



**Technical Note**  
Gross Domestic Product  
Fourth Quarter of 2015 (Advance Estimate)  
January 29, 2016

This technical note provides background information about the source data and estimating methods used to produce the estimates presented in the GDP news release. The complete set of estimates for the fourth quarter is available on BEA's Web site at [www.bea.gov](http://www.bea.gov); a brief summary of "highlights" is also posted on the Web site. In a few weeks, the *Survey of Current Business*, BEA's online monthly journal, will publish a more detailed analysis of the estimates ("GDP and the Economy").

## **GDP**

Real GDP increased 0.7 percent (annual rate) in the fourth quarter of 2015, following an increase of 2.0 percent in the third quarter. The deceleration in real GDP in the fourth quarter primarily reflected a deceleration in consumer spending and downturns in nonresidential fixed investment, in exports, and in state and local government spending that were partly offset by a smaller decrease in private inventory investment, a deceleration in imports, and an acceleration in federal government spending.

## **Source Data for the Advance Estimate**

The advance GDP estimate for the fourth quarter of 2015 is based on source data that are incomplete and subject to revision. Three months of source data were available for consumer spending on goods; shipments of capital equipment; motor vehicle sales and inventories; durable goods manufacturing inventories; exports and imports of goods; federal government outlays; and consumer, producer, and international prices. BEA's key assumptions for the third month for other major series are shown in table A. Among those assumptions are the following:

- an increase in nonresidential construction,
- an increase in residential construction,
- a decrease in nondurable manufacturing inventories, and
- an increase in non-motor-vehicle merchant wholesale and retail inventories.

## **Prices**

The price index for personal consumption expenditures (PCE) increased 0.1 percent in the fourth quarter after increasing 1.3 percent in the third. Excluding food and energy prices, the PCE price index increased 1.2 percent after increasing 1.4 percent.

## **Disposable Personal Income**

Real disposable personal income increased 3.2 percent in the fourth quarter, following an increase of 3.8 percent in the third. The personal saving rate was 5.4 percent in the fourth quarter, compared with 5.2 percent in the third.

## **2015 GDP**

Real GDP increased 2.4 percent in 2015 (that is, from the 2014 annual level to the 2015 annual level), the same rate as in 2014.

During 2015 (that is, measured from the fourth quarter of 2014 to the fourth quarter of 2015), real GDP increased 1.8 percent, compared with an increase of 2.5 percent during 2014. During 2015, consumer spending increased 2.6 percent, compared with an increase of 3.2 percent during 2014. Nonresidential fixed investment increased 1.6 percent during 2015, compared with an increase of 5.5 percent during 2014. Exports decreased 0.8 percent during 2015, compared with an increase of 2.4 percent during 2014. In contrast, residential fixed investment increased 8.9 percent during 2015, compared with an increase of 5.1 percent during 2014.

Brent R. Moulton  
Associate Director for National Economic Accounts  
Bureau of Economic Analysis  
(202) 606-9606

**Table A. KEY ASSUMPTIONS FOR THE ADVANCE  
ESTIMATE OF GDP FOR THE FOURTH QUARTER OF 2015**

For many of the key series used to prepare the advance estimate of GDP, including retail sales, unit automobile and truck sales and inventories, manufacturers' shipments of nondefense capital goods, manufacturers' inventories of durable goods, exports of goods, imports of goods, federal defense spending, and consumer, producer, and international price indexes, actual data are available for all months of the quarter.

For the key series shown in this table, actual data for the third month of the quarter usually are not available in time for inclusion in the advance GDP estimate. BEA makes assumptions for the source data that are not yet available; assumptions for December 2015 are shown in the last column of the table. For most series shown, the data for November are preliminary and subject to further revision. Occasionally, the data for earlier months are also subject to revision.

All series shown in the table are in billions of dollars, seasonally adjusted at annual rates, and are published by the Census Bureau.

	<b>2015</b>					
	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.*
<b>Private fixed investment:</b>						
Nonresidential structures:						
1 Value of new nonresidential construction put in place.....	399.2	400.1	398.5	402.9	400.3	401.6
Residential structures:						
Value of new residential construction put in place:						
2 Single family.....	217.2	219.8	222.7	225.3	226.7	228.8
3 Multifamily.....	50.3	54.4	57.2	57.4	56.9	57.5
<b>Change in private inventories:</b>						
NOTE: Historical (Jul.–Oct.) data reflect concurrent seasonal factors.						
4 Change in inventories for nondurable manufacturing.....	-9.0	-18.1	-12.3	2.6	-2.8	-1.4
5 Change in inventories for merchant wholesale and retail industries other than motor vehicles and equipment....	-8.0	23.6	41.8	9.3	-16.4	26.5
<b>Government:</b>						
State and local:						
Structures:						
6 Value of new construction put in place.....	276.4	277.7	276.7	271.4	270.3	270.8

\*Assumption.