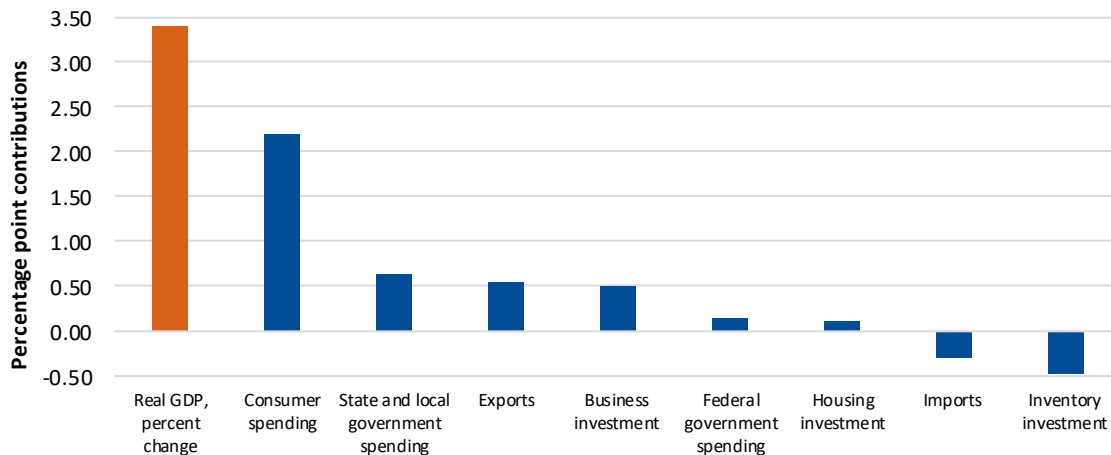


Gross Domestic Product (Third Estimate), Corporate Profits, and GDP by Industry, Fourth Quarter and Year 2023

Real gross domestic product (GDP) increased at an annual rate of 3.4 percent in the fourth quarter of 2023, according to the “third” estimate. In the third quarter, real GDP increased 4.9 percent. The increase in the fourth quarter primarily reflected increases in consumer spending and state and local government spending that were partly offset by a decrease in inventory investment. Imports, which are a subtraction in the calculation of GDP, increased.

Contributions to Percent Change in Real GDP, Fourth Quarter 2023
Real GDP increased 3.4 percent



Note. Imports are a subtraction in the calculation of GDP; thus, an increase in imports results in a negative contribution to GDP.

U.S. Bureau of Economic Analysis

Seasonally adjusted annual rates

- The increase in consumer spending reflected increases in both services and goods. Within services, the leading contributors were health care (both outpatient and hospital services), other services (led by professional and other services), as well as food services and accommodations. Within goods, the leading contributors to the increase were other nondurable goods (led by pharmaceutical products) as well as recreational goods and vehicles.
- The increase in state and local government spending reflected increases in both investment (led by structures) and consumption expenditures (led by compensation of employees).
- The decrease in inventory investment reflected decreases in retail trade and manufacturing.

