

GDP and the Economy

Advance Estimates for the Fourth Quarter of 2014

REAL GROSS domestic product (GDP) increased 2.6 percent at an annual rate in the fourth quarter of 2014 after increasing 5.0 percent in the third quarter, according to the advance estimates of the national income and product accounts (NIPAs) (chart 1 and table 1).¹ For the year 2014, real GDP increased 2.4 percent after increasing 2.2 percent in 2013 (see page 6).

The slowdown in real GDP growth in the fourth quarter primarily reflected an upturn in imports, a downturn in federal government spending, and slowdowns in nonresidential fixed investment and in exports that were partly offset by an upturn in inventory investment and a pickup in consumer spending.²

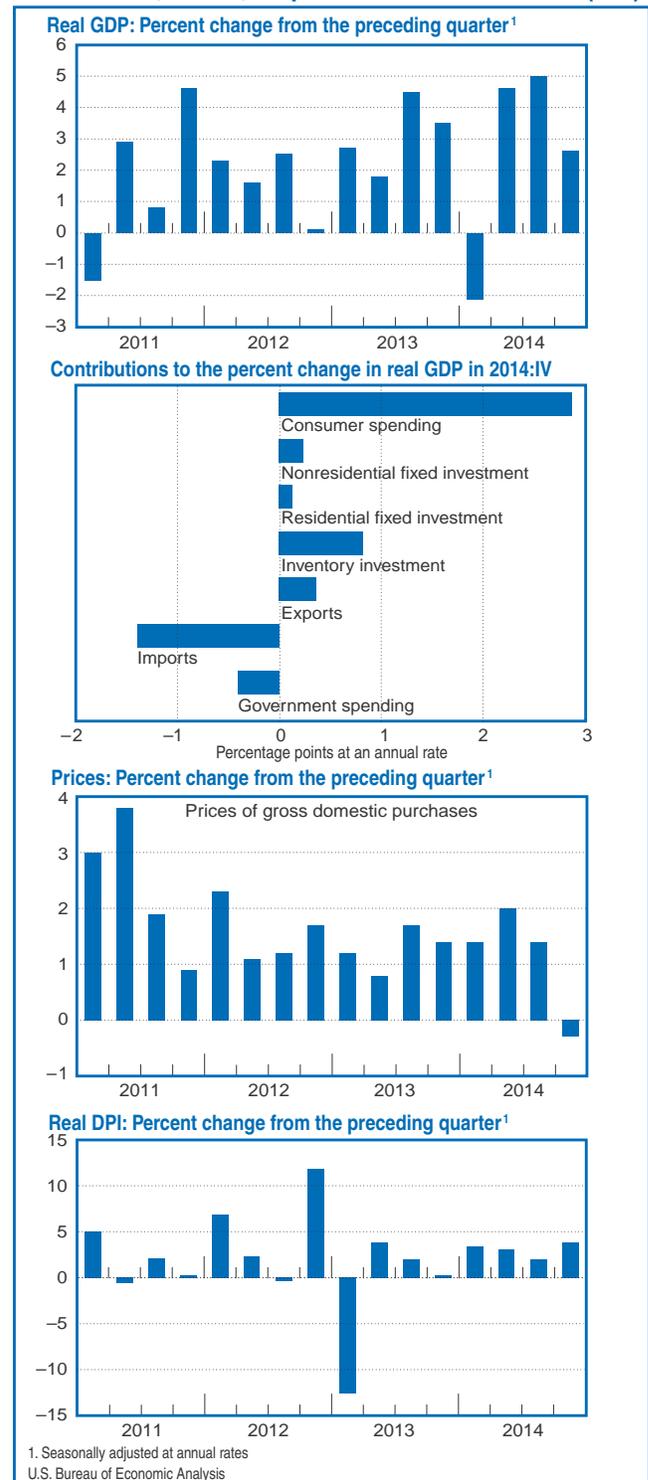
- Prices of goods and services purchased by U.S. residents decreased 0.3 percent in the fourth quarter after increasing 1.4 percent in the third quarter. Food prices slowed in the fourth quarter, and energy prices decreased much more in the fourth quarter than in the third quarter. Excluding food and energy, gross domestic purchases prices increased 0.7 percent after increasing 1.6 percent (see table 2).
- Real disposable personal income (DPI) increased 3.8 percent in the fourth quarter after increasing 2.0 percent in the third quarter. Current-dollar DPI increased 3.3 percent in the fourth quarter, the same increase as in the third quarter (see table 3). The acceleration in real DPI reflected a downturn in the implicit price deflator for consumer spending, which is used to deflate DPI.
- The personal saving rate, personal saving as a percentage of current-dollar DPI, was 4.6 percent in the fourth quarter; in the third quarter, the rate was 4.7 percent.

