

GDP and the Economy

Second Estimates for the First Quarter of 2024

June 4, 2024

This article reflects GDP statistics published on May 30, 2024. Refer to the GDP product page for the [latest statistics](#).

Real gross domestic product (GDP) increased at an annual rate of 1.3 percent in the first quarter of 2024, according to the “second” estimate of the National Income and Product Accounts (chart 1 and table 1).¹ In the fourth quarter of 2023, real GDP increased 3.4 percent.

Chart 1. Real GDP: Percent Change From Preceding Quarter

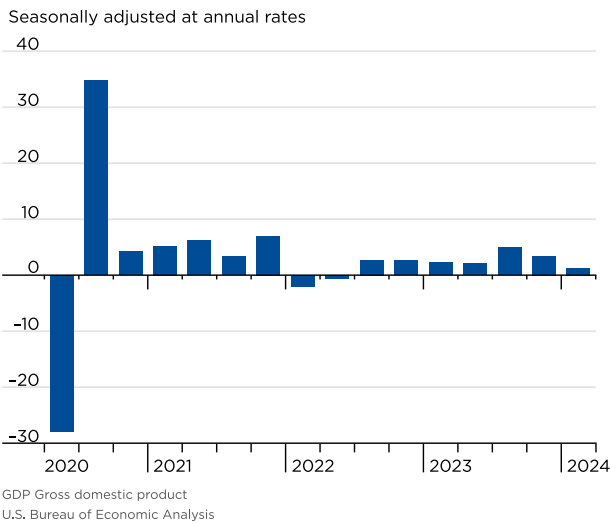
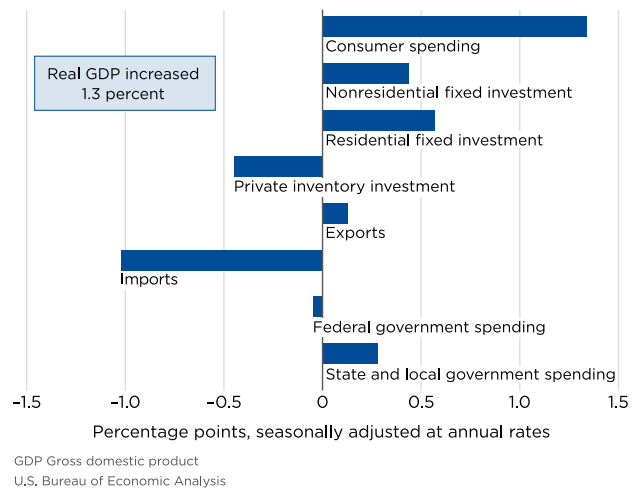


Chart 2. Real GDP: Contributions to the Percent Change in 2024:Q1



GDP by Expenditure

The increase in first-quarter real GDP reflected increases in consumer spending, residential fixed investment, nonresidential fixed investment, state and local government spending, and exports that were partly offset by decreases in private inventory investment and federal government spending. Imports, which are a subtraction in the calculation of GDP, increased (chart 2 and table 1).²

- The increase in consumer spending reflected an increase in services that was partly offset by a decrease in goods.
 - Within services, the leading contributors to the increase were health care as well as financial services and insurance.
 - Within goods, the leading contributors to the decrease were motor vehicles and parts as well as gasoline and other energy goods.
- The increase in residential fixed investment was led by brokers' commissions and other ownership transfer costs and new single-family construction.
- The increase in nonresidential fixed investment primarily reflected an increase in intellectual property products. The increase was led by software (prepackaged software) and research and development (business).
- The increase in state and local government spending primarily reflected an increase in compensation of state and local government employees.
- The increase in exports primarily reflected an increase in goods. The leading contributor to the increase in goods was foods, feeds, and beverages as well as consumer goods, except food and automotive.
- The decrease in private inventory investment was led by decreases in wholesale trade and manufacturing.
- The decrease in federal government spending primarily reflected a decrease in defense spending. The leading contributor to the decrease in defense spending was gross investment in equipment (mainly aircraft).
- The increase in imports reflected increases in both goods and services. The leading contributors to the increase in goods were capital goods, except automotive; industrial supplies and materials; and consumer goods, except food and automotive. Within services, the increase was led by travel.

