

Technical Note

Gross Domestic Product, Second Quarter 2024 (Advance Estimate)

July 25, 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.

Real GDP and Related Aggregates

Real GDP increased at an annual rate of 2.8 percent (0.7 percent at a quarterly rate¹) in the second quarter of 2024, compared with an increase of 1.4 percent (0.4 percent at a quarterly rate) in the first quarter. The increase in real GDP primarily reflected increases in consumer spending, private inventory investment, and nonresidential fixed investment. Imports, which are a subtraction in the calculation of GDP, increased.

- The increase in consumer spending reflected increases in both services and goods. Within services, the leading contributors to the increase were health care, housing and utilities, and recreation services. Within goods, the leading contributors to the increase were motor vehicles and parts, recreational goods and vehicles, furnishings and durable household equipment, and gasoline and other energy goods.
 - Within health care, hospital and nursing home services (notably hospital services) and outpatient services increased, based primarily on Bureau of Labor Statistics (BLS) Current Employment Statistics (CES) employment, earnings, and hours data.
 - The increase in housing and utilities was led by housing, based primarily on Census Bureau data on new residential housing completions.
 - Within recreation services, the increase was led by membership clubs, sports centers, parks, theaters and museums, as well as gambling, based primarily on BLS CES data.
 - The increase in motor vehicles and parts was led by new light trucks, based primarily on unit sales data from Wards Intelligence.

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?](#)

- The increase in recreational goods and vehicles primarily reflected an increase in information processing equipment, based primarily on Census Bureau Monthly Retail Trade Survey (MRTS) data.
- The increase in furnishings and durable household equipment was based primarily on Census Bureau MRTS data.
- The increase in gasoline and other energy goods was based on Energy Information Administration (EIA) gasoline supply data for April and EIA Short-Term Energy Outlook projections for May and June.
- Within private inventory investment, increases in wholesale trade and retail trade industries were partly offset by a decrease in mining, utilities, and construction industries, based primarily on Census inventory data through June.
- The increase in nonresidential fixed investment reflected increases in equipment and intellectual property products that were partly offset by a decrease in structures.
 - The increase in equipment was led by transportation (notably aircraft), based primarily on manufacturers' shipments data from the Census Bureau.
 - The increase in intellectual property products was led by software (mainly prepackaged software), based primarily on trends of revenue data and BLS CES data.
 - The decrease in structures was led by commercial and health care structures, based primarily on Census Value-Put-In-Place construction spending data for April and May.
- The increase in imports was led by imports of goods (notably capital goods, except automotive), based primarily on Census-BEA U.S. International Trade in Goods and Services data as well as the Census Advance Economic Indicators Report for June.

Compared to the first quarter, the acceleration in GDP in the second quarter primarily reflected an upturn in inventory investment and an acceleration in consumer spending. These movements were partly offset by a downturn in residential fixed investment.

Key Source Data and Assumptions for the Advance Estimate

The advance estimate of GDP for the second 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. Beginning with the second quarter of 2024, card transaction data are no longer available due to budget constraints. More information is available on the [website](#). More information on the source data and BEA assumptions that underlie the second-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 2.3 percent in the second quarter, following an increase of 3.1 percent in the first quarter. Excluding food and energy, gross domestic purchases prices increased 2.5 percent, after increasing 3.3 percent.

The price index for personal consumption expenditures (PCE) increased 2.6 percent in the second quarter, after increasing 3.4 percent in the first quarter. Excluding food and energy, the "core" PCE price index increased 2.9 percent, after increasing 3.7 percent. The leading contributors to the second-quarter increase in core PCE prices were housing, financial services and insurance, health care, and other services (led by personal care and clothing services). 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 1.0 percent in the second quarter, compared with an increase of 1.3 percent in the first quarter. Current-dollar DPI increased 3.6 percent, after increasing 4.8 percent.

The increase in second-quarter current-dollar DPI primarily reflected increases in compensation and personal current transfer receipts.

- Within compensation, the leading contributor to the increase was private wages and salaries, based primarily on BLS CES data.
- Within personal current transfer receipts, Medicaid, Medicare, and social security benefits were the leading contributors.

The personal saving rate was 3.5 percent in the second quarter, compared with 3.8 percent in the first quarter.

Looking Ahead: 2024 Annual Update of the National Economic Accounts

BEA will release results from the annual update of the National Economic Accounts (NEA), which include the National Income and Product Accounts as well as the Industry Economic Accounts, on September 26, 2024. The update will present revised statistics for GDP, GDP by Industry, and gross domestic income from the first quarter of 2019 through the first quarter of 2024. For details, refer to [Information on 2024 Annual Updates to the National, Industry, and State and Local Economic Accounts](#).

More Information

The complete set of statistics for the second 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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