

GDP and the Economy

Advance Estimates for the Fourth Quarter of 2011

REAL GROSS domestic product (GDP) increased 2.8 percent at an annual rate in the fourth quarter of 2011, according to the advance estimates of the national income and product accounts (NIPAs) (chart 1 and table 1).¹ In the third quarter, real GDP increased 1.8 percent. For the year 2011, real GDP increased 1.7 percent after increasing 3.0 percent in 2010 (see page 6).

The acceleration in real GDP in the fourth quarter of 2011 primarily reflected an upturn in inventory investment and accelerations in consumer spending and in residential fixed investment that were partly offset by a deceleration in nonresidential fixed investment, a downturn in federal government spending, an acceleration in imports, and a larger decrease in state and local government spending.²

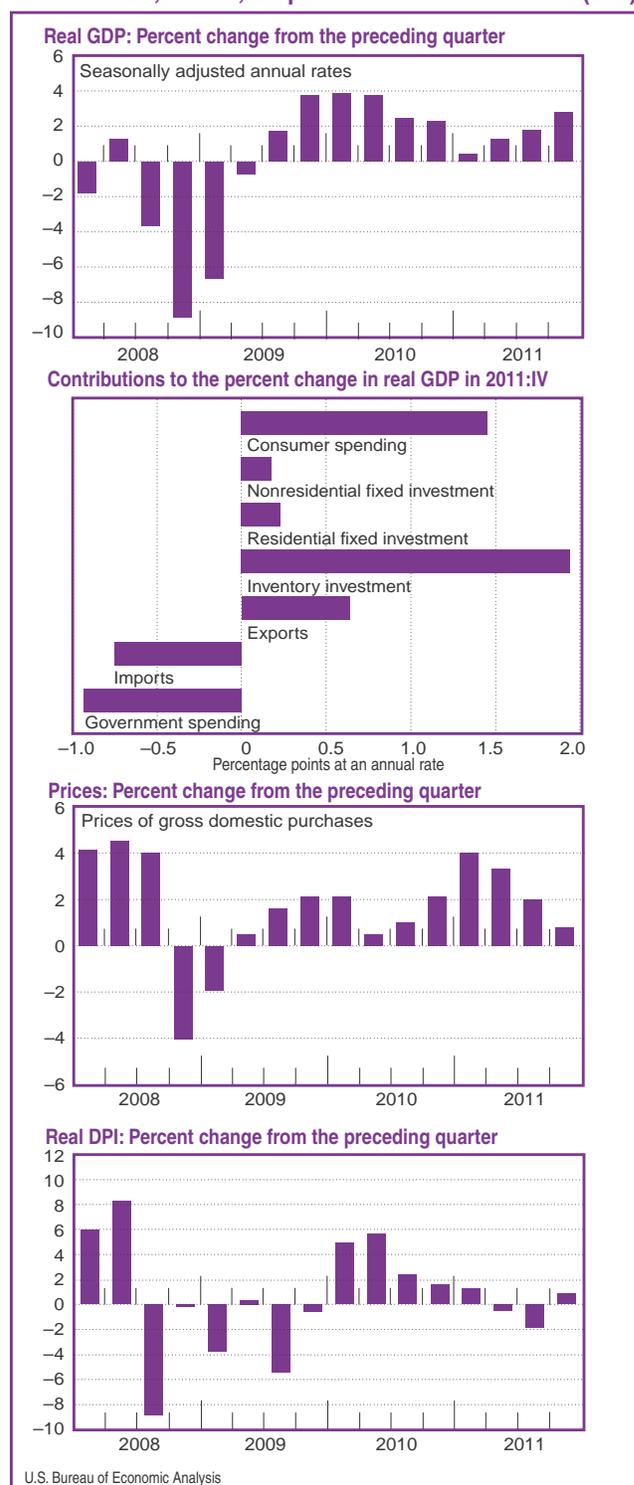
- Prices of goods and services purchased by U.S. residents increased 0.8 percent in the fourth quarter after increasing 2.0 percent in the third quarter (see page 3). Energy prices turned down in the fourth quarter, and food prices decelerated. Excluding food and energy, gross domestic purchases prices increased 1.0 percent after increasing 1.8 percent.
- Real disposable personal income (DPI) increased 0.8 percent in the fourth quarter after decreasing 1.9 percent in the third quarter (see page 4). Current-dollar DPI accelerated, and the PCE implicit price deflator used to deflate DPI decelerated. The acceleration in current-dollar DPI reflected an acceleration in personal income that was partly offset by an acceleration in personal current taxes.
- The personal saving rate, personal saving as a percentage of current-dollar DPI, was 3.7 percent in the fourth quarter; in the third quarter, it was 3.9 percent.