Compared to the fourth quarter, the deceleration in real GDP in the first quarter primarily reflected decelerations in consumer spending, exports, and state and local government spending and a downturn in federal government spending. These movements were partly offset by an acceleration in residential fixed investment. Imports accelerated.

Table 1. Real Gross Domestic Product and Related Measures

[Seasonally adjusted at annual rates]

Line	Series	Share of current-dollar GDP (percent)	Change from preceding period (percent)				Contribution to percent change in real GDP (percentage points)			
		2024	2023			2024	2023			2024
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
1	GDP¹	100.0	2.1	4.9	3.4	1.3	2.1	4.9	3.4	1.3
2	Personal consumption expenditures	67.8	0.8	3.1	3.3	2.0	0.55	2.11	2.20	1.34
3	Goods	22.0	0.5	4.9	3.0	-1.9	0.11	1.09	0.67	-0.42
4	Durable goods	7.7	-0.3	6.7	3.2	-4.1	-0.03	0.53	0.25	-0.33
5	Nondurable goods	14.3	0.9	3.9	2.9	-0.6	0.14	0.56	0.41	-0.09
6	Services	45.8	1.0	2.2	3.4	3.9	0.44	1.02	1.54	1.76
7	Gross private domestic investment	17.7	5.2	10.0	0.7	3.2	0.90	1.74	0.15	0.57
8	Fixed investment	17.6	5.2	2.6	3.5	6.0	0.90	0.46	0.61	1.02
9	Nonresidential	13.5	7.4	1.4	3.7	3.3	0.98	0.21	0.50	0.44
10	Structures	3.1	16.1	11.2	10.9	0.4	0.46	0.33	0.32	0.01
11	Equipment	4.9	7.7	-4.4	-1.1	0.3	0.38	-0.22	-0.05	0.01
12	Intellectual property products	5.5	2.7	1.8	4.3	7.9	0.15	0.10	0.23	0.42
13	Residential	4.0	-2.2	6.7	2.8	15.4	-0.09	0.26	0.11	0.57
14	Change in private inventories	0.1	---	---	---	---	0.00	1.27	-0.47	-0.45
15	Net exports of goods and services	-3.0	---	---	---	---	0.04	0.03	0.25	-0.89
16	Exports	10.9	-9.3	5.4	5.1	1.2	-1.09	0.59	0.55	0.13
17	Goods	7.3	-16.0	7.7	6.2	1.7	-1.31	0.55	0.45	0.12
18	Services	3.6	6.2	1.0	2.8	0.1	0.22	0.04	0.10	0.00
19	Imports	13.9	-7.6	4.2	2.2	7.7	1.13	-0.56	-0.30	-1.02
20	Goods	11.3	-6.5	5.9	1.3	7.2	0.78	-0.64	-0.14	-0.78
21	Services	2.6	-12.2	-2.8	6.2	9.6	0.35	0.08	-0.15	-0.24
22	Government consumption expenditures and gross investment	17.5	3.3	5.8	4.6	1.3	0.57	0.99	0.79	0.23
23	Federal	6.5	1.1	7.1	2.4	-0.7	0.07	0.45	0.15	-0.05
24	National defense	3.6	2.3	8.4	0.5	-1.2	0.08	0.30	0.02	-0.05
25	Nondefense	2.9	-0.4	5.5	4.8	0.0	-0.01	0.15	0.14	0.00
26	State and local	11.0	4.7	5.0	6.0	2.6	0.50	0.53	0.64	0.28
Addenda:										
27	GDI ²	---	0.5	1.9	3.6	1.5	---	---	---	---
28	Average of GDP and GDI	---	1.3	3.4	3.5	1.4	---	---	---	---
29	Final sales of domestic product	---	2.1	3.6	3.9	1.7	---	---	---	---
30	Goods	30.6	0.9	7.3	2.6	-3.5	0.29	2.30	0.83	-1.10
31	Services	60.6	1.9	2.9	2.8	2.8	1.13	1.73	1.70	1.68
32	Structures	8.9	7.7	10.0	10.4	7.9	0.63	0.83	0.86	0.67

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.

