

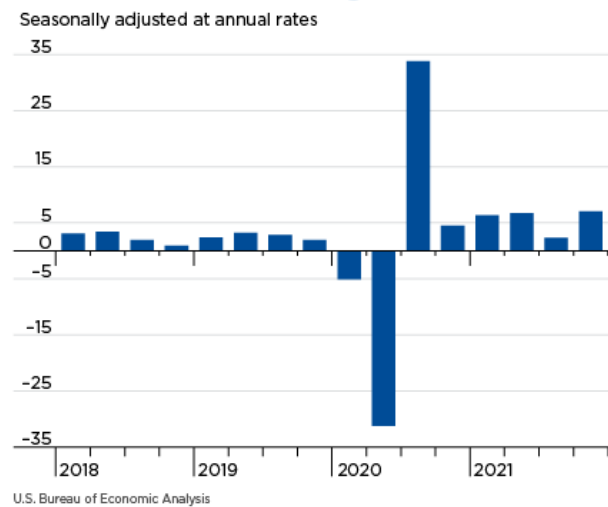
## GDP and the Economy

### Second Estimates for the Fourth Quarter of 2021

Real gross domestic product (GDP) increased at an annual rate of 7.0 percent in the fourth quarter of 2021, according to the second estimates of the National Income and Product Accounts (chart 1 and table 1).<sup>1</sup> With the second estimate, real GDP growth was revised up 0.1 percentage point from the advance estimate issued last month. In the third quarter, real GDP increased 2.3 percent.

In 2021 (from the 2020 annual level to the 2021 annual level), real GDP increased 5.7 percent after decreasing 3.4 percent in 2020 (see “[Real GDP, 2021](#)”).

**Chart 1. Real GDP: Percent Change from Preceding Quarter**



#### COVID-19 Impact on the Fourth-Quarter 2021 GDP Estimate

The increase in fourth-quarter GDP reflected the continued economic impact of the COVID-19 pandemic. In the fourth quarter, COVID-19 cases resulted in continued restrictions and disruptions in the operations of establishments in some parts of the country. Government assistance payments in the form of forgivable loans to businesses, grants to state and local governments, and social benefits to households all decreased as provisions of several federal programs expired or tapered off. The full economic effects of the COVID-19 pandemic cannot be quantified in the GDP estimate for the fourth quarter, because the impacts are generally embedded in source data and cannot be separately identified. For more information, refer to the “[Technical Note](#)” and “[Federal Recovery Programs and BEA Statistics](#).”

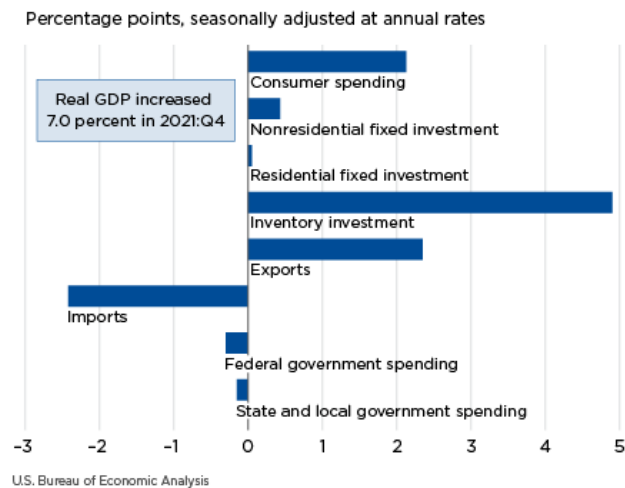
## GDP by Expenditure

The increase in real GDP in the fourth quarter reflected increases in private inventory investment, exports, consumer spending, and nonresidential fixed investment that were partly offset by decreases in both federal and state and local government spending.<sup>2</sup> Imports, which are a subtraction in the calculation of GDP, increased (chart 2 and table 1).

- The increase in private inventory investment was led by retail and wholesale trade industries. Within retail, inventory investment by motor vehicle dealers was the leading contributor.
- The increase in exports reflected increases in both goods and services. The increase in exports of goods was widespread, and the leading contributors were consumer goods; foods, feeds, and beverages; and industrial supplies and materials. The increase in exports of services was led by travel.
- The increase in consumer spending primarily reflected an increase in services, led by health care, financial services and insurance, and transportation.
- The increase in nonresidential fixed investment primarily reflected an increase in intellectual property products that was partly offset by a decrease in structures.
- The decrease in federal government spending primarily reflected a decrease in defense spending on intermediate goods and services.
- The decrease in state and local government spending reflected a decrease in gross investment (led by new educational structures).
- The increase in imports primarily reflected an increase in goods (led by nonfood and nonautomotive consumer goods as well as capital goods).

Real GDP accelerated in the fourth quarter, increasing 7.0 percent after increasing 2.3 percent in the third quarter. The acceleration in real GDP in the fourth quarter primarily reflected upturns in exports and residential investment and accelerations in private inventory investment and consumer spending that were partly offset by a downturn in state and local government spending. Imports accelerated.