1. "Real" estimates are in chained (2009) dollars, and price indexes are chain-type measures. Each GDP estimate for a quarter (advance, second, and third) incorporates increasingly comprehensive and improved source data; for more information, see "The Revisions to GDP, GDI, and Their Major Components" in the August 2014 SURVEY OF CURRENT BUSINESS. Quarterly estimates are expressed at seasonally adjusted annual rates, which assumes that a rate of activity for a quarter is maintained for a year.

2. In this article, "consumer spending" refers to "personal consumption expenditures," "inventory investment" refers to "change in private inventories," and "government spending" refers to "government consumption expenditures and gross investment."

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Chart 1. GDP, Prices, Disposable Personal Income (DPI)



Real GDP Overview

Table 1. Real Gross Domestic Product (GDP) and Related Measures

[Seasonally adjusted at annual rates]

	Share of current-dollar GDP (percent)	Change from preceding period (percent)					Contribution to percent change in real GDP (percentage points)			
	2014	2014					2014			
	IV	I	II	III	IV	I	II	III	IV	
Gross domestic product ¹	100.0	-2.1	4.6	5.0	2.6	-2.1	4.6	5.0	2.6	
Personal consumption expenditures	68.4	1.2	2.5	3.2	4.3	0.83	1.75	2.21	2.87	
Goods	22.6	1.0	5.9	4.7	5.4	0.23	1.33	1.06	1.20	
Durable goods.....	7.5	3.2	14.1	9.2	7.4	0.23	0.99	0.67	0.54	
Nondurable goods.....	15.1	0.0	2.2	2.5	4.4	0.00	0.34	0.39	0.66	
Services	45.8	1.3	0.9	2.5	3.7	0.60	0.42	1.15	1.67	
Gross private domestic investment	16.7	-6.9	19.1	7.2	7.4	-1.13	2.87	1.18	1.20	
Fixed investment.....	16.0	0.2	9.5	7.7	2.3	0.03	1.45	1.21	0.37	
Nonresidential.....	12.7	1.6	9.7	8.9	1.9	0.20	1.18	1.10	0.24	
Structures.....	2.9	2.9	12.6	4.8	2.6	0.08	0.35	0.14	0.08	
Equipment.....	5.8	-1.0	11.2	11.0	-1.9	-0.06	0.63	0.63	-0.11	
Intellectual property products.....	4.0	4.6	5.5	8.8	7.1	0.18	0.21	0.34	0.27	
Residential.....	3.3	-5.3	8.8	3.2	4.1	-0.17	0.27	0.10	0.13	
Change in private inventories.....	0.7	.....	.....	.....	.....	-1.16	1.42	-0.03	0.82
Net exports of goods and services	-3.1	.....	.....	.....	.....	-1.66	-0.34	0.78	-1.02
Exports.....	13.2	-9.2	11.1	4.5	2.8	-1.30	1.43	0.61	0.37	
Goods.....	9.1	-11.9	14.3	7.5	1.9	-1.18	1.26	0.69	0.18	
Services.....	4.1	-2.8	4.0	-1.9	4.7	-0.12	0.17	-0.08	0.19	
Imports.....	16.3	2.2	11.3	-0.9	8.9	-0.36	-1.77	0.16	-1.39	
Goods.....	13.5	2.5	12.5	-1.3	9.8	-0.33	-1.62	0.19	-1.27	
Services.....	2.8	1.0	5.6	1.0	4.7	-0.03	-0.15	-0.03	-0.13	
Government consumption expenditures and gross investment	18.0	-0.8	1.7	4.4	-2.2	-0.15	0.31	0.80	-0.40	
Federal.....	6.9	-0.1	-0.9	9.9	-7.5	-0.01	-0.06	0.68	-0.54	
National defense.....	4.3	-4.0	0.9	16.0	-12.5	-0.18	0.04	0.66	-0.58	
Nondefense.....	2.6	6.6	-3.8	0.4	1.7	0.17	-0.10	0.01	0.04	
State and local.....	11.1	-1.3	3.4	1.1	1.3	-0.14	0.38	0.13	0.14	
Addenda:										
Final sales of domestic product.....	99.3	-1.0	3.2	5.0	1.8	-0.95	3.18	4.99	1.82	
Goods.....	30.6	-8.5	11.4	9.5	3.9	-2.69	3.34	2.87	1.18	
Services.....	61.7	1.4	0.6	3.0	2.0	0.86	0.40	1.84	1.22	
Structures.....	7.7	-3.8	11.7	3.4	3.1	-0.29	0.85	0.26	0.24	
Motor vehicle output.....	2.8	3.3	21.3	27.2	-21.2	0.09	0.55	0.71	-0.70	
GDP excluding motor vehicle output.....	97.2	-2.3	4.1	4.4	3.5	-2.20	4.05	4.25	3.34	
Final sales of computers.....	0.3	17.8	14.6	19.5	-46.2	0.07	0.06	0.08	-0.23	
GDP excluding final sales of computers.....	99.7	-2.2	4.6	4.9	2.9	-2.17	4.54	4.89	2.88	
Research and development (R&D).....	2.5	2.9	3.4	6.6	5.2	0.07	0.09	0.16	0.13	
GDP excluding R&D.....	97.5	-2.2	4.6	4.9	2.6	-2.18	4.51	4.80	2.51	