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 3.0 percent in the first quarter after increasing 1.9 percent in the fourth quarter (table 2 and chart 3).

Within gross domestic purchases, food prices increased 2.0 percent in the first quarter after increasing 1.4 percent in the fourth quarter. Prices for energy goods and services decreased 1.2 percent after decreasing 2.9 percent. Excluding food and energy, gross domestic purchases prices increased 3.2 percent after increasing 2.1 percent.

The price index for personal consumption expenditures (PCE) increased 3.3 percent in the first quarter after increasing 1.8 percent in the fourth 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 (led by housing), financial services and insurance (mainly banking and other financial services), and health care (led by hospitals).
- Within goods, the leading contributor to the decrease was gasoline and other energy goods (led by motor vehicle fuels, lubricants, and fluids).

Excluding food and energy, the “core” PCE price index increased 3.6 percent in the first quarter, following an increase of 2.0 percent in the fourth quarter.

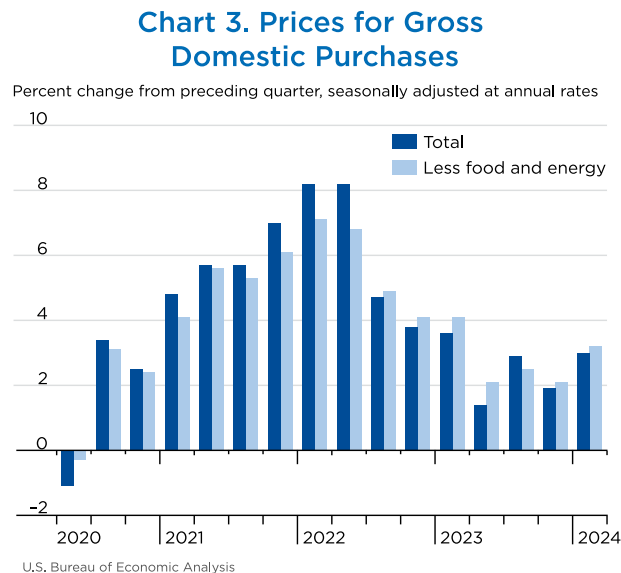


Table 2. Prices for Gross Domestic Purchases

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

Line	Series	Change from preceding period (percent)				Contribution to percent change in gross domestic purchases prices (percentage points)			
		2023			2024	2023			2024
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
1	Gross domestic purchases¹	1.4	2.9	1.9	3.0	1.4	2.9	1.9	3.0
2	Personal consumption expenditures	2.5	2.6	1.8	3.3	1.63	1.71	1.18	2.18
3	Goods	0.2	0.9	-1.4	-0.5	0.05	0.20	-0.31	-0.11
4	Durable goods	0.1	-4.4	-3.5	-0.5	0.01	-0.35	-0.27	-0.03
5	Nondurable goods	0.3	3.9	-0.2	-0.6	0.04	0.55	-0.03	-0.07
6	Services	3.6	3.5	3.4	5.3	1.58	1.51	1.48	2.29
7	Gross private domestic investment	-0.1	1.7	2.3	0.8	-0.02	0.30	0.39	0.14
8	Fixed investment	0.0	1.7	2.4	1.1	-0.01	0.30	0.41	0.20
9	Nonresidential	0.2	0.9	2.0	1.4	0.03	0.12	0.26	0.19
10	Structures	0.9	-2.3	2.1	-0.5	0.03	-0.07	0.06	-0.01
11	Equipment	-1.1	2.3	1.5	4.1	-0.06	0.11	0.07	0.19
12	Intellectual property products	1.1	1.4	2.4	0.2	0.06	0.08	0.12	0.01
13	Residential	-0.9	4.8	4.0	0.1	-0.03	0.18	0.15	0.01
14	Change in private inventories	---	---	---	---	-0.01	0.00	-0.02	-0.06
15	Government consumption expenditures and gross investment	-1.1	5.1	1.9	4.1	-0.18	0.84	0.32	0.69
16	Federal	2.1	4.0	4.0	4.6	0.13	0.25	0.25	0.29
17	National defense	1.9	4.2	4.7	4.4	0.07	0.15	0.16	0.15
18	Nondefense	2.3	3.7	3.0	4.7	0.06	0.10	0.08	0.13
19	State and local	-2.9	5.7	0.6	3.8	-0.31	0.59	0.07	0.40
Addenda:									
Gross domestic purchases:									
20	Food	0.1	1.9	1.4	2.0	0.00	0.10	0.07	0.10
21	Energy goods and services	-15.6	16.1	-2.9	-1.2	-0.46	0.42	-0.08	-0.03
