

# GDP and the Economy

## Second Estimates for the Fourth Quarter of 2023

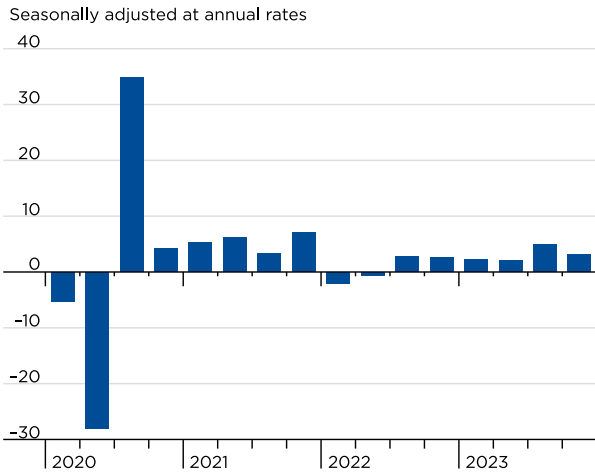
March 5, 2024

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

Real gross domestic product (GDP) increased at an annual rate of 3.2 percent in the fourth quarter of 2023, according to the “second” estimate of the National Income and Product Accounts (chart 1 and table 1).<sup>1</sup> With the second estimate, real GDP growth was revised down 0.1 percentage point from the advance estimate issued in January. In the third quarter, real GDP increased 4.9 percent.

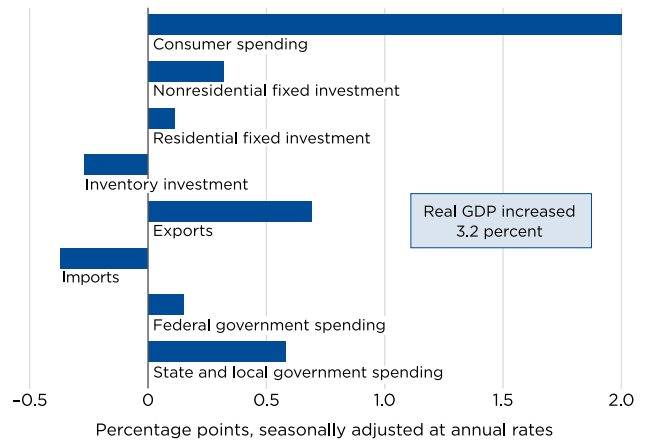
Real GDP increased 2.5 percent in 2023 (from the 2022 annual level to the 2023 annual level), compared with an increase of 1.9 percent in 2022 (see “[Real GDP for 2023](#)”).

**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, exports, state and local government spending, 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).<sup>2</sup>

- The increase in consumer spending reflected increases in both services and goods. Within services, the leading contributors were health care, food services and accommodations, and other services (led by international travel). Within goods, the leading contributors to the increase were other nondurable goods (led by pharmaceutical products) and recreational goods and vehicles.
- Within exports, both goods and services increased. The increase in goods was led by petroleum. The increase in services was led by financial services.
- The increase in state and local government spending primarily reflected increases in gross investment in structures and state and local government employee compensation.
- 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 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, the deceleration in real GDP in the fourth quarter primarily reflected a downturn in private inventory investment and slowdowns in federal government spending, residential fixed investment, and consumer spending. Imports decelerated.

