

# News Release

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News Release

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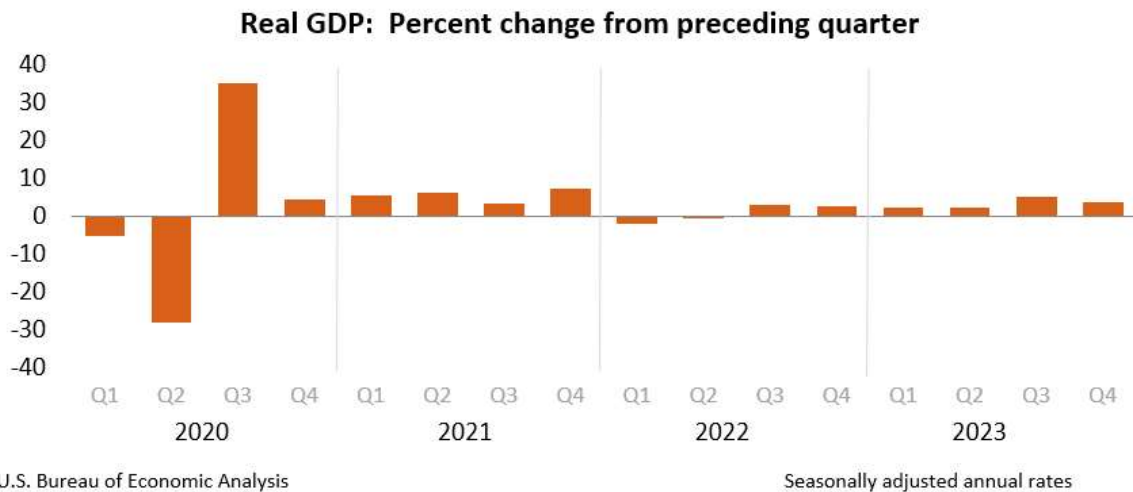
EMBARGOED UNTIL RELEASE AT 8:30 a.m. EDT, Thursday, March 28, 2024

BEA 24–11

## Gross Domestic Product, Fourth Quarter and Year 2023 (Third Estimate), GDP by Industry, and Corporate Profits

**Real gross domestic product (GDP)** increased at an annual rate of 3.4 percent in the fourth quarter of 2023 (table 1), according to the "third" estimate released by the Bureau of Economic Analysis. In the third quarter, real GDP increased 4.9 percent.

The GDP estimate released today is based on more complete source data than were available for the "second" estimate issued last month. In the second estimate, the increase in real GDP was 3.2 percent. The update primarily reflected upward revisions to consumer spending and nonresidential fixed investment that were partly offset by a downward revision to private inventory investment (refer to "Updates to GDP").



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The increase in **real GDP** primarily 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 (table 2).

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.

**Current-dollar GDP** increased 5.1 percent at an annual rate, or \$346.9 billion, in the fourth quarter to a level of \$27.96 trillion, an upward revision of \$12.4 billion from the previous estimate (tables 1 and 3). More information on the source data that underlie the estimates is available in the "Key Source Data and Assumptions (/sites/default/files/2024-03/gdpkeysource-4q23-3rd.xlsx)" file on BEA's website.

The **price index for gross domestic purchases** increased 1.9 percent in the fourth quarter, the same as in the previous estimate (table 4). **The personal consumption expenditures (PCE) price index** increased 1.8 percent, the same as the previous estimate, and the PCE index excluding food and energy prices increased 2.0 percent, a downward revision of 0.1 percentage point.

## Personal Income

**Current-dollar personal income** increased \$230.2 billion in the fourth quarter, an upward revision of \$10.7 billion from the previous estimate. The increase primarily reflected increases in compensation, personal income receipts on assets, and proprietors' income (table 8).

**Disposable personal income** increased \$190.4 billion, or 3.8 percent, in the fourth quarter, a downward revision of \$12.1 billion from the previous estimate. **Real disposable personal income** increased 2.0 percent, a downward revision of 0.2

percentage point.

**Personal saving** was \$815.5 billion in the fourth quarter, an upward revision of \$6.3 billion from the previous estimate. The **personal saving rate**—personal saving as a percentage of disposable personal income—was 4.0 percent in the fourth quarter, an upward revision of 0.1 percentage point.

