

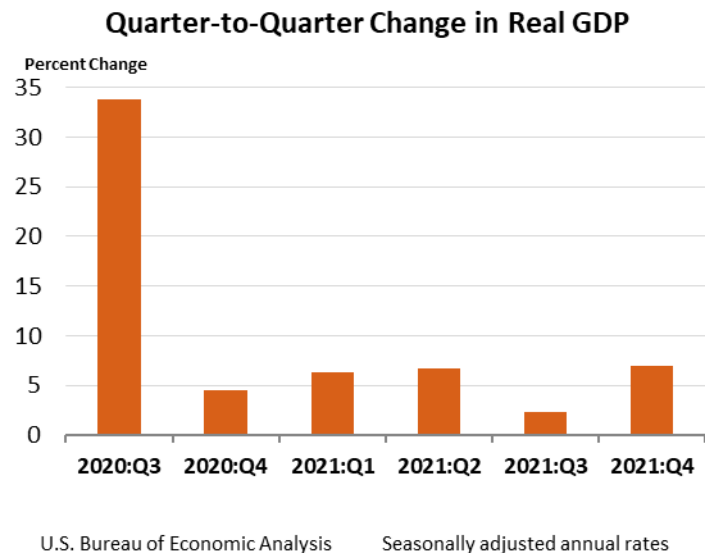
## Gross Domestic Product (Third Estimate), Corporate Profits, and GDP by Industry, Fourth Quarter and Year 2021

Real gross domestic product (GDP) increased at an annual rate of 6.9 percent in the fourth quarter of 2021, following an increase of 2.3 percent in the third quarter. The increase was revised down 0.1 percentage point from the “second” estimate released in February. The acceleration in the fourth quarter was led by an acceleration in inventory investment, upturns in exports and residential fixed investment and an acceleration in consumer spending. 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. For more details, including source data, refer to the [Technical Note](#) and [Federal Recovery Programs and BEA Statistics](#).

### Quarterly GDP Highlights

The fourth quarter increase in real GDP primarily reflected increases in inventory investment, exports, consumer spending, and business investment that were partly offset by decreases in both federal and state and local government spending. Imports, which are a subtraction in the calculation of GDP, increased.

- The increase in inventory investment primarily reflected increases in retail (led by motor vehicle and parts dealers) and wholesale (led by durable goods industries).
- The increase in exports reflected increases in both goods (led by consumer goods) and services (led by travel).
- The increase in consumer spending primarily reflected an increase in services (led by health care, financial services and insurance, and recreation). Consumer spending for goods also increased (led by recreational goods and vehicles).



- The increase in business investment primarily reflected an increase in intellectual property products (led by research and development as well as software) that was partly offset by a decrease in structures (led by commercial and health care).
- The decrease in federal government spending primarily reflected a decrease in defense spending on intermediate goods and services (led by services).
- The decrease in state and local government spending reflected a decrease in gross investment (led by new educational structures).

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](http://www.bea.gov). E-mail alerts are also available. The “advance” estimate of GDP for the first quarter of 2022 will be released on April 28, 2022.

### Updates to GDP

The update primarily reflects downward revisions to consumer spending and exports that were partly offset by an upward revision to inventory investment. Imports, a subtraction in the calculation of GDP, were revised up.

### Quarterly Personal Income and Saving

Real disposable personal income (DPI)—personal income adjusted for taxes and inflation—decreased 5.6 percent in the fourth quarter after decreasing 4.1 percent in the third quarter.

Current-dollar DPI—personal income adjusted for taxes but not inflation—increased 0.4 percent in the fourth quarter, primarily reflecting an increase in compensation of employees, after increasing 1.0 percent in the third quarter. Personal saving as a percentage of DPI was 7.7 percent in the fourth quarter, compared with 9.5 percent in the third quarter.

### Corporate Profits from Current Production

Profits increased 0.7 percent at a quarterly rate in the fourth quarter after increasing 3.4 percent in the third quarter.

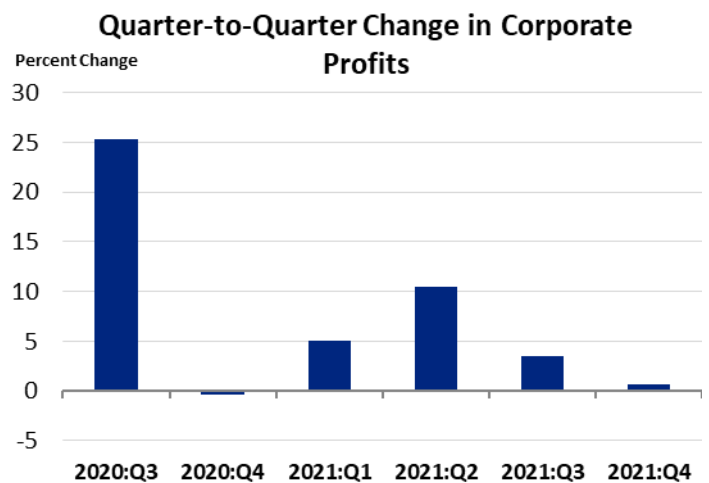
- Profits of domestic nonfinancial corporations increased 0.3 percent after increasing 1.7 percent.
- Profits of domestic financial corporations decreased 0.2 percent after increasing 2.6 percent.
- Profits from the rest of the world increased 3.3 percent after increasing 11.1 percent.

