

Technical Note

Gross Domestic Product (Third Estimate), Corporate Profits (Revised Estimate), GDP by Industry, Third Quarter 2024

December 19, 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 the Bureau of Economic Analysis (BEA) website at www.bea.gov.

Real GDP and Related Aggregates

Real GDP increased at an annual rate of 3.1 percent (0.8 percent at a quarterly rate¹) 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, nonresidential fixed investment, and federal government spending. Imports, which are a subtraction in the calculation of GDP, increased.

Sources of Revision to Real GDP

With the third estimate, the increase in third-quarter real GDP was revised up 0.3 percentage point from the "second" estimate, primarily reflecting upward revisions to exports and consumer spending that were partly offset by a downward revision to private inventory investment. Imports were revised up.

- For both exports and imports, the revised estimates primarily reflected updated data from BEA's International Transactions Accounts.
 - Within exports, the upward revision was to services, led by government goods and services and by transport services.
 - Within imports, the upward revision was also mainly to services, led by other business services (largely telecommunication, computer and information services).
- Within consumer spending, the upward revision was primarily to services, based on new third-quarter data from the Census Bureau Quarterly Services Survey. The leading contributor to the revision was final consumption expenditures of nonprofit institutions serving households (mainly nonprofit hospitals).

¹ 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?](#)

- Within private inventory investment, the downward revision was led by manufacturing, wholesale trade, and retail trade, based on updated Census Bureau inventory data.

Prices

BEA's featured measure of inflation in the U.S. economy, the price index for gross domestic purchases, increased 1.9 percent in the third quarter, the same as previously estimated. Excluding food and energy, the gross domestic purchases price index increased 2.4 percent, also the same as previously estimated.

The price index for personal consumption expenditures (PCE) increased 1.5 percent in the third quarter, the same as previously estimated. Excluding food and energy, the “core” PCE price index increased 2.2 percent, 0.1 percentage point higher than previously estimated. For a comparison of PCE prices to Bureau of Labor Statistics (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](#).

Gross Domestic Income and Corporate Profits

Real gross domestic income (GDI), which measures output of the economy as the costs incurred and the incomes earned in the production of goods and services, increased 2.1 percent at an annual rate (0.5 percent at a quarterly rate) in the third quarter, revised down 0.1 percentage point from the previous estimate. The average of real GDP and real GDI increased 2.6 percent at an annual rate (0.6 percent at a quarterly rate), an upward revision of 0.1 percentage point.

Current-dollar GDI increased \$289.6 billion in the third quarter, led by an increase in compensation, based on employment, hours, and earnings data from the BLS Current Employment Statistics.

Profits from current production decreased \$15.0 billion, or 0.4 percent (quarterly rate), in the third quarter. Domestic profits of financial corporations increased \$3.0 billion, domestic profits of nonfinancial corporations increased \$24.9 billion, and rest-of-the-world profits decreased \$42.9 billion.

The BEA profits measure that is conceptually most like S&P 500 profits—national after-tax profits without inventory valuation and capital consumption adjustments (shown in line 11 of table 9 of the GDP news release)—decreased \$10.0 billion in the third quarter. Third-quarter national after-tax profits increased 9.2 percent from the same quarter one year ago.

Real GDP by Industry

Today's release includes estimates of GDP by industry, or value added—a measure of an industry's contribution to GDP (shown in table 12 of the news release). In the third quarter, private goods-producing industries increased 1.5 percent, private services-producing industries increased 3.6 percent, and government increased 2.1 percent.

Overall, 16 of 22 industry groups contributed to the third-quarter increase in real GDP. Within private goods-producing industries, the leading contributors to the increase were durable goods manufacturing (led by other transportation equipment) and nondurable goods manufacturing (led by chemical products). Within private services-producing industries, the leading contributors to the increase were

retail trade (led by motor vehicle and parts dealers), health care and social assistance (led by ambulatory health care services), and information (led by data processing, internet publishing, and other information services). The increase in government was led by an increase in state and local government.

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's 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.² 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 is expected to pay an additional \$5.5 billion (\$22.0 billion at an annual rate); Florida Citizens Property Insurance Corporation is expected to pay \$1.0 billion (\$4.0 billion at an annual rate); and foreign insurance companies are expected 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 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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² The threshold for determining whether any single event is treated as a major disaster is if either the associated property losses or the insurance payouts exceed 0.1 percent of GDP.