## Gross Domestic Income and Corporate Profits

**Real gross domestic income (GDI)** increased 4.8 percent 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 in the fourth quarter, compared with an increase of 3.4 percent (table 1).

**Profits from current production** (corporate profits with inventory valuation and capital consumption adjustments) increased \$133.5 billion in the fourth quarter, compared with an increase of \$108.7 billion in the third quarter (table 10).

**Profits of domestic financial corporations** increased \$5.9 billion in the fourth quarter, compared with an increase of \$9.0 billion in the third quarter. **Profits of domestic nonfinancial corporations** increased \$136.5 billion, compared with an increase of \$90.8 billion. **Rest-of-the-world profits** decreased \$8.9 billion, in contrast to an increase of \$8.8 billion. In the fourth quarter, receipts decreased \$20.1 billion, and payments decreased \$11.2 billion.

## Updates to GDP

With the third estimate, upward revisions to consumer spending, nonresidential fixed investment, and state and local government spending were partly offset by downward revisions to private inventory investment and exports. Imports were revised down. For more information, refer to the Technical Note (</sites/default/files/2024-03/tech4q23-3rd.pdf>). For information on updates to GDP, refer to the "Additional Information" section that follows.

	Advance Estimate	Second Estimate	Third Estimate
	(Percent change from preceding quarter)		
Real GDP	3.3	3.2	3.4
Current-dollar GDP	4.8	4.9	5.1
Real GDI	...	...	4.8

	Advance Estimate	Second Estimate	Third Estimate
	(Percent change from preceding quarter)		
Average of Real GDP and Real GDI	...	...	4.1
Gross domestic purchases price index	1.9	1.9	1.9
PCE price index	1.7	1.8	1.8
PCE price index excluding food and energy	2.0	2.1	2.0

## Real GDP by Industry

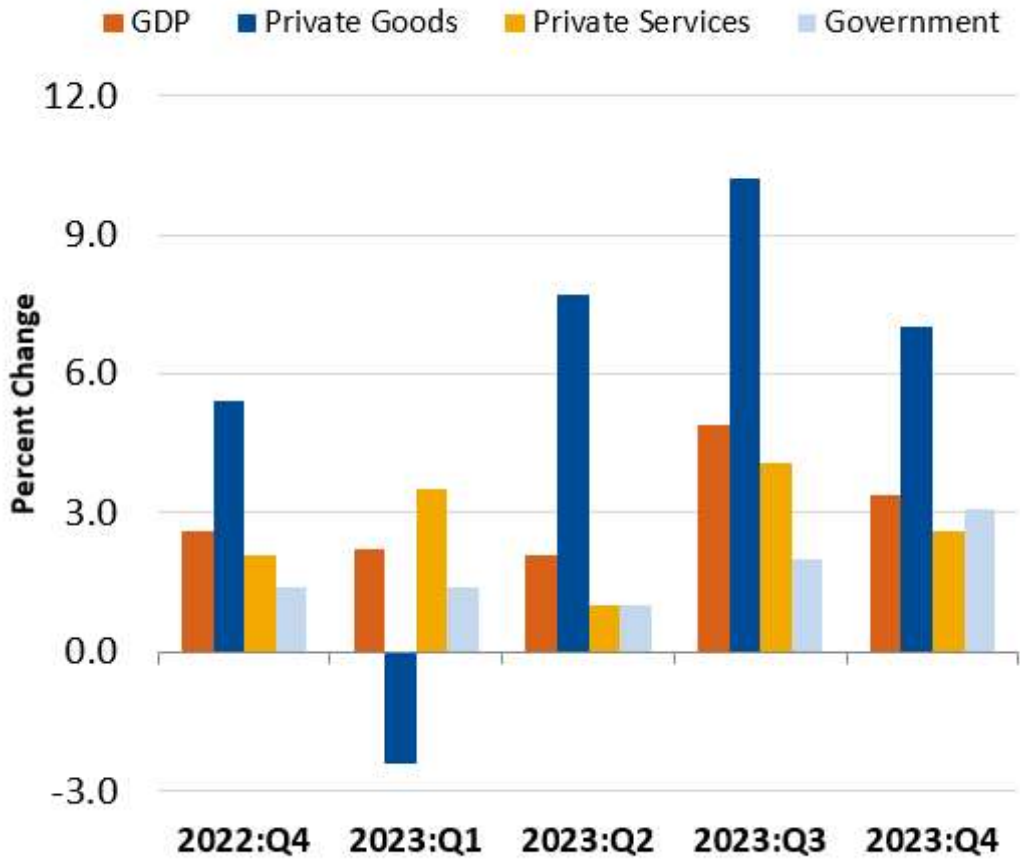
Today's release includes estimates of **GDP by industry**, or value added—a measure of an industry's contribution to GDP. Private goods-producing industries increased 7.0 percent, private services-producing industries increased 2.6 percent, and government increased 3.1 percent (table 12). Overall, 18 of 22 industry groups contributed to the fourth-quarter increase in real GDP.

