

GDP GROWTH SLOWS IN FOURTH QUARTER

Growth Revised Up

Real gross domestic product (GDP) increased 2.6 percent in the fourth quarter of 2013, according to the “third” estimate released by the Bureau of Economic Analysis. The growth rate was 0.2 percentage point more than the “second” estimate released in February. In the third quarter, the growth rate was 4.1 percent.

Fourth-quarter GDP highlights

Consumer spending rose 3.3 percent, the highest since the fourth quarter of 2010, reflecting spending on housing and utilities, health care, and food services and accommodations. In the third quarter, consumer spending rose 2.0 percent. Exports also accelerated in the fourth quarter.

These accelerations were more than offset, however, by a downturn in inventory investment, a larger decrease in federal government spending, and a downturn in housing investment.

GDP revisions

The upward revision to real GDP growth reflected the incorporation of newly available source data. Consumer spending was revised up (mainly services), while business investment (mainly intellectual property products) and inventory investment were revised down.

Personal income and personal saving

Real disposable personal income (DPI)—personal income adjusted for inflation and taxes—increased 0.8 percent in the fourth quarter, compared with 3.0 percent in the third quarter. Personal saving as a percent of DPI was 4.3 percent in the fourth quarter, compared with 4.9 percent in the third quarter.

Fourth-quarter corporate profits

Profits grew 2.2 percent at a quarterly rate, compared with 1.9 percent in the third quarter.

Profits of nonfinancial corporations rose 1.5 percent, profits of financial corporations rose 1.3 percent, and profits from the rest of the world rose 5.5 percent.

Annual corporate profits

In 2013, corporate profits rose 4.6 percent at an annual rate, compared with 7.0 percent in 2012.

Profits of nonfinancial corporations rose 5.2 percent, profits of financial corporations rose 8.2 percent, and profits from the rest of the world fell 0.7 percent.



Real GDP growth is measured at seasonally adjusted annual rates



Corporate profits growth is measured as the percent change from the previous quarter.

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. [E-mail](#) alerts are also available.

NOTE: The “advance” estimate of GDP for the first quarter of 2014 will be released on April 30, 2014.