**Table 1. Real Gross Domestic Product (GDP) 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	<b>GDP<sup>1</sup></b>	<b>100.0</b>	<b>2.2</b>	<b>2.1</b>	<b>4.9</b>	<b>3.2</b>	<b>2.2</b>	<b>2.1</b>	<b>4.9</b>	<b>3.2</b>		
2	<b>Personal consumption expenditures</b>	<b>67.6</b>	<b>3.8</b>	<b>0.8</b>	<b>3.1</b>	<b>3.0</b>	<b>2.54</b>	<b>0.55</b>	<b>2.11</b>	<b>2.00</b>		
3	Goods	22.4	5.1	0.5	4.9	3.2	1.14	0.11	1.09	0.72		
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	3.3	0.07	0.14	0.56	0.47		
6	Services	45.2	3.1	1.0	2.2	2.8	1.40	0.44	1.02	1.28		
7	<b>Gross private domestic investment</b>	<b>17.7</b>	<b>-9.0</b>	<b>5.2</b>	<b>10.0</b>	<b>0.9</b>	<b>-1.69</b>	<b>0.90</b>	<b>1.74</b>	<b>0.17</b>		
8	Fixed investment	17.4	3.1	5.2	2.6	2.5	0.53	0.90	0.46	0.43		
9	Nonresidential	13.5	5.7	7.4	1.4	2.4	0.76	0.98	0.21	0.32		
10	Structures	3.1	30.3	16.1	11.2	7.5	0.77	0.46	0.33	0.23		
11	Equipment	4.9	-4.1	7.7	-4.4	-1.7	-0.21	0.38	-0.22	-0.08		
12	Intellectual property products	5.4	3.8	2.7	1.8	3.3	0.20	0.15	0.10	0.18		
13	Residential	3.9	-5.3	-2.2	6.7	2.9	-0.22	-0.09	0.26	0.11		
14	Change in private inventories	0.3	---	---	---	---	-2.22	0.00	1.27	-0.27		
15	<b>Net exports of goods and services</b>	<b>-2.8</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>0.58</b>	<b>0.04</b>	<b>0.03</b>	<b>0.32</b>		
16	Exports	11.0	6.8	-9.3	5.4	6.4	0.76	-1.09	0.59	0.69		
17	Goods	7.3	12.0	-16.0	7.7	4.8	0.89	-1.31	0.55	0.35		
18	Services	3.7	-3.5	6.2	1.0	9.6	-0.13	0.22	0.04	0.34		
19	Imports	13.7	1.3	-7.6	4.2	2.7	-0.18	1.13	-0.56	-0.37		
20	Goods	11.2	1.9	-6.5	5.9	1.3	-0.22	0.78	-0.64	-0.15		
21	Services	2.6	-1.2	-12.2	-2.8	9.1	0.04	0.35	0.08	-0.22		
22	<b>Government consumption expenditures and gross investment</b>	<b>17.4</b>	<b>4.8</b>	<b>3.3</b>	<b>5.8</b>	<b>4.2</b>	<b>0.82</b>	<b>0.57</b>	<b>0.99</b>	<b>0.73</b>		
23	Federal	6.5	5.2	1.1	7.1	2.3	0.33	0.07	0.45	0.15		
24	National defense	3.7	1.9	2.3	8.4	0.4	0.07	0.08	0.30	0.02		
25	Nondefense	2.9	9.5	-0.4	5.5	4.7	0.26	-0.01	0.15	0.13		
26	State and local	10.9	4.6	4.7	5.0	5.4	0.49	0.50	0.53	0.58		
	<b>Addenda:</b>											
27	Gross domestic income (GDI) <sup>2</sup>	---	0.5	0.5	1.9	---	---	---	---	---		
28	Average of GDP and GDI	---	1.4	1.3	3.4	---	---	---	---	---		
29	Final sales of domestic product	---	4.6	2.1	3.6	3.5	---	---	---	---		
30	Goods	31.2	-1.3	0.9	7.3	2.8	-0.40	0.29	2.30	0.90		
31	Services	60.0	3.2	1.9	2.9	2.7	1.92	1.13	1.73	1.59		
32	Structures	8.7	8.9	7.7	10.0	8.5	0.72	0.63	0.83	0.72		

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 1.9 percent in the fourth quarter after increasing 2.9 percent in the third quarter (table 2 and chart 3).

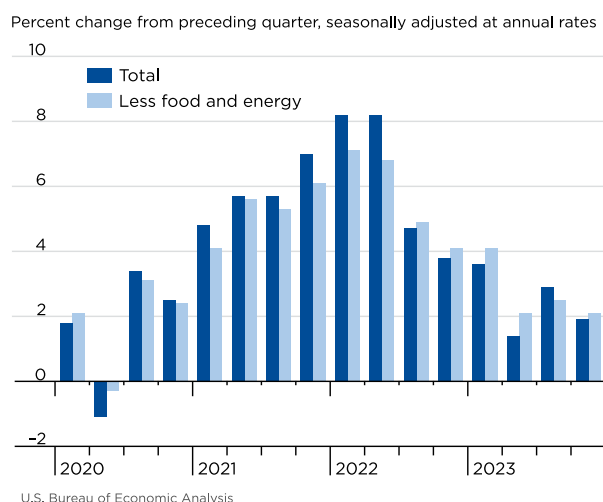
Within gross domestic purchases, food prices increased 1.4 percent in the fourth quarter after increasing 1.9 percent in the third quarter. Prices for energy goods and services decreased 2.9 percent after increasing 16.1 percent. Excluding food and energy, gross domestic purchases prices increased 2.1 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 2.1 percent in the fourth quarter, after increasing 2.0 percent in the third quarter.