Chart 2. Real GDP: Contributions to the Percent Change in 2021:Q4



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

[Seasonally adjusted at annual rates]

Line	Series	Share of current-dollar GDP (percent)	Change from preceding period (percent)				Contribution to percent change in real GDP (percentage points)			
		2021	2021				2021			
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1	<b>Gross domestic product<sup>1</sup></b>	<b>100.0</b>	<b>6.3</b>	<b>6.7</b>	<b>2.3</b>	<b>7.0</b>	<b>6.3</b>	<b>6.7</b>	<b>2.3</b>	<b>7.0</b>
2	<b>Personal consumption expenditures</b>	<b>68.0</b>	<b>11.4</b>	<b>12.0</b>	<b>2.0</b>	<b>3.1</b>	<b>7.44</b>	<b>7.92</b>	<b>1.35</b>	<b>2.13</b>
3	Goods	23.6	27.4	13.0	-8.8	1.5	5.69	2.99	-2.21	0.36
4	Durable goods	8.6	50.0	11.6	-24.6	2.7	3.50	1.01	-2.52	0.24
5	Nondurable goods	15.0	15.9	13.9	2.0	0.8	2.19	1.98	0.30	0.13
6	Services	44.5	3.9	11.5	8.2	3.9	1.75	4.93	3.57	1.76
7	<b>Gross private domestic investment</b>	<b>18.7</b>	<b>-2.3</b>	<b>-3.9</b>	<b>12.4</b>	<b>33.5</b>	<b>-0.37</b>	<b>-0.65</b>	<b>2.05</b>	<b>5.38</b>
8	Fixed investment	17.8	13.0	3.3	-0.9	2.6	2.25	0.61	-0.16	0.48
9	Nonresidential	13.1	12.9	9.2	1.7	3.1	1.65	1.21	0.22	0.43
10	Structures	2.5	5.4	-3.0	-4.1	-9.4	0.14	-0.08	-0.11	-0.25
11	Equipment	5.4	14.1	12.1	-2.3	2.4	0.75	0.66	-0.13	0.14
12	Intellectual property products	5.2	15.6	12.5	9.1	10.6	0.76	0.62	0.46	0.53
13	Residential	4.7	13.3	-11.7	-7.7	1.0	0.60	-0.60	-0.38	0.05
14	Change in private inventories	0.9	---	---	---	---	-2.62	-1.26	2.20	4.90
15	<b>Net exports of goods and services</b>	<b>-4.0</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>-1.56</b>	<b>-0.18</b>	<b>-1.26</b>	<b>-0.07</b>
16	Exports	11.1	-2.9	7.6	-5.3	23.6	-0.30	0.80	-0.59	2.35
17	Goods	7.8	-1.4	6.4	-5.0	23.1	-0.10	0.48	-0.39	1.63
18	Services	3.3	-6.0	10.4	-5.9	24.8	-0.20	0.32	-0.19	0.72
19	Imports	15.1	9.3	7.1	4.7	17.6	-1.26	-0.99	-0.68	-2.42
20	Goods	12.6	10.6	4.3	-0.3	18.5	-1.21	-0.51	0.04	-2.11
21	Services	2.5	2.2	23.6	35.0	13.5	-0.05	-0.48	-0.72	-0.31
22	<b>Government consumption expenditures and gross investment</b>	<b>17.2</b>	<b>4.2</b>	<b>-2.0</b>	<b>0.9</b>	<b>-2.6</b>	<b>0.77</b>	<b>-0.36</b>	<b>0.17</b>	<b>-0.45</b>
23	Federal	6.5	11.3	-5.3	-5.1	-4.5	0.78	-0.38	-0.35	-0.30
24	National defense	3.8	-5.8	-1.1	-1.7	-6.1	-0.25	-0.04	-0.07	-0.24
25	Nondefense	2.7	40.8	-10.7	-9.5	-2.2	1.02	-0.34	-0.29	-0.06
26	State and local	10.7	-0.1	0.2	4.9	-1.4	-0.01	0.02	0.52	-0.15
<b>Addenda:</b>										
27	Gross domestic income (GDI) <sup>2</sup>	---	6.3	4.3	6.4	---	---	---	---	---
28	Average of GDP and GDI	---	6.3	5.5	4.3	---	---	---	---	---
29	Final sales of domestic product	---	9.1	8.1	0.1	2.0	8.90	7.99	0.10	2.09
30	Goods	32.3	10.8	9.8	0.1	18.1	3.31	3.05	0.05	5.46
31	Services	59.1	4.2	7.9	4.7	3.1	2.52	4.62	2.77	1.88
32	Structures	8.6	5.0	-10.0	-5.8	-4.0	0.45	-0.94	-0.52	-0.35
33	Motor vehicle output	2.7	1.1	-14.1	-38.4	31.3	0.03	-0.42	-1.26	0.72

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

2. GDI is deflated by the implicit price deflator for GDP. The third-quarter 2020 change in GDI reflects the incorporation of new data on private wages and salaries.

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 are calculated from NIPA table 1.2.5.