22	Excluding food and energy	2.1	2.5	2.1	3.2	1.90	2.34	1.90	2.94
Personal consumption expenditures:									
23	Food and beverages purchased for off-premises consumption	0.0	1.9	1.6	2.1	---	---	---	---
24	Energy goods and services	-15.6	16.2	-3.2	-1.2	---	---	---	---
25	Excluding food and energy	3.7	2.0	2.0	3.6	---	---	---	---
26	Gross domestic product	1.7	3.3	1.6	3.0	---	---	---	---
27	Exports of goods and services	-3.9	4.0	-2.2	2.7	---	---	---	---
28	Imports of goods and services	-4.8	0.3	0.5	2.5	---	---	---	---

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

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

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

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

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

Personal Income

Measured in current dollars, personal income increased \$404.4 billion in the first quarter, compared with an increase of \$161.8 billion in the fourth quarter (table 3). The increase in the first quarter primarily reflected increases in compensation (led by private wages and salaries) and personal current transfer receipts (led by government social benefits to persons).

Personal current taxes increased \$137.7 billion in the first quarter after increasing \$27.1 billion in the fourth quarter.

Current-dollar disposable personal income (DPI) increased \$266.7 billion, or 5.3 percent, in the first quarter after increasing \$134.7 billion, or 2.7 percent, in the fourth quarter. Personal outlays increased \$229.9 billion after increasing \$238.8 billion.

Real DPI (chart 4) increased 1.9 percent in the first quarter, compared with an increase of 0.9 percent in the fourth quarter.

The personal saving rate (chart 5)—personal saving as a percentage of DPI—was 3.8 percent in the first quarter, compared with 3.7 percent in the fourth quarter.

With the release of the second estimate of GDP, BEA also released revised estimates of fourth-quarter wages and salaries, personal taxes, and contributions for government social insurance, based on updated data from the U.S. Bureau of Labor Statistics Quarterly Census of Employment and Wages program.

- Wages and salaries are now estimated to have increased \$58.5 billion in the fourth quarter, a downward revision of \$73.0 billion.
- Personal current taxes are now estimated to have increased \$27.1 billion, a downward revision of \$12.6 billion.
- Contributions for government social insurance are now estimated to have increased \$8.3 billion, a downward revision of \$9.6 billion.
- With the incorporation of these new data, real gross domestic income (GDI) is now estimated to have increased 3.6 percent in the fourth quarter, a downward revision of 1.2 percentage points from the previously published estimate.

