

GDP INCREASES IN FOURTH QUARTER

“Third” estimate of GDP

Real gross domestic product (GDP) increased 2.2 percent in the fourth quarter of 2014, according to the “third” estimate released by the Bureau of Economic Analysis. The growth rate was the same in the “second” estimate released in February. In the third quarter, real GDP increased 5.0 percent.

Fourth-quarter GDP highlights

Consumer spending more than accounted for the increase in GDP, rising 4.4 percent, compared with 3.2 percent in the third quarter. Consumer spending on both goods and services increased in the fourth quarter.

Other contributors to growth:

- Business investment increased, notably in intellectual property products.
- Exports of goods and services increased; foods, feeds, and beverages was the largest contributor.

Offsetting the contributions to growth:

- Imports of goods and services increased, notably of consumer goods (except food and autos) as well as petroleum and products.
- Federal government spending on national defense declined.

Fourth-quarter revisions

While the third estimate of real GDP growth was the same as the second estimate, several components were revised. Exports of services were revised up, mainly in travel. Consumer spending was also revised up, notably in health care. Inventory investment was revised down.

For more information, see [the technical note](#).

Fourth-quarter corporate profits

Profits fell 1.4 percent at a quarterly rate, after rising 3.1 percent in the third quarter.

Profits of nonfinancial corporations rose 1.4 percent, profits of financial corporations fell 2.7 percent, and profits from the rest of the world fell 8.8 percent.

Annual corporate profits

During 2014, corporate profits fell 0.8 percent, after rising 4.2 percent during 2013.

Profits of nonfinancial corporations rose 2.8 percent, profits of financial corporations fell 8.4 percent, and profits from the rest of the world fell 2.2 percent.



Real GDP growth is measured at seasonally adjusted annual rates.



Corporate profits growth is measured as the percent change from the previous quarter.

BEA data—including GDP, personal income, the balance of payments, foreign direct investment, the input-output accounts, and economic data for states, local areas, and industries—are available on the BEA Web site: www.bea.gov. [E-mail](#) alerts are also available.

NOTE: The “advance” estimate of GDP for the first quarter of 2015 will be released on April 29, 2015.