Consumer spending picked up in the fourth quarter, reflecting pickups in both services (mainly household utilities) and goods (primarily clothing and footwear and gasoline and other energy goods).

Nonresidential fixed investment slowed, primarily reflecting a downturn in equipment (primarily in transportation and industrial equipment).

Inventory investment turned up, primarily reflecting an upturn in nonfarm inventory investment, specifically an upturn in manufacturing and a pickup in wholesale trade that were partly offset by a larger decrease in retail trade.

Exports of goods and services slowed, reflecting a slowdown in goods exports that was partly offset by an upturn in services exports.

Imports of goods and services turned up in the fourth quarter, reflecting an upturn in goods imports and a pickup in services imports.

The upturn in goods imports primarily reflected upturns in consumer goods except food and automotive and in petroleum and products.

Federal government spending turned down; the downturn was more than accounted for by a downturn in national defense spending that primarily reflected a large downturn in intermediate services purchased (specifically personnel support services).

Real final sales of domestic product, real GDP less inventory investment, increased 1.8 percent in the fourth quarter after increasing 5.0 percent in the third quarter.

1. The estimates of GDP under the contribution columns are also percent changes.

NOTE. Percent changes are from NIPA tables 1.1.1 and 1.2.1, contributions are from NIPA tables 1.1.2 and 1.2.2, and shares are from NIPA table 1.1.10, or they are calculated from NIPA table 1.2.5.

Prices

Table 2. Prices for Gross Domestic Purchases

[Percent change at annual rates; based on seasonally adjusted index numbers (2009=100)]

