

## GDP INCREASES IN FOURTH QUARTER

*Annual growth for 2014 also rises*

Real gross domestic product (GDP) increased 2.6 percent in the fourth quarter of 2014, according to the “advance” estimate released by the Bureau of Economic Analysis. In the third quarter, real GDP increased 5.0 percent. For the full year 2014, real GDP rose 2.4 percent after rising 2.2 percent in 2013.

### Fourth-quarter GDP highlights

The increase in GDP in the fourth quarter reflected the following:

- Consumer spending increased 4.3 percent, compared with 3.2 percent in the third quarter. Spending on both goods and services increased in the fourth quarter.
- Inventory investment rose, notably by wholesale trade industries and manufacturing industries.
- Exports of goods and services increased; foods, feeds, and beverages was the largest contributor.
- Business investment also increased, mainly in intellectual property products.



*Real GDP growth is measured at seasonally adjusted annual rates.*

In contrast, imports, a subtraction in the calculation of GDP, increased.

### Gross domestic purchases prices

Prices of goods and services purchased by U.S. residents decreased 0.3 percent in the fourth quarter, after increasing 1.4 percent in the third quarter. Energy prices declined sharply in the fourth quarter. Excluding energy and food, prices increased 0.7 percent in the fourth quarter and 1.6 percent in third quarter.

### Personal income and personal saving

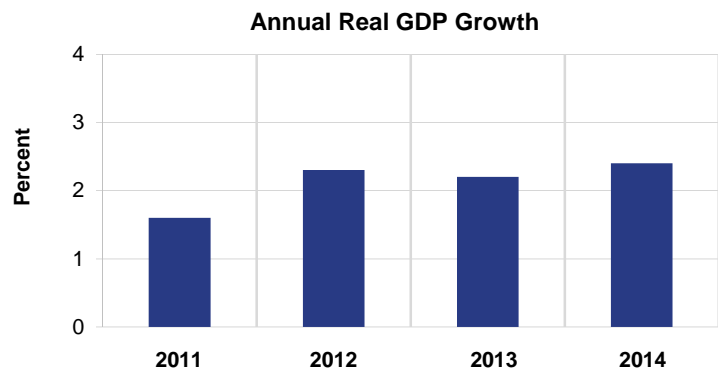
Real disposable personal income—personal income adjusted for taxes and inflation—rose 3.8 percent in the fourth quarter after rising 2.0 percent in the third quarter. Personal saving as a percentage of disposable personal income was 4.6 percent in the fourth quarter.

### Annual GDP highlights

The increase in GDP for 2014 reflected the following:

- Consumer spending increased; spending on both services and goods increased.
- Business investment increased, notably in equipment and structures.
- Exports of goods increased.

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 “second” estimate of GDP for the fourth quarter of 2014 will be released on February 27, 2015.