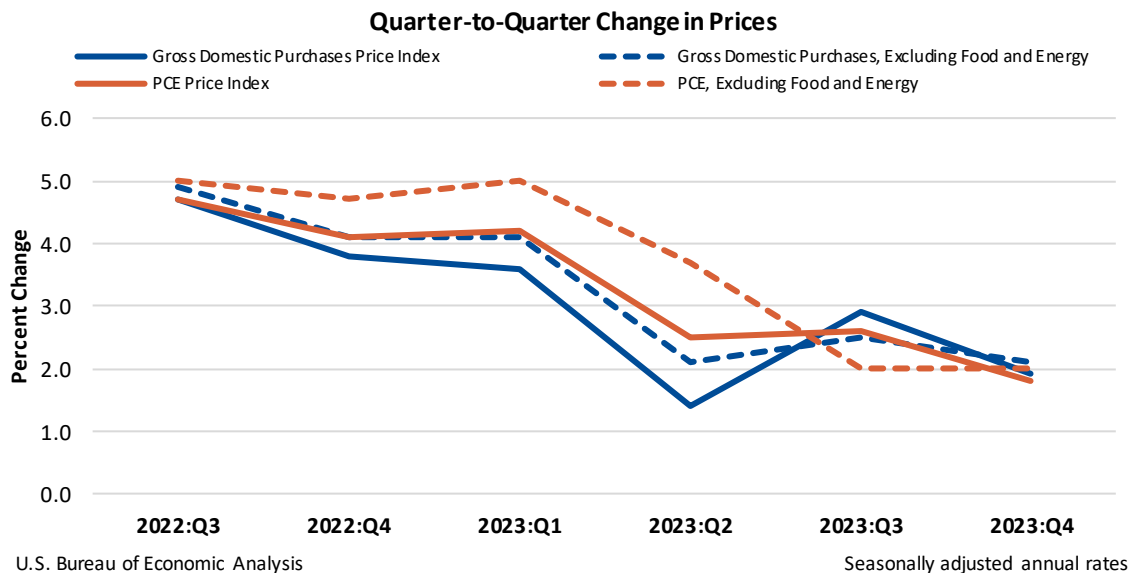
Compared to the third quarter, the deceleration in GDP in the fourth quarter primarily reflected a downturn in inventory investment and decelerations in federal government spending and housing investment. Imports decelerated.

Updates to GDP

The update from the “second” estimate reflected upward revisions to consumer spending, business investment, and state and local government spending that were partly offset by downward revisions to inventory investment and exports. Imports were revised down.

Prices

Gross domestic purchases prices, the prices of 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. Excluding food and energy, prices increased 2.1 percent after increasing 2.5 percent.



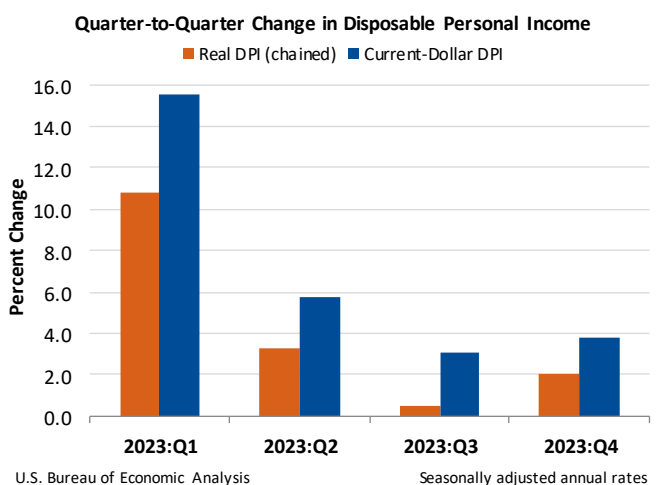
Personal consumption expenditures (PCE) prices increased 1.8 percent in the fourth quarter after increasing 2.6 percent in the third quarter. Excluding food and energy, the PCE “core” price index increased 2.0 percent, the same increase as in the third quarter.

Personal income and saving

Real disposable personal income (DPI)—personal income adjusted for taxes and inflation—increased 2.0 percent in the fourth quarter after increasing 0.5 percent in the third quarter.

Current-dollar DPI increased 3.8 percent in the fourth quarter, following an increase of 3.1 percent in the third quarter. The increase in the fourth quarter primarily reflected increases in compensation, personal income receipts on assets, and proprietors’ income.