	Change from preceding period (percent)				Contribution to percent change in gross domestic purchases prices (percentage points)			
	2014				2014			
	I	II	III	IV	I	II	III	IV
Gross domestic purchases ¹	1.4	2.0	1.4	-0.3	1.4	2.0	1.4	-0.3
Personal consumption expenditures	1.4	2.3	1.2	-0.5	0.91	1.55	0.82	-0.34
Goods	-0.6	1.8	0.1	-5.3	-0.12	0.40	0.03	-1.20
Durable goods	-2.8	-1.9	-2.1	-3.6	-0.21	-0.13	-0.16	-0.26
Nondurable goods	0.6	3.6	1.3	-6.2	0.08	0.53	0.19	-0.94
Services	2.3	2.6	1.8	2.0	1.03	1.15	0.78	0.86
Gross private domestic investment	2.4	1.0	1.9	0.9	0.38	0.15	0.30	0.14
Fixed investment	2.8	1.1	2.3	0.9	0.42	0.17	0.35	0.14
Nonresidential	1.4	1.2	1.1	0.2	0.17	0.15	0.13	0.02
Structures	2.3	1.4	2.4	1.7	0.06	0.04	0.07	0.05
Equipment	0.8	1.1	1.1	1.1	0.04	0.06	0.06	0.06
Intellectual property products	1.7	1.2	0.1	-2.2	0.06	0.04	0.00	-0.09
Residential	8.6	0.7	7.2	3.9	0.25	0.02	0.22	0.12
Change in private inventories .....	.....	.....	.....	.....	-0.05	-0.02	-0.05	0.00
Government consumption expenditures and gross investment	0.4	1.4	1.5	-0.6	0.07	0.25	0.26	-0.11
Federal	-2.5	1.7	0.6	-0.4	-0.17	0.12	0.04	-0.03
National defense	0.1	1.7	0.4	-0.6	0.00	0.07	0.02	-0.03
Nondefense	-6.5	1.8	0.8	0.0	-0.18	0.05	0.02	0.00
State and local	2.2	1.2	2.1	-0.8	0.24	0.13	0.22	-0.08
Addenda:								
Gross domestic purchases:								
Food	1.3	4.2	2.3	1.8	0.06	0.20	0.11	0.09
Energy goods and services	2.8	5.1	-4.4	-26.6	0.10	0.18	-0.16	-1.05
Excluding food and energy	1.3	1.7	1.6	0.7	1.19	1.56	1.42	0.64
Personal consumption expenditures (PCE):								
Food and beverages purchased for off-premises consumption	1.4	4.5	3.1	2.1	.....	.....	.....	.....
Energy goods and services	4.0	5.2	-4.0	-27.2	.....	.....	.....	.....
Excluding food and energy	1.2	2.0	1.4	1.1	.....	.....	.....	.....
Gross domestic product (GDP)	1.3	2.1	1.4	0.0	.....	.....	.....	.....
Exports of goods and services	2.8	-0.2	-0.7	-6.8	.....	.....	.....	.....
Imports of goods and services	2.8	-0.8	-0.5	-7.3	.....	.....	.....	.....

1. The estimates of gross domestic purchases under the contribution columns are also percent changes.
 NOTE: Most percent changes are from NIPA table 1.6.7; percent changes for PCE for food and energy goods and services and for PCE excluding food and energy are from NIPA table 2.3.7. Contributions are from NIPA table 1.6.8. GDP, export, and import prices are from NIPA table 1.1.7.

Prices paid by U.S. residents, as measured by the gross domestic purchases price index, turned down, decreasing 0.3 percent in the fourth quarter after increasing 1.4 percent in the third quarter. The downturn primarily reflected downturns in consumer spending prices and in prices paid by state and local governments.

The downturn in consumer spending prices primarily reflected a downturn in the prices paid for goods (mainly a larger decrease in the prices paid for gasoline and other energy goods).

Prices paid by state and local governments turned down, decreasing 0.8 percent after increasing 2.1 percent. The downturn primarily reflected a downturn in the prices paid for consumption expenditures, mainly intermediate goods (specifically petroleum products).

Consumer prices excluding food and energy, a measure of the "core" rate of inflation, slowed, increasing 1.1 percent after increasing 1.4 percent.

Note on Prices

BEA's gross domestic purchases price index is the most comprehensive index of prices paid by U.S. residents for all goods and services. It is derived from the prices of personal consumption expenditures (PCE), private investment, and government consumption expenditures and gross investment.