1. "Real" estimates are in chained (2005) dollars, and price indexes are chain-type measures. Each GDP estimate for a quarter (advance, second, and third) incorporates increasingly comprehensive and improved source data; for more information, see "[Revisions to GDP, GDI, and Their Major Components](#)" in the July 2011 SURVEY OF CURRENT BUSINESS. Quarterly estimates are expressed at seasonally adjusted annual rates, which assumes that a rate of activity for a quarter is maintained for a year.

2. In this article, "consumer spending" refers to "personal consumption expenditures (PCE)," "inventory investment" refers to "change in private inventories," and "government spending" refers to "government consumption expenditures and gross investment."

Christopher Swann prepared this article.

Chart 1. GDP, Prices, Disposable Personal Income (DPI)



Real GDP Overview

Table 1. Real Gross Domestic Product (GDP) and Components

[Seasonally adjusted at annual rates]

	Share of current-dollar GDP (percent)	Change from preceding period (percent)					Contribution to percent change in real GDP (percentage points)			
		2011								
		IV	I	II	III	IV	I	II	III	IV
Gross domestic product ¹	100.0	0.4	1.3	1.8	2.8	0.4	1.3	1.8	2.8	
Personal consumption expenditures	71.0	2.1	0.7	1.7	2.0	1.47	0.49	1.24	1.45	
Goods.....	24.2	4.7	-1.6	1.4	5.7	1.10	-0.38	0.33	1.34	
Durable goods.....	7.8	11.7	-5.3	5.7	14.8	0.85	-0.42	0.42	1.07	
Nondurable goods.....	16.4	1.6	0.2	-0.5	1.7	0.25	0.04	-0.09	0.27	
Services.....	46.8	0.8	1.9	1.9	0.2	0.36	0.87	0.90	0.10	
Gross private domestic investment	13.1	3.8	6.4	1.3	20.0	0.47	0.79	0.17	2.35	
Fixed investment.....	12.6	1.2	9.2	13.0	3.3	0.15	1.07	1.52	0.41	
Nonresidential.....	10.3	2.1	10.3	15.7	1.7	0.20	0.98	1.49	0.18	
Structures.....	2.8	-14.3	22.6	14.4	-7.2	-0.40	0.54	0.37	-0.21	
Equipment and software.....	7.6	8.7	6.2	16.2	5.2	0.60	0.44	1.12	0.39	
Residential.....	2.3	-2.4	4.2	1.3	10.9	-0.06	0.09	0.03	0.23	
Change in private inventories.....	0.5	.....	.....	.....	.....	0.32	-0.28	-1.35	1.94
Net exports of goods and services	-3.8	.....	.....	.....	.....	-0.34	0.24	0.43	-0.11
Exports.....	13.9	7.9	3.6	4.7	4.7	1.01	0.48	0.64	0.64	
Goods.....	9.8	10.6	2.5	5.0	5.0	0.94	0.24	0.48	0.48	
Services.....	4.1	1.7	6.2	4.0	3.9	0.07	0.24	0.16	0.16	
Imports.....	17.7	8.3	1.4	1.2	4.4	-1.35	-0.24	-0.21	-0.75	
Goods.....	14.9	9.5	1.6	0.5	4.1	-1.29	-0.23	-0.08	-0.60	
Services.....	2.8	2.2	0.4	4.8	5.6	-0.06	-0.01	-0.13	-0.15	
Government consumption expenditures and gross investment	19.7	-5.9	-0.9	-0.1	-4.6	-1.23	-0.18	-0.02	-0.93	
Federal.....	8.0	-9.4	1.9	2.1	-7.3	-0.82	0.16	0.17	-0.62	
National defense.....	5.3	-12.6	7.0	5.0	-12.5	-0.74	0.37	0.27	-0.73	
Nondefense.....	2.7	-2.7	-7.6	-3.8	4.2	-0.08	-0.22	-0.10	0.11	
State and local.....	11.7	-3.4	-2.8	-1.6	-2.6	-0.41	-0.34	-0.19	-0.32	