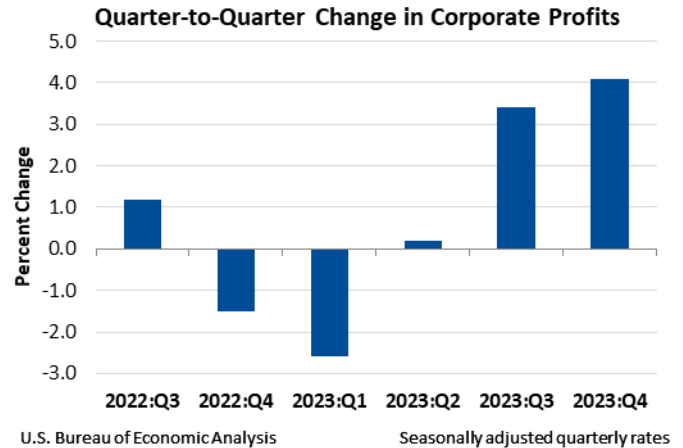
Personal saving as a percentage of DPI was 4.0 percent in the fourth quarter, compared with 4.3 percent in the third quarter.



Corporate profits from current production

Profits increased 4.1 percent at a quarterly rate in the fourth quarter after increasing 3.4 percent in the third quarter.

- Profits of domestic financial corporations increased 1.3 percent after increasing 2.0 percent.
- Profits of domestic nonfinancial corporations increased 5.9 percent after increasing 4.1 percent.
- Profits from the rest of the world (net) decreased 1.7 percent after increasing 1.7 percent.

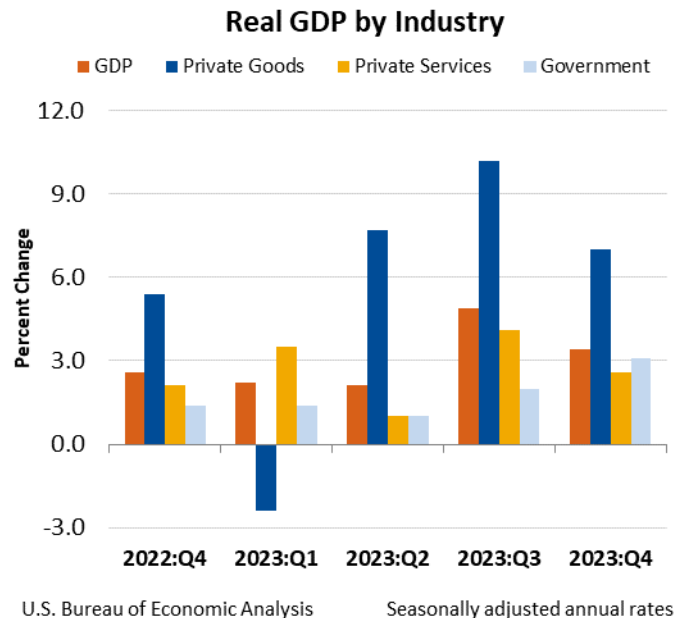


Corporate profits increased 5.1 percent in the fourth quarter from one year ago.