Within private goods-producing industries, the leading contributors to the increase were nondurable goods manufacturing (led by petroleum and coal products and chemical products), durable goods manufacturing (led by machinery), and construction (table 13).

Within private services-producing industries, the leading contributors to the increase were retail trade (led by 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 as well as federal government.

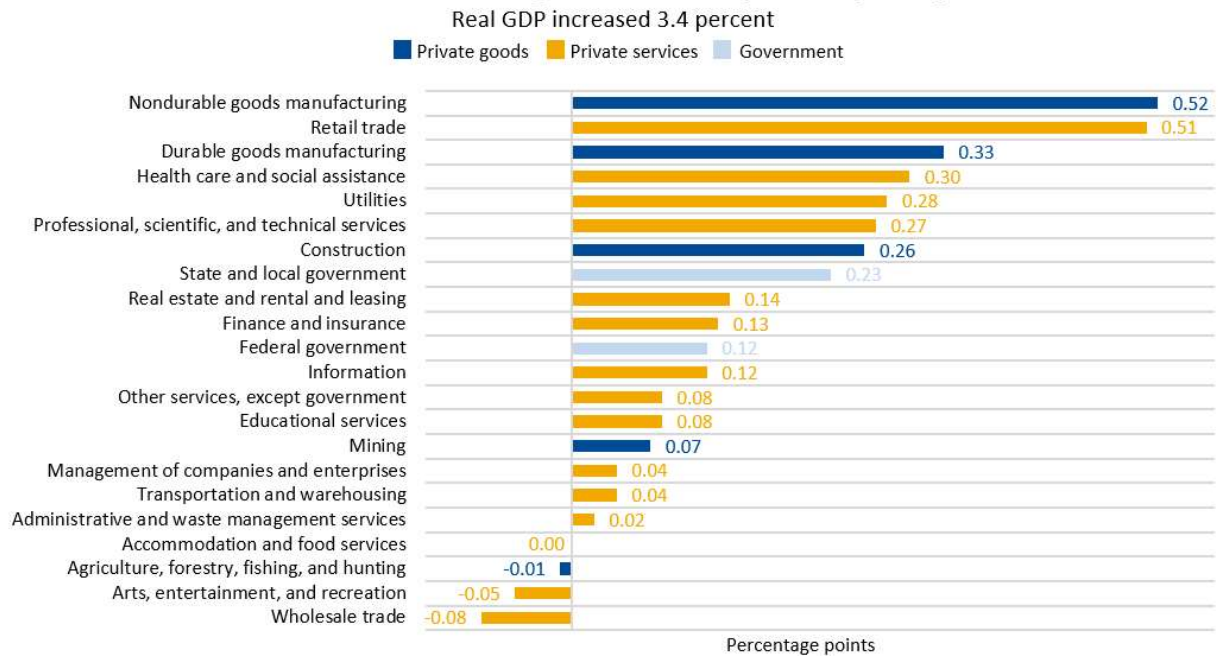
# Real GDP by Industry



U.S. Bureau of Economic Analysis      Seasonally adjusted annual rates

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## Contributions to Percent Change in Real GDP by Industry Group, 2023:Q4



U.S. Bureau of Economic Analysis

Seasonally adjusted annual rates

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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 2.4 percent in the fourth quarter. This reflected an increase of 3.7 percent for private goods-producing industries, an increase of 2.0 percent for private services-producing industries, and an increase of 1.8 percent for government (table 16). Overall, 13 of 22 industry groups contributed to the increase in real gross output.

