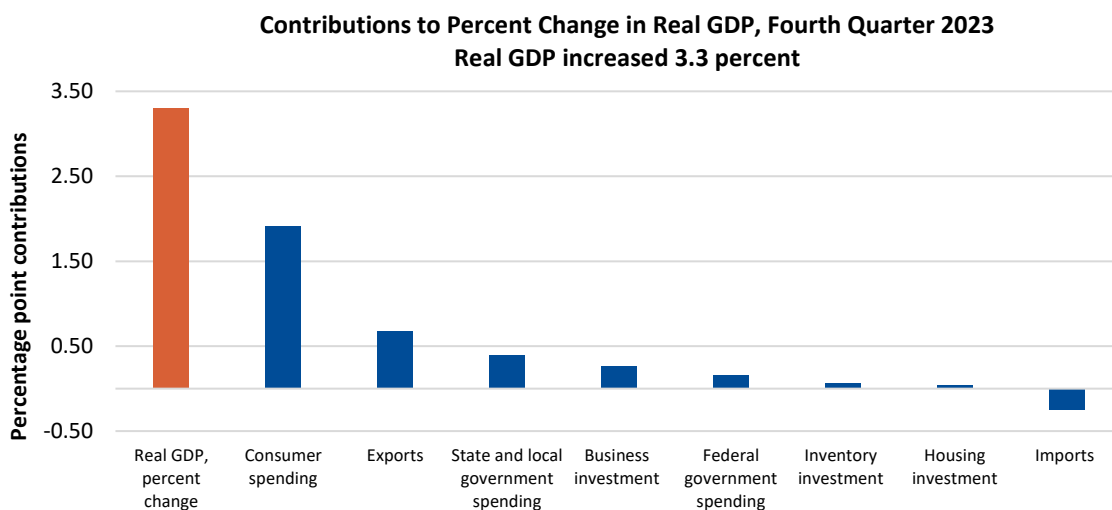


Gross Domestic Product, Fourth Quarter and Year 2023 (Advance Estimate)

Real gross domestic product (GDP) increased at an annual rate of 3.3 percent in the fourth quarter of 2023, according to the “advance” estimate. In the third quarter, real GDP increased 4.9 percent. The increase in the fourth quarter primarily reflected increases in consumer spending and exports. Imports, which are a subtraction in the calculation of GDP, increased.



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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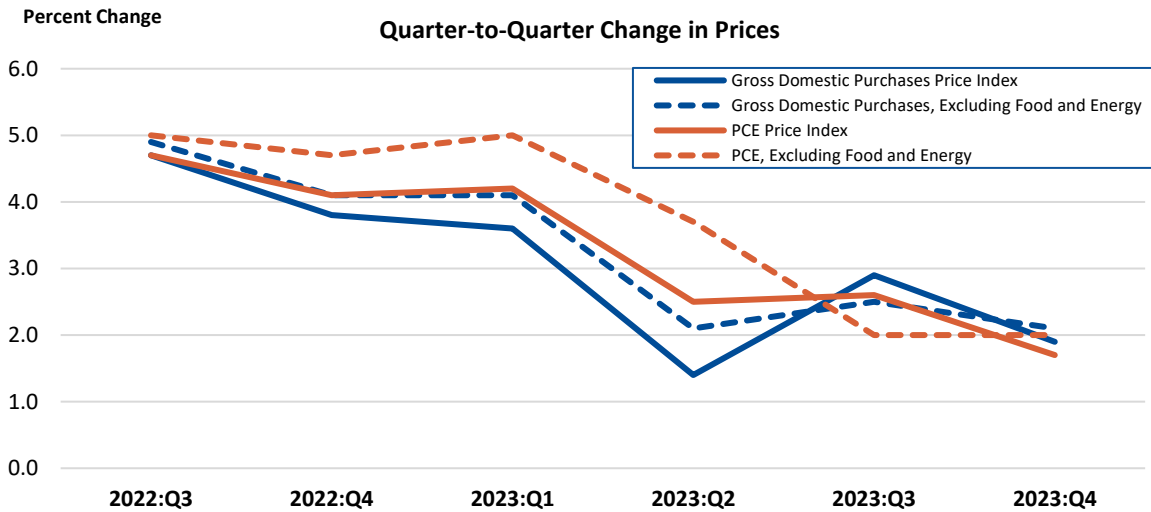
Seasonally adjusted annual rates

- The increase in consumer spending reflected increases in both services and goods. Within services, the leading contributors were food services and accommodations as well as health care. 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).

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

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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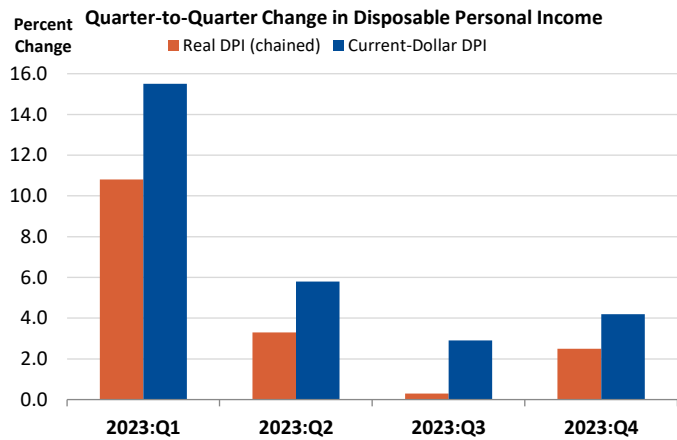
Seasonally adjusted annual rates

Personal consumption expenditures (PCE) prices increased 1.7 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 2.5 percent in the fourth quarter after increasing 0.3 percent in the third quarter.

Current-dollar DPI increased 4.2 percent in the fourth quarter, following an increase of 2.9 percent 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.



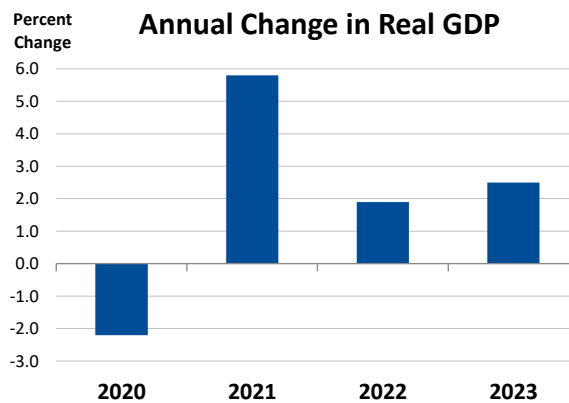
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Seasonally adjusted annual rates

Personal saving as a percentage of DPI was 4.0 percent in the fourth quarter, compared with 4.2 percent in the third quarter.

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.



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- 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.