1. The estimates of GDP under the contribution columns are also percent changes.

NOTE. Percent changes are from NIPA table 1.1.1, contributions are from NIPA table 1.1.2, and shares are from NIPA table 1.1.10.

Table 2. Real Gross Domestic Product (GDP) and Related Measures

[Seasonally adjusted at annual rates]

	Share of current-dollar GDP (percent)	Change from preceding period (percent)					Contribution to percent change in real GDP (percentage points)			
		2011								
		IV	I	II	III	IV	I	II	III	IV
Gross domestic product ¹	100.0	0.4	1.3	1.8	2.8	0.4	1.3	1.8	2.8	
Final sales of domestic product.....	99.5	0.0	1.6	3.2	0.8	0.04	1.62	3.16	0.81	
Change in private inventories..	0.5	.....	.....	.....	.....	0.32	-0.28	-1.35	1.94
Goods.....	28.6	4.9	-0.6	2.2	12.9	1.36	-0.17	0.62	3.48	
Services.....	64.6	-0.1	1.8	1.2	-0.9	-0.05	1.18	0.81	-0.60	
Structures.....	6.8	-13.1	5.0	5.8	-1.8	-0.95	0.33	0.38	-0.12	
Addenda:										
Motor vehicle output.....	2.5	59.2	-4.1	5.1	12.8	1.08	-0.10	0.12	0.30	
GDP excluding motor vehicle output.....	97.5	-0.7	1.5	1.7	2.5	-0.73	1.44	1.69	2.45	
Final sales of computers.....	0.7	14.7	13.0	42.1	32.1	0.08	0.07	0.22	0.18	
GDP excluding final sales of computers.....	99.3	0.3	1.3	1.6	2.6	0.27	1.26	1.60	2.58	

1. The estimates under the contribution columns are also percent changes.

NOTE. Percent changes are from NIPA table 1.2.1, contributions are from NIPA table 1.2.2, and shares are calculated from NIPA table 1.2.5.

Consumer spending picked up in the fourth quarter, contributing 1.45 percentage points to real GDP growth after contributing 1.24 percentage points in the third quarter. The pickup mainly reflected a pickup in motor vehicles and parts and an upturn in clothing and footwear. In contrast, housing and utilities and finance and insurance turned down.

Nonresidential fixed investment slowed sharply, contributing 0.18 percentage point to real GDP growth after contributing 1.49 percentage points. Equipment and software slowed, and structures turned down.

Residential investment increased 10.9 percent and contributed 0.23 percentage point to real GDP growth. In the third quarter, it had increased 1.3 percent and contributed 0.03 percentage point. The pickup mainly reflected an upturn in improvements.

Inventory investment turned up, adding 1.94 percentage points to real GDP growth after subtracting 1.35 percentage points. The upturn reflected accumulations in manufacturing and in merchant wholesale trade industries.

Net exports subtracted 0.11 percentage point from real GDP growth after adding 0.43 percentage point. Exports increased at the same rate (4.7 percent) as in the third quarter, and imports picked up, increasing 4.4 percent after increasing 1.2 percent.

Government spending decreased more than in the third quarter, and subtracted 0.93 percentage point from real GDP growth after subtracting 0.02 percentage point.

Federal government spending turned down, subtracting 0.62 percentage point from real GDP growth after adding 0.17 percentage point. A large downturn in national defense spending was partly offset by an upturn in nondefense spending.

Real final sales of domestic product, real GDP less inventory investment, increased 0.8 percent in the fourth quarter after increasing 3.2 percent.

Motor vehicle output picked up, increasing 12.8 percent and contributing 0.30 percentage point to real GDP growth; in the third quarter, it increased 5.1 percent and contributed 0.12 percentage point.