BEA also produces price indexes for all the components of GDP. The PCE price index is a measure of the total cost of consumer goods and services, including durable goods, nondurable goods, and services. PCE prices for food, for energy goods and services, and for all items except food and energy are also estimated and reported.

Because prices for food and for energy can be volatile, the

price measure that excludes food and energy is often used as a measure of underlying, or "core," inflation. The core PCE price index includes purchased meals and beverages, such as restaurant meals and pet food. (See the FAQ "What is the core PCE price index?" on BEA's Web site.)

BEA also prepares a supplemental PCE price index, the "market-based" PCE price index, that is based on market transactions for which there are corresponding price measures. This index excludes many imputed expenditures, such as financial services furnished without payment, that are included in PCE and in the PCE price index. BEA also prepares a market-based measure that excludes food and energy.

Personal Income

Table 3. Personal Income and Its Disposition

[Billions of dollars; quarterly estimates are seasonally adjusted at annual rates]

	Level		Change from preceding period			
	2014		2014			
	III	IV	I	II	III	IV
Personal income	14,792.1	14,928.9	173.0	175.8	131.6	136.8
Compensation of employees.....	9,238.7	9,333.7	149.4	63.3	79.2	95.0
Wages and salaries.....	7,458.4	7,539.5	131.3	51.9	66.7	81.1
Private industries.....	6,233.7	6,309.8	126.8	46.8	61.6	76.1
Goods-producing industries.....	1,266.8	1,282.8	27.4	16.5	12.3	16.0
Manufacturing	777.6	786.2	15.4	4.2	3.9	8.6
Services-producing industries	4,966.9	5,027.0	99.4	30.2	49.4	60.1
Trade, transportation, and utilities	1,168.4	1,180.6	20.0	10.1	3.4	12.2
Other services-producing industries ..	3,798.5	3,846.4	79.4	20.2	45.9	47.9
Government.....	1,224.7	1,229.8	4.5	5.2	5.0	5.1
Supplements to wages and salaries	1,780.3	1,794.1	18.1	11.4	12.5	13.8
Proprietors' income with IVA and CCAdj.....	1,386.4	1,402.9	8.3	30.0	5.4	16.5
Farm	62.2	61.2	-12.0	15.3	-11.2	-1.0
Nonfarm	1,324.2	1,341.7	20.3	14.7	16.6	17.5
Rental income of persons with CCAdj	646.7	657.2	9.6	12.5	11.3	10.5
Personal income receipts on assets	2,138.3	2,142.9	-3.8	36.6	11.3	4.6
Personal interest income.....	1,266.5	1,257.0	-0.8	7.6	-3.5	-9.5
Personal dividend income	871.8	885.9	-3.0	29.0	14.8	14.1
Personal current transfer receipts	2,545.3	2,566.1	38.6	40.9	33.5	20.8
Government social benefits to persons	2,500.8	2,520.8	38.1	40.2	32.8	20.0
Social security	837.1	843.8	15.6	8.5	4.1	6.7
Medicare.....	590.8	590.9	5.3	3.6	4.6	0.1
Medicaid.....	502.0	509.6	18.9	14.9	19.5	7.6
Unemployment insurance.....	35.1	34.0	-14.7	-4.2	-2.1	-1.1
Veterans benefits.....	84.6	86.5	1.8	0.0	1.2	1.9
Other	451.2	456.0	11.3	17.3	5.5	4.8
Other current transfer receipts from business, net	44.5	45.3	0.5	0.7	0.7	0.8
Less: Contributions for government social insurance.....	1,163.3	1,173.9	29.1	7.6	9.1	10.6
Less: Personal current taxes.....	1,741.8	1,773.8	23.7	3.5	26.5	32.0
Equals: Disposable personal income (DPI)	13,050.3	13,155.1	149.2	172.3	105.1	104.8
Less: Personal outlays	12,433.0	12,553.4	76.1	142.7	143.4	120.4
Equals: Personal saving	617.2	601.7	73.2	29.5	-38.4	-15.5
Personal saving as a percentage of DPI.....	4.7	4.6	.....	.....	.....	.....
Addenda: The effects of special factors on changes in DPI						
In government compensation:						
Federal pay raise.....			2.6	0.3	0.0	0.0
In supplements to wages and salaries:						
FICA increase in maximum taxable wages			1.7	0.0	0.0	0.0
In government social benefits to persons:						
Cost-of-living adjustments (COLAs) ¹			14.2	0.0	0.0	0.0
Automatic Earnings Reappraisal Operation			-2.7	0.3	-0.3	2.6
Emergency unemployment compensation.....			-17.5	-0.8	0.0	0.0
ACA premium assistance tax credit.....			7.0	10.4	2.7	0.0
Other refundable tax credits.....			3.1	0.0	0.0	0.0
In employee contributions for government social insurance:						
FICA and SECA increase in maximum taxable wages			2.1	0.0	0.0	0.0
SMI premium increase			0.2	0.0	0.0	0.0
Additional hospital insurance tax			0.4	0.0	0.0	0.0
Expiration of the "payroll tax holiday".....			2.6	0.0	0.0	0.0
In personal current taxes:						
Refunds, settlements, and back taxes			-6.1	0.0	0.0	0.0

