

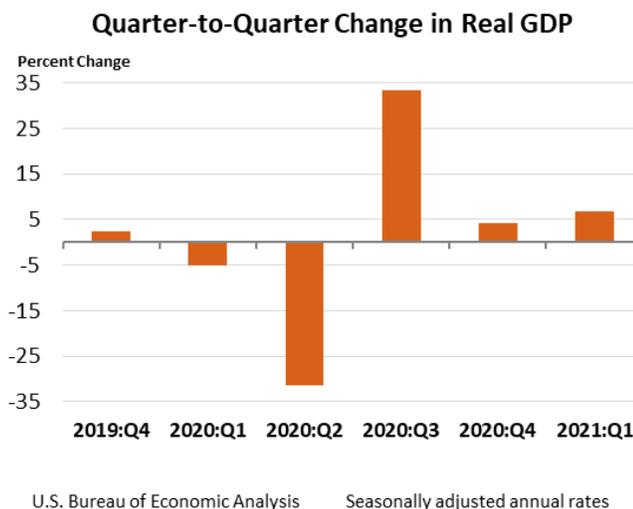
Gross Domestic Product (Third Estimate), Corporate Profits (Revised Estimate), and GDP by Industry, First Quarter 2021

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. The increase was the same rate as the “second” estimate released in May. 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.



Updates to GDP

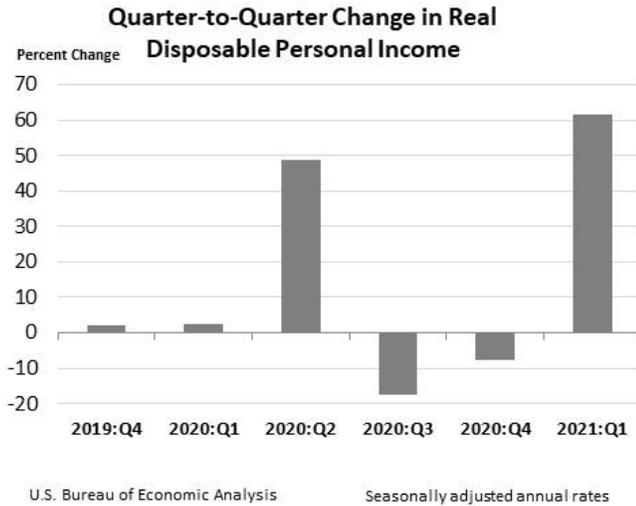
The update to GDP reflected upward revisions to business investment, inventory investment, and exports that were offset by an upward revision to imports, which are a subtraction in the calculation of GDP.

BEA data—including GDP, personal income, the balance of payments, foreign direct investment, the input-output accounts, and regional economic data—are available at www.bea.gov. E-mail alerts are also available. The “advance” estimate of GDP for the second quarter of 2021 and the Annual Update will be released on July 29, 2021.

Personal income and saving

Real disposable personal income (DPI)—personal income adjusted for taxes and inflation—increased 62.0 percent in the first quarter, an upward revision of 0.3 percentage point from the second estimate.

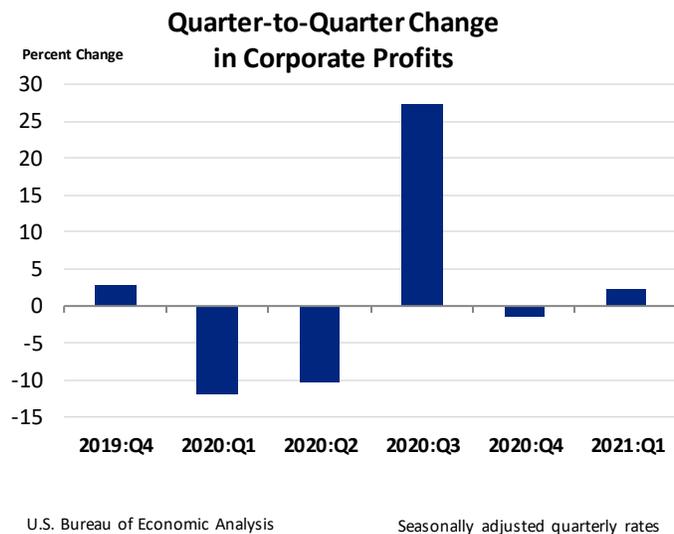
The increase in current-dollar DPI primarily reflected an increase in government social benefits related to pandemic relief programs, notably direct economic impact payments to households established by the Coronavirus Response and Relief Supplemental Appropriations Act and the American Rescue Plan Act. Personal saving as a percent of DPI was 21.5 percent in the first quarter, an upward revision of 0.1 percentage point.



Corporate profits from current production

Profits increased 2.4 percent at a quarterly rate in the first quarter after decreasing 1.4 percent in the fourth quarter. Corporate profits increased 15.5 percent in the first quarter from one year ago. Profits were impacted by provisions from the Paycheck Protection Program.

- Profits of domestic nonfinancial corporations increased 5.3 percent after decreasing 3.4 percent.
- Profits of domestic financial corporations decreased 1.3 percent after increasing 3.7 percent.
- Profits from the rest of the world decreased 2.4 percent after decreasing 0.2 percent.