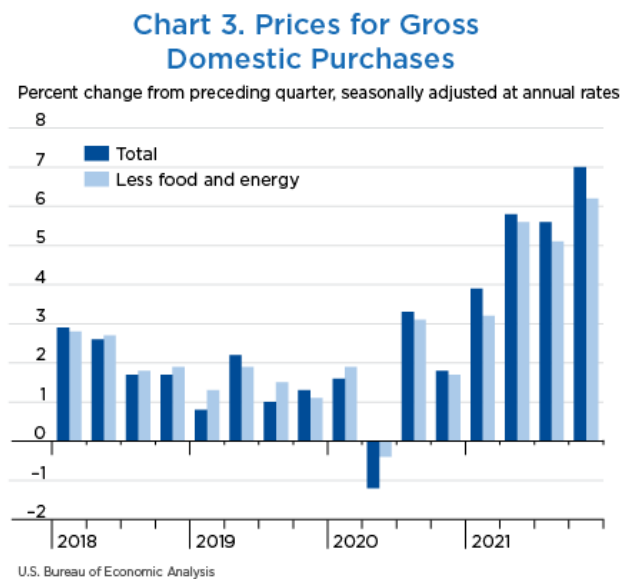
## Prices

Prices for gross domestic purchases—goods and services purchased by U.S. residents—increased 7.0 percent in the fourth quarter after increasing 5.6 percent in the third quarter (table 2 and chart 3). The increase was the largest since the second quarter of 1981. Price increases were widespread across all expenditure categories and were led by increases for consumer goods and services.

- Within goods, price increases for motor vehicles and parts (for both new and used motor vehicles), gasoline and other energy goods, and food and beverages purchased for off-premises consumption (groceries) were the leading contributors.
- Within services, the leading contributor was an increase in prices paid for housing and utilities.

Food prices increased 9.0 percent in the fourth quarter after increasing 7.9 percent in the third quarter. Prices for energy goods and services increased 33.9 percent after increasing 19.4 percent. Gross domestic purchases prices excluding food and energy increased 6.2 percent after increasing 5.1 percent.

Consumer prices excluding food and energy, a measure of the “core” rate of inflation, increased 5.0 percent in the fourth quarter after increasing 4.6 percent in the third quarter.



**Table 2. Prices for Gross Domestic Purchases**

[Percent change at annual rates; based on seasonally adjusted index numbers (2012=100)]

Line	Series	Change from preceding period (percent)				Contribution to percent change in gross domestic purchases prices (percentage points)			
		2021				2021			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1	<b>Gross domestic purchases<sup>1</sup></b>	3.9	5.8	5.6	7.0	3.9	5.8	5.6	7.0
2	<b>Personal consumption expenditures</b>	3.8	6.5	5.3	6.3	2.51	4.23	3.54	4.19
3	Goods	5.9	9.3	7.3	10.2	1.29	2.11	1.67	2.28
4	Durable goods	2.3	16.8	9.7	10.9	0.19	1.38	0.81	0.88
5	Nondurable goods	8.0	5.0	5.9	9.8	1.10	0.73	0.86	1.39
6	Services	2.8	5.0	4.3	4.4	1.21	2.12	1.87	1.91
7	<b>Gross private domestic investment</b>	2.8	2.9	6.1	8.8	0.50	0.52	1.03	1.52
8	Fixed investment	3.7	4.5	7.0	8.9	0.64	0.80	1.20	1.51
9	Nonresidential	0.8	0.9	4.3	7.7	0.10	0.13	0.56	0.98
10	Structures	3.9	8.9	11.1	24.1	0.10	0.21	0.26	0.53
11	Equipment	2.2	-3.2	4.6	6.8	0.12	-0.16	0.25	0.36
12	Intellectual property products	-2.3	1.5	0.9	1.5	-0.12	0.08	0.05	0.08
13	Residential	12.4	15.3	14.8	12.1	0.54	0.67	0.64	0.53
14	Change in private inventories	.....	.....	.....	.....	-0.14	-0.28	-0.17	0.01
15	<b>Government consumption expenditures and gross investment</b>	5.4	6.1	6.1	7.7	0.93	1.04	1.02	1.28
16	Federal	4.0	4.1	5.0	5.8	0.27	0.28	0.33	0.37
17	National defense	4.4	4.3	4.9	5.6	0.18	0.17	0.18	0.21
18	Nondefense	3.3	3.9	5.2	6.1	0.09	0.11	0.14	0.16
19	State and local	6.3	7.3	6.7	8.8	0.66	0.76	0.70	0.91
<b>Addenda:</b>									
20	Gross domestic purchases:								
	Food	-0.1	1.6	7.9	9.0	0.00	0.09	0.40	0.46
21	Energy goods and services	47.8	21.2	19.4	33.9	0.91	0.49	0.48	0.82
22	Excluding food and energy	3.2	5.6	5.1	6.2	3.02	5.20	4.72	5.71
	Personal consumption expenditures:								
23	Food and beverages purchased for off-premises consumption	0.7	4.1	7.7	8.7	.....	.....	.....	.....
24	Energy goods and services	47.7	20.4	18.9	34.1	.....	.....	.....	.....
25	Excluding food and energy	2.7	6.1	4.6	5.0	.....	.....	.....	.....
26	Gross domestic product	4.3	6.1	6.0	7.1	.....	.....	.....	.....
27	Exports of goods and services	21.0	19.4	9.7	6.4	.....	.....	.....	.....
28	Imports of goods and services	13.3	13.4	6.1	5.6	.....	.....	.....	.....