Final sales of computers slowed, increasing 32.1 percent after increasing 42.1 percent.

Prices

Table 3. Prices for Gross Domestic Purchases

[Percent change at annual rates; based on seasonally adjusted index numbers (2005=100)]

	Change from preceding period (percent)				Contribution to percent change in gross domestic purchases prices (percentage points)			
	2011				2011			
	I	II	III	IV	I	II	III	IV
Gross domestic purchases ¹	4.0	3.3	2.0	0.8	4.0	3.3	2.0	0.8
Personal consumption expenditures	3.9	3.3	2.3	0.7	2.67	2.26	1.60	0.48
Goods	8.0	5.1	2.9	-0.8	1.80	1.17	0.67	-0.19
Durable goods	-0.6	1.7	-0.5	-2.7	-0.04	0.13	-0.04	-0.20
Nondurable goods	12.4	6.7	4.5	0.1	1.84	1.04	0.71	0.01
Services	1.9	2.4	2.1	1.5	0.87	1.09	0.93	0.67
Gross private domestic investment	2.1	2.2	1.1	1.3	0.26	0.27	0.14	0.16
Fixed investment	1.4	2.4	1.5	1.2	0.17	0.28	0.18	0.15
Nonresidential	1.4	2.5	1.8	1.6	0.14	0.24	0.17	0.15
Structures	5.0	6.1	5.6	4.6	0.12	0.15	0.15	0.12
Equipment and software	0.2	1.2	0.4	0.5	0.01	0.09	0.03	0.03
Residential	1.5	2.0	0.3	-0.3	0.03	0.04	0.01	-0.01
Change in private inventories .....	.....	.....	.....	.....	0.09	-0.01	-0.04	0.01
Government consumption expenditures and gross investment	5.4	4.2	1.3	0.9	1.05	0.81	0.24	0.17
Federal	5.3	3.8	1.8	-0.1	0.42	0.30	0.14	-0.01
National defense	6.3	3.8	1.5	-0.4	0.33	0.20	0.08	-0.02
Nondefense	3.4	3.7	2.3	0.4	0.09	0.10	0.06	0.01
State and local	5.5	4.5	0.9	1.6	0.63	0.52	0.10	0.18
Addenda:								
Gross domestic purchases:								
Food	5.9	5.7	4.2	2.8	0.29	0.28	0.21	0.14
Energy goods and services	42.4	15.0	3.2	-6.5	1.49	0.60	0.13	-0.28
Excluding food and energy	2.4	2.7	1.8	1.0	2.20	2.46	1.64	0.95
Personal consumption expenditures (PCE):								
Food and beverages for off-premises consumption	6.5	6.4	4.7	2.7	.....	.....	.....	.....
Energy goods and services	40.7	15.0	3.3	-6.7	.....	.....	.....	.....
Excluding food and energy	1.6	2.3	2.1	1.1	.....	.....	.....	.....
Gross domestic product (GDP)	2.5	2.5	2.6	0.4	.....	.....	.....	.....
Exports	11.0	8.8	1.9	-4.0	.....	.....	.....	.....
Imports	19.1	12.5	-1.3	-1.0	.....	.....	.....	.....

1. The estimates under the contribution columns are also percent changes

NOTE: Most percent changes are from NIPA table 1.6.7; percent changes for PCE for food and energy goods and services and for PCE excluding food and energy are calculated from index numbers in NIPA table 2.3.4. Contributions are from NIPA table 1.6.8. GDP, export, and import prices are from NIPA table 1.1.7.

Prices of goods and services purchased by U.S. residents, as measured by the price index for gross domestic purchases, slowed in the fourth quarter, increasing 0.8 percent after increasing 2.0 percent.

Consumer prices slowed, reflecting slowdowns in nondurable-goods prices and in services prices and a larger decrease in durable-goods prices. The largest contributors to the slowdown in consumer prices were a downturn in gasoline and other energy goods prices and a slowdown in clothing and footwear prices.

Prices paid for nonresidential fixed investment slowed somewhat, reflecting a slowdown in structures prices.

Prices paid for residential investment decreased 0.3 percent, the first decrease since the second quarter of 2010, after increasing 0.3 percent in the third quarter.