1. Includes COLAs for social security, veterans benefits, railroad retirement, and supplemental security income. In the first quarter, the social security COLA boosted benefits \$13.2 billion.

Note. Dollar levels are from NIPA tables 2.1 and 2.2B.

 ACA Affordable Care Act
 FICA Federal Insurance Contributions Act
 SECA Self-Employed Contributions Act

 CCAdj Capital consumption adjustment
 IVA Inventory valuation adjustment
 SMI Supplementary Medical Insurance

Personal income, which is measured in current dollars, accelerated in the fourth quarter, increasing \$136.8 billion after increasing \$131.6 billion in the third quarter. The acceleration primarily reflected accelerations in wages and salaries and in proprietors' income that were partly offset by a deceleration in government social benefits to persons and a larger decrease in personal interest income.

The pickup in wages and salaries reflected an acceleration in services-producing industries and a smaller acceleration in goods-producing industries.

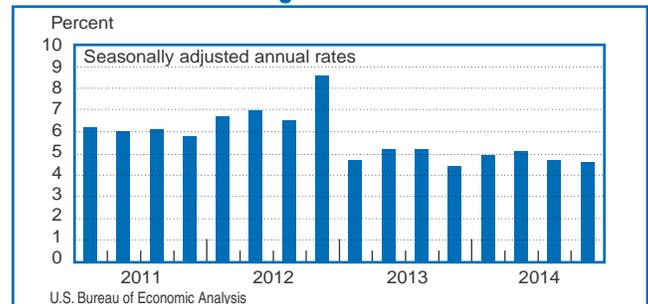
The pickup in proprietors' income reflected a smaller decrease in farm proprietors' income and a pickup in nonfarm proprietors' income.

Personal interest income decreased \$9.5 billion after decreasing \$3.5 billion.

The deceleration in government social benefits to persons primarily reflected a slowdown in Medicaid benefits.

Personal saving—disposable personal income less personal outlays—was \$601.7 billion in the fourth quarter, decreasing \$15.5 billion after decreasing \$38.4 billion.

The personal saving rate was 4.6 percent in the fourth quarter; in the third quarter, the rate was 4.7 percent.

Chart 2. Personal Saving Rate


Source Data for the Advance Estimates

Table 4. Source Data and Key Assumptions for the Advance Estimates of GDP and Its Components for the Fourth Quarter of 2014
[Billions of dollars, seasonally adjusted at annual rates]