1. The estimates for 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.

## 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, regardless of whether those goods and services were produced domestically or imported. It is derived from the prices of personal consumption expenditures (PCE), private investment, and government consumption expenditures and gross investment.

The GDP price index measures the prices of goods and services produced in the United States, including the prices of goods and services produced for export. The difference between the gross domestic purchases price index and the GDP price index reflects the differences between imports prices (included in the gross domestic purchases index) and exports prices (included in the GDP price index). For other measures that are affected by import and export prices, see the FAQ [“How do the effects of dollar depreciation show up in the GDP accounts?”](#) on BEA's website.

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 [“What is the core PCE price index?”](#) on BEA's website.)

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

Measured in current dollars, personal income increased \$122.3 billion in the fourth quarter, compared with an increase of \$153.9 billion (revised, see below) in the third quarter (table 3).

The increase in personal income primarily reflected an increase in compensation that was partly offset by a decrease in personal current transfer receipts (notably, government social benefits). Within compensation, the leading contributor to the increase was private wages and salaries. Within government social benefits, the leading contributor to the decrease was unemployment insurance, following the expiration of pandemic-related unemployment programs.

Personal current taxes increased \$103.3 billion in the fourth quarter after increasing \$108.6 billion (revised) in the third quarter.

Disposable personal income (DPI) increased \$19.0 billion in the fourth quarter after increasing \$45.3 billion (revised) in the third quarter. Personal outlays increased \$366.9 billion after increasing \$291.2 billion in the third quarter.

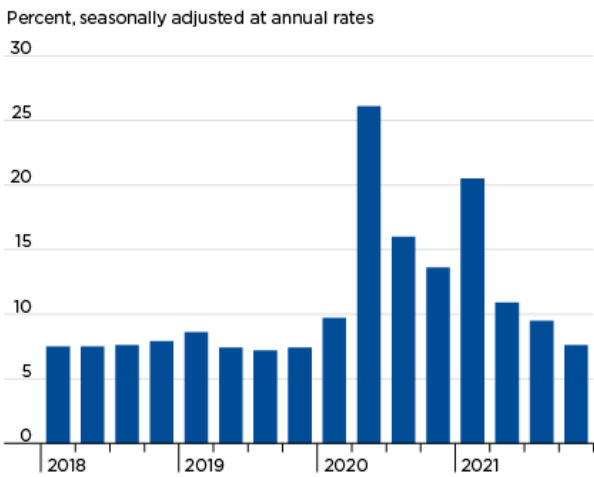
The personal saving rate (chart 4)—personal saving as a percentage of DPI—was 7.6 percent in the fourth quarter; in the third quarter, the personal saving rate was 9.5 percent (revised).

Real DPI (chart 5) decreased 5.6 percent in the fourth quarter after decreasing 4.1 percent (revised) in the third quarter. Current-dollar DPI increased 0.4 percent after increasing 1.0 percent (revised).

With the release of the second estimate of GDP, the Bureau of Economic Analysis also released revised estimates of third-quarter 2021 wages and salaries, personal taxes, contributions for social insurance, and gross domestic income (GDI). These estimates reflect new data for third-quarter private wages and salaries from the Bureau of Labor Statistics Quarterly Census of Employment and Wages. As a result:

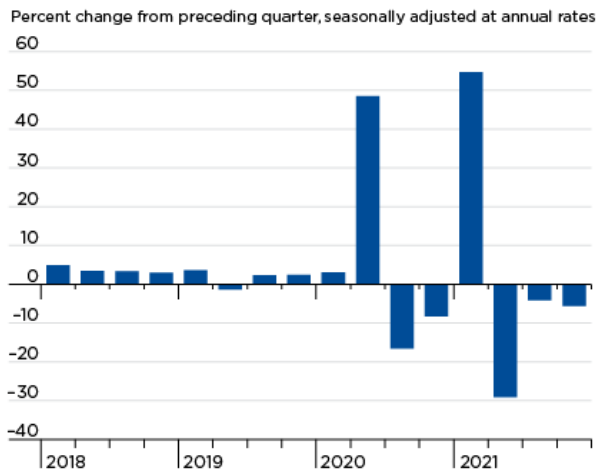
- Wages and salaries are now estimated to have increased \$306.8 billion in the third quarter; in the previously published estimate, wages and salaries increased \$279.1 billion.
- Personal income is now estimated to have increased \$153.9 billion; in the previously published estimate, personal income increased \$127.9 billion.
- Real DPI is now estimated to have decreased 4.1 percent; in the previously published estimate, real DPI decreased 4.3 percent.
- The personal saving rate is now estimated at 9.5 percent, unrevised from the previously published estimate.
- The percent change in third-quarter real GDI (table 1) is now estimated at 6.4 percent; in the previously published estimate, real GDI increased 5.8 percent.