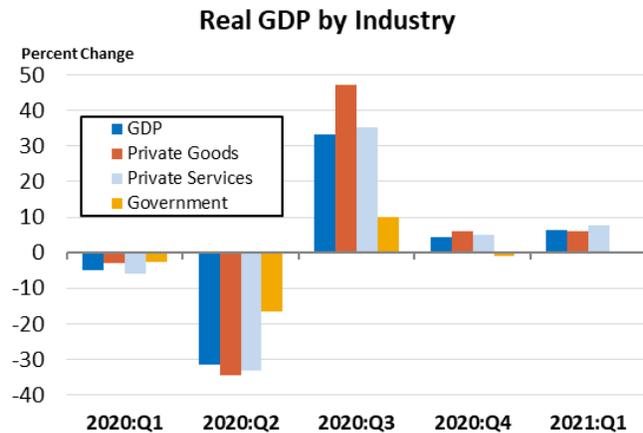
Prices

Prices of goods and services purchased by U.S. residents, the gross domestic purchases price index, increased 4.0 percent in the first quarter after increasing 1.7 percent in the fourth quarter. Energy prices increased 45.8 percent in the first quarter while food prices decreased 0.1 percent. Excluding food and energy, prices increased 3.3 percent in the first quarter after increasing 1.6 percent in the fourth quarter.

Gross domestic product by industry

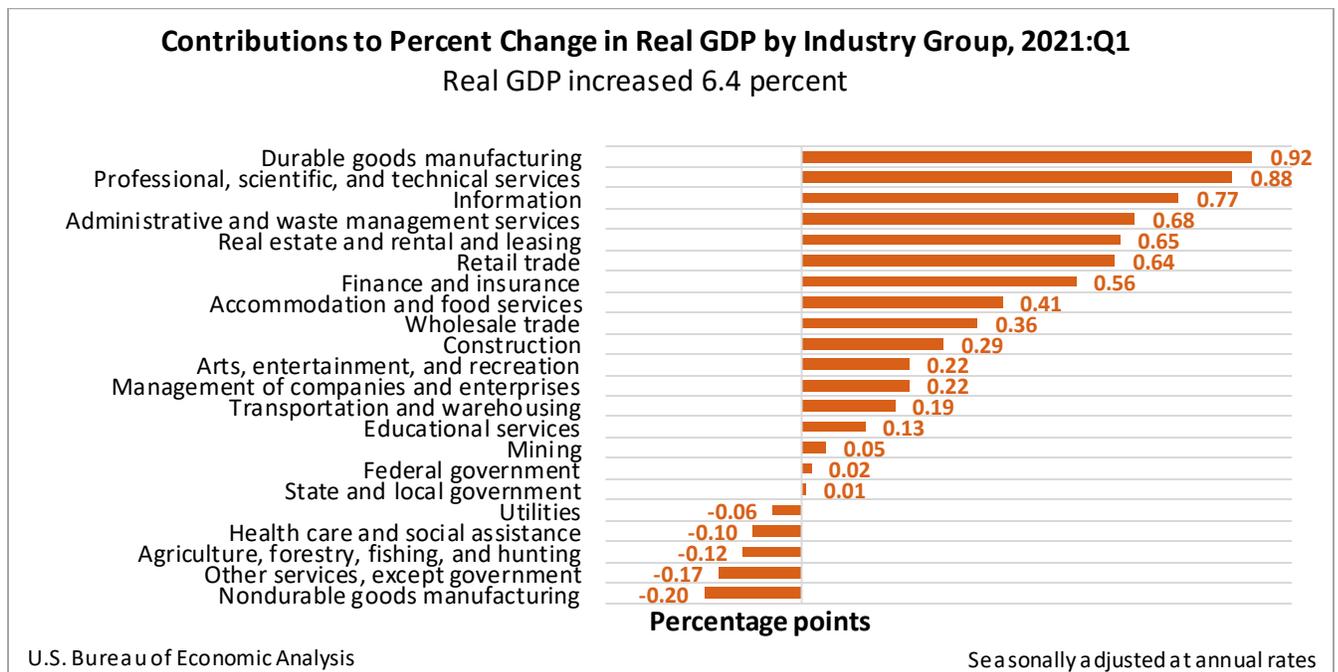
Today’s release includes estimates of GDP by industry, or value added—a measure of an industry’s contribution to GDP. Private goods-producing industries increased 5.4 percent, private services-producing industries increased 7.7 percent, and government increased 0.2 percent. Overall, 17 of 22 industry groups contributed to the first-quarter increase in real GDP.

- The increase in private goods-producing industries primarily reflected an increase in durable goods manufacturing (led by computer and electronic products, fabricated metal products, and machinery). The increase was partially offset by decreases in nondurable goods manufacturing (led by petroleum and coal products) and agriculture, forestry, fishing, and hunting (led by farms).



U.S. Bureau of Economic Analysis Seasonally adjusted annual rates

- The increase in private services-producing industries primarily reflected increases in professional, scientific, and technical services; information (led by data processing, internet publishing, and other information services); administrative and waste management services (led by administrative and support services); real estate and rental and leasing; and retail trade. These increases were partly offset by decreases in other services (which includes activities of political organizations); health care and social assistance (led by ambulatory health care services); and utilities.
- The increase in government reflected increases in federal as well as state and local.



U.S. Bureau of Economic Analysis

Seasonally adjusted at annual rates