	2014					
	July	August	Sept.	Oct.	Nov.	Dec. ¹
Private fixed investment:						
Nonresidential structures:						
Value of new nonresidential construction put in place	334.0	338.2	345.7	346.1	345.0	345.6
Residential structures:						
Value of new residential construction put in place:						
Single family	188.2	190.8	194.1	198.2	200.1	203.7
Multifamily	43.6	44.6	46.6	47.0	47.5	48.4
Change in private inventories:						
Change in inventories for nondurable manufacturing	-16.8	-10.3	-3.2	-15.2	-6.5	-24.1
Change in inventories for merchant wholesale and retail industries other than motor vehicles and equipment	20.4	35.2	25.7	59.1	52.8	44.1
Net exports:²						
Exports of goods:						
U.S. exports of goods, international-transactions-accounts basis	1,668.8	1,668.3	1,632.5	1,663.0	1,640.8	1,612.1
Excluding gold	1,656.0	1,651.5	1,606.3	1,631.8	1,605.0	1,578.7
Imports of goods:						
U.S. imports of goods, international-transactions-accounts basis	2,383.7	2,385.9	2,384.9	2,402.3	2,340.1	2,376.4
Excluding gold	2,365.4	2,367.1	2,370.9	2,387.1	2,328.1	2,362.8
Net exports of goods	-714.9	-717.5	-752.4	-739.4	-699.3	-764.3
Excluding gold	-709.4	-715.7	-764.6	-755.4	-723.1	-784.2
State and local government structures:						
Value of new construction put in place	254.5	254.3	253.5	257.0	253.7	255.3

1. All the values except the value for inventory investment for nondurable manufacturing are assumptions.

2. Nonmonetary gold is included in balance-of-payments exports and imports, but it is not used directly in estimating exports and imports in the national income and product accounts.

Source Data and Key Assumptions for the Advance Estimates of GDP

The advance estimates of many components of GDP are based on 3 months of source data, but the estimates of some components are based on only 2 months of data. For the following items, the number of months for which data are available is shown in parentheses.

Consumer spending: sales of retail stores (3), unit auto and truck sales (3), consumers' shares of auto and truck sales (2), motor vehicle fuels data (1), and electricity and gas usage and unit-value data (1);

Nonresidential fixed investment: unit auto and truck sales (3), construction spending (value put in place) (2), manufacturers' shipments of machinery and equipment (3), and exports and imports of machinery and equipment (2);

Residential fixed investment: construction spending (value put in place) (2), single-family housing starts (3), sales of new homes (3), and sales of existing houses (3);

Inventory investment: trade and nondurable-goods manufacturing inventories (2), durable-goods manufacturing inventories (3), and unit auto and truck inventories (3);

Net exports of goods and services: exports and imports of goods and services (2) and values and quantities of petroleum imports (2);

Government spending: federal government outlays (3),

state and local government construction spending (value put in place) (2), and federal and state and local government employment (3);

Compensation: private employment, average hourly earnings, and average weekly hours (3); and

Prices: consumer price indexes (3), producer price indexes (3), and export and import price indexes (3).

Key assumptions

When source data were unavailable, BEA made various assumptions for December, including the following (table 4):

- An increase in nonresidential structures,
- An increase in single-family structures,
- An increase in multifamily structures,
- A decrease in nondurable-goods manufacturing inventories,
- An increase in nonmotor vehicle merchant wholesale and retail inventories,
- A decrease in exports of goods excluding gold and an increase in imports of goods excluding gold, and
- An increase in state and local government construction spending.

A more comprehensive list is available on BEA's Web site.

Real GDP for 2014

Table 5. Real Gross Domestic Product (GDP) and Components
[Seasonally adjusted at annual rates]