**Chart 4. Personal Saving Rate**



Note. The personal saving rate is personal saving as a percentage of disposable personal income.  
U.S. Bureau of Economic Analysis

**Chart 5. Real Disposable Personal Income**



U.S. Bureau of Economic Analysis

**Table 3. Personal Income and Its Disposition**

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

Line	Series	Level		Change from preceding period			
		2021		2021			
		Q3	Q4	Q1	Q2	Q3	Q4
<b>1</b>	<b>Personal income</b>	<b>20,823.8</b>	<b>20,946.1</b>	<b>2,325.3</b>	<b>-1,197.4</b>	<b>153.9</b>	<b>122.3</b>
2	Compensation of employees	12,756.5	13,060.2	124.7	327.7	339.9	303.7
3	Wages and salaries	10,487.2	10,760.6	96.2	301.2	306.8	273.3
4	Private industries	8,933.0	9,195.2	89.9	284.8	271.7	262.2
5	Goods-producing industries	1,664.8	1,700.2	19.2	36.0	42.9	35.3
6	Manufacturing	980.6	992.6	13.0	20.6	10.8	12.0
7	Services-producing industries	7,268.2	7,495.0	70.7	248.8	228.9	226.8
8	Trade, transportation, and utilities	1,626.9	1,669.9	17.7	56.7	44.9	43.1
9	Other services-producing industries	5,641.3	5,825.1	53.0	192.1	184.0	183.8
10	Government	1,554.2	1,565.4	6.3	16.4	35.1	11.2
11	Supplements to wages and salaries	2,269.3	2,299.6	28.6	26.5	33.1	30.4
12	Proprietors' income with IVA and CCAdj	1,867.0	1,854.8	-16.1	134.2	18.8	-12.2
13	Farm	110.6	88.3	-35.5	46.4	-8.8	-22.4
14	Nonfarm	1,756.3	1,766.5	19.4	87.8	27.6	10.2
15	Rental income of persons with CCAdj	729.0	747.7	6.9	-0.7	12.7	18.7
16	Personal income receipts on assets	2,945.2	2,986.7	-10.7	33.3	13.1	41.6
17	Personal interest income	1,636.3	1,655.1	19.8	9.2	-3.0	18.8
18	Personal dividend income	1,308.8	1,331.6	-30.6	24.1	16.1	22.8
19	Personal current transfer receipts	4,137.5	3,943.7	2,253.1	-1,653.5	-191.5	-193.7
20	Government social benefits to persons	4,069.6	3,877.0	2,250.3	-1,662.8	-188.2	-192.6
21	Social security	1,117.2	1,127.0	17.5	3.3	7.5	9.8
22	Medicare	826.5	847.9	-6.8	1.1	11.2	21.3
23	Medicaid	775.0	781.6	17.6	34.6	44.6	6.5
24	Unemployment insurance	272.3	37.6	265.9	-85.3	-208.1	-234.7
25	Veterans' benefits	162.3	169.2	2.9	4.1	5.8	6.9
26	Other	916.2	913.7	1,953.3	-1,620.6	-49.2	-2.4
27	Other current transfer receipts, from business (net)	67.9	66.7	2.8	9.3	-3.3	-1.2
28	Less: Contributions for government social insurance	1,611.3	1,647.0	32.5	38.4	39.1	35.8
29	Less: Personal current taxes	2,641.1	2,744.4	152.3	120.4	108.6	103.3
30	Equals: Disposable personal income (DPI)	18,182.7	18,201.7	2,173.0	-1,317.9	45.3	19.0
31	Less: Personal outlays	16,456.2	16,823.2	538.8	689.4	291.2	366.9
32	Personal consumption expenditures	15,964.9	16,335.5	537.8	676.3	283.2	370.5
33	Personal interest payments <sup>1</sup>	271.7	265.2	-0.6	12.1	4.3	-6.5
34	Personal current transfer payments	219.6	222.6	1.6	1.1	3.7	3.0
35	Equals: Personal saving	1,726.4	1,378.5	1,634.2	-2,007.3	-245.9	-348.0
36	Personal saving as a percentage of DPI	9.5	7.6	.....	.....	.....	.....
<b>Addenda:</b>							
<b>Percent change at annual rate</b>							
37	Current-dollar DPI	.....	.....	60.6	-24.5	1.0	0.4
38	Real DPI, chained (2012) dollars	.....	.....	54.7	-29.1	-4.1	-5.6
<b>The effects of selected federal pandemic response programs on personal income (billions of dollars)</b>							
In farm proprietors' income with IVA and CCAdj:							
39	Coronavirus Food Assistance Program <sup>2</sup>	8.7	1.2	-45.3	13.4	-5.5	-7.5
40	Paycheck Protecton Program loans to businesses <sup>3</sup>	7.0	0.8	2.3	6.4	-4.3	-6.3
In nonfarm proprietors' income with IVA and CCAdj:							
41	Paycheck Protecton Program loans to businesses <sup>3</sup>	110.2	11.9	-7.8	100.9	-67.5	-98.3
In government social benefits to persons, Medicare:							
42	Increase in Medicare reimbursement rates <sup>4</sup>	14.3	14.6	-0.2	0.0	0.1	0.3



