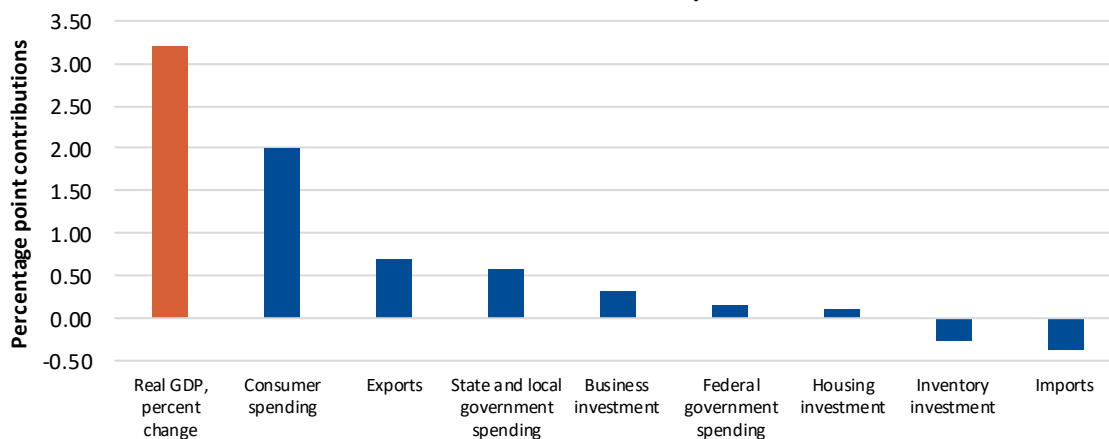


Gross Domestic Product, Fourth Quarter and Year 2023 (Second Estimate)

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. In the third quarter, real GDP increased 4.9 percent. The increase in the fourth quarter primarily reflected increases in consumer spending, exports, and state and local government spending. Imports, which are a subtraction in the calculation of GDP, increased.

Contributions to Percent Change in Real GDP, Fourth Quarter 2023
Real GDP increased 3.2 percent



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

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Seasonally adjusted annual rates

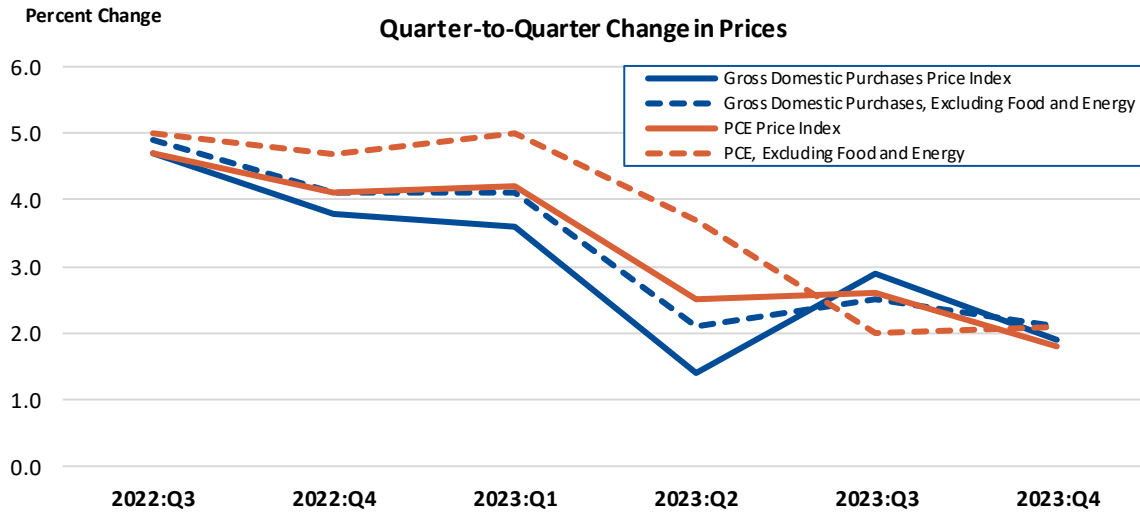
- The increase in consumer spending reflected increases in both services and goods. Within services, the leading contributors were health care, food services and accommodations, and other services (led by international travel). Within goods, the leading contributors to the increase were other nondurable goods (led by pharmaceutical products) as well as recreational goods and vehicles.
- The increase in exports reflected increases in both goods (led by petroleum) and services (led by financial services).
- The increase in state and local government spending reflected increases in both investment (led by structures) and consumption expenditures (led by compensation of employees).

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, housing investment, and consumer spending. Imports decelerated.

BEA data—including GDP, personal income, the balance of payments, foreign direct investment, the input-output accounts, and regional economic data—are available at www.bea.gov. [Email](#) alerts are also available. The “third” estimate of GDP, along with estimates for corporate profits and GDP by industry, for the fourth quarter of 2023 and year 2023 will be released on March 28, 2024.

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.



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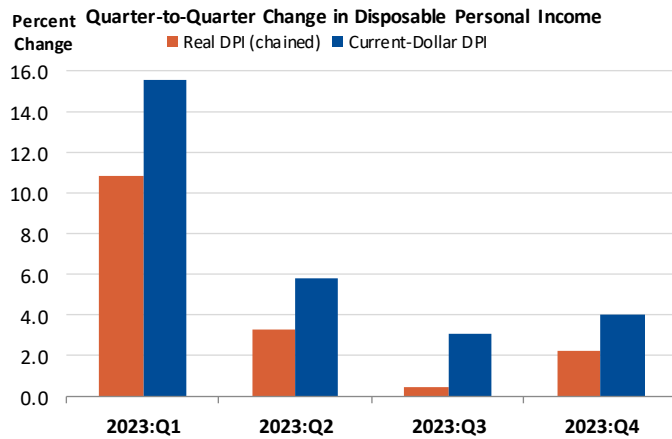
Seasonally adjusted annual rates

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 2.1 percent, after increasing 2.0 percent in the third quarter.

Personal income and saving

Real disposable personal income (DPI)—personal income adjusted for taxes and inflation—increased 2.2 percent in the fourth quarter after increasing 0.5 percent (revised) in the third quarter.

Current-dollar DPI increased 4.0 percent in the fourth quarter, following an increase of 3.1 percent (revised) in the third quarter. The increase in the fourth quarter reflected increases in compensation, personal income receipts on assets, and proprietors’ income that were partly offset by a decrease in personal current transfer receipts.



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Seasonally adjusted annual rates

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.

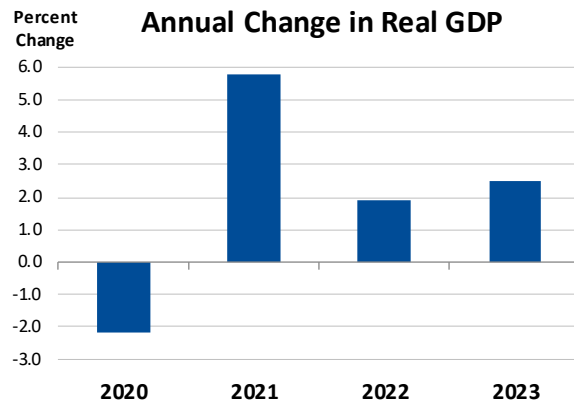
Updates to GDP

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

Year 2023 highlights

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 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.

- 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 business 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 decrease in housing investment reflected decreases in new single-family housing construction and brokers’ commissions.



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