## 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 (table 1). 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 that were partly offset by decreases in residential fixed investment and private inventory investment. Imports decreased (table 2).

## Gross Domestic Income and Corporate Profits for 2023

**Real GDI** increased 0.5 percent in 2023, compared with an increase of 2.1 percent in 2022 (table 1). **The average of real GDP and real GDI** increased 1.5 percent in 2023, compared with an increase of 2.0 percent in 2022.

In 2023, **profits from current production** (corporate profits with inventory valuation and capital consumption adjustments) increased \$49.3 billion, compared with an increase of \$285.9 billion in 2022 (table 10). **Profits of domestic financial corporations** decreased \$55.2 billion, compared with a decrease of \$0.9 billion in 2022. **Profits of domestic nonfinancial corporations** increased \$66.6 billion, compared with an increase of \$247.6 billion. **Rest-of-the-world profits** increased \$37.9 billion, compared with an increase of \$39.2 billion.

	Advance Estimate	Second Estimate	Third Estimate
(Percent change from 2022 annual level to 2023 annual level)			
Real GDP	2.5	2.5	2.5
Current-dollar GDP	6.3	6.3	6.3
Gross domestic purchases price index	3.4	3.4	3.4
PCE price index	3.7	3.7	3.7
PCE price index excluding food and energy	4.1	4.1	4.1
(Percent change from fourth quarter 2022 to fourth quarter 2023)			
Real GDP	3.1	3.1	3.1
Gross domestic purchases price index	2.4	2.4	2.4
PCE price index	2.7	2.8	2.8
PCE price index excluding food and energy	3.2	3.2	3.2

