	-0.1	1.95	1.90	-0.05
3	Goods	3.0	3.0	0.0	0.65	0.63	-0.02
4	Durable goods	4.9	5.5	0.6	0.37	0.40	0.03
5	Nondurable goods	2.0	1.7	-0.3	0.28	0.23	-0.05
6	Services	2.9	2.7	-0.2	1.30	1.27	-0.03
7	<b>Gross private domestic investment</b>	7.5	8.3	0.8	1.31	1.47	0.16
8	Fixed investment	3.0	2.3	-0.7	0.53	0.42	-0.11
9	Nonresidential	4.6	3.9	-0.7	0.61	0.53	-0.08
10	Structures	-1.6	0.2	1.8	-0.05	0.01	0.06
11	Equipment	10.8	9.8	-1.0	0.52	0.49	-0.03
12	Intellectual property products	2.6	0.7	-1.9	0.14	0.04	-0.10
13	Residential	-2.0	-2.8	-0.8	-0.08	-0.11	-0.03
14	Change in private inventories	---	---	---	0.78	1.05	0.27
15	<b>Net exports of goods and services</b>	---	---	---	-0.77	-0.90	-0.13
16	Exports	1.6	1.0	-0.6	0.17	0.12	-0.05
17	Goods	1.3	0.9	-0.4	0.09	0.07	-0.02
18	Services	2.2	1.2	-1.0	0.08	0.05	-0.03
19	Imports	7.0	7.6	0.6	-0.94	-1.01	-0.07
20	Goods	7.8	8.4	0.6	-0.85	-0.90	-0.05
21	Services	3.6	4.3	0.7	-0.09	-0.12	-0.03
22	<b>Government consumption expenditures and gross investment</b>	2.7	3.1	0.4	0.46	0.52	0.06
23	Federal	3.3	4.3	1.0	0.21	0.27	0.06
24	National defense	4.9	6.4	1.5	0.18	0.23	0.05
25	Nondefense	1.2	1.5	0.3	0.03	0.04	0.01
26	State and local	2.3	2.3	0.0	0.25	0.25	0.00
<b>Addenda:</b>							
27	Final sales of domestic product	2.2	1.9	-0.3	---	---	---
28	GDI <sup>2</sup>	1.3	3.4	---	---	---	---
29	Average of GDP and GDI	2.1	3.2	---	---	---	---
30	Gross domestic purchases price index	2.4	2.4	0.0	---	---	---
31	GDP price index	2.5	2.5	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.

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

## 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.”



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