Corporate profits increased 21.0 percent in the fourth quarter from one year ago.

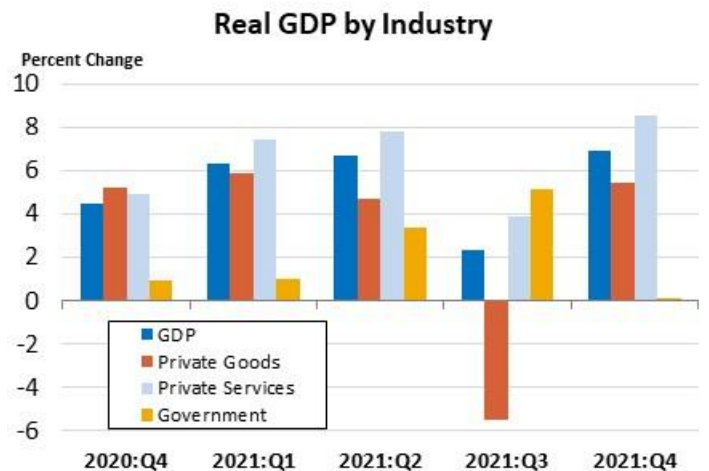
### Gross Domestic Product by Industry

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 8.5 percent, and government increased 0.1 percent. Overall, 19 of 22 industry groups contributed to the fourth-quarter increase in real GDP.

- The increase in private goods-producing industries was primarily reflected by increases in nondurable goods (led by chemical products as well as food and beverage and tobacco products) and durable goods



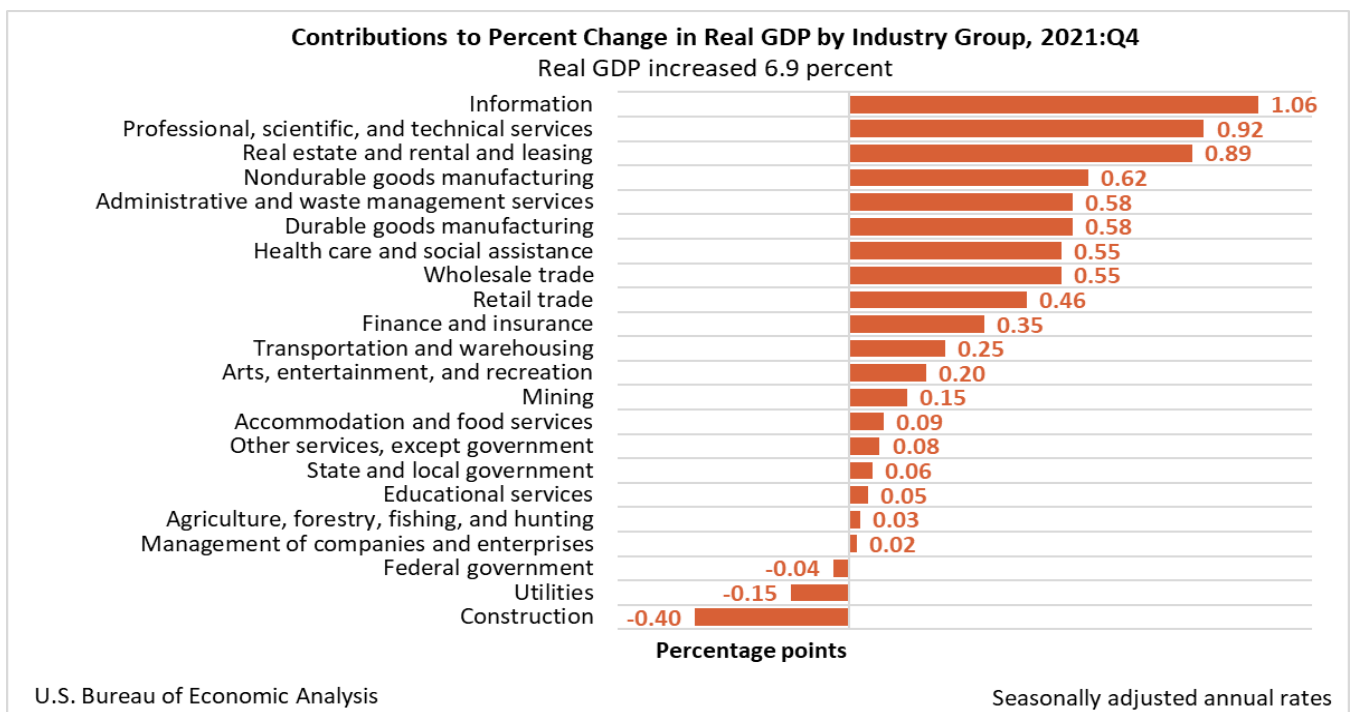
U.S. Bureau of Economic Analysis Seasonally adjusted quarterly rates



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

(led by motor vehicles, bodies and trailers, and parts) that were partly offset by a decrease in construction.