	Share of current-dollar GDP (percent)		Change from preceding period (percent)		Contribution to percent change in real GDP (percentage points)	
	2014	2013	2014	2013	2014	2013
Gross domestic product¹	100.0	2.2	2.4	2.2	2.4	2.4
Personal consumption expenditures	68.5	2.4	2.5	1.64	1.72	1.72
Goods.....	22.8	3.4	3.5	0.78	0.79	0.79
Durable goods.....	7.5	6.7	7.0	0.49	0.51	0.51
Nondurable goods.....	15.3	1.9	1.8	0.29	0.28	0.28
Services.....	45.7	1.9	2.0	0.86	0.93	0.93
Gross private domestic investment	16.4	4.9	6.0	0.76	0.95	0.95
Fixed investment.....	15.9	4.7	5.2	0.70	0.80	0.80
Nonresidential.....	12.7	3.0	6.1	0.37	0.75	0.75
Structures.....	2.9	-0.5	8.0	-0.01	0.22	0.22
Equipment.....	5.8	4.6	6.3	0.26	0.35	0.35
Intellectual property products.....	3.9	3.4	4.6	0.13	0.18	0.18
Residential.....	3.2	11.9	1.6	0.33	0.05	0.05
Change in private inventories.....	0.5	.....	.....	0.06	0.15	0.15
Net exports of goods and services	-3.1	.....	.....	0.22	-0.22	-0.22
Exports.....	13.4	3.0	3.1	0.41	0.41	0.41
Goods.....	9.3	2.8	4.0	0.26	0.37	0.37
Services.....	4.1	3.6	1.1	0.15	0.05	0.05
Imports.....	16.5	1.1	3.9	-0.19	-0.64	-0.64
Goods.....	13.7	0.9	4.0	-0.13	-0.55	-0.55
Services.....	2.8	2.2	3.2	-0.06	-0.09	-0.09
Government consumption expenditures and gross investment	18.2	-2.0	-0.2	-0.39	-0.03	-0.03
Federal.....	7.0	-5.7	-1.9	-0.45	-0.14	-0.14
National defense.....	4.4	-6.6	-2.2	-0.33	-0.10	-0.10
Nondefense.....	2.6	-4.1	-1.5	-0.12	-0.04	-0.04
State and local.....	11.2	0.5	0.9	0.06	0.11	0.11

1. The estimates of GDP under the contribution columns are also percent changes.
NOTE: Percent changes are from NIPA table 1.1.1, contributions are from NIPA table 1.1.2, and shares are from NIPA table 1.1.10.

Real GDP accelerated in 2014, primarily reflecting an acceleration in nonresidential fixed investment, a smaller decrease in federal government spending, and accelerations in inventory investment, in consumer spending, and in state and local government spending that were partly offset by an acceleration in imports and a deceleration in residential fixed investment.

Consumer spending added 1.72 percentage points to the change in real GDP in 2014 after adding 1.64 percentage points in 2013. The main contributor was a slight pickup in spending on services.

The acceleration in nonresidential fixed investment primarily reflected an upturn in structures, mainly power and communication structures.

Residential fixed investment added 0.05 percentage point to the change in real GDP in 2014 after adding 0.33 percentage point in 2013.

Inventory investment added 0.15 percentage point to the change in real GDP after adding 0.06 percentage point.

Imports subtracted 0.64 percentage point from the change in real GDP after subtracting 0.19 percentage point. The pickup in imports primarily reflected a pickup in imports of goods.

Federal government spending subtracted 0.14 percentage point from the change in real GDP in 2014 after subtracting 0.45 percentage point in 2013.

State and local government spending added 0.11 percentage point to the change in real GDP after adding 0.06 percentage point.

Chart 3. Contributions to the Change in Real GDP in 2014

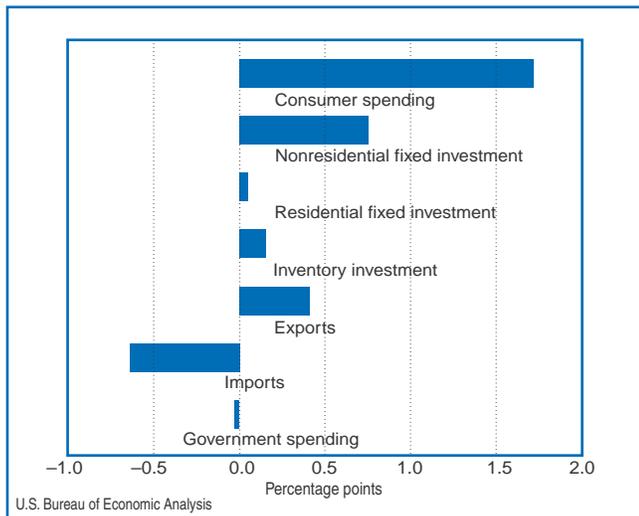


Chart 4. Change in Selected Components of Real GDP

