

## Gross Domestic Product, Fourth Quarter and Year 2020 (Second Estimate)

Real gross domestic product (GDP) increased at an annual rate of 4.1 percent in the fourth quarter of 2020, reflecting both the continued economic recovery from the sharp declines earlier in the year and the ongoing impact of the COVID-19 pandemic, including new restrictions and closures that took effect in some areas of the United States. The increase was 0.1 percentage point higher than the “advance” estimate released in January. In the third quarter, real GDP increased 33.4 percent. For more details, including source data, see the [Technical Note](#) and [Federal Recovery Programs and BEA Statistics](#).

### Quarterly GDP highlights

The fourth-quarter increase in real GDP reflected increases in exports, business investment, consumer spending, housing investment, and inventory investment that were partly offset by a decrease in government spending. Imports, a subtraction in the calculation of GDP, increased.

The increase in exports primarily reflected an increase in goods (led by industrial supplies and materials). The increase in business investment reflected an increase in all components, led by equipment. The increase in consumer spending was more than accounted for by an increase in services (led by health care). The decrease in government spending reflected decreases in state and local as well as federal.

### Updates to GDP

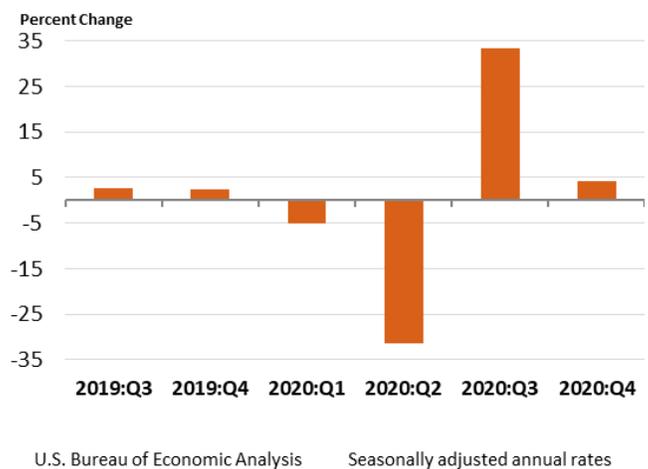
The revision to GDP reflected upward revisions to housing investment, inventory investment, and state and local government spending that were partly offset by a downward revision to consumer spending.

### Year 2020 highlights

Real GDP decreased 3.5 percent (from the 2019 annual level to the 2020 annual level), compared with an increase of 2.2 percent in 2019. The decrease primarily reflected decreases in consumer spending, exports, inventory investment, and business investment that were partly offset by increases in housing investment and government spending. Imports, a subtraction in the calculation of GDP, decreased.

The decrease in consumer spending was more than accounted for by services (led by food services and accommodations, health care, and recreation services). The decrease in exports reflected decreases in both services (led by travel) and goods (led by non-automotive capital goods).

### Quarter-to-Quarter Change in Real GDP



### Annual Growth in Real GDP