**Chart 3. Prices for Gross Domestic Purchases**



**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							
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>1</b>	<b>Gross domestic purchases<sup>1</sup></b>	<b>3.6</b>	<b>1.4</b>	<b>2.9</b>	<b>1.9</b>	<b>3.6</b>	<b>1.4</b>	<b>2.9</b>	<b>1.9</b>
<b>2</b>	<b>Personal consumption expenditures</b>	<b>4.2</b>	<b>2.5</b>	<b>2.6</b>	<b>1.8</b>	<b>2.73</b>	<b>1.63</b>	<b>1.71</b>	<b>1.20</b>
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	3.5	2.57	1.58	1.51	1.50
<b>7</b>	<b>Gross private domestic investment</b>	<b>3.2</b>	<b>-0.1</b>	<b>1.7</b>	<b>2.2</b>	<b>0.56</b>	<b>-0.02</b>	<b>0.30</b>	<b>0.38</b>
8	Fixed investment	4.2	0.0	1.7	2.3	0.71	-0.01	0.30	0.39
9	Nonresidential	6.4	0.2	0.9	1.8	0.81	0.03	0.12	0.24
10	Structures	7.2	0.9	-2.3	1.8	0.20	0.03	-0.07	0.05
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	2.2	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
<b>15</b>	<b>Government consumption expenditures and gross investment</b>	<b>1.5</b>	<b>-1.1</b>	<b>5.1</b>	<b>1.8</b>	<b>0.26</b>	<b>-0.18</b>	<b>0.84</b>	<b>0.31</b>
16	Federal	4.1	2.1	4.0	4.1	0.26	0.13	0.25	0.25
17	National defense	3.3	1.9	4.2	4.8	0.12	0.07	0.15	0.17
18	Nondefense	5.2	2.3	3.7	3.1	0.14	0.06	0.10	0.09
19	State and local	0.0	-2.9	5.7	0.5	0.00	-0.31	0.59	0.05
<b>Addenda:</b>									
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	1.89
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	-3.1	---	---	---	---
25	Excluding food and energy	5.0	3.7	2.0	2.1	---	---	---	---
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	0.4	---	---	---	---

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 \$219.5 billion in the fourth quarter, compared with an increase of \$217.7 billion (revised) in the third quarter (table 3). The increase in the fourth quarter primarily reflected increases in compensation, personal income receipts on assets, and proprietors' income that were partly offset by a decrease in personal current transfer receipts.

Personal current taxes increased \$16.9 billion in the fourth quarter after increasing \$61.5 billion (revised) in the third quarter.

Current-dollar disposable personal income (DPI) increased \$202.5 billion, or 4.0 percent, in the fourth quarter after increasing \$156.2 billion (revised), or 3.1 percent (revised), in the third quarter. Personal outlays increased \$257.3 billion after increasing \$319.9 billion.

Real DPI (chart 4) increased 2.2 percent in the fourth quarter, compared with an increase of 0.5 percent (revised) in the third quarter.

The personal saving rate (chart 5)—personal saving as a percentage of DPI—was 3.9 percent in the fourth quarter, compared with 4.3 percent (revised) in the third quarter.

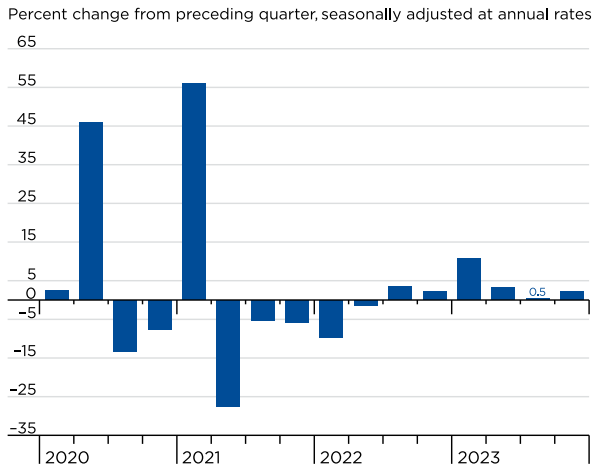
With the release of the second estimate of GDP, BEA also released revised estimates of third-quarter wages and salaries, personal taxes, and contributions for government social insurance, based on updated data from the U.S. Bureau of Labor Statistics Quarterly Census of Employment and Wages program.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

- Wages and salaries are now estimated to have increased \$184.2 billion in the third quarter, an upward revision of \$23.0 billion.
- Personal taxes are now estimated to have increased \$61.5 billion in the third quarter, an upward revision of \$8.9 billion.
- Contributions for government social insurance are now estimated to have increased \$23.2 billion in the third quarter, an upward revision of \$3.0 billion.
- The personal saving rate was 4.3 percent in the third quarter, an upward revision of 0.1 percentage point.

