



United States Congress

Joint Economic Committee

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Republicans

June 2024

Personal Consumption Expenditures

Released July 26, 2024

Real personal consumption expenditures (PCE) rose by 0.22 percent m/m (\$34.3B).

- Real PCE on goods rose by 0.25 percent m/m (\$13.6B).
 - Real PCE on durable goods fell by 0.24 percent m/m (\$-5B).
 - Real PCE on nondurable goods rose by 0.51 percent m/m (\$17.4B).
- Real PCE on services rose by 0.2 percent m/m (\$20.9B).

Headline PCE inflation was 0.08 percent m/m.

- All goods PCE price index decreased by 0.18 percent m/m.
 - Durable goods PCE price index remained unchanged.
 - Nondurable goods PCE price index decreased by 0.27 percent m/m.
- Services PCE price index increased by 0.20 percent m/m.

Core PCE inflation was 0.18 percent m/m.

- Core PCE price index inflation excludes the more volatile food and energy indices.

Headline personal income increased by 0.21 percent m/m (\$50.4B).

- Real disposable personal income (DPI) per capita rose by 0.06 percent m/m. That means after tax income rose faster than prices.

Nominal personal savings rate decreased 0.1 percentage points to 3.4 percent.

Over the past 12 months:

- Headline PCE inflation was 2.51 percent.
 - The Federal Reserve's 2 percent target refers to the headline PCE price index (PCEPI).
- Core PCE inflation was 2.63 percent.

Table 1. Income & Consumption Indicators

Jul 26, 2024

	June 2024	May 2024	Difference
PCE Price Index (m/m growth)			
Headline	0.08%	0.03%	0.05pp
Core (ex. food and energy)	0.18%	0.13%	0.05pp
PCE Price Index (y/y growth)			
Headline	2.51%	2.60%	-0.09pp
Core (ex. food and energy)	2.63%	2.62%	0.01pp
Income and Outlays (m/m growth)			
Real Disposable Personal Income (DPI)	0.10%	0.34%	-0.23pp
Real Personal Consumption Expenditures (PCE)	0.22%	0.40%	-0.19pp

Source: Bureau of Economic Analysis, JEC Republican Staff.

Note: Consistent with Bureau of Labor Services; month-over-month figures are seasonally adjusted, Year-over-year figures are non-seasonally adjusted. Discrepancy from monthly figures due to rounding.

Table 2. Inflation Forecast Error

Jul 26, 2024

	Actual	Cleveland Fed Forecast	Error
PCE Price Index (m/m growth)			
Headline	0.08%	0.01%	0.07pp
Core (ex. food and energy)	0.18%	-0.01%	0.19pp
PCE Price Index (y/y growth)			
Headline	2.51%	2.40%	0.11pp
Core (ex. food and energy)	2.63%	2.39%	0.24pp

Source: Bureau of Economic Analysis, Cleveland Federal Reserve: Inflation Forecast, JEC Republican Staff.

Q2 2024 (Advanced Estimate)

Gross Domestic Product

Released July 25, 2024

Real GDP increased at an annualized rate of 2.8 percent.

- The largest contributors were increases in consumer spending (+1.6pp), private inventory investment (+0.8pp), and nonresidential fixed investment (+0.7pp).
 - Consumer spending included increases in both services (+1.0pp) and goods (+0.6pp).

Current-dollar GDP increased \$360 billion to \$28.63 trillion, the current size of the U.S. economy.

- The economy grew \$115 billion more than total public debt during Q2 2024. This is the first quarter since Q1 2023 where economic growth has outpaced increases in total public debt.
- However, over the past four quarters total public debt has outpaced economic growth by \$933 billion and since Q1 2021 total public debt has increased \$479 billion more than the U.S. economy.

Personal Income

- Current-dollar personal income increased \$237.6 billion and disposable personal income increased \$186.3 billion, both down from last quarter.
 - Real disposable personal income increased 1.0 percent, the lowest level since Q4 2022.
- Personal savings was \$720.5 billion and personal saving as a percentage of disposable personal income was 3.5 percent, both down from last quarter.

Table 3. Q2 2024 Gross Domestic Product

Jul 25, 2024

	Q2 2024	Q1 2024	Difference
Size of the U.S. Economy (\$billions)			
Nominal GDP	\$28,629	\$28,269	\$360
Real GDP	\$22,919	\$22,759	\$160
GDP Growth Rates (pp)			
Nominal GDP	5.2	4.5	0.7pp
- GDP Deflator	2.3	3.1	-0.8pp
= Real GDP Growth	2.8	1.4	1.4pp
Contribution of Subcomponents (pps)			
Consumer spending	+ 1.6	1.0	0.6pps
Nonresidential fixed investment	+ 0.7	0.6	0.1pps
Residential investment	+ -0.1	0.6	-0.6pps
Change in private inventories	+ 0.8	-0.4	1.2pps
Net exports	+ -0.7	-0.7	-0.1pps
Government spending	+ 0.5	0.3	0.2pps
Real GDP Growth	= 2.8	1.4	1.4pp
Subcomponent Growth Rate (pps)			
Consumption	2.3	1.5	0.8pp
Investment	8.4	4.4	4.0pp
Exports	2.0	1.6	0.4pp
Imports	6.9	6.1	0.8pp
Government expenditures	3.1	1.8	1.3pp

Source: Bureau of Economic Analysis, JEC Republican Staff.

Note: Consistent with Bureau of Economic Analysis; Growth Rates are seasonally adjusted at an annualized rate (SAAR), discrepancy from quarterly figures due to rounding.

Table 4. GDP Forecast Error

Jul 25, 2024

Subcomponent Contributions (pp)	Actual	Atlanta Fed Nowcast	Error
Consumer Spending (PCE)	+ 1.57	1.50	0.07pp
Nonresidential fixed investment	+ 0.69	0.74	-0.05pp
Residential Investment	+ -0.05	-0.25	0.20pp
Change in private inventories	+ 0.82	0.85	-0.03pp
Net exports	+ -0.72	-0.65	-0.07pp
Government Spending	+ 0.53	0.42	0.11pp
Total Real GDP Growth	= 2.84	2.61	0.23pp

Source: Bureau of Economic Analysis, Atlanta Federal Reserve: GDP Nowcast, JEC Republican Staff.

Upcoming Data Releases

Date	Time (ET)	Release	Source
Aug 02	8:30 AM	Employment Situation	Bureau of Labor Statistics
Aug 06	3:00PM	Monthly Statement of the Public Debt	U.S. Treasury
Aug 12	2:00 PM	Monthly Treasury Statement	U.S. Treasury
Aug 14	8:30 AM	Consumer Price Index	Bureau of Labor Statistics
Aug 16	10:00 AM	State Employment	Bureau of Labor Statistics
Aug 30	8:30 AM	Personal Income and Outlays	Bureau of Economic Analysis

Legend

m/m = month over month; q/q = quarter over year; y/y = year over year.
pp = percentage points, pps = percent of percentage points.