

GDP GROWTH SLOWS IN FIRST QUARTER

Advance estimate of GDP

Real gross domestic product (GDP) increased 0.1 percent in the first quarter of 2014, according to the “advance” estimate released today by the Bureau of Economic Analysis. In the fourth quarter of 2013, the growth rate was 2.6 percent.

First-quarter GDP highlights

The slowdown in real GDP growth reflected:

- A downturn in exports. Exports of industrial supplies and materials as well as foods, feeds, and beverages declined after increasing in the fourth quarter.
- A downturn in business investment. Spending on transportation equipment fell after rising significantly in the fourth quarter. Spending on computers and peripherals also turned down.
- A larger decrease in inventory investment. Inventory investment by retail trade companies (mainly motor vehicles dealers) declined significantly after an increase in the fourth quarter.
- A slowdown in consumer spending, mainly in nondurable goods, notably clothing and footwear as well as food and beverages. These movements were partly offset by faster growth in utilities and healthcare.



In contrast, federal government spending turned up, and imports declined after increasing in the fourth quarter.

Personal income and personal saving

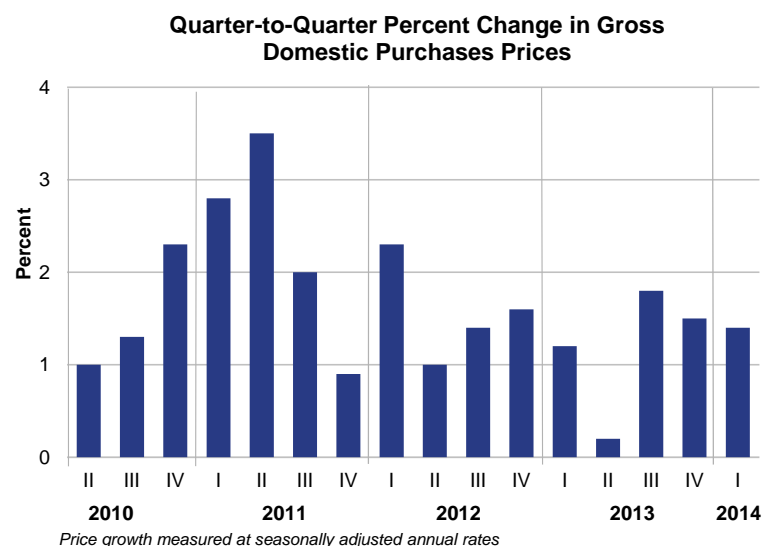
Real disposable personal income (DPI)—personal income adjusted for inflation and taxes—increased 1.9 percent in the first quarter, compared with 0.8 percent in the fourth quarter of 2013. Personal saving as a percent of current-dollar DPI was 4.1 percent, compared with 4.3 percent.

First-quarter prices

Prices of goods and services bought by U.S. residents rose 1.4 percent in the first quarter, after rising 1.5 percent in the fourth quarter of 2013.

Both energy prices and food prices turned up.

Excluding food and energy, prices increased 1.4 percent in the first quarter after rising 1.8 percent in the fourth 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 “second” estimate of GDP and a preliminary estimate of corporate profits for the first quarter of 2014 will be released on May 29, 2014.