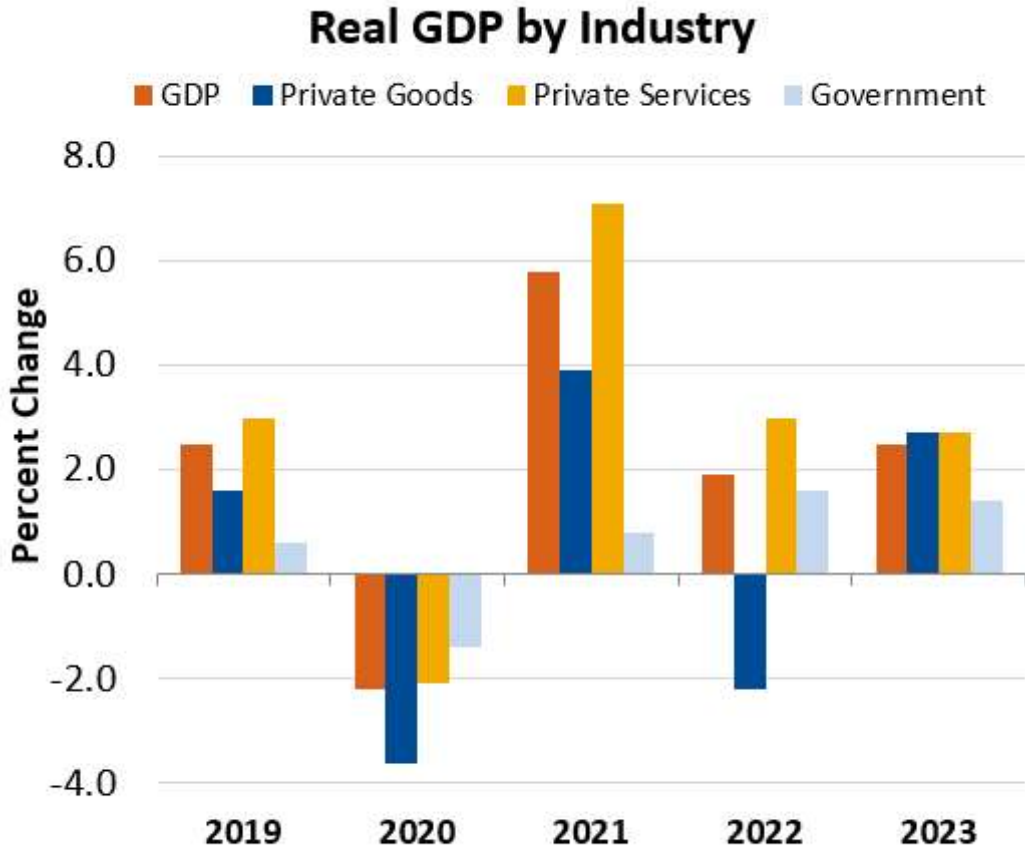
### Real GDP by Industry for 2023

In 2023, private goods-producing industries increased 2.7 percent, private services-producing industries increased 2.7 percent, and government increased 1.4 percent. Overall, 17 of 22 industry groups contributed to the increase in real GDP (table 13).

Within private goods-producing industries, the leading contributor to the increase was mining.

The increase in private services-producing industries was led by retail trade; professional, scientific, and technical services; health care and social assistance; and information. These increases were partly offset by 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.

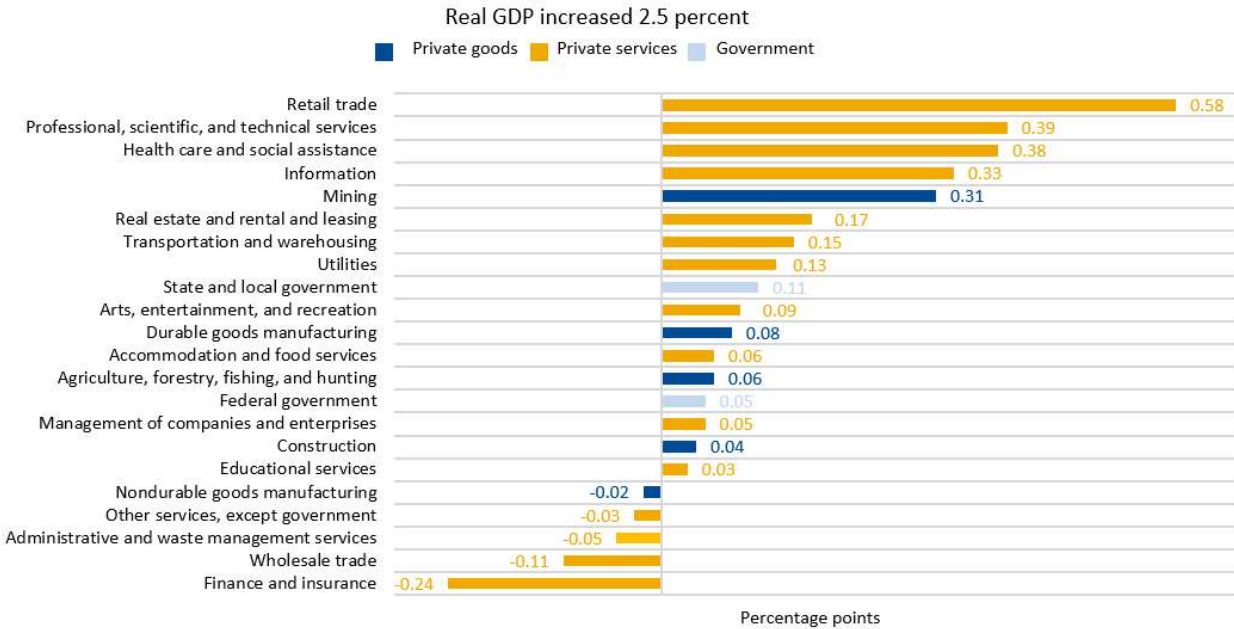


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## Contributions to Percent Change in Real GDP by Industry Group, 2023



U.S. Bureau of Economic Analysis

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**Real gross output** increased 2.1 percent in 2023. Private goods-producing industries increased 2.0 percent, private services-producing industries increased 2.1 percent, and government increased 2.2 percent (table 16). Overall, 17 of 22 industry groups contributed to the increase in real gross output.

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Next release, April 25, 2024, at 8:30 a.m. EDT

Gross Domestic Product, First Quarter 2024 (Advance Estimate)

\* \* \*

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