In addition:

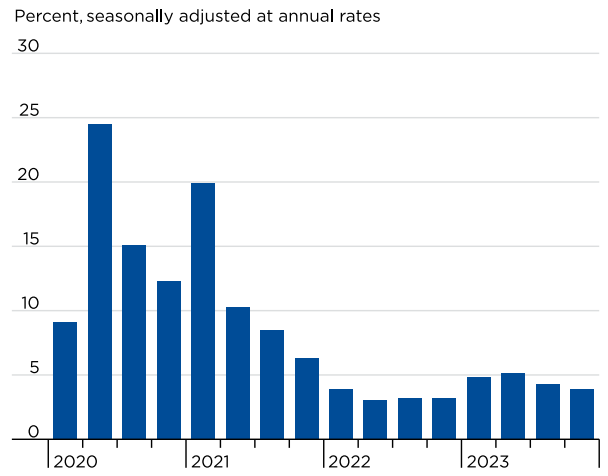
- Real gross domestic income (GDI) is now estimated to have increased 1.9 percent in the third quarter, an upward revision of 0.4 percentage point from the previously published estimate.
- The average of real GDP and real GDI increased 3.4 percent, an upward revision of 0.2 percentage point.

### Chart 4. Real Disposable Personal Income



U.S. Bureau of Economic Analysis

### Chart 5. Personal Saving Rate



Note. The personal saving rate is personal saving as a percentage of disposable personal income.  
U.S. Bureau of Economic Analysis



**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					
		Q3	Q4	Q1	Q2	Q3	Q4
1	<b>Personal income</b>	<b>23,085.7</b>	<b>23,305.2</b>	<b>369.8</b>	<b>224.1</b>	<b>217.7</b>	<b>219.5</b>
2	Compensation of employees	14,368.7	14,528.9	290.2	188.9	214.6	160.2
3	Wages and salaries	11,917.5	12,051.7	248.4	167.8	184.2	134.2
4	Private industries	10,164.2	10,264.3	218.8	142.7	141.8	100.2
5	Goods-producing industries	1,867.4	1,891.3	33.9	27.6	30.0	23.9
6	Manufacturing	1,102.6	1,113.8	16.7	14.6	20.8	11.2
7	Services-producing industries	8,296.7	8,373.0	184.9	115.2	111.8	76.3
8	Trade, transportation, and utilities	1,827.3	1,839.2	52.3	8.3	28.9	11.9
9	Other services-producing industries	6,469.4	6,533.8	132.7	106.9	83.0	64.4
10	Government	1,753.3	1,787.4	29.6	25.1	42.4	34.0
11	Supplements to wages and salaries	2,451.2	2,477.2	41.8	21.1	30.4	26.0
12	Proprietors' income with IVA and CCAAdj	1,859.6	1,885.8	2.1	-3.3	35.5	26.2
13	Farm	49.9	40.1	-12.7	-13.0	-8.3	-9.9
14	Nonfarm	1,809.6	1,845.7	14.8	9.7	43.7	36.1
15	Rental income of persons with CCAAdj	974.4	988.1	38.3	15.3	13.3	13.7
16	Personal income receipts on assets	3,606.5	3,665.4	51.7	25.6	3.9	58.8
17	Personal interest income	1,776.4	1,812.4	37.7	10.4	21.6	36.0
18	Personal dividend income	1,830.2	1,853.0	14.0	15.2	-17.6	22.8
19	Personal current transfer receipts	4,093.7	4,072.5	28.7	17.7	-26.5	-21.1
20	Government social benefits to persons	3,987.8	3,965.0	26.6	15.8	-29.5	-22.8
21	Social security	1,361.3	1,374.3	114.1	13.8	7.5	13.0
22	Medicare	946.3	951.3	3.9	3.8	4.4	5.0
23	Medicaid	880.6	855.9	43.1	39.9	-30.8	-24.7
24	Unemployment insurance	21.0	22.7	-0.2	0.3	-1.3	1.7
25	Veterans' benefits	172.8	173.6	-0.8	-0.3	0.3	0.7
26	Other	605.7	587.2	-133.6	-41.7	-9.6	-18.5
27	Other current transfer receipts, from business (net)	105.9	107.5	2.1	2.0	3.0	1.7
28	Less: Contributions for government social insurance	1,817.1	1,835.5	41.1	20.1	23.2	18.3
29	Less: Personal current taxes	2,765.3	2,782.3	-332.0	-59.8	61.5	16.9
30	<i>Equals:</i> Disposable personal income	20,320.4	20,522.9	701.8	284.0	156.2	202.5
31	Less: Personal outlays	19,456.5	19,713.8	376.0	204.6	319.9	257.3
32	Personal consumption expenditures	18,679.5	18,901.5	352.5	149.4	260.5	222.0
33	Personal interest payments <sup>1</sup>	530.6	563.2	24.5	54.9	55.9	32.6
34	Personal current transfer payments	246.4	249.0	-1.0	0.3	3.5	2.6
35	<i>Equals:</i> Personal saving	863.9	809.2	325.8	79.3	-163.7	-54.7
36	Personal saving as a percentage of DPI	4.3	3.9	---	---	---	---