Prices paid by government slowed. A downturn in prices paid by the federal government, mainly for national defense, was partly offset by a pickup in prices paid by state and local governments.

Consumer prices excluding food and energy, a measure of the "core" rate of inflation, slowed, increasing 1.1 percent after increasing 2.1 percent.

The GDP price index increased 0.4 percent, 0.4 percentage point less than the percent change in the price index for gross domestic purchases, reflecting a larger decrease in export prices (4.0 percent) than in import prices (1.0 percent). The decrease in export prices was the first decrease since the first quarter of 2009.

Note on Prices

BEA's gross domestic purchases price index is the most comprehensive index of prices paid by U.S. residents for all goods and services. It is derived from the prices of personal consumption expenditures (PCE), private investment, and government consumption expenditures and gross investment.

BEA also produces price indexes for all components of GDP. The PCE price index is a measure of the total cost of consumer goods and services, including durable goods, nondurable goods, and services. PCE prices for food, energy goods and services, and for all items except food and energy are also estimated and reported. Because prices for food and energy can be volatile, the price mea-

sure that excludes food and energy is often used as a measure of underlying, or "core," inflation. (The core PCE price index includes purchased meals and beverages, such as restaurant meals, and pet food. See [FAQ 518](#) on BEA's Web site.)

BEA also prepares a supplemental PCE price index, the "market-based" PCE price index, that is based on market transactions for which there are corresponding price measures. This index excludes many imputed expenditures, such as financial services furnished without payment, that are included in PCE and the PCE price index. BEA also prepares a market-based measure that excludes food and energy.

Personal Income

Table 4. Personal Income and Its Disposition

[Billions of dollars; quarterly estimates are seasonally adjusted at annual rates]

	Level		Change from preceding period			
	2011		2011			
	III	IV	I	II	III	IV
Personal income	12,979.6	13,062.2	269.3	108.4	24.3	82.6
Compensation of employees, received	8,250.0	8,327.4	121.7	47.2	30.3	77.4
Wage and salary disbursements	6,641.9	6,708.0	101.2	38.9	24.8	66.1
Private industries	5,452.6	5,519.1	98.7	38.1	27.4	66.5
Goods-producing industries	1,100.9	1,112.7	21.5	4.6	4.0	11.8
Manufacturing	701.6	707.7	14.9	0.0	1.2	6.1
Services-producing industries	4,351.7	4,406.4	77.1	33.6	23.4	54.7
Trade, transportation, and utilities	1,043.4	1,059.4	18.3	8.7	0.3	16.0
Other services-producing industries	3,308.3	3,347.0	58.8	24.8	23.2	38.7
Government	1,189.3	1,188.9	2.5	0.8	-2.6	-0.4
Supplements to wages and salaries	1,608.1	1,619.4	20.7	8.3	5.4	11.3
Proprietors' income with IVA and CCAAdj	1,113.7	1,115.5	14.1	10.9	7.2	1.8
Farm	67.5	58.7	6.0	1.2	0.2	-8.8
Nonfarm	1,046.2	1,056.8	8.1	9.7	7.0	10.6
Rental income of persons with CCAAdj	406.3	428.6	30.2	11.9	9.4	22.3
Personal income receipts on assets	1,794.2	1,789.1	33.7	25.1	-8.1	-5.1
Personal interest income	994.8	975.7	15.1	11.2	-21.1	-19.1
Personal dividend income	799.4	813.4	18.6	13.9	13.0	14.0
Personal current transfer receipts	2,336.6	2,331.9	-13.1	19.2	-10.7	-4.7
Government social benefits to persons	2,297.2	2,292.3	-13.3	19.3	-10.7	-4.9
Social security	716.3	722.3	3.2	9.1	4.1	6.0
Medicare	557.8	557.9	12.5	6.1	3.9	0.1
Medicaid	416.4	408.0	-7.7	5.3	-21.0	-8.4
Unemployment insurance	103.0	99.3	-11.2	-8.7	-5.8	-3.7
Veterans benefits	65.0	64.3	1.9	1.5	2.2	-0.7
Other	438.6	440.5	-11.8	5.8	5.9	1.9
Other current transfer receipts from business, net	39.4	39.6	0.2	-0.1	0.0	0.2
Less: Contributions for government social insurance	921.2	930.2	-82.6	5.9	3.8	9.0
Less: Personal current taxes	1,408.5	1,448.5	125.0	30.3	12.3	40.0
Equals: Disposable personal income (DPI)	11,571.1	11,613.8	144.3	78.2	11.9	42.7
Less: Personal outlays	11,114.6	11,184.5	153.5	100.5	112.0	69.9
Equals: Personal saving	456.5	429.3	-9.2	-22.4	-100.0	-27.2
Personal saving as a percentage of DPI	3.9	3.7	.....	.....	.....	.....
Addenda: Special factors in personal income						
In government wages and salaries:						
Federal pay raise	1.6	1.6	1.6	0.0	0.0	0.0
Reservists' pay	6.7	6.6	-0.5	0.2	0.0	-0.1
In current transfers:						
AERO	0.0	2.4	-2.5	0.4	-0.4	2.4
Refundable tax credits	87.5	87.5	-9.0	0.0	0.0	0.0
In contributions for government social insurance:						
In state unemployment insurance programs:						
Change in tax rates and taxable wage base	7.5	7.5	7.5	0.0	0.0	0.0
Social security rate reduction	-105.4	-105.4	-105.4	0.0	0.0	0.0
In federal personal current taxes:						
"Making Work Pay" tax credit	0.0	0.0	38.6	0.0	0.0	0.0
Refunds, settlements, and other	-93.2	-93.2	50.5	0.0	0.0	0.0