Line	Series	Level		Change from preceding period			
		2021		2021			
		Q3	Q4	Q1	Q2	Q3	Q4
	In government social benefits to persons, Unemployment insurance <sup>5</sup> :						
43	Extended Unemployment Benefits	5.7	2.4	12.0	-19.2	-0.2	-3.3
44	Pandemic Emergency Unemployment Compensation	61.5	3.5	15.7	6.8	-43.1	-58.0
45	Pandemic Unemployment Assistance	50.0	2.4	-11.6	-13.2	-32.0	-47.6
46	Pandemic Unemployment Compensation Payments	113.2	0.0	272.2	-49.7	-124.0	-113.2
	In government social benefits to persons, other:						
47	Child tax credit <sup>6</sup>	218.9	223.2	4.2	0.0	184.5	4.2
48	Economic impact payments <sup>7</sup>	38.9	14.2	1,928.6	-1,643.6	-251.2	-24.7
49	Lost wages supplemental payments <sup>8</sup>	0.1	0.0	-34.2	-1.0	-0.5	-0.1
50	Paycheck Protection Program loans to NPISH <sup>3</sup>	14.0	2.0	-13.6	13.9	-10.7	-12.0
51	Provider Relief Fund to NPISH <sup>9</sup>	37.4	64.4	8.3	-16.2	10.8	27.0
	In personal outlays, personal interest payments:						
52	Student loan forbearance <sup>10</sup>	-37.8	-37.8	0.0	0.0	0.0	0.0

**CCAdj** Capital consumption adjustment

**IVA** Inventory valuation adjustment

**NPISH** Nonprofit institutions serving households

1. Consists of nonmortgage interest paid by households. Note that mortgage interest paid by households is an expense item in the calculation of rental income of persons.
2. The Coronavirus Food Assistance Program, initially established by the Coronavirus Aid, Relief and Economic Security Act (CARES), provides direct support to farmers and ranchers where prices and market supply chains have been impacted by the COVID-19 pandemic.
3. The Paycheck Protection Program, initially established by the CARES Act, provides forgivable loans to help small businesses and nonprofit institutions make payroll and cover other expenses. It also provides funding to reimburse private lending institutions for the costs of administering these loans. For more information, see "[How does the Paycheck Protection Program impact the national income and product accounts \(NIPAs\)?](#)".
4. A 2 percent reduction in reimbursements paid to Medicare service providers that went into effect in 2013 was initially suspended by the CARES Act. The resulting increased reimbursement rates went into effect beginning on May 1, 2020.
5. Unemployment insurance benefits were expanded through several programs that were initially established through the CARES Act. For more information, see "[How will the expansion of unemployment benefits in response to the COVID-19 pandemic be recorded in the NIPAs?](#)".
6. The American Rescue Plan increased the Child Tax Credit to \$3,000 per child over the age of six and \$3,600 for children under the age of six, and raised the age limit from 16 to 17. It also authorized that up to half of these credits could be distributed through advance payments during the tax year, while the rest would be claimed when parents file tax returns the following year.
7. Economic impact payments, initially established by the CARES Act, provide direct payments to individuals. For more information, see "[How are the federal economic impact payments to support individuals during the COVID-19 pandemic recorded in the NIPAs?](#)".
8. The Federal Emergency Management Agency (FEMA) was authorized to make payments from the Disaster Relief Fund to supplement wages lost as a result of the COVID-19 pandemic.
9. The Department of Health and Human Services distributes money from the Provider Relief Fund to hospitals and health care providers on the front lines of the coronavirus response. This funding supports health care-related expenses or lost revenue attributable to COVID-19 and ensures uninsured Americans can get treatment for COVID-19. In the NIPAs, funds provided to nonprofit hospitals are recorded as social benefits.
10. Interest payments due on certain categories of federally-held student loans were initially suspended by the CARES Act. For more information, see "[How does the federal response to the COVID-19 affect BEA's estimate of personal interest payments?](#)".

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

## Updates

In the second estimate of the fourth quarter, the growth rate in real GDP was revised up 0.1 percentage point from the advance estimate. The updated estimates primarily reflected upward revisions to nonresidential fixed investment, state and local government spending, and residential fixed investment that were partly offset by downward revisions to consumer spending and exports. Imports were revised down (table 4).

