

## GDP INCREASES IN FOURTH QUARTER

*“Advance” estimate of GDP*

Real gross domestic product (GDP) increased 2.6 percent in the fourth quarter of 2017, according to the “advance” estimate released by the Bureau of Economic Analysis. In the third quarter, real GDP increased 3.2 percent.

### Fourth-quarter GDP highlights

The increase in real GDP reflected increases in consumer spending, business investment, exports, housing investment, as well as federal and state and local government spending. These contributions were partly offset by declines in inventories. Imports, which are a subtraction in the calculation of GDP, increased.



### Prices

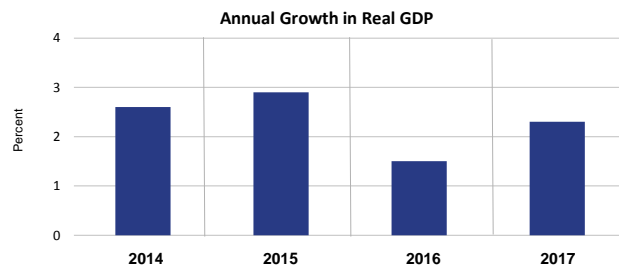
Prices of goods and services purchased by U.S. residents increased 2.5 percent in the fourth quarter after increasing 1.7 percent in the third quarter. Excluding food and energy, prices rose 1.9 percent in the fourth quarter after increasing 1.6 percent in the third quarter.

### Personal income and personal saving

Real disposable personal income—personal income adjusted for taxes and inflation—increased 1.1 percent in the fourth quarter after increasing 0.5 percent in the third quarter. Personal saving as a percentage of disposable personal income was 2.6 percent in the fourth quarter, compared with 3.3 percent in the third quarter.

### Annual GDP growth

For the year 2017, real GDP increased 2.3 percent, compared with 1.5 percent in 2016.



The increase in real GDP in 2017 reflected increases in consumer spending, business investment, and exports. These contributions were partly offset by a decrease in inventories. Imports increased.

Prices of goods and services purchased by U.S. residents increased 1.8 percent in 2017, compared with an increase of 1.0 percent in 2016. Excluding food and energy, prices increased 1.7 percent in 2017 after increasing 1.4 percent in 2016.