

GDP INCREASES IN FIRST QUARTER

“Advance” estimate of GDP

Real gross domestic product (GDP) increased 0.5 percent in the first quarter of 2016, according to the “advance” estimate released today by the Bureau of Economic Analysis. In the fourth quarter of 2015, real GDP increased 1.4 percent.

GDP highlights

The first-quarter increase in real GDP was more than accounted for by an increase in consumer spending on services. Spending on household services increased, notably on housing and utilities and on health care.

Consumer spending on nondurable goods also increased, notably on food and beverage grocery items. However, consumer spending on durable goods declined, notably on motor vehicles and parts.

Residential investment and state and local government spending also increased in the first quarter.

These positive contributions to GDP growth were partially offset by the following:

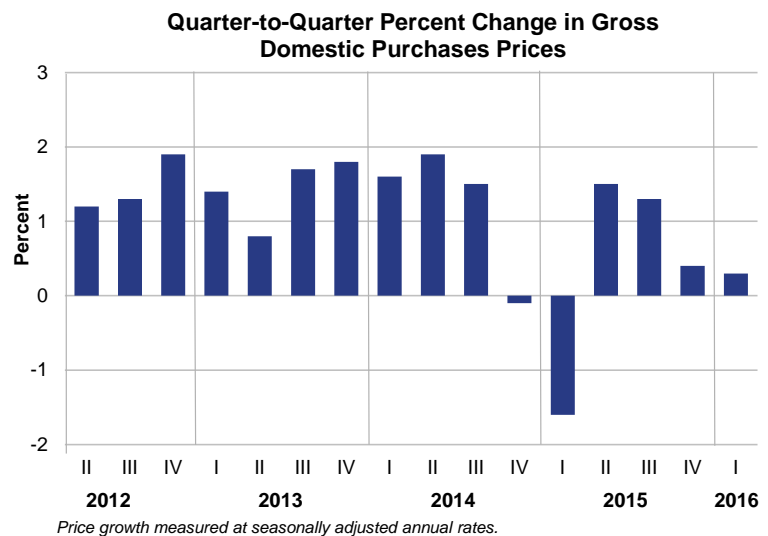
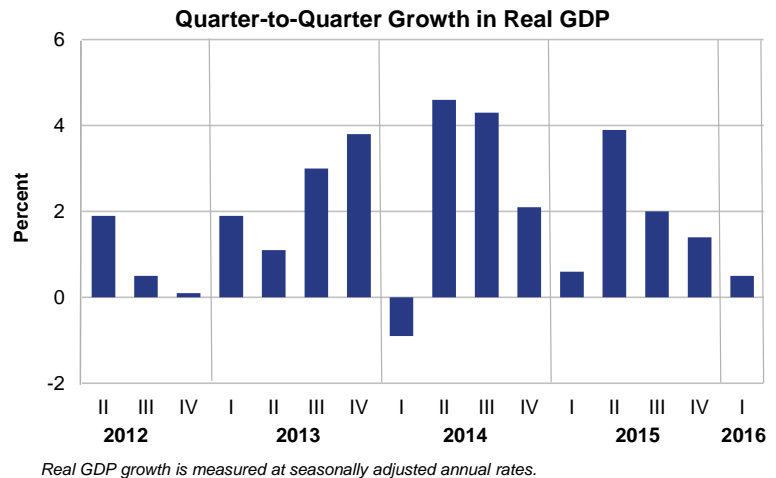
- Business investment decreased, mainly in equipment and in structures.
- Private inventory investment declined, notably in manufacturing and in wholesale trade industries.
- Goods exports declined, notably in nonautomotive capital goods.
- Federal government spending also declined, notably on national defense spending.

First-quarter prices

Prices of goods and services purchased by U.S. residents increased 0.3 percent in the first quarter of 2016, after increasing 0.4 percent in the fourth quarter of 2015.

Both energy prices and food prices declined more in the first quarter of 2016 than in the fourth quarter of 2015.

Excluding food and energy, prices increased 1.4 percent in the first quarter of 2016, compared with an increase of 1.0 percent in the fourth quarter of 2015.



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 “second” estimate of GDP and a preliminary estimate of corporate profits for the first quarter of 2016 will be released on May 27, 2016.