NOTE: Dollar levels are from NIPA tables 2.1 and 2.2B. CCAAdj Capital consumption adjustment
IVA Inventory valuation adjustment AERO Automatic Earnings Reappraisal Operation

Personal income, which is measured in current dollars, accelerated in the fourth quarter, increasing \$82.6 billion after increasing \$24.3 billion. The acceleration primarily reflected accelerations in wages and salaries and in rental income of persons that were partly offset by a downturn in farm proprietors' income.

Wages and salary disbursements increased \$66.1 billion after increasing \$24.8 billion. The acceleration reflected the incorporation of monthly employment, hours, and earnings data for the fourth quarter from the Bureau of Labor Statistics.

Farm proprietors' income decreased \$8.8 billion after increasing \$0.2 billion, largely reflecting a downturn in the prices received by farmers based on the incorporation of data from U.S. Department of Agriculture.

Rental income increased \$22.3 billion after increasing \$9.4 billion. The acceleration primarily reflected a larger decrease in contract interest, an expense that is deducted in the calculation of rental income, based on the incorporation of trade source data on mortgage loans outstanding and mortgage interest rates.

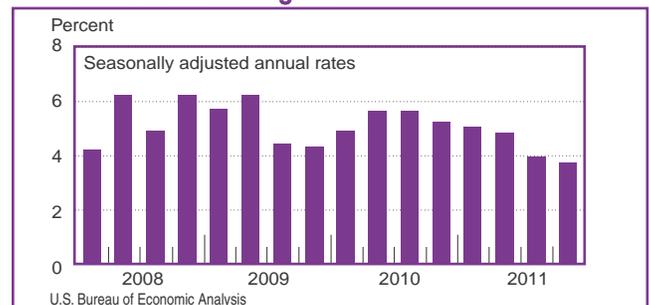
Personal current taxes accelerated, increasing \$40.0 billion after increasing \$12.3 billion. Federal taxes accelerated, and state and local taxes turned up.

Saving

Personal saving—disposable personal income less personal outlays—was \$429.3 billion in the fourth quarter, a decrease of \$27.2 billion that followed a third-quarter decrease of \$100.0 billion. The smaller fourth-quarter decrease reflected an acceleration in disposable personal income and a deceleration in personal outlays.

In 2011, the saving rate was 4.4 percent; in 2010, it was 5.3 percent, reflecting an acceleration in outlays and a deceleration in disposable personal income.