Chart 4. Real Disposable Personal Income

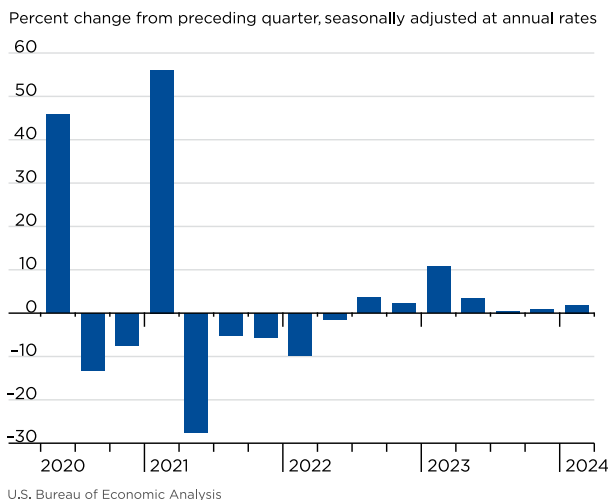


Chart 5. Personal Saving Rate

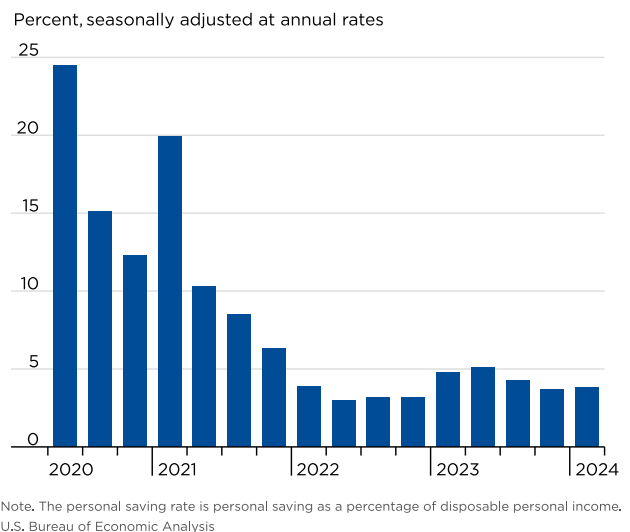


Table 3. Personal Income and Its Disposition

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

Line	Series	Level		Change from preceding period			
		2023	2024	2023			2024
		Q4	Q1	Q2	Q3	Q4	Q1
1	Personal income	23,247.5	23,652.0	224.1	217.7	161.8	404.4
2	Compensation of employees	14,448.1	14,647.9	188.9	214.6	79.4	199.8
3	Wages and salaries	11,976.0	12,141.8	167.8	184.2	58.5	165.7
4	Private industries	10,188.6	10,314.4	142.7	141.8	24.5	125.7
5	Goods-producing industries	1,878.9	1,904.1	27.6	30.0	11.5	25.2
6	Manufacturing	1,102.6	1,114.2	14.6	20.8	0.0	11.6
7	Services-producing industries	8,309.7	8,410.2	115.2	111.8	12.9	100.6
8	Trade, transportation, and utilities	1,827.2	1,845.5	8.3	28.9	-0.1	18.3
9	Other services-producing industries	6,482.5	6,564.7	106.9	83.0	13.1	82.3
10	Government	1,787.4	1,827.4	25.1	42.4	34.1	40.0
11	Supplements to wages and salaries	2,472.1	2,506.2	21.1	30.4	20.9	34.1
12	Proprietors' income with IVA and CCAdj	1,882.6	1,890.4	-3.3	35.5	23.1	7.8
13	Farm	38.0	36.6	-13.0	-8.3	-11.9	-1.4
14	Nonfarm	1,844.6	1,853.8	9.7	43.7	35.0	9.1
15	Rental income of persons with CCAdj	988.1	1,023.2	15.3	13.3	13.7	35.0
16	Personal income receipts on assets	3,667.3	3,698.9	25.6	3.9	60.8	31.6
17	Personal interest income	1,815.6	1,813.1	10.4	21.6	39.2	-2.4
18	Personal dividend income	1,851.7	1,885.7	15.2	-17.6	21.6	34.0
19	Personal current transfer receipts	4,086.8	4,255.3	17.7	-26.5	-6.9	168.5
20	Government social benefits to persons	3,979.2	4,141.5	15.8	-29.5	-8.5	162.2
21	Social security	1,374.2	1,426.9	13.8	7.5	13.0	52.7
22	Medicare	951.3	965.3	3.8	4.4	5.0	13.9
23	Medicaid	868.3	922.3	39.9	-30.8	-12.3	54.0
24	Unemployment insurance	22.7	22.7	0.3	-1.3	1.7	0.1
25	Veterans' benefits	173.6	174.7	-0.3	0.3	0.7	1.1
26	Other	589.1	629.5	-41.7	-9.6	-16.7	40.5
27	Other current transfer receipts, from business (net)	107.5	113.8	2.0	3.0	1.7	6.3
28	Less: Contributions for government social insurance	1,825.5	1,863.7	20.1	23.2	8.3	38.2
29	Less: Personal current taxes	2,792.5	2,930.2	-59.8	61.5	27.1	137.7
30	<i>Equals:</i> Disposable personal income	20,455.0	20,721.8	284.0	156.2	134.7	266.7
31	Less: Personal outlays	19,695.3	19,925.2	204.6	319.9	238.8	229.9
32	Personal consumption expenditures	18,914.5	19,164.2	149.4	260.5	235.0	249.7
33	Personal interest payments ¹	531.7	509.3	54.9	55.9	1.1	-22.4
34	Personal current transfer payments	249.1	251.6	0.3	3.5	2.8	2.5
35	<i>Equals:</i> Personal saving	759.8	796.6	79.3	-163.7	-104.1	36.9
36	Personal saving as a percentage of DPI	3.7	3.8	---	---	---	---