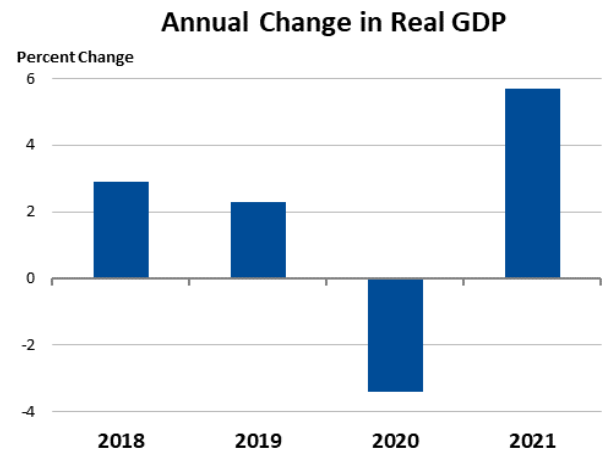
- The increase in private services-producing industries primarily reflected increases in information; professional, scientific, and technical services; real estate and rental and leasing (led by real estate); administrative and waste management services; health care and social assistance (led by ambulatory health care services); and wholesale trade. Partly offsetting these increases was a decrease in utilities.
- The increase in government reflected an increase in state and local government that was partly offset by a decrease in federal government.



### Year 2021 GDP Highlights

Real GDP increased 5.7 percent (from the 2020 annual level to the 2021 annual level), unrevised from the prior estimate, in contrast to a decrease of 3.4 percent in 2020. The increase reflected increases in all major components: consumer spending, business investment, exports, housing investment, and inventory investment. Imports increased.

- The increase in consumer spending reflected increases in 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 business investment reflected increases in equipment (led by information processing equipment) and intellectual property products (led by software as well as research and development). These increases were partly offset by a decrease in structures.

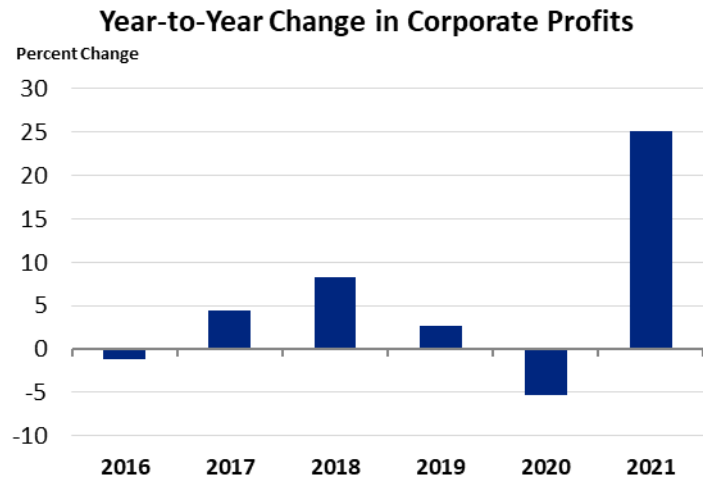


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#### Year 2021 Corporate Profits from Current Production

Profits increased 25.0 percent (from the 2020 annual level to the 2021 annual level) after decreasing 5.2 percent in 2020.

- Profits of domestic financial corporations increased 13.8 percent after decreasing 7.9 percent.
- Profits of domestic nonfinancial corporations increased 34.9 percent after decreasing 1.9 percent.
- Profits from the rest of the world increased 8.1 percent after decreasing 11.4 percent.



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#### Year 2021 GDP by Industry

Today's release includes annual estimates of GDP by industry (from the 2020 annual level to the 2021 annual level). Private goods-producing industries increased 5.1 percent, private services-producing industries increased 6.6 percent, and government increased 1.5 percent. Overall, 19 of 22 industry groups contributed to the 2021 increase in real GDP.

- The increase in private goods-producing industries was primarily reflected in an increase in durable goods (led by motor vehicles, bodies and trailers, and parts as well as computer and electronic products).
- The increase in private services-producing industries primarily reflected increases in finance and insurance (led by Federal Reserve banks, credit intermediation, and related activities); professional, scientific, and technical services; information (led by data processing, internet publishing, and other information services); accommodation and food services (led by food services and drinking places); and administrative and waste management services.
- The increase in government primarily reflected an increase in state and local government.