Chart 2. Personal Saving Rate



Source Data for the Advance Estimates

Table 5. Source Data and Key Assumptions for the Advance Estimates of GDP for the Fourth Quarter of 2011

[Billions of dollars, seasonally adjusted at annual rates]

	2011					
	July	August	Sept.	Oct.	Nov.	Dec. ¹
Private fixed investment:						
Nonresidential structures:						
Value of new nonresidential construction put in place	270.7	276.2	280.2	278.5	278.6	278.5
Residential structures:						
Value of new residential construction put in place:						
Single family	105.7	106.6	106.8	107.4	109.1	110.6
Multifamily.....	15.0	15.7	15.3	15.2	15.4	15.6
Change in private inventories:						
Change in inventories for nondurable manufacturing.....	2.3	-14.4	5.1	48.9	10.6	4.8
Change in inventories for merchant wholesale and retail industries other than motor vehicles and equipment	29.9	24.6	-14.1	66.5	26.1	60.2
Net exports: ²						
Exports of goods:						
U.S. exports of goods, international-transactions-accounts basis	1,521.4	1,520.0	1,551.2	1,536.8	1,518.7	1,528.0
Excluding gold	1,489.5	1,482.1	1,494.7	1,492.5	1,487.0	1,494.9
Imports of goods:						
U.S. imports of goods, international-transactions-accounts basis	2,256.5	2,251.8	2,265.4	2,239.6	2,276.8	2,307.4
Excluding gold	2,242.3	2,236.4	2,246.5	2,223.3	2,259.4	2,289.2
Net exports of goods.....	-735.1	-731.7	-714.2	-702.8	-758.1	-779.4
Excluding gold	-752.8	-754.2	-751.8	-730.8	-772.4	-794.3
State and local government structures:						
Value of new construction put in place.....	249.2	254.5	257.1	253.9	257.3	255.6

1. Assumption.

2. Nonmonetary gold is included in balance-of-payments exports and imports, but it is

not used directly in estimating exports and imports in the national income and product accounts.

Source Data and Key Assumptions for the Advance Estimates of GDP

While the advance estimates of many components of GDP are based on 3 months of source data, some estimates are based on only 2 months of data. For the following items, the number of months for which data are available is shown in parentheses.

Personal consumption expenditures: sales of retail stores (3), unit auto and truck sales (3), and consumers' shares of auto and truck sales (2);

Nonresidential fixed investment: unit auto and truck sales (3), construction spending (value put in place) (2), manufacturers' shipments of machinery and equipment (3), and exports and imports of machinery and equipment (2);

Residential investment: construction spending (value put in place) (2), single-family housing starts (3), sales of new homes (2), and sales of existing houses (3);

Change in private inventories: trade and nondurable-goods manufacturing inventories (2), durable-goods manufacturing inventories (3), and unit auto and truck inventories (3);

Net exports of goods and services: exports and imports of goods and services (2);

Government consumption expenditures and gross investment: federal outlays (3), state and local government con-

struction spending (value put in place) (2), and state and local government employment (3);

Compensation: employment, average hourly earnings, and average weekly hours (3); and

Prices: consumer price indexes (3), producer price indexes (3), and values and quantities of petroleum imports (2).

Unavailable source data

When source data were unavailable, BEA made various assumptions for December, including the following (table 5):

- A very slight decrease in nonresidential structures,
- An increase in single-family residential structures and a slight increase in multifamily residential structures,
- An increase in the change in inventories of nondurable-goods manufacturing industries and a large increase in the change in nonmotor vehicle merchant wholesale and retail trade inventories,
- An increase in exports of goods excluding gold and a larger increase in imports of goods excluding gold, and
- A decrease in state and local government structures.

A more comprehensive list is available on BEA's Web site at www.bea.gov.