CCAdj Capital consumption adjustment

DPI Disposable personal income

IVA Inventory valuation adjustment

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

Note. Dollar levels and percent changes are from National Income and Product Account tables [2.1](#) and [2.2B](#).

Updates

The increase in first-quarter real GDP was revised down 0.3 percentage point from the “advance” estimate, primarily reflecting downward revisions to consumer spending and private inventory investment that were partly offset by an upward revision to state and local government spending (table 4).

- The revision to consumer spending primarily reflected a downward revision to spending on goods. The largest contributor was motor vehicles and parts (led by new light trucks).
- Within private inventory investment, the downward revision was mainly to wholesale trade industries (led by durable-goods industries).
- The revision to state and local government spending primarily reflected an upward revision to structures investment.

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

[Seasonally adjusted at annual rates]

Line	Series	Change from preceding period (percent)			Contribution to percent change in real GDP (percentage points)		
		Advance estimate	Second estimate	Second estimate minus advance estimate	Advance estimate	Second estimate	Second estimate minus advance estimate
1	GDP¹	1.6	1.3	-0.3	1.6	1.3	-0.3
2	Personal consumption expenditures	2.5	2.0	-0.5	1.68	1.34	-0.34
3	Goods	-0.4	-1.9	-1.5	-0.09	-0.42	-0.33
4	Durable goods	-1.2	-4.1	-2.9	-0.09	-0.33	-0.24
5	Nondurable goods	0.0	-0.6	-0.6	0.00	-0.09	-0.09
6	Services	4.0	3.9	-0.1	1.78	1.76	-0.02
7	Gross private domestic investment	3.2	3.2	0.0	0.56	0.57	0.01
8	Fixed investment	5.3	6.0	0.7	0.91	1.02	0.11
9	Nonresidential	2.9	3.3	0.4	0.39	0.44	0.05
10	Structures	-0.1	0.4	0.5	0.00	0.01	0.01
11	Equipment	2.1	0.3	-1.8	0.10	0.01	-0.09
12	Intellectual property products	5.4	7.9	2.5	0.29	0.42	0.13
13	Residential	13.9	15.4	1.5	0.52	0.57	0.05
14	Change in private inventories	---	---	---	-0.35	-0.45	-0.10
15	Net exports of goods and services	---	---	---	-0.86	-0.89	-0.03
16	Exports	0.9	1.2	0.3	0.10	0.13	0.03
17	Goods	0.9	1.7	0.8	0.06	0.12	0.06
18	Services	1.0	0.1	-0.9	0.04	0.00	-0.04
19	Imports	7.2	7.7	0.5	-0.96	-1.02	-0.06
20	Goods	6.8	7.2	0.4	-0.74	-0.78	-0.04
21	Services	9.0	9.6	0.6	-0.22	-0.24	-0.02
22	Government consumption expenditures and gross investment	1.2	1.3	0.1	0.21	0.23	0.02
23	Federal	-0.2	-0.7	-0.5	-0.01	-0.05	-0.04
24	National defense	-0.6	-1.2	-0.6	-0.02	-0.05	-0.03
25	Nondefense	0.3	0.0	-0.3	0.01	0.00	-0.01
26	State and local	2.0	2.6	0.6	0.22	0.28	0.06
Addenda:							
27	Final sales of domestic product	2.0	1.7	-0.3	---	---	---
28	Gross domestic purchases price index	3.1	3.0	-0.1	---	---	---
29	GDP price index	3.1	3.0	-0.1	---	---	---

