

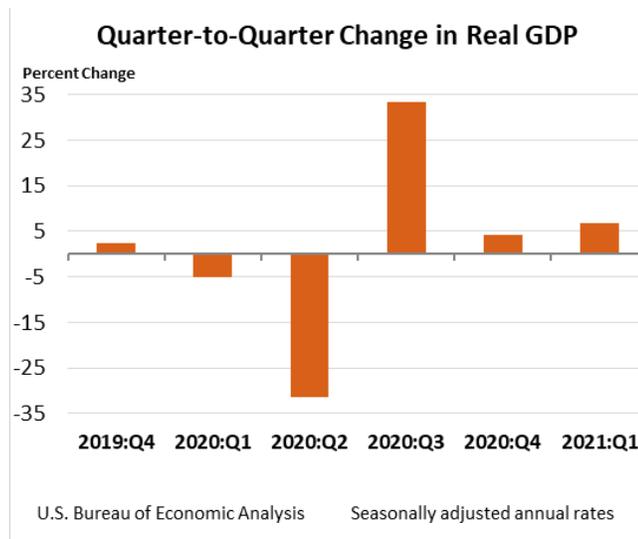
Gross Domestic Product, First Quarter 2021 (Advance Estimate)

Real gross domestic product (GDP) increased at an annual rate of 6.4 percent in the first quarter of 2021, reflecting the continued economic recovery, reopening of establishments, and continued government response related to the COVID-19 pandemic. In the first quarter, government assistance payments, such as direct economic impact payments, expanded unemployment benefits, and Paycheck Protection Program loans, were distributed to households and businesses through the Coronavirus Response and Relief Supplemental Appropriations Act and the American Rescue Plan Act. In the fourth quarter of 2020, real GDP increased 4.3 percent. For more details, including source data, see the [Technical Note](#) and [Federal Recovery Programs and BEA Statistics](#).

GDP highlights

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

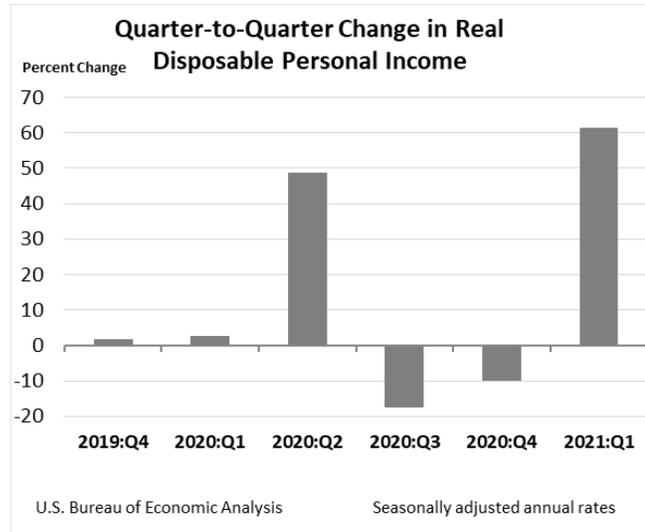
- The increase in consumer spending reflected increases in goods (led by motor vehicles and parts) and services (led by food services and accommodations).
- The increase in business investment reflected increases in equipment (led by information processing equipment) and intellectual property products (led by software).
- The increase in government spending primarily reflected an increase in federal spending related to payments made to banks for processing and administering the Paycheck Protection Program loan applications as well as purchases of COVID-19 vaccines for distribution to the public.
- The decrease in inventory investment primarily reflected a decrease in retail trade inventories.



Personal income and saving

Real disposable personal income (DPI)—personal income adjusted for taxes and inflation—increased 61.3 percent in the first quarter after decreasing 10.1 percent in the fourth quarter of 2020.

The increase in current-dollar DPI primarily reflected an increase in government social benefits related to pandemic relief programs, notably direct economic impact payments to households established by the Coronavirus Response and Relief Supplemental Appropriations Act and the American Rescue Plan Act. Personal saving as a percent of DPI was 21.0 percent in the first quarter, compared with 13.0 percent in the fourth quarter of 2020.



Prices

Prices of goods and services purchased by U.S. residents increased 3.8 percent in the first quarter of 2021 after increasing 1.7 percent in the fourth quarter of 2020.

- Energy prices increased 46.7 percent in the first quarter while food prices decreased 0.1 percent.
- Excluding food and energy, prices increased 3.1 percent in the first quarter after increasing 1.6 percent in the fourth quarter of 2020.