Real GDP for 2011

Table 6. Real Gross Domestic Product (GDP) and Components

[Seasonally adjusted at annual rates]

	Share of current-dollar GDP (percent)	Change from preceding period (percent)		Contribution to percent change in real GDP (percentage points)	
		2010	2011	2010	2011
Gross domestic product ¹	100.0	3.0	1.7	3.0	1.7
Personal consumption expenditures	71.1	2.0	2.2	1.44	1.53
Goods.....	24.2	4.3	3.8	0.99	0.87
Durable goods.....	7.7	7.2	8.1	0.53	0.60
Nondurable goods.....	16.5	2.9	1.7	0.46	0.28
Services.....	46.9	0.9	1.4	0.46	0.66
Gross private domestic investment	12.7	17.9	4.7	1.96	0.58
Fixed investment.....	12.4	2.6	6.6	0.32	0.79
Nonresidential.....	10.1	4.4	8.6	0.42	0.82
Structures.....	2.7	-15.8	4.1	-0.51	0.11
Equipment and software.....	7.4	14.6	10.3	0.93	0.71
Residential.....	2.2	-4.3	-1.4	-0.11	-0.03
Change in private inventories.....	0.3	.....	.....	1.64	-0.20
Net exports of goods and services	-3.8	.....	.....	-0.51	0.05
Exports.....	13.8	11.3	6.8	1.31	0.88
Goods.....	9.8	14.4	7.5	1.12	0.68
Services.....	4.1	5.0	5.1	0.19	0.20
Imports.....	17.7	12.5	5.0	-1.82	-0.82
Goods.....	14.8	14.8	5.8	-1.74	-0.79
Services.....	2.8	2.9	1.1	-0.08	-0.03
Government consumption expenditures and gross investment	20.1	0.7	-2.1	0.14	-0.45
Federal.....	8.2	4.5	-2.0	0.37	-0.17
National defense.....	5.5	3.3	-2.4	0.18	-0.13
Nondefense.....	2.7	7.1	-1.2	0.19	-0.03
State and local.....	11.9	-1.8	-2.3	-0.23	-0.28

1. The estimates of GDP under the contribution columns are also percent changes.

NOTE: Percent changes are from NIPA table 1.1.1, contributions are from NIPA table 1.1.2, and shares are from NIPA table 1.1.10.

Consumer spending picked up slightly in 2011 and added 1.53 percentage points to real GDP growth after adding 1.44 percentage points in 2010. Pickups in services and durable goods were largely offset by a slowdown in nondurable goods.

Nonresidential fixed investment accelerated, adding 0.82 percentage point to real GDP growth after adding 0.42 percentage point. The acceleration reflected an upturn in structures that was partly offset by a slowdown in equipment and software.

Residential fixed investment decreased less than in 2010, subtracting 0.03 percentage point after subtracting 0.11 percentage point. Multifamily structures decreased less than in 2010, and "other" structures turned up; single-family structures turned down.

Inventory investment turned down, subtracting 0.20 percentage point from real GDP growth after adding 1.64 percentage points.

Net exports added 0.05 percentage point to real GDP growth after subtracting 0.51 percentage point, reflecting a sharp deceleration in imports that was partly offset by a slowdown in exports.

Government spending decreased 2.1 percent after increasing 0.7 percent, the largest contraction in government spending since 1971.

Federal government spending turned down, reflecting downturns in both national defense and nondefense spending.

State and local government spending decreased more than in 2010; the 2011 decrease was the largest decrease since 1944.

Chart 3. Contributions to the Change in Real GDP in 2011

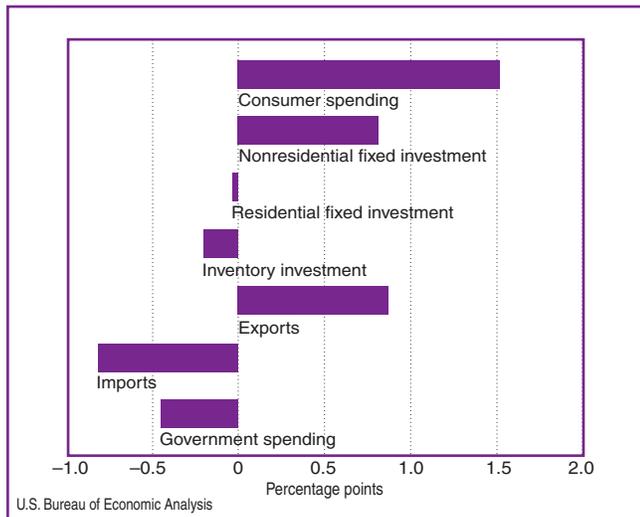


Chart 4. Key Contributors to the Change in Annual Real GDP