- The upward revision to nonresidential fixed investment reflected upward revisions to equipment and structures. For equipment, the leading contributor to the upward revision was information processing equipment (notably, communication equipment). For structures, the leading contributor to the upward revision was manufacturing.
- The revision to state and local government spending primarily reflected an upward revision to consumption expenditures (specifically, for education compensation) that was partly offset by a downward revision to gross investment (led by structures).
- The upward revision to residential fixed investment was led by single-family structures.
- Within consumer spending, a downward revision to services was partly offset by an upward revision to goods.
  - For services, the revision primarily reflected a downward revision to health care (both hospital and outpatient services).
  - For goods, the leading contributors to the upward revision were motor vehicles and parts (notably, new light trucks), food and beverages purchased for off-premises consumption (groceries), and “other” nondurable goods (mainly pharmaceuticals).
- Within exports, the downward revision was to goods, led by industrial supplies and materials (both durable and nondurable).
- Within imports, a downward revision to services (specifically, transport services) was partly offset by an upward revision to goods.

**Table 4. Advance and Second Estimates for the Fourth Quarter of 2021**

[Seasonally adjusted at annual rates]

Line	Series	Change from preceding period (percent)			Contribution to percent change in real GDP (percentage points)		
		Advance estimate	Second estimate	Second estimate minus advance estimate	Advance estimate	Second estimate	Second estimate minus advance estimate
1	<b>Gross domestic product (GDP)<sup>1</sup></b>	6.9	7.0	0.1	6.9	7.0	0.1
2	<b>Personal consumption expenditures</b>	3.3	3.1	-0.2	2.25	2.13	-0.12
3	Goods	0.5	1.5	1.0	0.13	0.36	0.23
4	Durable goods	1.6	2.7	1.1	0.14	0.24	0.10
5	Nondurable goods	-0.1	0.8	0.9	-0.02	0.13	0.15
6	Services	4.7	3.9	-0.8	2.12	1.76	-0.36
7	<b>Gross private domestic investment</b>	32.0	33.5	1.5	5.15	5.38	0.23
8	Fixed investment	1.3	2.6	1.3	0.25	0.48	0.23
9	Nonresidential	2.0	3.1	1.1	0.28	0.43	0.15
10	Structures	-11.4	-9.4	2.0	-0.30	-0.25	0.05
11	Equipment	0.8	2.4	1.6	0.05	0.14	0.09
12	Intellectual property products	10.6	10.6	0.0	0.53	0.53	0.00
13	Residential	-0.8	1.0	1.8	-0.03	0.05	0.08
14	Change in private inventories	.....	.....	.....	4.90	4.90	0.00
15	<b>Net exports of goods and services</b>	.....	.....	.....	0.00	-0.07	-0.07
16	Exports	24.5	23.6	-0.9	2.43	2.35	-0.08
17	Goods	24.4	23.1	-1.3	1.71	1.63	-0.08
18	Services	24.7	24.8	0.1	0.72	0.72	0.00
19	Imports	17.7	17.6	-0.1	-2.43	-2.42	0.01
20	Goods	18.3	18.5	0.2	-2.09	-2.11	-0.02
21	Services	14.8	13.5	-1.3	-0.34	-0.31	0.03
22	<b>Government consumption expenditures and gross investment</b>	-2.9	-2.6	0.3	-0.51	-0.45	0.06
23	Federal	-4.0	-4.5	-0.5	-0.27	-0.30	-0.03
24	National defense	-5.7	-6.1	-0.4	-0.22	-0.24	-0.02
25	Nondefense	-1.6	-2.2	-0.6	-0.04	-0.06	-0.02
26	State and local	-2.2	-1.4	0.8	-0.24	-0.15	0.09
<b>Addenda:</b>							
27	Final sales of domestic product	1.9	2.0	0.1	1.99	2.09	0.10
28	Gross domestic purchases price index	6.9	7.0	0.1	.....	.....	.....
29	GDP price index	6.9	7.1	0.2	.....	.....	.....

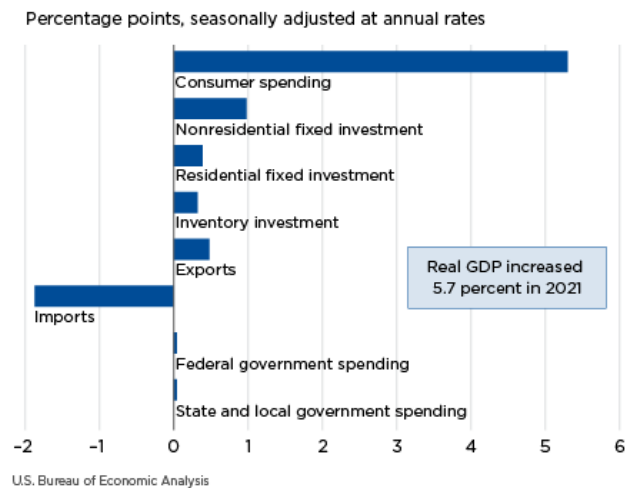
1. The GDP estimates under the contribution columns are also percent changes.

## Real GDP 2021

Real GDP increased 5.7 percent in 2021 (from the 2020 annual level to the 2021 annual level), in contrast to a decrease of 3.4 percent in 2020 (table 1). The increase in real GDP in 2021 reflected increases in all major subcomponents, led by consumer spending, nonresidential fixed investment, exports, residential fixed investment, and private inventory investment. Imports increased (chart 6 and table 5).