Real gross domestic product by industry

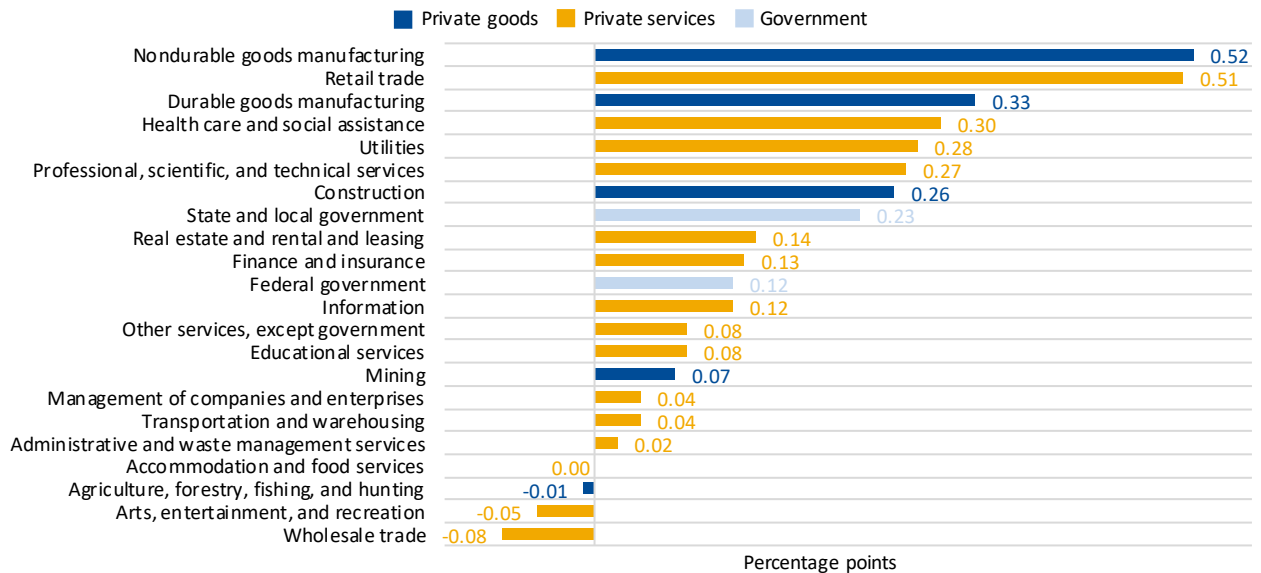
In the fourth quarter, the value added of private goods-producing industries increased 7.0 percent, private services-producing industries increased 2.6 percent, and government increased 3.1 percent. Overall, 18 of 22 industry groups contributed to the fourth-quarter increase in real GDP.

- Within private goods-producing industries, the largest contributors to the increase were nondurable goods (led by petroleum and coal products and chemical products), durable goods manufacturing (led by machinery), and construction.
- Within private services-producing industries, the increase was led by retail trade (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 an increase in state and local government as well as federal government.



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

Real GDP increased 3.4 percent



U.S. Bureau of Economic Analysis

Seasonally adjusted

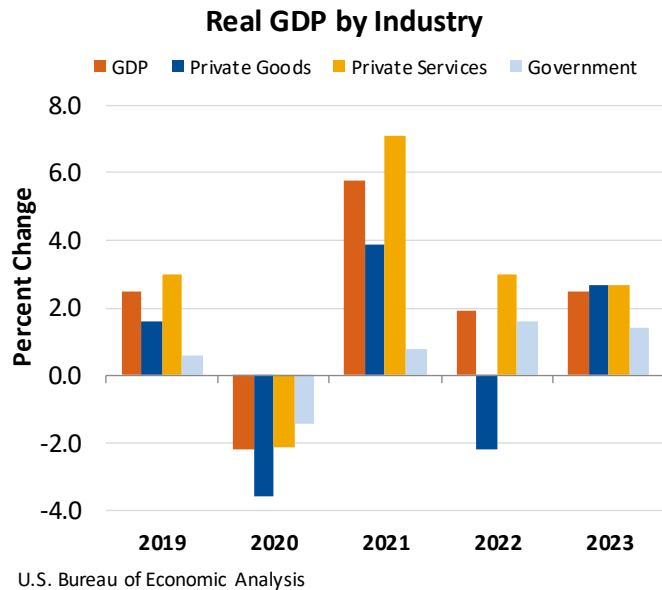
Year 2023 real GDP, corporate profits, and GDP by Industry

Real GDP increased 2.5 percent (from the 2022 annual level to the 2023 annual level), compared to an increase of 1.9 percent in 2022. The 2023 increase primarily reflected increases in consumer spending, business investment, state and local government spending, exports, and federal government spending that were partly offset by decreases in housing investment and inventory investment. Imports decreased.

Corporate profits increased 1.5 percent (from the 2022 annual level to the 2023 annual level) after increasing 9.8 percent in 2022. Profits of domestic financial corporations decreased 10.6 percent after decreasing 0.2 percent. Profits of domestic nonfinancial corporations increased 3.0 percent after increasing 12.6 percent. Profits from the rest of the world increased 8.0 percent after increasing 9.0 percent.

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 2023 increase in real GDP.

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



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

Real GDP increased 2.5 percent

