

# Technical Note

## Gross Domestic Product, Third Quarter 2024 (Advance Estimate)

October 30, 2024

This technical note provides background information about the source data and methods used to produce the estimates presented in the GDP news release; a summary of "highlights" is available on BEA's website at [www.bea.gov](http://www.bea.gov).

### Real GDP and Related Aggregates

Real GDP increased at an annual rate of 2.8 percent (0.7 percent at a quarterly rate<sup>1</sup>) in the third quarter of 2024, compared with an increase of 3.0 percent (0.7 percent at a quarterly rate) in the second quarter. The increase in real GDP primarily reflected increases in consumer spending, exports, and federal government spending. Imports, which are a subtraction in the calculation of GDP, increased.

- The increase in consumer spending reflected increases in both goods and services. The increase in goods was led by other nondurable goods (mainly prescription drugs) and motor vehicles and parts (mainly used light trucks), reflecting Census Bureau Monthly Retail Trade Survey (MRTS) data. The increase in consumer spending on services was led by health care (mainly outpatient services), based primarily on Bureau of Labor Statistics (BLS) Current Employment Statistics (CES), as well as food services and accommodations, based primarily on Census MRTS data.
- Estimates of exports and imports primarily reflected Census-BEA U.S. International Trade in Goods and Services data as well as the Census Advance Economic Indicators Report for September.
  - Within exports, the increase primarily reflected an increase in goods (led by capital goods, excluding automotive).
  - Within imports, the increase primarily reflected an increase in goods (led by capital goods, excluding automotive).
- The increase in federal government spending primarily reflected an increase in defense consumption expenditures, based primarily on Monthly Treasury Statement data.

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<sup>1</sup> Percent changes in quarterly seasonally adjusted series are displayed at annual rates, unless otherwise specified. For more information, refer to the FAQ [Why does BEA publish percent changes in quarterly series at annual rates?](#).

Compared to the second quarter, the deceleration in real GDP in the third quarter primarily reflected a downturn in private inventory investment and a larger decrease in residential fixed investment. These movements were partly offset by accelerations in exports, consumer spending, and federal government spending. Imports accelerated.

### **Key Source Data and Assumptions for the Advance Estimate**

The advance estimate of GDP for the third quarter is based on source data that are incomplete and subject to updates. Three months of source data were available for consumer spending on goods; shipments of capital equipment; motor vehicle sales and inventories; manufacturing, wholesale, and retail trade inventories; exports and imports of goods; federal government outlays; and consumer, producer, and international prices. For series for which monthly and quarterly data were incomplete or unavailable, BEA's assumptions are informed by a variety of sources. More information on the source data and BEA assumptions that underlie the third-quarter estimate is shown in the [Key Source Data and Assumptions](#) table.

### **Prices**

BEA's featured measure of inflation in the U.S. economy, the price index for gross domestic purchases, increased 1.8 percent in the third quarter, following an increase of 2.4 percent in the second quarter. Excluding food and energy, gross domestic purchases prices increased 2.3 percent, after increasing 2.6 percent.

The price index for personal consumption expenditures (PCE) increased 1.5 percent in the third quarter, after increasing 2.5 percent in the second quarter. Excluding food and energy, the "core" PCE price index increased 2.2 percent, after increasing 2.8 percent. The leading contributors to the third-quarter increase in core PCE prices were housing, health care, and financial services and insurance. Prices were based primarily on BLS consumer and producer price indexes. For a comparison of PCE prices to BLS consumer price indexes, refer to NIPA [Table 9.1U. Reconciliation of Percent Change in the CPI with Percent Change in the PCE Price Index](#).

### **Disposable Personal Income**

Real disposable personal income (DPI) increased 1.6 percent in the third quarter, after increasing 2.4 percent in the second quarter. Current-dollar DPI increased 3.1 percent, after increasing 5.0 percent. The increase in third-quarter current-dollar DPI primarily reflected increases in compensation led by private wages and salaries, based primarily on BLS CES data. The personal saving rate was 4.8 percent in the third quarter, compared with 5.2 percent in the second quarter.

### **Impact of Hurricane Helene on Third Quarter 2024 Estimates**

Hurricane Helene made landfall in Florida's Big Bend region on September 26, bringing high wind damage and extensive inland flood damage to Georgia, Tennessee, South Carolina, and North Carolina. The hurricane devastated several towns and resulted in catastrophic infrastructure damage across the Southeastern United States.

This disaster disrupted usual consumer and business activities and prompted emergency services and remediation activities. These responses to this disaster are included, but not separately identified, in the source data that BEA uses to prepare the estimates of GDP; consequently, it is not possible to estimate the overall impact of Hurricane Helene on third-quarter GDP. The destruction of fixed assets, such as residential and nonresidential structures, does not directly affect GDP or personal income. BEA estimates of disaster losses are presented in [NIPA table 5.1](#), "Saving and Investment." BEA's preliminary estimates show that Hurricane Helene resulted in losses of \$39.0 billion in privately-owned fixed assets (\$156.0 billion at an annual rate) and \$2.0 billion in state and local government-owned fixed assets (\$8.0 billion at an annual rate).

BEA also estimates the insurance benefits paid and received due to major disasters. These benefits are recorded on an accrual basis in the quarter in which the disaster occurred and are classified as capital transfers; they do not directly affect the measures of GDP, personal income, or saving. BEA's preliminary estimates, presented in [NIPA table 5.11U](#), "Capital Transfers," show domestic insurance companies expect to pay benefits for disaster losses related to Hurricane Helene in the amount of \$10.6 billion (\$42.3 billion at an annual rate). The federal government's National Flood Insurance Program expects to pay an additional \$5.5 billion (\$22.0 billion at an annual rate); Florida Citizens Property Insurance Corporation expects to pay \$1.0 billion (\$4.0 billion at an annual rate); and foreign insurance companies expect to pay \$1.6 billion (\$6.5 billion at an annual rate).

For additional information, refer to "[How are the measures of production and income in the national accounts affected by a disaster?](#)" and "[How are the fixed assets accounts \(FAAs\) and consumption of fixed capital \(CFC\) impacted by disasters?](#)"

### **More Information**

The complete set of statistics for the third quarter is available on [BEA's website](#), along with a table presenting the "[Key Source Data and Assumptions](#)" that underlie the statistics. The *Survey of Current Business*, BEA's online journal, will present a more detailed analysis of the estimates ("GDP and the Economy").

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