**CCAAdj** 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 Accounts tables 2.1 and 2.2B.

## Updates

In the second estimate of the fourth quarter, the growth rate in real GDP was revised down 0.1 percentage point from the advance estimate (table 4). The updated estimates primarily reflected a downward revision to private inventory investment that was partly offset by upward revisions to state and local government spending, consumer spending, residential fixed investment, and nonresidential fixed investment. Imports were revised up.

- Within private inventory investment, the downward revision was led by retail trade.
- The revision to state and local government spending primarily reflected an upward revision to structures investment.
- The revision to consumer spending reflected an upward revision to spending on services that was partly offset by a downward revision to spending on goods.
  - Within services, the leading contributor to the upward revision was health care.
  - Within goods, the leading contributor to the downward revision was recreational goods and vehicles.
- Within residential fixed investment, the leading contributor to the upward revision was improvements.
- Within nonresidential fixed investment, the upward revision reflected upward revisions to structures and intellectual property products that were partly offset by a downward revision to equipment.
  - For structures, the upward revision was led by commercial and health care structures.
  - For intellectual property products, the upward revision primarily reflected an upward revision to software.
  - The downward revision to equipment was mainly to information processing equipment.
- Within imports, both goods and services were revised up.
  - Within goods, the revision was led by industrial supplies and materials (specifically durable goods) and consumer goods (both durable and nondurable).
  - Within services, the revision primarily reflected a revision to transport services.

**Table 4. Advance and Second 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)		
		Advance estimate	Second estimate	Second estimate minus advance estimate	Advance estimate	Second estimate	Second estimate minus advance estimate
1	<b>Gross domestic product (GDP)<sup>1</sup></b>	3.3	3.2	-0.1	3.3	3.2	-0.1
2	<b>Personal consumption expenditures</b>	2.8	3.0	0.2	1.91	2.00	0.09
3	Goods	3.8	3.2	-0.6	0.85	0.72	-0.13
4	Durable goods	4.6	3.2	-1.4	0.36	0.25	-0.11
5	Nondurable goods	3.4	3.3	-0.1	0.49	0.47	-0.02
6	Services	2.4	2.8	0.4	1.06	1.28	0.22
7	<b>Gross private domestic investment</b>	2.1	0.9	-1.2	0.38	0.17	-0.21
8	Fixed investment	1.7	2.5	0.8	0.31	0.43	0.12
9	Nonresidential	1.9	2.4	0.5	0.26	0.32	0.06
10	Structures	3.2	7.5	4.3	0.10	0.23	0.13
11	Equipment	1.0	-1.7	-2.7	0.05	-0.08	-0.13
12	Intellectual property products	2.1	3.3	1.2	0.11	0.18	0.07
13	Residential	1.1	2.9	1.8	0.04	0.11	0.07
14	Change in private inventories	---	---	---	0.07	-0.27	-0.34
15	<b>Net exports of goods and services</b>	---	---	---	0.43	0.32	-0.11
16	Exports	6.3	6.4	0.1	0.68	0.69	0.01
17	Goods	4.7	4.8	0.1	0.34	0.35	0.01
18	Services	9.5	9.6	0.1	0.34	0.34	0.00
19	Imports	1.9	2.7	0.8	-0.25	-0.37	-0.12
20	Goods	0.8	1.3	0.5	-0.08	-0.15	-0.07
21	Services	6.8	9.1	2.3	-0.17	-0.22	-0.05
22	<b>Government consumption expenditures and gross investment</b>	3.3	4.2	0.9	0.56	0.73	0.17
23	Federal	2.5	2.3	-0.2	0.16	0.15	-0.01
24	National defense	0.9	0.4	-0.5	0.03	0.02	-0.01
25	Nondefense	4.6	4.7	0.1	0.13	0.13	0.00
26	State and local	3.7	5.4	1.7	0.40	0.58	0.18
27	<b>Addenda:</b>						
27	Final sales of domestic product	3.2	3.5	0.3	---	---	---
28	Gross domestic purchases price index	1.9	1.9	0.0	---	---	---
29	GDP price index	1.5	1.6	0.1	---	---	---

