

## GDP INCREASES IN FOURTH QUARTER

*“Second” estimate of GDP*

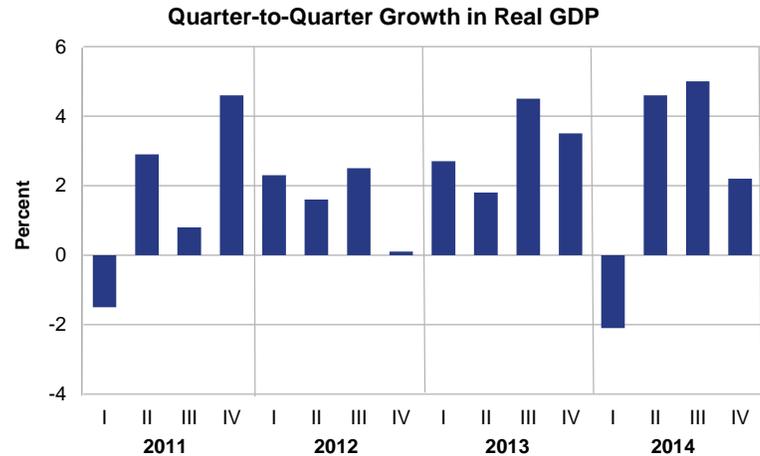
Real gross domestic product (GDP) increased 2.2 percent in the fourth quarter of 2014, according to the “second” estimate released by the Bureau of Economic Analysis. The growth rate was 0.4 percentage point less than the “advance” estimate released in January. In the third quarter, real GDP increased 5.0 percent.

### Fourth-quarter GDP highlights

The increase in GDP in the fourth quarter was more than accounted for by consumer spending, which rose 4.2 percent, compared with 3.2 percent in the third quarter. Spending on both goods and services increased in the fourth quarter.

Other contributors:

- Business investment increased, notably in intellectual property products.
- Exports of goods and services increased; foods, feeds, and beverages was the largest contributor.
- State and local government spending increased.



Real GDP growth is measured at seasonally adjusted annual rates.

Offsetting these contributions to growth, imports increased, and federal government spending on national defense decreased.

### Fourth-quarter revisions

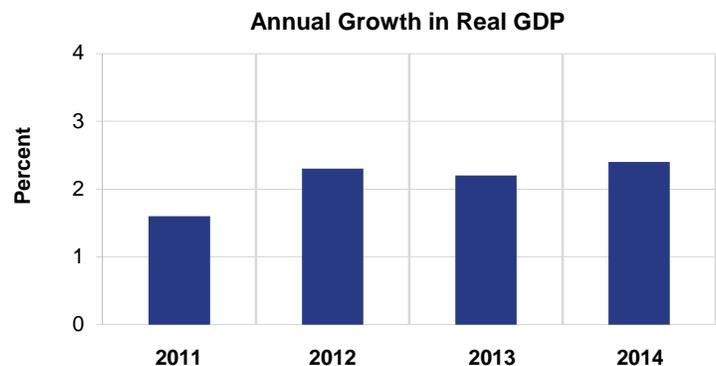
The revision to the change in real GDP mainly reflected a downward revision to nonfarm inventory investment and an upward revision to imports. These contributions were partly offset by upward revisions to business investment and to state and local spending. For more information, see [the technical note](#).

### Annual GDP highlights

For the year 2014, real GDP rose 2.4 percent after rising 2.2 percent in 2013.

Contributing to the increase in 2014:

- Consumer spending on both services and goods increased.
- Business investment increased, most notably in equipment.
- Exports of goods increased, notably in industrial supplies and materials.



Offsetting these contributions, imports increased, and federal government spending decreased.

Prices of goods and services purchased by U.S. residents increased 1.4 percent in 2014 after increasing 1.3 percent in 2013.

BEA data—including GDP, personal income, the balance of payments, foreign direct investment, the input-output accounts, and economic data for states, local areas, and industries—are available on the BEA Web site: [www.bea.gov](http://www.bea.gov). [E-mail](#) alerts are also available.

NOTE: The “third” estimate of GDP and an estimate of corporate profits for the fourth quarter of 2014 will be released on March 27, 2015.