GDP Gross domestic product

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

Corporate Profits

Measured in current dollars, profits from current production (corporate profits with the inventory valuation adjustment and the capital consumption adjustment) decreased \$21.1 billion, or 0.6 percent at a quarterly rate, in the first quarter. In the fourth quarter, profits increased \$133.5 billion, or 4.1 percent (table 5). In the first quarter, domestic profits of financial corporations increased \$73.7 billion, domestic profits of nonfinancial corporations decreased \$114.1 billion, and rest-of-the-world profits (net) increased \$19.3 billion.

Estimates of corporate profits were reduced by several settlements that were finalized in the first 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. In the first quarter:

- Paper manufacturer 3M and chemical makers Chemours, DuPont de Nemours, and Corteva reached settlements with U.S. local governments in the amount of \$10.3 billion (\$41.2 billion at an annual rate) and \$1.2 billion (\$4.7 billion at an annual rate), respectively, over contaminated water claims.
- Diesel engine manufacturer Cummins agreed to pay \$1.7 billion (\$6.7 billion at an annual rate) in penalties for alleged violations of the Clean Air Act and California law.

The estimate of GDI was not impacted, because these settlements were recorded in the NIPAs as business current transfer payments to government, which offset the reduction to corporate profits.

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		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
	Current production measures:									
1	Corporate profits with IVA and CCAj	3,393.1	6.9	108.7	133.5	-21.1	0.2	3.4	4.1	-0.6
2	Domestic industries	2,859.9	-15.2	99.9	142.4	-40.4	-0.6	3.8	5.2	-1.4
3	Financial	532.2	-54.2	9.0	5.9	73.7	-10.9	2.0	1.3	16.1
4	Nonfinancial	2,327.6	39.0	90.8	136.5	-114.1	1.8	4.1	5.9	-4.7
5	Rest of the world	533.3	22.1	8.8	-8.9	19.3	4.5	1.7	-1.7	3.8
6	Receipts from the rest of the world	1,044.1	25.8	22.0	-20.1	29.8	2.6	2.2	-1.9	2.9
7	Less: Payments to the rest of the world	510.8	3.7	13.2	-11.2	10.5	0.7	2.6	-2.2	2.1
9	Less: Taxes on corporate income	638.6	-6.3	12.6	28.2	27.6	-1.1	2.2	4.8	4.5
10	<i>Equals:</i> Profits after tax	2,754.5	13.2	96.1	105.2	-48.6	0.5	3.7	3.9	-1.7
11	Net dividends	1,893.6	15.6	-18.2	23.8	32.2	0.8	-1.0	1.3	1.7
12	Undistributed profits from current production	860.9	-2.4	114.3	81.4	-80.8	-0.3	15.3	9.5	-8.6
13	Net cash flow with IVA	3,389.3	32.3	142.1	118.2	-75.0	1.0	4.4	3.5	-2.2

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](#) 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).

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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