

GDP INCREASES IN FOURTH QUARTER

“Advance” estimate of GDP

Real gross domestic product (GDP) increased 1.9 percent in the fourth quarter of 2016, according to the “advance” estimate released by the Bureau of Economic Analysis. In the third quarter, real GDP increased 3.5 percent.

Fourth-quarter GDP highlights

The increase in real GDP reflected an increase in consumer spending, private inventory investment, residential investment, business investment, and state and local government spending. These contributions were partly offset by declines in exports and federal government spending. Imports, which are a subtraction in the calculation of GDP, increased.

Prices

Prices of goods and services purchased by U.S. residents increased 2.0 percent in the fourth quarter after increasing 1.5 percent in the third quarter. Excluding energy and food, prices rose 1.4 percent after increasing 1.7 percent.

Personal income and personal saving

Real disposable personal income—personal income adjusted for taxes and inflation—increased 1.5 percent in the fourth quarter after increasing 2.6 percent in the third quarter. Personal saving as a percentage of disposable personal income was 5.6 percent in the fourth quarter, compared with 5.8 percent in the third quarter.

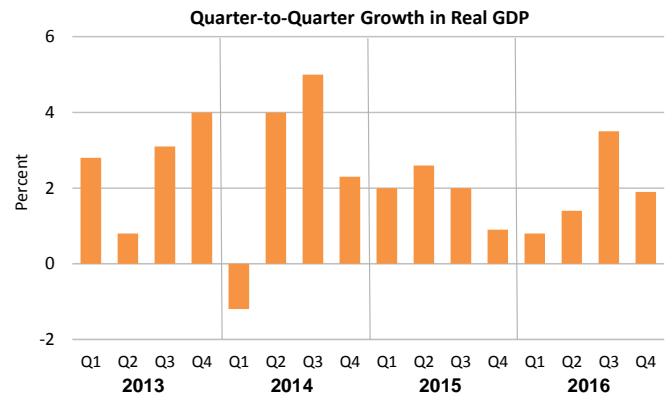
Annual GDP growth

For the year 2016, real GDP increased 1.6 percent, compared with 2.6 percent in 2015.

The increase in real GDP in 2016 reflected increases in consumer spending, residential investment, state and local government spending, exports, and federal government spending.

These contributions were partly offset by declines in private inventory investment and business investment. Imports increased.

Prices of goods and services purchased by U.S. residents increased 1.0 percent in 2016, compared with an increase of 0.4 percent in 2015. Excluding food and energy, prices increased 1.4 percent after increasing 1.1 percent.



Real GDP growth is measured at seasonally adjusted annual rates.