- The increase in consumer spending reflected increases in both goods and services.
  - Within goods, the leading contributors were “other” nondurable goods (including games and toys as well as pharmaceuticals), clothing and footwear, and recreational goods and vehicles.
  - Within services, the leading contributors were food services and accommodations as well as health care.
- The increase in nonresidential fixed investment reflected increases in equipment (led by information processing equipment) and in intellectual property products (led by software as well as research and development) that were partly offset by a decrease in structures (widespread across most categories).
- The increase in exports reflected an increase in goods (mainly nonautomotive capital goods and consumer goods except food and automotive) that was partly offset by a decrease in services (led by travel as well as royalties and license fees).
- The increase in residential fixed investment mainly reflected an increase in new single-family construction.
- The increase in private inventory investment primarily reflected an increase in wholesale trade (mainly in durable-goods industries).

Chart 6. Real GDP: Contributions to the Percent Change in 2021



**Table 5. Real Gross Domestic Product (GDP) and and Related Measures, Annual**

[Seasonally adjusted at annual rates]

Line	Series	Share of current-dollar GDP (percent)	Change from preceding period (percent)		Contribution to percent change in real GDP (percentage points)	
		2021	2020	2021	2020	2021
1	<b>Gross domestic product<sup>1</sup></b>	<b>100.0</b>	<b>-3.4</b>	<b>5.7</b>	<b>-3.4</b>	<b>5.7</b>
2	<b>Personal consumption expenditures</b>	<b>67.2</b>	<b>-3.8</b>	<b>7.9</b>	<b>-2.55</b>	<b>5.30</b>
3	Goods	22.3	4.6	12.2	0.96	2.70
4	Durable goods	7.7	7.7	18.1	0.54	1.39
5	Nondurable goods	14.5	3.1	9.1	0.42	1.31
6	Services	45.0	-7.5	5.8	-3.52	2.60
7	<b>Gross private domestic investment</b>	<b>17.4</b>	<b>-5.5</b>	<b>9.6</b>	<b>-0.99</b>	<b>1.69</b>
8	Fixed investment	17.7	-2.7	7.8	-0.47	1.37
9	Nonresidential	13.4	-5.3	7.4	-0.73	0.98
10	Structures	2.9	-12.5	-8.1	-0.39	-0.23
11	Equipment	5.4	-8.3	13.0	-0.48	0.69
12	Intellectual property products	5.2	2.8	10.2	0.14	0.52
13	Residential	4.3	6.8	9.1	0.26	0.39
14	Change in private inventories	-0.3	.....	.....	-0.52	0.32
15	<b>Net exports of goods and services</b>	<b>-3.1</b>	<b>.....</b>	<b>.....</b>	<b>-0.29</b>	<b>-1.39</b>
16	Exports	10.2	-13.6	4.6	-1.57	0.48
17	Goods	6.8	-10.2	7.6	-0.76	0.52
18	Services	3.4	-19.8	-1.3	-0.81	-0.04
19	Imports	13.3	-8.9	14.0	1.28	-1.87
20	Goods	11.1	-5.6	14.5	0.65	-1.61
21	Services	2.2	-22.6	11.5	0.63	-0.26
22	<b>Government consumption expenditures and gross investment</b>	<b>18.5</b>	<b>2.5</b>	<b>0.5</b>	<b>0.43</b>	<b>0.09</b>
23	Federal	7.2	5.0	0.6	0.33	0.04
24	National defense	4.2	2.9	-0.9	0.11	-0.04
25	Nondefense	3.0	8.1	2.8	0.21	0.08
26	State and local	11.3	0.9	0.4	0.10	0.04
<b>Addenda:</b>						
27	Gross domestic income (GDI) <sup>2</sup>	.....	-2.9	.....	.....	.....
28	Average of GDP and GDI	.....	-3.2	.....	.....	.....

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

2. GDI is deflated by the implicit price deflator for GDP.

Note. Percent changes are from NIPA tables 1.1.1, contributions to percent change are from NIPA tables 1.1.2, and shares are from NIPA table 1.1.10.

## Information on Key Source Data, Assumptions, and Methodologies

A comprehensive table that presents the “[Key Source Data and Assumptions](#)” that are used to prepare each vintage of the estimate of GDP for the current quarter is available on BEA's website. For the advance estimates that are released near the end of the month after the close of the quarter, the table shows the months of source data for the quarter that are available; for most components of GDP, 3 months of data are available. For the components for which only 2 months of source data are available, BEA's assumptions for the third month are shown. Second estimates are released near the end of the second month after the close of the quarter, and third estimates are released near the end of the third month after the close of the quarter. With each vintage, the table is updated to add newly available and revised source data that have been incorporated into the estimates.

For additional details about the source data and the methodologies that are used to prepare the estimates, see “[Concepts and Methods of the U.S. National Income and Product Accounts](#)” on BEA's website.

1. “Real” estimates are in chained (2012) 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 January 2021 *Survey of Current Business*. Quarterly estimates are expressed at seasonally adjusted annual rates, which reflect a rate of activity for a quarter as if it were 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.”