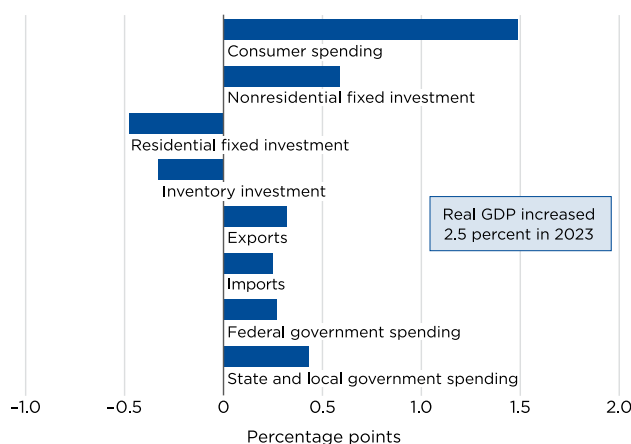
1. The GDP estimates under the contribution columns are also percent changes.

## 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 (table 5 and chart 6).

- 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).

**Chart 6. Real GDP: Contributions to Percent Change in 2023**



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

**Table 5. Real Gross Domestic Product (GDP) and Components, 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	<b>GDP<sup>1</sup></b>	<b>100.0</b>	<b>1.9</b>	<b>2.5</b>	<b>1.9</b>	<b>2.5</b>
2	<b>Personal consumption expenditures</b>	<b>67.9</b>	<b>2.5</b>	<b>2.2</b>	<b>1.72</b>	<b>1.49</b>
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	0.9	0.09	0.12
6	Services	45.2	3.7	2.3	1.65	1.03
7	<b>Gross private domestic investment</b>	<b>17.7</b>	<b>4.8</b>	<b>-1.2</b>	<b>0.86</b>	<b>-0.23</b>
8	Fixed investment	17.5	1.3	0.6	0.24	0.10
9	Nonresidential	13.6	5.2	4.4	0.68	0.59
10	Structures	3.1	-2.1	13.0	-0.06	0.36
11	Equipment	5.0	5.2	-0.3	0.26	-0.02
12	Intellectual property products	5.5	9.1	4.4	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	-0.33
15	<b>Net exports of goods and services</b>	<b>-2.9</b>	<b>---</b>	<b>---</b>	<b>-0.48</b>	<b>0.57</b>
16	Exports	11.1	7.0	2.7	0.76	0.32
17	Goods	7.4	5.8	2.6	0.44	0.22
18	Services	3.7	9.6	3.0	0.33	0.11
19	Imports	14.0	8.6	-1.6	-1.24	0.25
20	Goods	11.4	6.8	-1.6	-0.82	0.21
21	Services	2.6	17.5	-1.5	-0.42	0.04
22	<b>Government consumption expenditures and gross investment</b>	<b>17.3</b>	<b>-0.9</b>	<b>4.0</b>	<b>-0.16</b>	<b>0.69</b>
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	3.9	0.03	0.43
	<b>Addenda:</b>					
27	Gross domestic income (GDI) <sup>2</sup>	---	2.1	---	---	---
28	Average of GDP and GDI	---	2.0	---	---	---

1. The GDP estimates under the contribution columns are also percent changes.
2. GDI is deflated by the implicit price deflator for GDP. Not estimated with the Q4 advance or second estimates.

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

## 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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